

TOWN OF DAVIE

TOWN COUNCIL AGENDA REPORT

TO: Mayor and Councilmembers

FROM/PHONE: William Underwood/797-1050 by Herb Hyman/797-1016

SUBJECT: Resolution

AFFECTED DISTRICT: n/a

TITLE OF AGENDA ITEM: A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, SELECTING THE FIRM OF DUNLAP & ASSOCIATES, INC. TO PROVIDE FINANCIAL CONSULTANT SERVICES AND AUTHORIZING THE TOWN ADMINISTRATOR OR HIS DESIGNEE TO NEGOTIATE AN AGREEMENT FOR SUCH SERVICES.

REPORT IN BRIEF: The Town solicited competitive sealed proposals for financial consultant services with the primary focus to be on refinancing outstanding indebtedness. RFP documents were sent to fifteen (15) prospective proposers. Additionally, the bid was advertised state-wide in Florida Bid Reporting and nationally in BidNet and also posted on the Town’s web site. The Town received five (5) proposals. The selection committee short listed the top three (3) proposers to make an oral presentation. Following oral presentations, the selection committee ranked the firms. The recommendation is for Dunlap & Associates, Inc. as the top ranked firm in accordance with the ranking totals attached hereto.

PREVIOUS ACTIONS: Not applicable.

CONCURRENCES: The firm of Dunlap & Associates, Inc. was chosen by the selection committee consisting of William Underwood, Bruce Bernard, Russell Muniz, Carol Menke, and Herb Hyman.

FISCAL IMPACT:

Has request been budgeted? n/a
If yes, expected cost: to be negotiated
Account Name: n/a
Additional Comments: Consultant paid from cost of issuance of bonds.

RECOMMENDATION(S): Motion to approve the resolution.

Attachment(s):

Procurement Authorization
Selection Committee Rankings

RESOLUTION NO. _____

ITEM 5.18

A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, SELECTING THE FIRM OF DUNLAP & ASSOCIATES, INC. TO PROVIDE FINANCIAL CONSULTING SERVICES AND AUTHORIZING THE TOWN ADMINISTRATOR OR HIS DESIGNEE TO NEGOTIATE AN AGREEMENT FOR SUCH SERVICES.

WHEREAS, the Town solicited proposals for providing financial consulting services with the primary focus to be on refinancing outstanding indebtedness; and

WHEREAS, the selection committee has selected Dunlap & Associates, Inc. as the firm best qualified to provide the required services; and

WHEREAS, it is in the Town's best interest to execute a contract for such services.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1. The Town Council of the Town of Davie does hereby accept the selection of Dunlap & Associates, Inc. as the firm bestqualified to provide the required services and authorizes the Town Administrator or his designee to negotiate an agreement for such services and present that contract for approval at a future meeting date. Should no agreement be reached with the highest ranking firm, then the Town Administrator or his designee shall negotiate with the next ranked firm and present that agreement for approval.

SECTION 2. This resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED THIS _____ DAY OF _____, 2006

MAYOR/COUNCILMEMBER

Attest:

TOWN CLERK

APPROVED THIS _____ DAY OF _____, 2006

TOWN OF DAVIE PROCUREMENT AUTHORIZATION

ACCOUNT NUMBER. N/A - Balance Sheet **BUDGET ITEM & DESCRIPTION** FINANCIAL CONSULTING SERVICES **APPROXIMATE COST** Funded ONLY when debt issued and paid from Cost of Issuance

METHOD OF PROCUREMENT (check the one that applies)
 Open Competitive Bidding
 Piggyback on Contract Number _____
 Sole Source
 Request For Proposals

SPECIFICATIONS & LIST OF VENDORS MUST BE ATTACHED

Signed W. J. Underwood
 Department Head NO ACCT # GIVEN - FEES ARE PAID FROM COST OF ISSUANCE OF BONDS
 Have Funds been Reserved ARE PAID FROM COST OF ISSUANCE OF BONDS
 Date 11/21/05 Signed [Signature]
 Signed [Signature]
 Town Administrator

VENDOR	BIDS SUBMITTED	COST
DUNLAP + ASSOCIATES, INC.		RANKED 1 ST
SPECTRUM MUNICIPAL SERVICES, INC.		RANKED 2 ND
FIRST SOUTHWEST COMPANY		RANKED 3 RD
THE PFM GROUP		NOT RANKED
RBC CAPITAL MARKETS		NON-RESPONSIVE

Signed [Signature]
 Procurement Manager

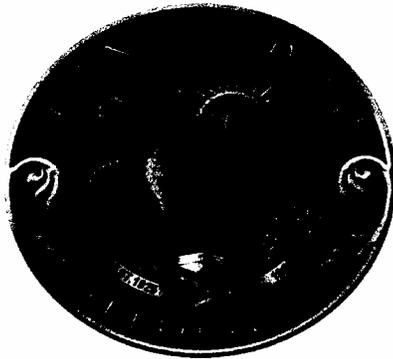
BID SPECIFICATION COMMITTEE'S RECOMMENDATION

Vendor	Cost
DUNLAP + ASSOCIATES, INC.	RANKED 1 ST

	A	B	C	D
1				
2				
3		FINANCIAL CONSULTING SERVICES		
4				
5				
6	COMMITTEE MEMBER	DUNLAP &	FIRST	SPECTRUM
7		ASSOCIATES	SOUTHWEST	MUNICIPAL
8				
9	W. UNDERWOOD	1	3	2
10	B. BERNARD	1	3	2
11	M. KUTNEY	A B	5	7
12	R. MUNIZ	1	2	3
13	C. MENKE	1	3	2
14	H. HYMAN	1	2	3
15				
16	TOTAL	5	13	12
17				
18	RANKING	1 ST	3 RD	2 ND
19				

Dunlap & Associates, Inc.

RESPONSE TO REQUEST FOR PROPOSAL
TO SERVE AS FINANCIAL ADVISOR TO THE
TOWN OF DAVIE, FLORIDA
RFP No.: B-06-06



DECEMBER 20, 2005

CONTACT:

J. CRAIG DUNLAP
SYLVIA SEATON-DUNLAP
1146 KEYES AVENUE, WINTER PARK, FLORIDA 32789
PHONE: 407.678.0977, FAX: 407.678.6240
JCDUNLAP@DUNLAPANDASSOCIATES.COM
SSEATONDUN@DUNLAPANDASSOCIATES.COM

DAMON ADAMS
2440 MIDDLE RIVER DRIVE
FORT LAUDERDALE, FL 33305
PHONE: 954-565-7504, FAX: 954-564-2785
ADAMSDAMON@BELL SOUTH.NET

TOWN OF DAVIE PROPOSER'S CERTIFICATION

I have carefully examined this Request for Proposal which includes the Detailed Specifications, Evaluation and Award procedures, and any other documents accompanying or made part of this Request for Proposal.

I hereby propose to furnish the goods or services specified in the Request for Proposal at the prices or rates quoted in my proposal. I agree that my proposal will remain firm for a period of up to ninety (90) days in order to allow the Town adequate time to evaluate the proposals.

I agree that the Town's terms and conditions herein shall take precedence over any terms and conditions submitted with the proposal, either appearing separately or included in pre-printed catalogs and/or price lists or other literature.

I agree to abide by all conditions of this proposal and understand that that Town reserves the right before recommending any award to inspect the facilities and organization or to take any other action necessary to determine ability to perform in accordance with the specifications, terms, and conditions.

I certify that all information contained in the proposal is truthful to the best of my knowledge and belief. I further certify that I am duly authorized to submit this proposal on behalf of the vendor / contractor as its agent and that the vendor / contractor is ready, willing and able to perform if awarded the contract.

I further certify, under oath, that this proposal is made without prior understanding, agreement, connection, discussion, or collusion with any other person, firm or corporation submitting a proposal for the same product or service; no officer, employee or agent of the Town or of any other Proposer is interested in said proposal; and that the undersigned executed this Proposer's Certification with full knowledge and understanding of the matters therein contained and was duly authorized to do so.

Dunlap & Associates, Inc.
NAME OF BUSINESS

1146 Keyes Avenue
MAILING ADDRESS


AUTHORIZED SIGNATURE

Winter Park, FL 32789
CITY, STATE & ZIP CODE

J. Craig Dunlap, President
NAME & TITLE, TYPED OR PRINTED

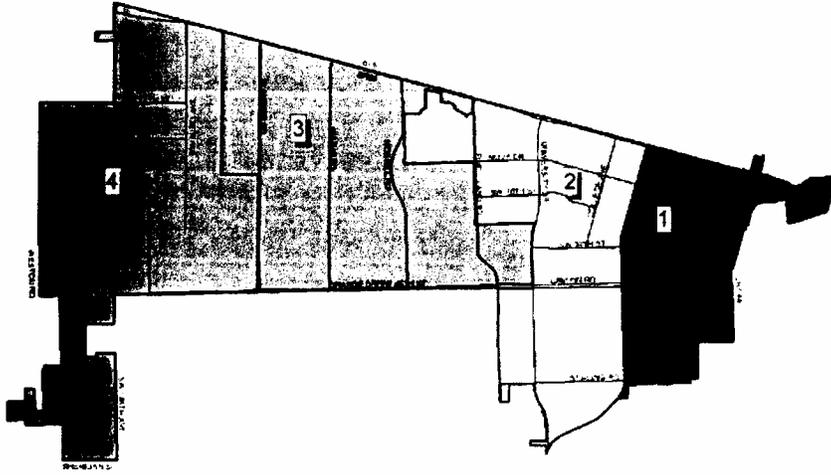
407-678-0977
TELEPHONE NUMBER

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City Council Districts



Davie Commons



Dunlap & Associates Inc.
Financial Consultants

December 20, 2005

Mr. Herb Hyman, CPPB
Procurement Manager
TOWN OF DAVIE
Purchasing Division
6591 Orange Drive
Davie, FL 33314

Re: Financial Consulting Services, B-06-06

Dear Mr. Hyman:

On behalf of the owners and employees of Dunlap & Associates, Inc., I am pleased to respond to the Town of Davie's (the "Town") Request for Proposal (RFP) for Financial Consulting Services.

Dunlap & Associates, Inc. is a Florida independent regional financial advisory firm whose employees have over **140 years** of combined professional financial advisory experience in Florida. **Our firm has established offices in Winter Park, Fort Lauderdale and Tampa.**

Dunlap & Associates, Inc. professional staff assigned to the Town are the most senior, knowledgeable and experienced in the industry in Florida. As owners of the company, they will guarantee you the highest quality of independent and professional advice. We have unmatched experience with tax-exempt financings, **including general obligation, capital improvement, water and sewer, redevelopment financings, transportation, stormwater, revenue bond and refunding financings.**

Dunlap & Associates, Inc. fully understands the scope of work as stated in the Request for Proposal. The Town is interested in retaining the services of an independent financial advisor to serve as an advisor and consultant in the planning, marketing and issuance of debt. Through agreed upon scope of work and timelines, we are committed to completing each task in a professional, cost efficient and timely manner.

Professionals

Craig Dunlap, as **President** of the Company, will have the **primary responsibility** for providing services to the Town. **As owner of the Company, he ensures that he is available to our clients 24 hours per day, 365 days per year** and that our team of professionals comprise: CPA's, ex-investment bankers, ex-credit analysts, ex-finance director and ex-Division of Bond Finance professionals who will be there to assist you in all of your financing needs.

He will be assisted by Damon Adams, Senior Vice President, Co-Project Manager, a **CPA** and a former **Director of Finance for the City of Fort Lauderdale for 25 years**, Sylvia Seaton-Dunlap, Senior Vice President, who is registered with the NASD as an advisor and licensed with the Securities and Exchange Commission as a **Municipal Securities Principal** (Series 53), Municipal Securities Representative (Series 52) and General Securities Representative (Series 7), Pam Gilleland, also a **CPA**, a Series 7 and Series 52 registered municipal representative and Susan Miner who will be providing analytical and technical support on this account.

Services

Dunlap & Associates, Inc. offers the full range of independent financial advisory services ranging from **strategic planning, project financial analysis, debt issuance, investment management, sensitivity analysis, rating agency presentations, structure innovative financings, identifying current or advance refinancing opportunities, escrow investment restructuring, revenue backed financings, taxable debt, CRA and tax increment financings, sale-leaseback processing, SRF loans and other innovative funding mechanisms.** Additionally, we have partnered with MBIA, a "AAA" rated insurance company, to provide investment management services to clients that request this service.

1146 Hayes Avenue • Winter Park Florida 32789
Telephone: (407) 678-0977 • Telecopy: (407) 678-6240

Mr. Herb Hyman, CPPB
December 20, 2005
Page Two

We also engage the services of Dufresne & Associates, CPA, PA who provides both verification agent and arbitrage rebate services. If selected as financial advisor, we are prepared to begin providing services requested within ten (10) calendar days from the date of the executed contract.

As of December 16, 2005, the bank-qualified rate on a 7.6 and an 8.07 year average life financing is 4.05% and 4.10%, respectively. We have reviewed the Town's debt outstanding and in our judgment, the Town should consider fixing their variable rate debt rather than remaining in a variable rate mode.

Client References

We proudly encourage you to call any of our clients for references. As you will note, we have had financial relationships with many of them for an average of over 16 years and in some cases, for over 25 years. Our clientele is broad and includes the Cities of Atlantic Beach, Casselberry, Coral Springs, Daytona Beach, Fort Lauderdale, Green Cove Springs, Jacksonville Beach, Lauderhill, Maitland, Miramar, Neptune Beach, Ocala, Plant City, Pompano Beach, Temple Terrace, Vero Beach, West Palm Beach and Winter Park, Pasco County, the Florida Municipal Power Agency, Kissimmee Utility Authority, Utilities Commission of the City of New Smyrna Beach, Reedy Creek Improvement District (Disney) and the Utility Board of the City of Key West,.

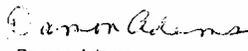
Local Florida Experience of Professionals

Specializing exclusively with Florida issuers, our professional experience is invaluable to our clients. We have structured the full range of revenue security bonds including general obligation, capital improvement, water and sewer revenue bonds, capital facility charges, local option gas tax, sales tax, tax increment financings, franchise fee, local option sales tax, limited obligation bonds, special assessment bonds, community redevelopment and tax increment financings, stormwater utility bonds, electric municipalization, wastewater revenue bonds, bank loans, non ad valorem bonds secured by a covenant to budget and appropriate from legally available revenues, pool financings, leasing and processing SRF loans on behalf of our clients. This experience allows us to structure a Town's debt portfolio in a manner that it achieves the lowest overall interest rates and maximum financing flexibility.

We appreciate this opportunity to serve the Town of Davie.

Sincerely,


J. Craig Dunlap
President
Dunlap & Associates, Inc.


Damon Adams
Senior Vice President
Dunlap & Associates, Inc.


Sylvia Seaton-Dunlap
Senior Vice President
Dunlap & Associates, Inc.

1146 Hayes Avenue • Winter Park, Florida 32789
Telephone: (407) 678-0977 • Telecopy: (407) 678-6240

Davie Phase II



Diversified Performing Arts



Profile of Proposer

Note whether your firm is local, national or international in size. Give the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors and other professional staff employed at the office. Briefly describe the range of activities performed by the office doing the required services. Provide experience with similar contracts in Florida and with municipalities of similar size and characteristics of the Town in relation to the scope of services being requested.

Our firm is strategically located in **Orange County**. Dunlap & Associates, Inc.'s offices are located in the **City of Winter Park** to ensure the highest degree of service and accessibility to all of our Florida clients. Our office location is headquartered in Winter Park, Florida, classifying us as a **Florida regional firm**. We also have offices located in **Fort Lauderdale** and **Tampa**. As a local regional firm, we are experienced in all areas of municipal financing, specifically with Florida issuers and the financing structures best suited for our clients.

President – 1

Senior Vice President – 2

Support Office Personnel – 2

Craig Dunlap, who is located in Winter Park, will have primary responsibility for providing services to the Town. He will be assisted by Damon Adams, Senior Vice President, in the Fort Lauderdale office, Sylvia Seaton-Dunlap, Senior Vice President, in the Winter Park office, Pam Gilleland in the Tampa office and Sue Miner in the Winter Park office for technical, analytical and administrative support. Our services will be provided from our office location in Winter Park, Florida and Fort Lauderdale, Florida.

Our proximity to the Town minimizes our travel time to meet the Town's needs on short notice. In fact, the professionals assigned to this **relationship are the owners of the Company** and as such, **value our clients' business** and attend to our clients' needs **immediately** upon request. We are available to attend meetings or conference calls upon notification from the Town in the most expedient and efficient manner. We are proud to represent that we are **the only Florida based firm where the owners will provide the financial advisory services** to the Town. These professionals **are the most experienced senior and independent financial advisors in the State of Florida**. As owners, we ensure that we are available to our clients **24 hours a day, 365 days a year**.

SERVICES PERFORMED

Dunlap & Associates, Inc. services include: financial advisory services relating to:

- **Issuer's debt issuance and management;**
- **investment and asset management consultants;**
- **strategic consulting for operating and capital budgeting;**
- **development and implementation of comprehensive capital improvement programs and will provide quality financial advice cost effectively and efficiently with the best interest of the Town in mind.**

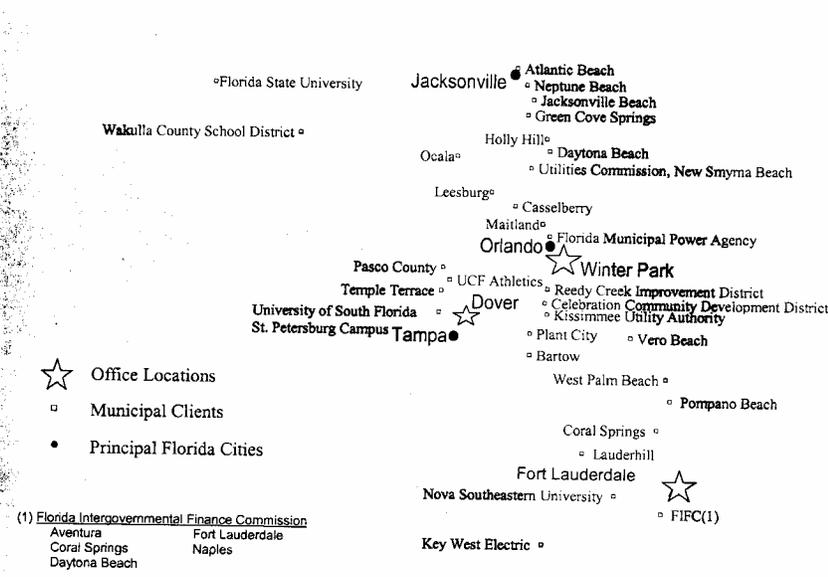
Since our inception, Dunlap & Associates, Inc. has offered its clients a scope of services that is unmatched by the competition. As a firm, we pride ourselves on finding optimal solutions to solving our client's problems.

Dunlap & Associates, Inc. has served as financial advisor to Florida municipalities which have issued over 282 bond issues totaling in excess of \$6.6 billion since 1995. **Our experience in providing financial advisory services include innumerable cities, counties and municipalities as well as types of financings: utility systems, sales tax, public service tax, capital improvement, general obligation,**

water and sewer, wastewater, solid waste, resource recovery, excise taxes, special assessments, tax increment and CRA financings which include refundings as well as new money issues.

Dunlap & Associates, Inc. maintains its principal office in Winter Park (Orlando), Florida. Two additional offices are strategically located near Tampa and Fort Lauderdale allowing us to cover all of our Florida municipal clients.

DUNLAP & ASSOCIATES, INC. CLIENTS



Provided below is a detailed listing of Dunlap & Associates, Inc. financing experience for the past three years. We have highlighted general obligation issues in red and water and sewer financings in orange.

DATE	ISSUER	SALE DESCRIPTION	AMOUNT
12/14/2005	West Palm Beach Community Redevelopment Agency	Tax Increment Revenue Bonds, Series 2005B	\$7,280,000
12/14/2005	West Palm Beach Community Redevelopment Agency	Tax Increment Revenue Bonds, Series 2005A (Northwood/Pleasant City Community Redevelopment Area)	\$17,530,000
12/6/2005	CRA of the City of Maitland	Community Redevelopment Revenue Bonds, Series 2005	\$13,865,000
10/26/2005	City of Temple Terrace	Taxable Non Ad Valorem Revenue Note, Series 2005	\$3,125,000
10/12/2005	City of Holly Hill	Water and Sewer System Improvement Revenue Bond, Series 2005	\$1,500,000
9/9/2005	Kissimmee Utility Authority	Electric System Refunding Revenue Bonds, Subordinate Series 2005	\$63,680,000
8/5/2005	City of Lauderhill	General Obligation Bonds, Series 2005	\$35,000,000
7/29/2005	OCIDA (Lake Highland Preparatory School, Inc. Project)	Variable Rate Demand Revenue Bonds, Series 2005	\$6,300,000
7/7/2005	City of West Palm Beach	General Obligation Refunding Bonds, Series 2005	\$14,975,000
6/17/2005	City of Maitland	Limited Tax General Obligation Bonds, Series 2005	\$15,775,000
6/2/2005	City of Fort Lauderdale	General Obligation Bonds, Series 2005	\$20,000,000
5/24/2005	City of Winter Park	Electric Revenue Bonds, Series 2005B	\$7,775,000
5/24/2005	City of Winter Park	Electric Revenue Bonds, Series 2005A	\$42,025,000
5/24/2005	City of Coral Springs	General Obligation Refunding Bonds, Series 2005B	\$5,855,000
5/24/2005	City of Coral Springs	General Obligation Refunding Bonds, Series 2005A	\$4,705,000
5/11/2005	Reedy Creek Improvement District (Disney)	Utilities Revenue Refunding Bonds, Series 2005-2	\$38,885,000
5/11/2005	Reedy Creek Improvement District (Disney)	Utilities Revenue Bonds, Series 2005-1	\$26,930,000
5/11/2005	Reedy Creek Improvement District (Disney)	Ad Valorem Refunding Bonds, Series 2005B	\$90,310,000

DATE	ISSUER	SALE DESCRIPTION	AMOUNT
5/11/2005	Reedy Creek Improvement District (Disney)	Ad Valorem Bonds, Series 2005A	\$18,925,000
5/6/2005	USF Financing Corporation	Certificates of Participation, Series 2005A	\$47,995,000
4/12/2005	City of Lauderhill	Water and Sewer Refunding Revenue Bonds, Series 2005B	\$3,259,000
4/12/2005	City of Lauderhill	Water and Sewer Revenue Bonds, Series 2005A	\$5,000,000
4/12/2005	City of Lauderhill	Half-Cent Sales Tax Refunding Revenue Bonds, Series 2005	\$4,645,000
4/6/2005	City of West Palm Beach	Utility System Variable Rate Revenue Refunding Bonds, Series 2005	\$53,325,000
1/20/2005	City of Ocala, Florida	Utility Systems Revenue Bonds, Series 2005B	\$33,355,000
1/20/2005	City of Ocala, Florida	Utility Systems Refunding Revenue Bonds, Series 2005A	\$24,625,000
12/22/2004	Utilities Commission, City of New Smyrna Beach	Utilities System Revenue Refunding Certificates, Series 2004A	\$3,370,000
12/17/2004	City of Vero Beach	Promissory Note, Series 2004 (FEMA)	\$10,000,000
12/15/2004	City of Atlantic Beach	Utility System Revenue Refunding Bonds, Series 2004	\$19,560,000
10/19/2004	City of Coral Springs	Franchise Revenue Refunding Bonds, Series 2004	\$21,400,000
9/23/2004	City of Jacksonville Beach	Southend Refunding Bonds, Series 2003-2	\$1,698,748.80
9/23/2004	City of Jacksonville Beach	Southend Refunding Bonds, Series 2003-1	\$4,986,347.32
9/14/2004	CRA of the City of Plant City	Redevelopment Revenue Note, Series 2004	\$2,000,000
8/25/04	City of Daytona Beach	General Obligation Bonds, Series 2004	\$24,000,000
8/11/2004	City of Winter Park	Water and Sewer Revenue Bonds, Series 2004	\$40,070,000
8/2/2004	Florida Municipal Power Agency	Stanton II Project Refunding Revenue Bonds, Series 2004	\$59,975,000.00
7/28/2004	City of West Palm Beach	Utility System Revenue Bonds, Series 2004	\$47,955,000.00
5/21/2004	City of Temple Terrace	Taxable Non-Ad Valorem Revenue Note, Series 2004	\$3,955,000.00

DATE	ISSUER	SALE DESCRIPTION	AMOUNT
3/24/2004	City of Plant City	Infrastructure Sales Tax Revenue Bonds, Series 2004	\$5,340,000.00
3/17/2004	FSU Financial Assistance, Inc.	Educational, Including Athletic, Fac Imp Rev Ref Bonds, Series 2004	\$25,890,000.00
2/24/2004	City of Casselberry	Sales Tax Revenue Note, Series 2004	\$3,000,000.00
1/29/2004	Fort Lauderdale Community Redevelopment Agency	Tax Increment Revenue Bonds, Series 2004B (AMT)	\$5,500,000.00
1/29/2004	Fort Lauderdale Community Redevelopment Agency	Tax Increment Revenue Bonds, Series 2004A (Non-AMT)	\$12,500,000.00
1/8/2004	City of Temple Terrace	Taxable Non-Ad Valorem Revenue Note, Series 2004	\$8,550,000.00
12/18/2003	Reedy Creek Improvement District	Ad Valorem Tax Bonds, Series 2004B	\$10,230,000.00
12/18/2003	Reedy Creek Improvement District	Ad Valorem Tax Bonds, Series 2004A	\$63,520,000.00
12/15/2003	City of West Palm Beach	Capital Improvement Revenue Note, Series 2003	\$17,700,000.00
12/9/2003	City of Casselberry	Infrastructure Sales Surtax Revenue Note, Series 2003	\$2,200,000.00
12/9/2003	City of Casselberry	Gas Tax Revenue Note, Series 2003	\$2,400,000.00
12/9/2003	City of Casselberry	Utility System Revenue Refunding Note, Series 2003B	\$5,351,000.00
12/9/2003	City of Casselberry	Utility System Revenue Note, Series 2003A	\$8,400,000.00
10/29/2003	Winter Park Community Redevelopment Agency	Redevelopment Revenue Bond, Series 2003-1	\$3,116,550.00
9/25/2003	City of Temple Terrace	Taxable Non-Ad Valorem Revenue Note, Series 2003A	\$5,985,000.00
8/25/2003	City of Vero Beach	Variable Rate Electric Refunding Revenue Bonds, Series 2003A	\$57,650,000.00
8/25/2003	City of Vero Beach	Variable Rate Water & Sewer System Refunding Revenue Bonds, Series 2003A	\$14,470,000.00
8/18/2003	Kissimmee Utility Authority	Electric System Refunding Revenue Bonds, Subordinate Series 2003	\$60,700,000.00
8/6/2003	Kissimmee Utility Authority	Electric System Refunding & Improvement Revenue Bonds, Series 2003	\$55,835,000.00
6/24/2003	City of Ocala	Capital Improvement Refunding Revenue Certificates, Series 2003	\$15,310,000.00

DATE	ISSUER	SALE DESCRIPTION	AMOUNT
5/23/2003	Florida Municipal Power Agency	All-Requirements Power Supply Proj. Ref. Rev Bonds, Ser. 2003A	\$62,395,000.00
5/23/2003	Florida Municipal Power Agency	Tri-City Project Refunding Revenue Bonds, Series 2003A	\$39,090,000.00
5/23/2003	Florida Municipal Power Agency	Stanton II Project Refunding Revenue Bonds, Series 2003A	\$18,315,000.00
4/11/2003	City of Temple Terrace	Water and Sewer Revenue Refunding Bonds, Series 2003	\$5,125,000.00
4/9/2003	Citrus County	Capital Improvement Refunding Bonds, Series 2003	\$5,480,000.00
3/13/2003	Pasco County	Half-Cent Sales Tax Revenue Bonds, Series 2003	\$47,870,000.00
3/6/2003	FSU Financial Assistance Inc.	Educational, Incl. Athletic Fac Imp Sub Rev Ref Bonds, Ser. 2003A	\$14,145,000.00
3/4/2003	City of Fort Lauderdale	Water and Sewer Revenue Bonds, Series 2003	\$90,000,000.00
2/26/2003	Pasco County	Guaranteed Entitlement Ref. Rev. Bonds, Series 2003	\$32,250,000.00
1/23/2003	Fort Lauderdale Community Redevelopment Agency	Tax Increment Rev. Ref. Bonds, Series 2003A (AMT)	\$4,415,000.00
1/23/2003	Fort Lauderdale Community Redevelopment Agency	Tax Increment Revenue Bonds, Series 2003B (Non-AMT)	\$195,000.00

Library



Town Hall



Client References
 Provide the names, addresses, and telephone numbers of client officials who might be contacted regarding your firm's work. At least three (3) references are requested. Briefly describe the services and experience provided for each reference.

CLIENT REFERENCES

Dunlap & Associates, Inc. is pleased to provide below several of our existing or former clients in Florida for whom we have provided financial advisory services. We proudly encourage you to contact them to obtain references.

CLIENT	CONTACT PERSON	ADDRESS	
City of Coral Springs Client Since 1990 (15 Years)	Mr. David Russek 954-344-1087 dr@coral-springs.fl.us	9551 W. Sample Road Coral Springs, FL 33065	
City of Miami Client Since 2000 (5 Years)	Mr. Scott Simpson 305-416-1377 ssimpson@ci.miami.fl.us	444 S.W. 2 nd Avenue 6 th Floor Miami, FL 33130	
City of West Palm Beach Client Since 1990 (15 Years)	Mr. Thomas Harris 561-822-1310 tharris@wpb.org	200 2 nd Street West Palm Beach, FL 33401	
City of Vero Beach Client Since 1978 (27 Years)	Mr. Stephen Maillet 561-978-4770 finance@covb.org	1053 20 th Place Vero Beach, FL 32961	
City of Winter Park Client Since 2003 (2 Years)	Mr. Wes Hamil 407-599-3381 whamil@ci.winter-park.fl.us	401 S. Park Avenue Winter Park, FL 32789	
City of Pompano Beach Client Since 1978 (27 Years)	Ms. Cynthia Mothner 954-786-4501	100 W. Atlantic Blvd. Pompano Beach, FL 33061	
University of Central Florida Athletics Association, Inc. Client Since 2005	Mr. Steve Orsini 407-823-2261 sorsini@mail.ucf.edu	4000 Central Florida Blvd. Orlando, FL 32816	

City of Fort Lauderdale Client Since 1978 (27 Years)	Ms. Joanne Rizi 954-828-5165 joanner@ftlauderdale.gov	100 N. Andrews Avenue Fort Lauderdale, FL 33301	
City of Green Cove Springs Client Since 1984 (21 Years)	Ms. Sue Heath 904-529-2200 Ext. 310 sueheath@greencovesprings.com	321 Walnut Street Green Cove Springs, FL 32043	
City of Jacksonville Beach Client Since 1994 (11 Years)	Mr. Harry Royal 904-247-6274 hroyal@jaxbchfl.net	11 N. Third Street Jacksonville Beach, FL 32250	
City of Ocala Client Since 2000 (5 Years)	Mr. Don Corley 352-629-8373 dcorley@ocalaff.org	151 S.E. Osceola Avenue Ocala, FL 34471	
City of Plant City Client Since 2003 (2 Years)	Mr. Martin Wisgerhof 813-659-4216 Ext. 4215 mwisgerhof@plantcitygov.com	302 W. Reynolds Street Plant City, FL 33566	
City of Temple Terrace Client Since 1980 (25 Years)	Ms. Diane Richard 813-989-7103 drichard@templeterrace.com	11250 N. 56 th Street Temple Terrace, FL 33617	
City of Atlantic Beach Client Since 1998 (7 Years)	Mr. Nelson Van Liere 904-247-5807 nvanliere@coab.us	800 Seminole Road Atlantic Beach, FL 32233	
City of Casselberry Client Since 2003 (2 Years)	Mr. Jeffrey Drier 407-262-7700 Ext. 1147 finance_director@casselberry.org	95 Triplet Lake Drive Casselberry, FL 32707	
Florida Municipal Power Agency Client Since 1978 (27 Years)	Mr. Mark Larson 407-355-7767 mark.larson@fmpa.com	8553 Commodity Circle Orlando, FL 32819-9002	

Florida State University Client Since 1994 (11 Years)	Mr. Andy Miller 850-644-3484 amiller@admin.fsu.edu	225 University Center Suite C 5100 Tallahassee, FL 32306	
Utility Board of the City of Key West Client Since 1996 (9 Years)	Mr. Jack Wetzler 305-295-1012 jack.wetzler@keysenergy.com	1001 James Street Key West, FL 34741	
Kissimmee Utility Authority Client Since 1990 (15 Years)	Mr. Joe Hostetler 407-933-7777 Ext. 1125 jhosteti@kua.com	1701 W. Carroll Street Kissimmee, FL 34741	
City of Maitland Client Since 2003 (2 Years)	Ms. Sharon Anselmo 407-539-6201 sanselmo@ci.maitland.fl.us	1776 Independence Lane Maitland, FL 32751	
Utilities Commission of the City of New Smyrna Beach Client Since 1989 (16 Years)	Mr. Roberto Montalvo 386-427-1361 Ext. 7114 robertom@ucnsb.net	200 Canal Street New Smyrna Beach, FL 32168	
Pasco County Client Since 1978 (27 years)	Mr. Mike Nurrenbrock 727-847-8129 mnurrenbrock@pascocountyfl.net	7530 Little Road New Port Richey, FL 34654	
Reedy Creek Improvement District (Disney) Client Since 1990 (15 Years)	Mr. Ray Maxwell 407-934-7853 rmaxwell@rcid.dst.fl.us	1900 Hotel Plaza Boulevard Lake Buena Vista, FL 32830	

Davie



Bar B Ranch



Personnel

Provide a brief resume for each of the persons to be assigned to the contract. Resumes should include educational and professional experience with particular emphasis on Financial Advisory services for governmental units. Provide experience with similar contracts in Florida and with municipalities of similar size and characteristics of the Town in relation to the scope of services being requested.

Personnel Assigned to Work with the Town of Davie



J. Craig Dunlap, MBA
President
Investment Banker and
Financial Advisor for 36 Years
Underwriter for 14 Years
The Most Experienced Financial
Advisor in the State of Florida

Sylvia Dunlap, MBA
Senior Vice President
Financial Advisor for 19 Years
Investment Banker for 15 Years
Commercial Banker for 8 Years
Economist

Damon Adams, CPA
Senior Vice President
Finance Director for
25 Years

Pam Gilleland, CPA
Vice-President
Investment Banker/
Financial Advisor for
10 Years, CPA for
16 Years

Sue Miner
Associate
Municipal Finance for
20 Years

Craig Dunlap, who is located in Winter Park, will have primary responsibility for providing services to the Town. He will be assisted by Damon Adams, CPA, Sylvia Seaton-Dunlap, MBA, Pam Gilleland, CPA and Sue Miner for technical, analytical and administrative support. Our services are provided from our office location in Winter Park, Florida.



Below are resumes of the firm's key individuals who will perform the work, including education, experience and specialized knowledge and legal expertise in governmental field and experience in similar work.

RESUMES OF PROFESSIONAL STAFF

PUBLIC FINANCE PROFESSIONALS

J. Craig Dunlap, MBA
President
Project Manager



Mr. Dunlap has been an **economist for 30 years**, a **financial advisor and investment banker for 36 years**, an **underwriter for 14 years**, worked for **8 years** in government with the **State of Florida Division of Bond Finance** and Florida State University and was a commercial lender for 2 years.

Dunlap & Associates, Inc. is pleased to assign the Company's most experienced personnel in the industry, specifically, the Company's **President who has over 36 years of experience**. Mr. Craig Dunlap will act as project manager, along with Mr. Damon Adams as co-project manager and Sylvia Seaton-Dunlap, for providing services to the Client. He will be assisted by Pam Gilleland and Sue Miner for technical, analytical and administrative support.

Craig Dunlap, with **36 years of experience in the Municipal Finance Industry**, has an **extensive background in a full range of public financings specifically for Florida cities**. His expertise in public finance include areas such as **general obligation and revenue bonds for cities and counties, public power, joint agency financing programs, public facilities, water and sewer, public improvement revenue, transportation bonds, SRF loans and economic development, redevelopment and community development districts, school districts and certificates of participation**.

In January, 1980, the **Governor of Florida** appointed Mr. Dunlap to the **Municipal Advisory Council of the Division of Bond Finance** as one of two investment banking representatives. He was **reappointed** for an additional two-year term in January, 1982 and January, 1984. Mr. Dunlap was named **Associate of the Year** in **1984-1985** and again in **2004-2005** by the **Florida Municipal Utilities Association and the Florida Municipal Power Agency** at their annual conference in July, 2005. He has **testified** before the **Florida Public Service Commission** and is a frequent speaker at the Florida Government Finance Officers Association.

Mr. Dunlap holds an undergraduate degree from Florida State University and a **Masters degree from the School of Business of the University of North Dakota**. In addition, he has pursued a **doctoral degree** in economics from Florida State University. He was employed by the **Division of Bond Finance** of the State of Florida for four years, the last of which he served as Director.

Mr. Dunlap also serves on the investment advisory boards for: **Kissimmee Utility Authority, the Utility Board of the City of Key West, Florida Municipal Power Agency** and he developed investment and debt policies for Florida Municipal Power Agency, Kissimmee Utility Authority, Cities of **West Palm Beach, Coral Springs and Winter Park** and the Utility Board of the City of Key West.

MR. DUNLAP'S CLIENT EXPERIENCE

PASCO COUNTY	ORANGE COUNTY	CITRUS COUNTY	REEDY CREEK IMPROVEMENT
ATLANTIC BEACH	MAITLAND	PALM BEACH COUNTY	DISTRICT
CASSELBERRY	MIAMI	WEST PALM BEACH	FLORIDA MUNICIPAL POWER
CORAL GABLES	MIRAMAR	WINTER PARK	AGENCY
CORAL SPRINGS	NAPLES	BROWARD COUNTY	FLORIDA STATE UNIVERSITY
DAYTONA BEACH	ORLANDO	CITRUS COUNTY	KISSIMMEE UTILITY
FORT LAUDERDALE	PLANT CITY	DADE COUNTY	AUTHORITY
JACKSONVILLE	TALLAHASSEE	PALM BEACH COUNTY	NEW SMYRNA BEACH
JACKSONVILLE BEACH	TEMPLE TERRACE	PASCO COUNTY	UTILITIES COMMISSION
LAKELAND	VERO BEACH	FLORIDA INTERGOVERNMENTAL	WEST PALM BEACH CRA
		FINANCE COMMISSION	

Mr. Damon R. Adams, CPA
Senior Vice President
Co-Project Manager



Mr. Adams has worked as a Staff Accountant, Internal Auditor, Assistant Finance Director and most recently as the Director of Finance for the City of Fort Lauderdale, Florida throughout his career of 30 years.

Mr. Adams holds a Bachelor of Arts degree in Business Administration from the University of South Florida and is a Certified Public Accountant. Mr. Damon Adams will act as co-project manager, along with Mr. Craig Dunlap, for providing services to the Town. Mr. Adams has assisted in the financing of projects in the public sector including SRF loans, general obligation bonds, water and sewer financings, downtown development projects, community redevelopment district financings, sales tax revenue bonds, pool financings and bank loans.

Mr. Adams is a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants. He has also served on the Board of the Government Finance Officers Association of the United States and Canada and was a member of the Special Review Executive Committee for six years. He held various positions of the Florida Government Finance Officers Association and was named a Certified Government Finance Officer in 1997 and received the Lifetime Achievement Award in 2003.

MR. ADAMS' CLIENT EXPERIENCE

- ☆ DAYTONA BEACH
- ☆ LAUDERHILL
- ☆ POMPANO BEACH
- ☆ FORT LAUDERDALE
- ☆ WEST PALM BEACH
- ☆ CRA OF FORT LAUDERDALE

Sylvia Seaton-Dunlap, MBA
Senior Vice President
Day-to-Day Support



Ms. Dunlap has been an economist for 27 years, a financial advisor for 19 years, an investment banker for 15 years, a commercial banker for 8 years, a general securities representative for 17 years, and is a registered investment advisor. Ms. Dunlap has provided consulting services to cities, counties, municipal utilities, universities, school districts and airport authorities in the State of Florida. Throughout her career, she has financed over \$3 billion in tax-exempt bonds, variable rate paper, including commercial paper and interest rate swaps. During the last 19 years, Ms. Dunlap financed projects in the public sector, including: community redevelopment district financings, downtown development projects, utility revenue financings,



transportation projects financed with guaranteed entitlement revenues from the State, sales tax revenue bonds, SRF loan programs, general obligation, revenue bonds, variable rate financings, pool financings and bank loans to mention a few.

Ms. Dunlap has worked as a **public finance banker for major Wall Street** firms throughout her career, including Oppenheimer & Co., Dean Witter and SunTrust Public Finance. She obtained her credit, commercial and capital markets training at Barclays Bank. PLC.

Ms. Dunlap holds a **Master of Business Administration from the University of Miami** and has several securities licenses including: **Municipal Securities Representative, Series 52; General Securities Representative, Series 7; and Municipal Securities Principal, Series 53** and is a registered **Investment Advisor**.

MS. DUNLAP'S CLIENT EXPERIENCE

CITRUS COUNTY	BROWARD COUNTY	ORANGE COUNTY	PALM BEACH COUNTY
COLLIER COUNTY	DADE COUNTY	LEESBURG	REEDY CREEK IMPROVEMENT DISTRICT (DISNEY)
ATLANTIC BEACH	MAITLAND	NEPTUNE BEACH	FLORIDA INTERGOVERNMENTAL FINANCE COMMISSION
CASSELBERRY	MIAMI	TEMPLE TERRACE	KISSIMMEE UTILITY AUTHORITY
FORT LAUDERDALE	NAPLES	VERO BEACH	WEST PALM BEACH CRA
FORT MEADE	ORLANDO	WINTER PARK	LAKE HIGHLAND PREPARATORY SCHOOL
HOLLY HILL	PLANT CITY	UCF ATHLETICS ASSOCIATION	
LAKELAND	POMPAÑO BEACH		

**Pam Gilleland, CPA
 Analytical Support**



Ms. Gilleland was an **accountant for a local CPA firm for 6 years** and has been an **investment banker and financial advisor for 10 years**. Pam Gilleland joins us from A.G. Edwards. Her experience includes over **\$1 billion** for Florida issuers throughout the State, including cities, counties, school districts and other municipalities. Her financing experience involves various types of credits and revenue sources for issues ranging in size from \$1.5 to \$134 million. **She provides quantitative analysis support, assistance to issuers with rating agencies during the rating process, and to the insurers during their evaluation of an issuer's credit strength.** She holds a Bachelor of Arts degree in accounting from the **University of South Florida** and is a **Certified Public Accountant**. **She is also an MSRB Municipal Securities Representative and a General Securities Representative.**

Ms. Gilleland has financed the full gamut of public finance projects, including water and sewer projects, sales tax financings, bank loans, community redevelopment district financings, transportation projects, sales tax revenue bonds, SRF loans and general obligation financings.

MS. GILLELAND'S CLIENT EXPERIENCE

CITRUS COUNTY	JACKSONVILLE BEACH	PALM BEACH COUNTY	LEE COUNTY
ESCAMBIA COUNTY	LAKE CITY	VERO BEACH	BONITA SPRINGS UTILITIES
ATLANTIC BEACH	MAITLAND	WEST PALM BEACH	FLORIDA MUNICIPAL POWER AGENCY
BROOKSVILLE	MIAMI	WINTER PARK	KISSIMMEE UTILITY AUTHORITY
CASSELBERRY	PLANT CITY	ESCAMBIA COUNTY	REEDY CREEK IMPROVEMENT DISTRICT (DISNEY)
FORT LAUDERDALE	POMPAÑO BEACH	ESCAMBIA COUNTY	
GREEN COVE SPRINGS	TEMPLE TERRACE	UTILITIES AUTHORITY	



Susan Miner
Administrative Support

Ms. Miner joined the professional staff of Dunlap & Associates, Inc. in 1996. She brings with her over 20 years of experience in the municipal finance field. Prior to joining Dunlap & Associates, Inc., Ms. Miner worked for a financial advisory and underwriting firm and also previously worked with a regional financial advisory and investment banking firm. Ms. Miner has assisted in financing projects including sales tax revenue bonds, bank loans, pool financings, water and sewer projects and transportation projects to mention a few.

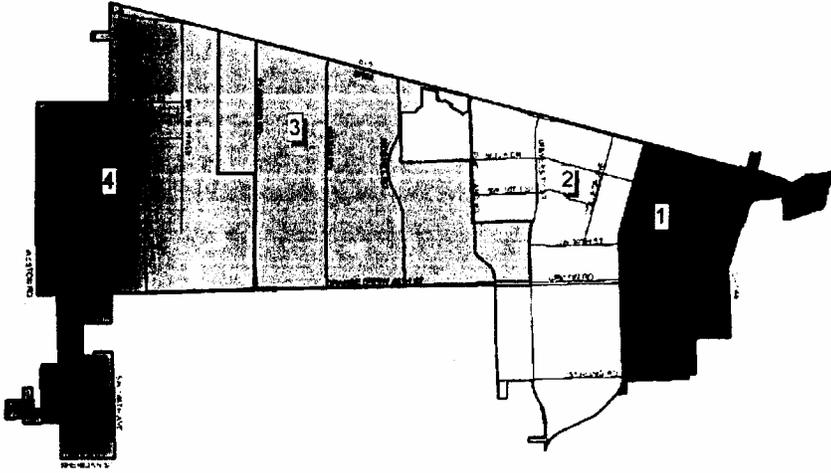


Ms. Miner has experience preparing and reviewing disclosure documents pertaining to bond transactions, working with insurance companies and rating agencies and provides quantitative analysis.

MS. MINER'S CLIENT EXPERIENCE

PASCO COUNTY	CITRUS COUNTY	VOLUSIA COUNTY	ESCAMBIA COUNTY
ATLANTIC BEACH	SEMINOLE COUNTY	POMPANO BEACH	ESCAMBIA COUNTY UTILITIES
CASSELBERRY	LAKE MARY	SUNRISE	AUTHORITY
CORAL SPRINGS	MAITLAND	TEMPLE TERRACE	FLORIDA MUNICIPAL POWER
DAYTONA BEACH	MELBOURNE	WAUCHULA	AGENCY
FORT LAUDERDALE	NAPLES	WEST PALM BEACH	KISSIMMEE UTILITY AUTHORITY
GREEN COVE SPRINGS	OCALA	WINTER PARK	REEDY CREEK IMPROVEMENT
JACKSONVILLE BEACH	PLANT CITY	BONITA SPRINGS UTILITIES	DISTRICT (DISNEY)

City Council Districts



Davie Commons



Financial Advisory Approach

Make a statement indicating your understanding as to the scope of the work requested and describe your firm's Financial Advisory approach.

Dunlap & Associates, Inc. services include: financial advisory services relating to:

- **Issuer's debt issuance and management;**
- **investment and asset management consultants;**
- **strategic consulting for operating and capital budgeting;**
- **development and implementation of comprehensive capital improvement programs and will provide quality financial advice cost effectively and efficiently with the best interest of the Town in mind.**

Since our inception, Dunlap & Associates, Inc. has offered its clients a scope of services that is unmatched by the competition. As a firm, we pride ourselves on finding optimal solutions to solving our client's problems.

The range of specific activities that we would perform would include, but not be limited to, the following:

1. Development of financing plans, including new project needs and refunding opportunities.
2. Review of capital improvement plans that already exist or assist in the development of capital improvement plans.
3. Assistance in the development of cash flow schedules.
4. Analyzing the Town's financial capacity and relative risk.
5. Review all legal and offering documents associated with the Town's financing.
6. Advise the Town on compliance with all Federal, State and ongoing disclosure requirements associated with the Town's financial matters.
7. Prepare recommendations for a financing plan.
8. Assistance in the preparation and analysis of feasibility studies in cooperation with the Town's staff, bond attorneys, accountants, engineers and other professionals.
9. Analyzing the financing to determine the best methods of strengthening its marketability consistent with current economic and capital market conditions.
10. Provide a plan for marketing, timing and structuring the sale to provide favorable rates.
11. Consult with rating agencies regarding the proposed financing and assist in obtaining the most favorable rating possible.
12. Assistance with the selection of service providers such as registrar, trustee and printer, etc.
13. Along with bond counsel, coordinate other professionals by providing information in connection with the proposed financing.

13. Along with bond counsel, coordinate other professionals by providing information in connection with the proposed financing.
14. Preparation of timetable of events leading to the successful sale and delivery of an offering.
15. Provide testimony and validation assistance, as required.
16. Advise the Town on the advantages and disadvantages of competitive vs. negotiated sales.
17. If the Town plans a negotiated sale, assist in developing RFP specifications for underwriter services and provide assistance in the selection of underwriting firms. If required by the Town, make recommendations as to the number of underwriting firms needed to successfully market the issue.
18. Advise the Town of the possibility of defeasing or refunding current debt outstanding.
19. Assisting in the development of the legal and financial documents concerning the transaction.
20. Assist in making sure that any contractual agreements between the Town and other parties that are integral to the security structure supporting any proposed financing are prepared by the appropriate date (i.e. long-term leases, interlocal agreements or other contracts).
21. Assist in the preparation of the official statements.
22. Assist with transaction closing details, including coordination with bond counsel and underwriters.
23. Preparation of bond proceeds reinvestment analysis.
24. Advising on the investment of bond proceeds.
25. Advise on the appropriate terms and conditions of the sale, including maturity schedule, underwriter discount, interest rates and redemption provisions.
26. Advise on interest rate, bidding requirements and basis for award, if the transaction is sold competitively.
27. Advise on the timing of the sale.
28. Assist in the distribution of Official Statements to potential purchasers of securities, if competitive transaction.
29. Directly contact those lead underwriters most likely to be syndicate managers in a competitive sale.
30. Participate in informational meetings with the investment community, including investment bankers and institutional investors to enhance interest in the transaction.
31. For competitively sold bond issues, advertise the issue in nationally prominent financial publication in addition to coordinating local publication requirements.
32. Evaluate bids received or the final price structure received from the managing underwriter and recommend acceptance, rejection, or re-negotiation of the proposals. This includes the verification of the gross spread and average interest cost calculations.

33. Assist in the preparation and coordination of the Town's staff for any credit rating agency presentation.
34. Assist in deciding the feasibility of utilizing credit enhancement devices such as bond insurance, surety bonds, or letters of credit.
35. Assist in the explaining of the sale to the media.
36. Assist in the preparation of any notices of sale, bid forms and other materials necessary to market the bonds on a competitive basis.
37. Providing financial analysis on projects or specific programs.
38. Computer modeling of revenues and expenses, including sensitivity analysis.
39. Performing services relating to financial planning and general advisory services, including the use of interest rate hedging products.
40. Prepare information packets for submittal to the bond rating agencies and bond insurers.
41. Meet with the Town's officials and staff as necessary.
42. Coordinate the bond closing.
43. Review of market conditions and preparing interest rate sensitivity analysis.
44. Provide innovative recommendations regarding the Town's financial program.
45. As requested, assist in the development of a variety of investment strategies and money management services.
46. Recommendations regarding interim financing methods.
47. Assist the Town in the evaluation of funds available through a variety of other sources available.

Davie Phase II



Diversified Performing Arts



Innovative Financing Techniques

Provide three innovative financing techniques which have been developed and/or implemented in connection with previous engagements. Include a brief description of project type, project size, financing concept considered (regardless of final method used), as well as brief comments concerning the concepts applicability to the Town's financing needs.

Innovative Financing Techniques and Programs

The personnel employed at our firm have combined 140 years of experience in the field of public finance. As a result of this experience, we have been exposed to and have "hands-on experience" with a myriad of financing structures.

Florida Intergovernmental Finance Commission

This is a **variable rate financing program** for highly rated credits. **This program was the creation of Dunlap & Associates, Inc.** and to date, we have done in excess of \$150 million. The Cities participating include Coral Springs (AAA), Palm Beach Gardens (Aa1), Fort Lauderdale (Aa2) and Aventura (Aa3). The City of Naples (AAA) also serves on the FIFC Board. These **highly rated issuers** have access to the **short-term variable rate** market without requiring bond insurance or a liquidity bank. By taking advantage of their high credit ratings, these cities have availed themselves of tax-exempt interest rates that have averaged approximately 1.35 percent since 2001. This financing structure will be made available to the Town for its various projects if short-term financing is selected.

More recently, due to the bottoming of interest rates, we are issuing variable rate bonds without credit enhancement and **synthetically fixing the rate through an interest rate swap. As financial advisors, we would provide the Town an analysis of these structures to see how they can benefit the Town.**

Put Bonds

Dunlap & Associates, Inc. served as financial advisor to the City of Coral Springs \$38,545,000 Capital Revenue Bonds, 2001 Series A. The put bond structure allows the issuer to retain the nominal long maturity with lower rates and tighter credit spreads for short and intermediate terms, thereby allowing the issuer to lock in rates at the shorter end of a positively-sloped yield curve.

Coral Springs' goals was to achieve an all-in floating rate significantly below its natural floating rate while eliminating liquidity costs and renewal risk and retaining maximum flexibility. Dunlap & Associates, Inc. took advantage of the unusual relative value that existed in the market whereby swaps-to-floating were extremely attractive on the short and intermediate portions of the yield curve. By having a ten year put bond swapped back to floating, Coral Springs eliminated any support costs and gained the flexibility to utilize a variety of interest rate modes for the bonds at the end of ten years.

This structure allowed Coral Springs to lock in variable rate funding of BMA plus 17 basis points for ten years compared to BMA plus 50 basis points (including support costs) for natural floating rate bonds.

A Tax-Exempt Forward Purchase Agreement and Consolidation of all Florida Municipal Power Agency Projects into the All-Requirements Project

In November, 2002, one of our clients, the Florida Municipal Power Agency issued an underwriter RFP. Mr. Craig Dunlap included a question in this RFP dealing with the St. Lucie Project which dealt with the investment of revenues into a tax-exempt Agreement whose rate was guaranteed to 2026. The transaction was completed in May, 2004 with Merrill Lynch at a rate of 6.22 percent. Revenues will be invested over time in AAA rated tax-exempt securities which will mature in an amount equivalent to the outstanding principal amount of bonds (\$262 million).

**Synthetic Fixed Refunding for Vero Beach, Florida Municipal Power Agency,
Reedy Creek Improvement District and the Kissimmee Utility Authority**

Dunlap & Associates, Inc. brought an idea to each of the above issuers which involves the issuance of "auction rate" debt which does not require a liquidity bank since the holder of this debt does not have the right to "put" the paper back to the issuer. This product evolved as a result of a shortage of liquidity among the banking institutions and the resultant increase in liquidity pricing. **Simultaneous with the issuance of these short-term auction rate securities, the issuer enters into an interest rate swap agreement with a large money center bank whereby the bank pays a variable rate equal to the rate on the auction rate securities and the issuer pays a fixed rate for some period of time.** Dunlap & Associates, Inc. recently completed this financing for FMPA's St. Lucie Project and the City of Vero Beach's electric debt. We are continuing to utilize this structure for the Reedy Creek Improvement District and the Kissimmee Utility Authority.

Utility Board of the City of Key West, Florida

Forward refunding for **City Electric, Key West, Florida** Utility Revenue Bonds, Series 2000. This was a refunding of bonds which could not be advance refunded. We facilitated the sales of these bonds in May, 1998 on a fixed rate basis with the delivery scheduled for July, 2000. **This was the longest tax-exempt forward transaction that we are aware of in the country. The present value savings were approximately 10 percent of refunded bonds, which effectively had a present value savings of \$6,026,043.52.**

Florida Municipal Power Agency

Florida Municipal Power Agency (FMPA) Stanton and Stanton II Projects Variable Rate Demand Refunding Revenue Bonds, Series 1997. FMPA recently completed two refinancings that were essentially **variable rate advance refundings.** The Stanton and Stanton II projects executed similar transactions that incorporated the use of variable rate debt and fixed rate swaps utilized as a means of establishing a fixed arbitrage TIC to the call date of the refunded bonds. Under these refinancings, FMPA accelerated debt service savings, but will continue to bill participants based on prior debt service instead of lowering rates. FMPA will bank these savings until the respective call dates of the refunded bonds, at which time FMPA will be in a position to reduce debt, or stabilize rates depending on the competitive environment of the electric industry. The Stanton Project will use the banked savings to reduce future debt. The Stanton II Project will use the banked savings together with approximately \$40 million in funds and interest earnings to also reduce debt. **This financing structure has provided FMPA significant savings.**

CityPlace Community Development District

Dunlap & Associates, Inc. was the primary architect of the financing structure for the CityPlace CDD Bonds issued in December, 1998. **This structure involved a combination of special assessments, tax increment revenues on the CityPlace CDD, existing tax increment revenues of the City of West Palm Beach CDD and a covenant to budget and appropriate to replenish any drawdowns on its debt service reserve fund.** This final source of security will "fall away" when certain coverage requirements are met. As a result of this financing structure, together with the financing of the land purchase through the Sunshine State Governmental Financing Commission, this allowed the City to provide the needed infrastructure for this landmark project. **There has never been a need to appropriate any non-ad valorem funds to support the debt service to date and it is not anticipated to in the future.** This issue was able to obtain an investment grade rating from Moody's Investors Service and municipal bond insurance from MBIA.

Library



Town Hall



Business Ethics

Disclose any circumstances where the conduct of the Proposer is being investigated or has had an adverse determination by any legal or administrative body. Also disclose and explain any potential conflicts of interest, pending or current litigation relating to the performance of requested financial advisory services.

There have been no circumstances whereby the conduct of Dunlap & Associates, Inc. is being investigated or has had any adverse determination by any legal or administrative body.

Selection of Dunlap & Associates, Inc. will not result in any current or potential conflict of interest either directly or indirectly with any party. There is no pending or current litigation relating to the performance of financial advisory services provided by Dunlap & Associates, Inc.

Davie



Bar B Ranch



Additional Data

Include in this section any pertinent information not covered in any of the previous sections. If there is no additional information to present, please so state.

We have provided in this section a sample of several documents which Dunlap & Associates, Inc. produces for its clients in relation to your scope of services as described on page 1 of the Request for Proposal.

B. Services Related to Financial Marketing

B.2. We have included a sample rating agency presentation outline for both a general obligation and water and sewer financing along with a sample debt management policy.

C. Services Related to the Issuance of Debt

C.1. Included is a sample flow of funds chart relating to a financing we are recently involved in as financial advisor to the University of Central Florida Athletics Association, Inc. along with a chart of financial projections.

C.3. We have provided a sample timetable and distribution list which we prepare for each client's financing.

C.6.a. Included is a sample Notice of Bond Sale which we prepare for each client on a competitive sale financing. We also provide summaries of the bids received and bid out official statement printing and paying agent/registrar services. We also prepare bond insurance and rating packages to be distributed to same.

C.6.b.2. Provided is a sample Request for Proposal for Financial Underwriter which we prepare on a negotiated sale financing.

C.6.b.9. We have included a sample market overview which we subscribe to. We have also included a Florida AAA insured scale which we also subscribe to.

C.6.b.11. We have provided a sample Closing Transaction Memorandum which we prepare for the pre-closing and closing which includes instructions for funds to be distributed.

Also included for your reference is a sample debt profile which we provide to each our clients.

TOWN OF DAVIE, FLORIDA
General Obligation

SAMPLE

Rating Agency Presentation
Outline

Economic Information

- Demographic annexations
- Wealth
- Income

Tax Base, Size, Structure, Diversity

- Assessed value, building permit activity

Employment Base – Employment by Sector

- Major employers
- Unemployment rates and growth levels
- Retail sales trends
- Sales tax sales

Financial Indicators

- Account reporting methods
- Revenues and expenses, structure
- Annual operating budget performance
- Financial leverage and equity position
- Budget and financial planning
- Contingent financial obligations – pensions, liability, funding

Revenue Analysis

- Proposed sales, income taxes
- User charges
- Intergovernmental aid
- Investment income

Debt

- Short term obligations
- Pension and long term liabilities
- Debt

- Maturity schedules and coverages

Financial Management

- ECO analysis and revenue forecasting
- Tax and policies
- Government OCC practices
- Financial Strategies
- Capital Improvement Program
- Property tax

Other

- Labor settlement and litigation
- Operating fund investment guidelines

**TOWN OF DAVIE, FLORIDA
Water and Sewer Enterprise**

SAMPLE

**Rating Agency Presentation
Outline**

Economic Information

- Population trends: Population growth, housing starts, building permits, occupancy rates and system connections. Compare these to local, regional and national trends.
- Income trends: Housing values, property tax base growth, retail sales activity.
- Composition of employment by economic sector, including retail, commercial and industrial. Compare to local, state and national averages.
- Unemployment rates compared to local and national level.
- Largest employers in the Town.

Management Assessment

- The ability to implement measures in a timely manner. Being proactive instead of reactive.
- Quality of planning techniques, demographic and rate studies, financial forecasts, capital improvement plan.
- Strategic planning, including management financial operating and budgeting practices.
- Capital improvement planning, construction management and ability to operate and meet the demands of a changing regulatory and political economic environment.
- Organizational structure.
- Quality and effectiveness of management.
- Staffing practices and training of staff.
- Operator certification requirements.
- Multi-year capital improvement program; development and funding of projects.
- Management effectiveness measured on how actual results compare to projections.
- Administrative capacity to implement rate increases and capital improvement programs independently.
- Autonomy in rate setting.
- Rate setting policies (historically, have rates been raised consistently and promptly).

The System – Operating Factors

- Customer mix, service area demand, user concentration and financial flexibility.
- Usage trends, sources of water, excess treatment capacity, if any.
- Major customers (if more than 5% of revenues are generated by one customer, please explain).
- Stability, commitment to service area, contribution to the bottom line (if the top ten users account for more than 15% of revenues, the system is susceptible to fluctuation).
- Management's ability to implement necessary capital improvement programs to satisfy new and pending legislation to avoid rate shock.
- Maintenance of system/major repairs.
- Water line loss ratios.
- Inflow, infiltration studies.
- Ongoing maintenance program.
- Contamination incidents.
- Operational capacity, size of treatment plant, collection and distribution systems. Is the water source dependable.
- Salt water intrusion, commitments to wholesale delivery.
- Peak and average customer flow compared to collection and treatment plant capacity.
- Rates compared to neighboring communities.
- Service area economic wealth, income level, rate setting process (number of required approvals and length of time necessary to implement adjustments).
- Environmental regulations compliance.

Financial

- Balance and income statement reviews, account receivable turnover, liquidity and income levels.
- Renewal and replacement costs, cash flow history and reserve levels.
- Are fixed costs covered by fixed charges?
- Discuss how future expansions/needs of the Town will be financed.
- Discuss any legal action against the Town.
- Funding of pension liabilities.
- Review investment policy, money managers selection and performance evaluation of investments.

TOWN OF DAVIE, FLORIDA
Water and Sewer Enterprise

SAMPLE

Rating Agency Presentation

Ratios

Balance Sheet Components and Ratios

Net funded debt: Long term debt (gross long-term debt plus the current portion of long-term debt) plus accrued interest payable, less the balance in both the debt service reserve fund and the debt service fund.

Net fixed assets: Fixed assets, less accumulated depreciation.

Working Capital: Net current assets, and net assets of all funds and accounts not devoted to debt service.

Debt Ratio (%): Net funded debt, divided by the sum of net fixed assets, plus net working capital.

Income Statement Components and Ratios

Gross revenue and income: Operating revenue, plus non-operating revenue.

Operating and maintenance expenses: Operating and maintenance expenses, net of depreciation, amortization and interest requirements.

Net Revenues: Gross revenue and income, less operating and maintenance expenses.

Operating ratio (%): Operating and maintenance expenses, divided by total operating revenues.

Net take-down (%): Net revenues, divided by interest requirements for the period.

Interest coverage (x): Net revenues, divided by interest requirements for the period.

Debt service coverage (x): Net revenues, divided by principal and interest requirements for the period.

Debt service safety margin (%): Net revenues, less principal and interest requirements for period, divided by gross revenue and income.

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DEBT MANAGEMENT POLICY

SAMPLE

1. **Administration of debt policy:** The Finance Director of the _____, Florida (the "____") is charged with overseeing and implementing the provisions of this policy. It shall be his/her specific responsibility to recommend to the _____ and subsequently to the _____ the selection of any external agents (bond counsel, financial advisors, underwriters, arbitrage rebate consultants, paying agents, trustees, printers, etc.), to review the proposed annual capital expenditures and financing plan, to recommend specific projects for debt financing and to participate as members of the financing team in the issuance of any debt obligations of the _____.

The _____ and Finance Director are responsible for administration of the _____'s financial policies. The _____ is responsible for the approval of any form of the _____'s borrowing and the details associated therewith. Unless otherwise designated, the Finance Director coordinates the administration and issuance of debt.

2. **Purpose and Objective:** The adoption of a written debt policy by the _____'s _____ and its active use help ensure a consistent approach to debt issuance which will benefit existing and future holders of _____ debt. Access to capital markets at reasonable interest rates and credit terms is a fundamental goal that is facilitated through the adoption of appropriate debt policies taking into consideration the amount and types of fixed and variable rate debt given the _____'s risk tolerance to market fluctuations, capital market outlook, future capital needs, credit, rating agency considerations, tax implications and industry competition.

Additionally, the following items will be considered:

Revenues

- The _____ will maintain a stable and diversified revenue base to offset possible shortfalls caused by short-term fluctuations.
- The _____ will develop, investigate and implement new and expanded revenue sources.
- The _____ will maintain aggressive policies on revenue collections.
- The _____ will estimate revenues at realistic levels.
- The _____ will analyze trends and regional data to accurately estimate revenues.
- The _____ will regularly review and analyze fee structures to ensure cost-of-service coverage.
- The _____ will begin development of three-year projections to better evaluate long-term trends and weaknesses.

- The ____ will apply property taxes as revenue of last choice.
3. **Scope:** This policy shall apply to all debt obligations of the ____, whether for the purpose of acquisition or construction of ____ assets, the refunding of existing debt and for all interest rate hedging products and derivatives.
 4. **Exceptions:** Exceptions to this policy will be approved by the _____.
 5. **Accounting, Budgeting and Reporting Practices:**
 - a. Quarterly financial statements prepared on a budget-basis and annual financial statements prepared on a GAAP basis are to be prepared by the Finance Department and submitted to the _____ at their regularly scheduled meeting dates.
 - b. An annual budget shall be prepared by the Finance Department and approved by the _____. The budget should provide reasonable detail as to the operating, capital and debt service expenditures in the coming year.
 - c. Five Year Capital Improvement Budgets should be prepared by the Finance Department and approved by the _____. Details of the anticipated capital expenditures should be provided such that financing plans can be developed. These financing plans should be reviewed and approved as part of the budget approval process.
 - d. The Finance Department or designees will promptly notify the rating agencies of any debt restructuring, derivative products entered into or any other transaction, which does not involve issuance of debt but has an impact on the overall rate of interest on its debt or its debt structure. The Department or designees shall also respond to all inquiries from creditors, investors, and credit evaluation organizations in a complete and prompt fashion.

6. General Debt Issue Policies:

- a. **Structure:** The ____'s capital structure shall consist of fixed rate and variable rate debt in traditional as well as synthetic form along with hedging instruments such as interest rate swaps, caps, collars and other non-speculative derivative products. The percentage of total debt that may be variable rate-based may from time-to-time change, as debt management strategies change given interest rate environments and appropriate approvals. The risks associated with any given structure and the financial instruments used shall be fully explained to those who must decide and approve any final financing structure.
- b. **Borrowing:** The _____ shall have the authority to borrow money, contract loans and issue bonds in accordance with the provisions of the Constitution of the State of Florida and the general laws of the state. However, approval by voter referendum shall be required prior to the issuance of any of the following categories of bonds:

1. General obligation bonds which pledge the full faith and credit of the taxing power of the _____.
 2. Revenue bonds intended to finance enterprises or projects which involve the purchase, lease and/or acquisition of real property by the _____ or agencies thereof, with the exception of revenue bonds issued to finance the purchase, lease and/or acquisition of park real property and/or park projects by the _____ or agencies thereof, or
 3. Revenue bonds which pledge specific non ad valorem taxes as the primary source(s) of revenue to pay principal and interest and which have a principal value in excess of one (1) million dollars. This dollar limitation shall be adjusted annually as of the end of each fiscal year in accordance with changes in the cost-of-living index as published by the federal government.
- c. The _____ will strive to maintain a high reliance on pay-as-you-go financing for its capital improvements and capital assets.
 - d. As a goal, the _____ will maintain its net general obligation bonded debt at a level not to exceed two (2) percent of the assessed valuation of taxable property within the _____ unless otherwise directed by the _____.
 - e. The _____ will maintain revenue bond reserves to comply with the covenants of the bond issues and ensure adherence to federal arbitrage regulations.
 - f. To the extent that the unreserved General Fund balance exceeds 30% of General Fund expenditures and transfers out for recurring operational costs reported in other funds as of the most recent audited financial statements, the _____ may draw upon the excess to provide pay-as-you-go financing for capital projects as approved by the _____.
 - g. **Purpose and Projects:** Long-term borrowing will not be used to finance current operating expenditures.

For any enterprise fund that is supporting debt, an annual rate study will be performed by staff to ensure that the fees or rates are sufficient to meet the debt service requirements.

- h. **Term:** The following guidelines should govern the issuance of new money financing.
 - The maturities of debt will be equal to or less than the useful economic life of the item financed.
 - All debt issues, including lease-purchase methods, will be repaid within a period not to exceed the expected useful lives of the improvements or capital assets financed by the debt.
 - Where practicable the debt service structure on new money financing should be level debt service if economically feasible.

- The use of credit enhancement should be evaluated on a maturity-by-maturity basis and only used where the economic benefits exceed the costs of issuing rated or unrated debt obligations.
- In addition, call features are preferred and should be analyzed closely.
- The use of a fully funded debt service reserve should always be evaluated against the use of a surety or other debt service reserve product.

i. **Reserves**

- The _____ will work towards an unreserved General Fund Balance equaling thirty percent (30%) of General Fund expenditures and transfers out for recurring operational costs reported in other funds. The _____ will not reduce unreserved General Fund Balance below fifteen percent (15%) of General Fund expenditures and transfers out for recurring operational costs reported in other funds.
- Ten percent of any increase in General Fund balance as reported in the audited Comprehensive Annual Financial Report will be designated for the acquisition of land for parks.
- The _____ will budget an annual general contingency amount for unanticipated expenses or increases in service levels.
- The General Fund Undesignated Contingency may be used at the discretion of the _____ for emergency and non-emergency uses:

Emergency uses would include but are not limited to hurricanes, tornadoes, and other natural disasters, train wrecks, plane crashes, epidemics, etc. Non-emergency uses would include but are not limited to capital projects, purchase of capital, contracted services, etc.

An emergency appropriation shall require a sample majority vote of the _____. If an emergency prevents the _____ from convening, the _____ and the _____, in his absence, the _____ and in their absence, any _____.

A non-emergency appropriation shall require a simple majority of the _____ provided the amount does not exceed ten percent to the current undesignated contingency reserve.

A non-emergency appropriation exceeding ten percent of the current undesignated contingency reserve shall require approval by four of the five _____.

- j. **Bond Insurance:** Bond insurance is an insurance policy purchased by an issuer or an underwriter for either an entire issue or specific maturities, which guarantees the payment of principal and interest. This insurance provides a

higher credit rating and must result in a lower borrowing cost for an issuer after consideration of the premium rate and underlying ratings.

Bond insurance can be purchased directly by the ___ prior to the bond sale (direct purchase) or at the underwriter's option and expense (bidder's option). The ___ will attempt to qualify its bond issues for insurance with bond insurance companies rated AAA by Moody's Investors Service, Fitch Rating Services and/or Standard & Poor's Corporation.

When insurance is purchased directly by the ____, the present value of the estimated debt service savings from insurance should be at least equal to or greater than the insurance premium. The bond insurance company will usually be chosen based on an estimate of the greatest net present value insurance benefit (present value of debt service savings less insurance premium).

Credit enhancement may take other forms such as LOCs or other securitization products and may be used if economically beneficial to the ____.

- k. **Credit Ratings:** Credit ratings have wide investor acceptance as tools for differentiating credit quality of investments. Credit ratings tend to close credit risk arbitrage opportunities in capital markets, thus benefiting the ____ by reducing interest rate expense. The ____ shall attempt to continually improve its credit ratings. Comprehensive annual credit rating reviews should be provided to the rating agencies as well as semi-annual updates and ongoing communication of events affecting the ____'s overall credit, including asset and liability management issues.
- l. **Non-Rated:** Non-rated securities may be issued if the credit rating on the issue does not perform any economic benefit or add any value to capital market participants.
- m. **Tax Status:** The ____ has traditionally issued tax-exempt debt which results in significant interest cost savings compared with the interest cost on taxable debt. Accordingly, all of the ____'s debt should be issued to take advantage of the exemption from federal income taxes unless prohibited by federal law or applicable federal regulations.
- n. **Subordinated Debt:** The lien status and credit rating on this type of debt is inferior and protection to the bondholder is lower, therefore, this type of debt should be minimized to protect the ____'s credit rating, unless it is the only method available to finance a project. There may be occasions when this type of debt is issued for potential restructuring reasons, when current senior-lien debt covenants are undesirable and this debt is soon to be retired or refunded.
- o. **Capital Leasing:** Over the lifetime of a lease, the total cost to the ____ will generally be higher than purchasing the asset outright. As a result, the use of lease/purchase agreements and certificates of participation in the acquisition of vehicles, equipment and other capital assets shall generally be

avoided, particularly if smaller quantities of the capital asset(s) can be purchased on a "pay-as-you-go" basis.

- p. **Certificates of Participation:** Under this type of financing, payments to holder of the securities are made from rental payments or other revenues which are subject to annual appropriation. The holders typically have no legal recourse against the ____ if it fails to make the necessary appropriation. Although this type of financing arrangement is not considered debt under a legal analysis, it is viewed as a financial obligation of the ____ and failure to make timely payments would damage the ____'s reputation in the credit markets and increase the cost of future borrowings. Accordingly, the ____ may utilize this financing vehicle, but it should be considered as debt of the ____ and, absent compelling extraordinary circumstances, non-appropriation should not be considered.
- q. **CABS: Capital Appreciation Bonds, Strips, Zero Coupon Bonds.** Capital appreciation bonds and other similar debt instruments pay no interest until their stated maturity. Although there may be extraordinary circumstances in which the use of capital appreciation bonds is fiscally prudent, in most cases the debt service deferral is not appropriate and should be discouraged. Accordingly, only when a compelling ____ interest is demonstrated should capital appreciation bonds be issued.
- r. **Callable Bonds:** Call provisions on bonds provide future flexibility to refinance or restructure debt and eliminate onerous covenants. Consequently, the ____ shall attempt to always have call provisions on its debt. Standard call provisions are five to ten years. Ideally, each case should be analyzed upon marketing the bond issue and determined at the time, upon recommendation of the Financial Advisor.
- s. **Refunding Criteria:** Generally, the ____ issues refunding bonds to achieve debt service savings on its outstanding bonds by redeeming high interest rate debt with lower interest rate debt. Refunding bonds may also be issued to restructure debt or modify covenants contained in the bond documents. Current tax law limits to one time the issuance of tax-exempt advance refunding bonds to refinance bonds issued after 1986. There is no similar limitation for tax-exempt current refunding bonds. The following guidelines should apply to the issuance of refunding bonds, unless circumstances warrant a deviation therefrom:
- refunding bonds should generally be structured to achieve level annual debt service savings;
 - the life of the refunding bonds should not exceed the remaining life of the bonds being refunded or the assets financed, whichever is longer;
 - advance refunding bonds issued to achieve debt service savings should have a minimum target savings level measured on a present value basis equal to 3% of the par amount of the bonds being refunded; and

- refunding bonds which do not achieve debt service savings may be issued to restructure debt or provisions of bond documents only if such refunding serves a compelling ____ interest or under extraordinary conditions.

The 3% minimum target savings level for refundings should be used as a general guide to guard against prematurely using the one advance refunding opportunity for post-1986 bond issues. However, because of the numerous considerations involved in the sale of refunding bonds, the 3% target should not prohibit refundings when the circumstances justify a deviation from the guideline.

- t. **Debt Service Coverages:** Debt service coverages shall conform to bond resolutions and remain at those levels to ensure that the ____'s credit rating is not diminished.

7. Method of Sale

The ____'s policy is to sell public debt using the method of sale expected to achieve the best result, taking into consideration short-term and long-term implications. However, there is a divergence of views as to the merits of the competitive and negotiated methods of sale due to lack of comprehensive, empirical evidence that favors one method over the other. The following section of this policy is intended to ensure that the most appropriate method of sale is selected in light of financial, market, transaction-specific and issuer conditions.

- a. **Competitive vs. Negotiated Preference:** Competitive method sale should be preferred and considered when the following conditions are present:
 - The ____ has been a stable and regular borrower in the public market.
 - There is an active secondary market for the ____'s debt.
 - The ____ has an underlying credit rating of A or above.
 - The issue is neither too large to be absorbed by the market or too small to attract investors.
 - The issue is not composed of complex or innovative features (e.g., a refunding issue).
 - Interest rates are stable, market demand is strong and the market is able to absorb reasonable levels of buying and selling with reasonable price reliability.

If conditions for a competitive bond sale are not available then the following practice will apply to negotiated bond sales:

- A competitive underwriter-selection process that ensures that multiple proposals are considered will be used.
- The ____'s staff and the Financial Advisor will remain actively involved in each step of the negotiation and sale processes to uphold the public trust.
- The ____'s staff and Financial Advisor, who are familiar with and abreast of the condition of the municipal market shall assist in structuring the issue, pricing, and monitoring sales activities.
- The Financial Advisor will not serve as underwriter of an issue.
- The ____ will require that financial professionals disclose the name(s) of any person or firm compensated to promote the selection of the underwriter; any existing or planned arrangements between outside professionals to share tasks, responsibilities and fees; the name(s) of any person or firm with whom the sharing is proposed; and the method used to calculate the fees to be earned.

b. Pricing a Negotiated Sale:

One of the most important outcomes of a bond sale, the cost of borrowing, is established through the pricing process. Unlike a competitive sale, bond pricing in a negotiated sale requires a much greater degree of issuer involvement. The issuer negotiates both the yield on the bonds and the underwriters' compensation, which includes the takedown (or sales commission), management fee, underwriting risk, and expenses.

It is the ____'s policy to strive for the best balance between the yield for each maturity and the takedown (sales commission) to achieve the lowest overall cost of financing. The following actions by the ____'s staff and its advisors are required in the pricing process:

- Take steps during the underwriter selection process and prior to final pricing to manage and establish the compensation to underwriters.
- Develop an understanding of prevailing market conditions, evaluate key economic and financial indicators, and assess how these indicators likely will affect the outcome of the pricing. Among the types of information that will be helpful are:

c. Payment of the Expense Component of Underwriter Discount:

When using the negotiated method of sale for tax-exempt bonds, the underwriter's compensation consists of various costs incurred by the underwriter on behalf of the issuer. To insure that these expenses are reasonable and explicitly identified, the ____'s policy is to:

- Require firms proposing to serve as senior managing underwriters to present an itemized list of expenses that they expect to incur.
 - Require staff to convey clearly to the firm selected as senior managing underwriter, the expenses that the issuer regards as legitimate and those that the issuer does not view as reasonable.
- d. **Private Placements:** The ____ may determine to seek funding by way of a private placement or bank loan where the size of the borrowing does not justify the incurrence of typical issuance expenses. The ____'s Financial Advisor will compare the overall costs of a private placement with those of a public offering and recommend the most cost effective approach.
- e. **Allocation of Bonds:** The ____ should have underwriting firms under contract who have access to institutional, retail, regional and local buyers of debt. As markets change, so do potential buyers of tax-exempt or taxable debt. In order to achieve the lowest overall cost of borrowing, flexibility to access different markets is essential.

8. Plan of Finance

The Finance Department will prepare, from time to time, a Plan of Finance that will be submitted to the _____ for information purposes. Such Plan of Finance will address at a minimum the amount of debt projected to be issued during the next five fiscal years and whether such debt is senior or subordinated, fixed and/or variable and the possible use of hedging instruments.

a. Factors to be considered in the final projections are:

- The forecast of spending levels for capital projects.
- The availability of internal funds to pay for capital projects.
- Desired debt service coverage levels consistent with a highly-rated municipality.
- The additional bonds test calculation outlined in the applicable bond ordinances or related documents.

b. Tax-exempt vs. Taxable

As a municipality, the ____ is authorized to issue tax-exempt debt and must comply with appropriate tax regulations. The ____ will endeavor at all times to issue tax-exempt debt. For certain transactions, due to tax regulations, it may be necessary for the ____ to issue taxable debt. Such prevailing circumstances may include excessive transferred proceeds, volume cap limitations, and private use restrictions. The Finance Department will monitor current tax regulations and utilize tax-exempt financing whenever possible.

c. Fixed vs. Variable Debt

The ____ will utilize a mix of fixed and variable rate debt to lower the overall cost of capital. Variable rate debt will generally be used as an efficient way to fund

new construction requirements and as a permanent component of a long-term funding strategy. The amount of variable rate debt outstanding shall be based on any one or a combination of the following factors:

(1) Interest Rates

The absolute level of interest rates, the forecasted direction of interest rates and the shape of the yield curve are all factors in managing the amount of variable rate debt outstanding. If fixed rates are high relative to the current cycle of rates and the yield curve is steep, a higher percentage of net variable rate debt may be desirable. Conversely, if interest rates are low relative to the current cycle of rates and the yield curve is flat, a higher percentage of net fixed rate debt may be desirable.

(2) Capital Structure and Liquidity Levels

Given that the _____ has capital programs with projects beginning at various points in time and the lack of correlation between low interest rate environments and the need to begin a project, having a variable rate program will allow for financing as needed while providing for market timing flexibility. Additionally, variable rate debt adds flexibility for capital structure changes like accelerating the pay down of debt. The _____'s overall liquidity levels will be positively correlated to its levels of variable rate debt.

(3) Other Related Variable Rate Risks

The _____ will take into consideration, when determining the appropriate variable rate risk levels, the potential exposure to variable rate risk on joint financing programs with other related agencies.

To assist in the decision making process, a forecast of interest rate volatility over the short and long terms and expected performance of various financial products (debt or hedging instruments) under various interest rate scenarios will be modeled on a periodic basis. In determining when to use alternative financing arrangements including variable, fixed, and synthetic structures, the availability of internal and external technical expertise to properly manage risk will be evaluated along with ongoing administrative costs. These analyses will be reviewed on a quarterly basis by the Finance Director and _____ Management.

d. As needed/"Just in Time" Financing.

The cash flow forecast for budgeted capital projects is the main factor used in determining the appropriate timing of new money debt transactions. The goal is to issue new debt as outstanding debt proceeds are spent. However, the timing of debt transactions may also depend upon factors including:

- Desired debt service coverage levels
- Budget, financial statement and ratings impacts
- Ability to earn positive arbitrage

- Interest rate environment

All of the above factors are considered prior to making the final determination of the most optimal time to issue new debt to fund capital projects.

e. Credit Ratings

The ____ recognizes that strong credit ratings are necessary to ensure the lowest possible borrowing costs which will factor into maintaining low tax rates for our citizens.

The ____ will strive to achieve the highest possible municipal ratings.

9. Fixed Rate Debt

a. Overview

Fixed rate debt is authorized to finance capital projects and for any other allowable purpose as stipulated in the governing bond ordinances and tax regulations.

b. Type

The ____ may issue any type of fixed rate debt as authorized by the ____'s various bond ordinances and recommended by the ____'s Financial Advisor. Some of the various types of debt authorized include, but are not limited to, serial and term bonds issued at par, discount or premium, capital appreciation bonds, and bullet bonds (e.g., refundable principal installments).

c. Maturity, Structure, and Call Provisions

Prudent debt management requires that there be a proper matching of the lives of the assets and the length of the debt, whether taxable or tax-exempt, used to finance such asset. In addition, the ____ will, at all times, structure the amortization and maturity of any fixed rate debt to comply with the appropriate tax regulations.

To provide the maximum amount of flexibility, the ____ will utilize **(five)**-year or less par calls whenever possible. ____ staff, along with the financial advisor and underwriter, will assess the market at the time of pricing to determine its ability to issue bonds with such features while minimizing interest costs.

d. Providers

The ____ is allowed to sell debt by either negotiated sale or competitive bid. The determination of the method is to be made prior to each financing.

If the ____ selects the "competitive sale" method, determination of the winning bid will be based on the underwriting firm with the lowest True Interest Cost (TIC) proposal.

The ____ will employ staff or an outside professional financial advisor, other than the underwriter, who is familiar with and abreast of the conditions of the municipal market, and is available to assist in structuring the issue, pricing, and monitoring of sales activities. The ____ shall not use a firm to serve as both the financial advisor and underwriter. Selection of underwriters, financial advisors, bond counsel, and other necessary consultants involved in the debt transactions will be selected as outlined in the ____ Purchasing Policy.

e. Debt Service Sinking Fund Reserves

Unless otherwise recommended by the ____'s financial adviser and approved by the _____, a debt service sinking fund reserve will be funded, maintained, and held for the benefit of bondholders as specified in the ordinance authorizing the sale of the bonds to pay principal and/or interest on the bonds should revenues from operations not be sufficient for such purpose in accordance with the appropriate bond ordinance.

- The debt service sinking fund reserve may be in the form of cash and/or investments funded from the proceeds of bonds and/or revenues from operations or other pledged sources.
- If allowed by the ordinance, a surety issued by a financial institution nationally recognized in the industry to issue such policies may be used in place of a cash-funded debt service reserve.
- If allowed under the respective bond ordinance, any other form of financial instruments may be used in place of cash-funded or surety-funded debt service reserve, provided such financial instruments are issued by firms of nationally recognized standing.
- The ____ will weigh the benefits of each method of funding the debt service sinking fund reserve prior to each issue and will choose the method most beneficial to the ____ based upon the facts and circumstances of each issue.

A debt service sinking fund reserve may also be maintained if, in the opinion of the underwriter or the financial advisor, it is reasonably required to provide security for the payment of debt service with respect to the ____'s bonds and is consistent with normal practice in respect of bonds of the same general type as those being issued by the _____. Selection of a surety provider or provider of any financial instrument acceptable to fund the debt service sinking fund reserve requirement under the appropriate ordinance will be pursuant to the ____ Purchasing Policy.

f. Approvals

The structure, maturity, and call provisions for each fixed rate financing must be approved in writing by the Finance Director or designee on or prior to the date of pricing. Negotiation with the underwriter on negotiated bond transactions will be conducted by the Financial Advisor. Final transaction approval must be obtained from the _____.

g. Compliance/Reporting Requirements

All outstanding debt will be reported annually in the Comprehensive Annual Financial Report as required by GASB.

The ____ will monitor and report any arbitrage rebate liability due to the U.S. Treasury on bond proceeds from fixed rate transactions.

10. Variable Rate Debt Instruments

a. Overview

Variable rate debt is authorized to finance capital projects and for any other allowable purpose as stipulated in the governing bond ordinances and tax regulations.

The ____ must adhere to the variable rate debt limits outlined in this Policy.

b. Type

The ____ may issue any type of variable rate debt as authorized by the various bond ordinances and recommended by the ____'s Financial Advisor. Some of the various types of debt authorized include, but are not limited to, Commercial Paper, Variable Rate Demand Obligations, Auction Rate Securities, and Medium Term Notes.

c. Management

On a periodic basis, the Director of Finance or designee will make decisions regarding any changes to the interest mode for variable rate demand obligations, auction period for auction rate securities and desired maturities for commercial paper.

d. Maturity and Call Provisions

As with fixed rate debt, the ____ will structure the maturity dates of the variable rate debt to match the lives of the assets being financed. The ____ will, at all times, structure the amortization and maturity of any variable rate debt to comply with the appropriate tax regulations. For any ____ commercial paper program, the maturity of a Commercial Paper Note shall not exceed 270 days and the term of a commercial paper program shall not exceed 30 years in order to stay within the current safe harbor rules to be treated as part of a single issue. For variable rate debt with tender rights, the current safe harbor rules limit the maturity to no longer than 35 years.

e. Providers

Underwriters, remarketing agents or dealers of the ____'s variable rate debt program will be selected pursuant to the ____'s Purchasing Code.

Banks providing Liquidity Facilities for variable rate debt shall be reviewed regularly with the Financial Advisor and minimum ratings established for these providers shall be AA- or its equivalent from at least two of the three rating agencies: Fitch, Moody's, and Standard & Poor's.

If bond insurance is necessary for variable rate debt, the insurance provider will be selected pursuant to the ____'s Purchasing Policy. Financial institutions which insure bonds for investors of the ____ must have the top rating of AAA from at least two of the three rating agencies: Fitch, Moody's, and Standard & Poor's.

f. Variable Rate Debt Amount

The ____'s total variable rate debt outstanding shall not exceed 40% of its total debt. Variable rate debt synthetically fixed through a swap agreement will not be considered variable rate debt for this criterion.

g. Approvals

The structure and maturity for each variable rate financing must be approved in writing by the Finance Director or designee prior to the transaction. Final transaction approval must be obtained from the _____.

h. Compliance/Reporting Requirements

All outstanding debt will be reported annually in the Comprehensive Annual Financial Report as required by GASB.

The ____ will monitor and report any arbitrage rebate liability due to the U.S. Treasury on bond proceeds from variable rate transactions.

11. Debt Refunding

a. Overview

Refunding of outstanding debt represents unique opportunities for the ____ to realize savings in debt service cost. Refunding also allows the ____ to restructure its existing debt or debt profile to enable the ____ to operate in a more competitive manner. Many of the policies and practices applicable to new money fixed and variable rate financings are applicable to debt refundings as well and those policies and practices shall be adhered to in any debt refunding issue unless specifically addressed below.

b. Management

Periodic reviews of all outstanding debt will be undertaken to determine refunding opportunities. Refundings will be considered within federal tax law constraints. The ____ and the financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings. Current tax regulations permit one Advance Refunding opportunity for a post 1986 issue of bonds. There are no similar limitations with respect to a current refunding of bonds. The following guidelines should apply to the issuance of refunding bonds:

- (1) Any refunding will be evaluated on the economic savings or structure advantages relating to issuing the new debt. For a fixed rate refunding, a five percent savings target is a general guideline. However, refunding issues that produce a net present value savings less than three percent (3%) may be issued for various business and/or economic purposes. Examples include but are not limited to (a) restructuring debt, (b) amending provisions of a bond document, and (c) taking savings based on structure or low interest rate environment considerations. Savings below the five percent guideline must be approved by the Department of Administration/Finance or designee prior to the execution of the refunding transaction.
- (2) Refundings involving variable rate debt generally do not produce savings and will not have a savings guideline. These transactions are usually executed to take advantage of structuring opportunities or may be utilized to take advantage of low long-term interest rates.

c. Fixed and Variable

The ____ can utilize fixed or variable rate debt for refunding purposes and must adhere to the variable rate debt limits outlined in this Policy.

d. Maturity and Call Provisions

The maturity of refunding bonds shall be in accordance with the safe harbor rules for the creation of replacement proceeds found in the tax regulations.

To provide the maximum amount of flexibility, the ____ will utilize five year or less par calls whenever possible. The ____ staff along with the financial advisor and underwriter will assess the market at the time of pricing to determine its ability to issue bonds with such features while minimizing interest costs.

e. Debt Service Sinking Fund Reserve

To the extent of an existing cash funded debt service sinking fund reserve, in the event of a refunding that reduces the debt service reserve requirement, the ____ will deposit any such reduction into the escrow for the refunded bonds or utilize the reduction for any lawful purpose.

f. Approvals

The structure, maturity, and call provisions for each refunding must be approved, in writing, by the Finance Director or designee on or prior to the date of pricing.

Negotiations with the underwriter on negotiated bond transactions will be conducted by the Financial Advisor. Final transaction approval must be obtained from the _____.

12. Interest Rate Swaps, Caps, Options, and Collars

a. Overview

The prudent use of hedging instruments, including interest rate swaps, caps, options, and collars, can be an effective tool in meeting funding needs and structuring a balance sheet while managing risk associated with the movement of interest rates. Utilizing hedging products can provide the _____ with cost effective alternatives to traditional debt financing choices.

Utilizing interest rate swaps to achieve substantially lower interest cost is a main component in building the desired capital structure to allow the _____ to finance efficiently. There are three types of interest rate swaps the _____ is authorized to enter into:

- Floating to fixed rate swaps,
 - Hedge interest rate risk on variable rate debt,
 - Lock in fixed rates on refunding bonds that will be issued in the future or
 - Take advantage of opportunities to obtain fixed swap rates that are lower than comparable fixed rate bonds.
- Fixed rate to floating rate swaps
 - Increase the amount of variable rate exposure without incurring the remarketing and liquidity costs.
 - Eliminate the put risk associated with variable rate debt.
- Basis swaps manage the risk associated with
 - The mismatch between two benchmarks.
 - Methodologies used to set interest rates.

b. Risks

Interest rate swaps and related hedging instruments may introduce additional risks to the _____'s credit profile. These risks include, but are not necessarily limited to, termination risk, counterparty risk, re-execution risk, amortization risk, Basis Risk, and tax event risk. Prior to entering into each interest rate swap transaction, these risks are evaluated to ensure adequate provisions are in place to minimize the downside and provide the maximum benefit the transaction originally intended.

c. Fixed to Floating Rate Swap Management

The Finance Director or designee shall have the overall responsibility, from an overview standpoint, for the execution and management of fixed to floating interest rate swaps.

The Finance Director or designee shall determine the size of the total interest rate swap program and the maturity date for the swaps within the parameters of the Policy which has been approved by the _____.

Interest rate caps and related hedging instruments may be utilized to help manage interest rate risk in the Debt Management Program.

From time to time, the Finance Director or designee will evaluate the use of collar (cap and floor instrument) transactions as a hedging tool to minimize cost and risk.

Forecasts of interest rate volatility over the intermediate term (4 to 7 years) and expected performance of the swaps, caps, collars, and related hedging instruments under various interest rate scenarios shall be updated on not less than a semi-annual basis. Short and long term interest rates will be monitored over varying time periods. If current interest rates are either above or below the moving averages as measured by varying time periods, the Finance Director or designee may elect to alter the timing of adding additional fixed to variable swaps to either increase or decrease the amount of variable exposure. Furthermore, the Finance Director or designee may elect to enter into "reversing" swaps to take advantage of market opportunities. In the event a fixed to floating swap is "reversed", any associated floor will be simultaneously "reversed". Any associated cap will be evaluated and "reversed" if approved by the _____.

d. Floating to Fixed Rate Swap Management

The Finance Director or designee shall have the overall responsibility regarding the execution and management of floating to fixed interest rate swaps. An additional component of the debt management strategy is to use floating to fixed rate swaps to lock in the lowest possible borrowing costs over a long period of time. Floating to fixed rate swaps can be used in conjunction with issuing variable rate debt to obtain the lowest fixed rate when compared to traditional forms of fixed rate financings. In addition, floating to fixed swaps may be desirable when the cycle of long-term rates moves down to or near historical lows and "fixing" a portion of the outstanding variable rate debt appears advantageous. Swaps will be evaluated as alternatives to traditional financing instruments considering their comparable costs, ease of entry and exit provisions, and the amount of potential risk exposure.

Interest rate swaps will be executed for notional amounts, maturities and other related terms and conditions as determined by the Finance Director or designee. Re-execution risk, amortization risk, tax event risk and Basis Risk will be evaluated in order to minimize any potential negative results.

Forecasts of interest rate volatility over the term of the swaps and expected performance of the swaps under various interest rate scenarios shall be analyzed prior to the execution of the swaps. Short and long term interest rates will be monitored over varying time periods. The Finance Director or designee may elect to enter into "reversing" swaps to take advantage of market opportunities.

e. Compliance/Reporting Requirements

The ____ shall perform an annual review relating to fixed to floating interest rate swap management.

Collateral reports will be updated on a monthly basis providing information relating to specific swap transactions that may require collateral posted based on mark to market valuations.

All outstanding debt will be reported annually in the Comprehensive Annual Financial Report as required by GASB.

f. Optional Termination

The ____ shall consider including a provision that permits The ____ optionally to terminate the agreement at the market value of the agreement at any time. In general, the counterparty shall not have the right to optionally terminate an agreement. As practical as possible, The ____ shall have the right to assign its obligation to other counterparties.

g. Events of Default

Events of default of a counterparty shall include the following:

1. Failure to make payments or transfer collateral when due
2. Breach of representations and warranties
3. Illegality
4. Failure to comply with downgrade provisions
5. Failure to comply with any other provisions of the agreement after a specified notice period
6. Bankruptcy
7. Other events as defined by insurance and rating agencies

An event of default by the counterparty shall lead to termination of the agreement with The ____ being the affected party for purposes of calculating the termination payment owed.

h. Aspects of Risk Exposure Associated with Such Contracts

Before entering into a derivative, The ____ shall evaluate all the risks inherent in the transaction. These risks to be evaluated should include the counterparty risk, termination risk, rollover risk, basis risk, tax event risk and amortization risk.

The ____ shall endeavor to diversify its exposure to counterparties. To that end, before entering into a transaction, it should determine its exposure to the relevant counterparty or counterparties and determine how the proposed transaction would affect the exposure. The exposure should not be measured

solely in terms of notional amount, but rather how changes in interest rates would affect the ____'s exposure ("Value at Risk"). The Value at Risk should be based on all outstanding derivative transactions by The _____. The _____ may also elect to take into account the exposure of the _____ and any related entities to a particular counterparty.

i. Provisions for Collateralization

If the rating (a) of the counterparty, if its payment obligations are not unconditionally guaranteed by another entity, or (b) of the entity unconditionally guaranteeing its payment obligations, if so secured, does not meet or falls below the rating required by "Providers" below, then the obligations of such counterparty shall be fully and continuously collateralized by 100% cash, direct obligations of, or obligations the principal and interest on which are guaranteed by, the United States of America or any agency thereof with a net market value of at least 102% of the net market value of the contract (subject to minimum threshold amounts specified by the _____) to the authorized issuer and such collateral shall be deposited with the _____ or an agent thereof.

j. Approvals

The Finance Director or designee must sign all interest rate swap, cap, option, or collar confirmations.

The Finance Director or designee must approve the interest rate swap term sheet prior to execution. In addition, the purpose of the transaction, (asset matched, debt management, etc.) will be included as part of the swap paperwork file kept for each executed swap transaction.

k. Providers

Financial Institutions and Dealers executing interest rate swaps, caps, options, and other hedging instruments for the _____ shall be selected pursuant to the _____ Purchasing Policy. The _____ shall require that all institutions and dealers entering into interest rate swap, cap, option, and other hedging instrument agreements execute a Master Swap Agreement (the ISDA Master Agreement must be used as a part of the Master Swap Agreement) that is signed by both parties. All transactions entered into shall adhere to the requirements of the Master Swap Agreement.

The Master Swap Agreement will contain, among other things, language regarding credit rating maintenance standards. All providers will either, (1) be rated AA-/Aa3 or better by at least 2 of the rating agencies (Fitch, Moody's, or Standard & Poor's) at the time of execution and enter into a collateral agreement to provide collateral as determined by the Credit Support Annex in the event that the credit rating falls below the AA-/Aa3 level or (2) be rated A/A2 or better by at least 2 of the rating agencies at the time the Agreement is entered into, and enter into a collateral agreement.

l. Diversification

No more than 60% of net interest rate swap and cap or other hedging instruments shall be outstanding in the aggregate with any one provider or affiliate thereof. This provision includes all interest rate swap, cap, option, and other hedging instruments the _____ may utilize to manage interest rate risk including, but not limited to, debt management, and 100% investment/asset matched program.

m. Bid

All "initial" interest rate swap and cap transactions shall be competitively bid by at least (3) three providers or shadow pricing providers obtained by the Financial Advisor that have executed interest rate swap agreements with the _____. Upon approval by the _____, 1) a "reversing transaction" resulting in an upfront payment to the _____ may be negotiated with the original swap, cap, option, or collar counterparty, or 2) a negotiated swap with a counterparty may be executed as part of a debt financing.

13. Effective Date

This Policy will become effective upon adoption by the _____. This Policy shall be reviewed and amended from time to time as necessary with the approval of the _____.

14. Definitions

Advance Refunding - A bond is treated as issued to advance refund another bond if it is issued more than 90 days before the redemption of the refunded bond.

Amortization Risk – the potential cost to the issuer resulting from a mismatch between the outstanding underlying bond amortization and the outstanding notional amount of the swap.

Auction Rate Bonds - means "Short-term Adjustable Rate Securities" which are issued and outstanding under the "Auction Rate Mode" and which bear interest for each Auction Period, payable in arrears, at the Auction Rate in effect on the Auction Date (as defined in the respective Supplemental Ordinance) for the Auction Period as defined. Such securities do not normally required Liquidity Facility support, but may require Bond Insurance.

Basis Risk – movement in the underlying variable rate indices may not be perfectly in tandem, creating a cost differential that could result in a net cash outflow from the issuer. Also, the mismatch that can occur in a swap with both sides using floating, but different, rates.

BMA Index – The Bond Market Association Municipal Swap Index, the principal benchmark for the floating rate payments for tax-exempt issuers. The index is a national rate based on a market basket of high-grade, seven-day tax-exempt variable rate bond issues.

Capacity Expansion - Capital expansion projects are those projects designed to accommodate new customers, acquisitions, and expansion of existing system capacity.

Commercial Paper Note - shall mean any Bond which has a maturity date which is not more than 270 days after the date of issuance thereof.

Competitive Bid - a method of submitting proposals for the purchase of new issue of municipal securities by which the securities are awarded to the underwriting syndicate presenting the best bid according to stipulated criteria set forth in the notice of sale.

Construction Loan Credit Facility - means obligations of the _____ of a particular credit facility for construction advance purposes which shall be similar to Bond Anticipation Notes.

Counterparty risk – the risk that the other party in the derivative transaction fails to meet its obligations under the contract.

Credit Enhancement - shall mean, with respect to the Bonds of a Series, a maturity within a Series or an interest rate within a maturity, the issuance of an insurance Policy, letter of credit, surety bond or any other similar obligation, whereby the issuer thereof becomes unconditionally obligated to pay when due, to the extent not paid by the _____ or otherwise, the principal of and interest on such Bonds.

Credit Support Annex - is a standard supporting document that is made part of the ISDA Master Swap Agreement that governs the use of posting collateral when required.

Current Refunding - A bond is treated as issued to current refund another bond if the refunding issue is issued not more than 90 days before the redemption of the refunded bond.

Hedge – a transaction entered into to reduce exposure to market fluctuations.

Interest rate swap – a transaction in which two parties agree to exchange future net cash flows based on predetermined interest rate indices calculated on an agreed notional amount. The swap is not a debt instrument between the issuer and the counterparty, and there is no exchange of principal.

ISDA – International Swap Dealers Association, the global trade association with over 550 members that include dealers in the derivatives industry.

ISDA Master Agreement – the standardized master agreement for all swaps between the Issuer and the dealer that identifies the definitions and terms governing the swap transaction.

LIBOR – the principal benchmark for floating rate payments for taxable issuers. The London Inter Bank Offer Rate (LIBOR) is calculated as the average interest rate on Eurodollars traded between banks in London and can vary depending upon the maturity (e.g. one month or six months).

Long-dated swap - a swap with a term of more than ten years. Often used in the municipal market, as issuers often prefer to use a hedge that matches the maturity of the underlying debt or investment.

Mark-to-market – calculation of the value of a financial instrument (like an interest rate swap) based on the current market rates or prices of the underlying instrument (i.e. the variable on which the derivative is based).

Medium Term Note - any bond which has a maturity date which is more than 365 days, but not more than 15 years, after the date of issuance and is designated as a medium term note in the supplemental ordinance authorizing such bond.

Negotiated Sale - the sale of a new issue of municipal securities by an issuer through an exclusive agreement with an underwriter or underwriting syndicate selected by the issuer.

Tax Event Risk - the risk that tax laws will change, resulting in a change in the marginal tax rates on swaps and their underlying assets or, in a more extreme situation, remove the tax-exempt status of the issue and, therefore, its contractual obligations priced as tax-exempt facilities.

Termination risk – the risk that a swap will be terminated by the counterparty before maturity that could require the issuer to make a cash termination payment to the counterparty.

True Interest Cost - is the rate, compounded semi-annually, necessary to discount the amounts payable on the respective principal and interest payment date to the purchase price received for the bonds.

Variable Rate Bond - shall mean any Bond not bearing interest throughout its term at a specified rate or specified rates determined at the time of initial issuance.

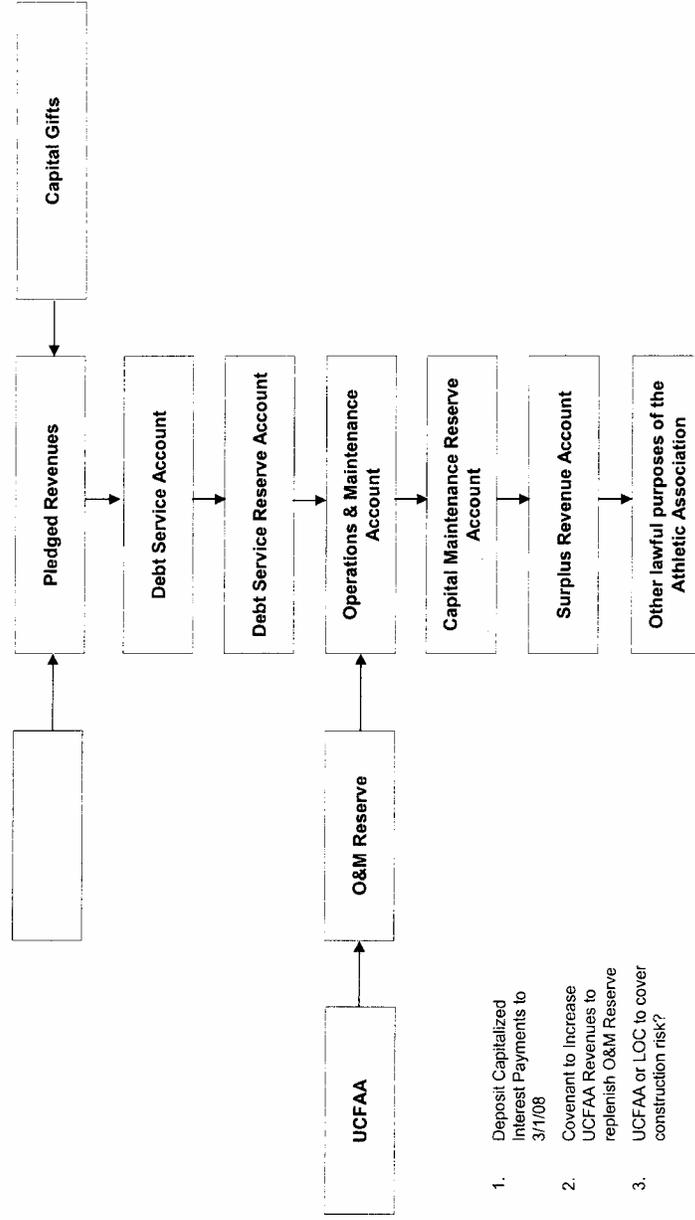
Variable Rate Demand Obligations (VRDO) - A long term maturity security which is subject to a frequently available put option or tender option feature under which the holder may put the security back to the issuer or its agent at a predetermined price (generally par) after giving specified notice or as a result of a mandatory tender. Optional tenders are typically available to investors on a daily basis while in the daily or weekly mode and mandatory tenders are required upon a change in the interest rate while in the flexible or term mode. The frequency of a change in the interest rate of a variable rate demand obligation is based upon the particular mode the security is in at the time.

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University of Central Florida Athletics Association, Inc.

UCFAA Stadium Revenue Bonds Proposed Flow of Funds



1. Deposit Capitalized Interest Payments to 3/1/08
2. Covenant to Increase UCFAA Revenues to replenish O&M Reserve
3. UCFAA or LOC to cover construction risk?

Ref	Description	Fiscal Year*									
		'07-08*	'08-09	'09-10	'10-11	'11-12	'12-13	'13-14	'14-15	'15-16	'16-17
Operating Revenue											
1	Ticket Sales Revenue	\$2,274	\$2,375	\$2,478	\$2,574	\$2,669	\$2,815	\$2,961	\$3,003	\$3,208	\$3,391
2	UCFAA Rent	630	1,033	1,140	1,252	1,369	1,481	1,619	1,751	1,888	2,033
3	Net Concessions	360	382	405	428	452	478	506	535	566	598
4	Net Catering	37	38	39	40	41	42	43	44	45	46
5	Net Novelties	36	38	40	42	45	48	50	53	56	60
6	Net Parking	485	485	485	518	518	518	540	540	540	563
7	Advertising less 3% Admitt	1,271	1,386	1,673	1,646	1,672	1,830	1,898	1,898	1,915	1,944
8	Advertising and Sponsorship less 10% fulfillment	1,271	1,386	1,673	1,646	1,672	1,830	1,898	1,898	1,915	1,944
9	Naming Rights less 7% fulfillment	898	898	898	698	698	698	698	698	698	698
10	Facility Fee/ Rebates	96	98	100	101	103	105	107	110	112	115
11	Other Revenue	90	91	92	93	94	100	101	103	104	105
12	Total Revenue	\$6,742	\$7,013	\$7,283	\$7,584	\$7,875	\$8,314	\$8,667	\$9,012	\$9,369	\$9,764
Operating Expense											
Fixed											
13	Salary - Permanent Staff	\$250	\$256	\$263	\$269	\$276	\$283	\$290	\$297	\$305	\$312
14	Benefits - Permanent Staff	63	64	66	67	69	71	72	74	76	78
15	General and Administrative	180	185	188	194	199	204	209	214	219	225
16	Utilities	150	154	158	162	166	170	174	178	183	187
17	Repairs and Maintenance	240	246	252	253	253	257	261	265	269	273
18	Insurance	80	80	82	84	86	88	90	92	95	98
19	Communications	27	29	30	31	31	32	33	34	35	36
20	Advertising	27	29	30	31	31	32	33	34	35	36
21	Misc.	50	51	53	54	55	57	58	59	61	62
22	Variable										
22	Gamewday Expenses	191	200	209	218	228	238	250	262	275	289
23	Total Expenses	\$1,269	\$1,307	\$1,345	\$1,448	\$1,489	\$1,533	\$1,577	\$1,623	\$1,672	\$1,721
24	Net Operating Income (Deficit)	\$5,473	\$5,706	\$5,937	\$6,136	\$6,386	\$6,781	\$7,090	\$7,389	\$7,697	\$8,043
25	Deposit to Maintenance Reserve Account	\$405	\$421	\$437	\$455	\$473	\$489	\$500	\$511	\$522	\$536
26	Net Operating Income (Deficit) Avail. for Debt	\$5,068	\$5,285	\$5,500	\$5,681	\$5,913	\$6,292	\$6,590	\$6,878	\$7,175	\$7,507
Other/ Non Operating Revenue											
27	Confidence/ Nonconfidence Payments**	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400
28	Fundraising	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
29	Capital Gifts	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400
30	Total Non Operating Revenue	\$6,800	\$6,800	\$6,800	\$6,800	\$6,800	\$6,800	\$6,800	\$6,800	\$6,800	\$6,800
31	Total Income Avail. For Debt Service***	\$11,668	\$12,085	\$12,300	\$12,481	\$12,713	\$13,091	\$13,490	\$13,889	\$14,297	\$14,707
32	Debt Service	\$7,970	\$8,020	\$8,074	\$8,131	\$8,191	\$8,253	\$8,317	\$8,383	\$8,451	\$8,521
Net Cash Flow											
33	Cumulative Cash Flow	\$3,698	\$4,065	\$4,226	\$4,350	\$4,442	\$4,638	\$4,873	\$5,156	\$5,486	\$5,866
34	Coverage Ratio Excluding Nonoperating Revenue	174%	181%	205%	153%	159%	185%	177%	184%	192%	200%
34	Coverage Ratio including Nonoperating Revenue	230%	297%	332%	244%	250%	277%	234%	242%	249%	258%

*Fiscal Year runs from July through June 30
 ** Includes Confidence/ Nonconfidence Payments and Non-confidence game guarantees
 *** Includes Confidence/ Nonconfidence game guarantees
 The new Football Stadium is expected to begin operation in the Fall of 2007
 Source: Johnson Consulting

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City of Maitland, Florida
Limited Tax General Obligation Bonds, Series 2005

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5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13	
12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	19	20	
19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27	
26	27	28	29	30	24	25	26	27	28	29	30	28	29	30	31						
							31														

Draft as of June 7, 2005

Week of	Action	Responsibility Completed
June 6, 2005	Distribute Final Drafts of Bond Documents Return Comments to Final Draft OS Conference Call with Working Group Print and Distribute POS	BC, DC, UC All All DC
June 13, 2005	City Council Mtg (6/13) Pre-Market Series 2005 Bonds	City UW
June 20, 2005	Pre-Pricing Conference Call (6/20) Price Series 2005 Bonds (6/21) Execute BPA (6/22)	City, FA, UW City, FA, UW City, UC, UW
June 27, 2005	City Council Mtg (6/27) FOMC Mtg (6/29 & 6/30) Circulate Final Draft OS (6/28) Return Comments to Final Draft OS Print and Distribute OS (6/30)	City - DC All DC
July 4, 2005	Independence Day - Bond Market Closed Circulate Final Draft Closing Bond Documents Return Comments to Final Draft Bond Document Distribute Final Bond Documents	- BC, DC, UC All BC, DC, UC
July 11, 2005	City Council Mtg (7/11) Pre-Closing (7/11) Closing (Teleconference) (7/12)	City All All

Legend:

- CITY City Council and Staff
- BC Bond Counsel - Bryant Miller & Olive P.A.
- FA Financial Advisor - Dunlap & Associates, Inc.
- UW Senior Underwriter - JPMorgan
- DC Disclosure Counsel - Foley & Lardner LLP
- UC Underwriter's Counsel - GrayRobinson, P.A.



City of Maitland, Florida
General Obligation Bonds, Series 2005
Distribution List

ISSUER

City of Maitland
1776 Independence Lane
Maitland, Florida 32751

Dean Sprague, City Manager	Phone: (407) 539-6220 Fax: (407) 539-6287	dsprague@ci.maitland.fl.us
Brian Jones, Assistant City Manager	Phone: (407) 539-6221 Fax: (407) 539-6287	bjones@ci.maitland.fl.us
Sharon Anselmo, Finance Director	Phone: (407) 539-6201 Fax: (407) 539-6282	sanselmo@ci.maitland.fl.us

City Attorney

Langston, Hess, Bolton, Znosko & Shepard, P.A.
111 S. Maitland Avenue
Maitland, FL 32751
Fax: (407) 629-2095

Clifford Shepard, Esq.	Phone: (407) 629-4323	cshepard@lhbzh.com
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FINANCIAL ADVISOR

Dunlap & Associates, Inc.
1146 Keyes Avenue
Winter Park, FL 32789
Fax: (407) 678-6240

Craig Dunlap	Phone: (407) 678-0977	gcdunlap@earthlink.net
Sylvia Dunlap	Phone: (407) 678-0977	sseatondun@earthlink.net
Sue Miner	Phone: (407) 678-0977	sminer1@earthlink.net

BOND COUNSEL

Bryant Miller & Olive P.A.
135 W. Central Blvd.
Suite 700
Orlando, FL 32801
Fax: (407) 426-7262

Kenneth Artin, Esq.	Phone: (407) 426-7001	kartin@bmlaw.com
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City of Maitland, Florida
General Obligation Bonds, Series 2005
Distribution List

DISCLOSURE COUNSEL

Foley & Lardner LLP
200 Laura St.
Suite 650
Jacksonville, FL 32202-3510
Fax: (904) 359-8700

Chauncey Lever	Phone: (904) 359-8774	clever@foley.com
Emily Diaz	Phone: (904) 359-8735	ediaz@foley.com

UNDERWRITERS

JPMorgan
390 North Orange Avenue
Suite 1800
Orlando, FL 32801
Fax: (407) 206-3566

Jon Eichelberger, Vice President	Phone: (407) 206-3560	jon.e.eichelberger@jpmorgan.com
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JPMorgan
270 Park Avenue
48th. Floor
New York, NY 10017
Fax: (212) 270-9665

Milo Dochow, Analyst	Phone: (212) 270-0898	milo.t.dochow@jpmorgan.com
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Gardnyr Michael Capital, Inc.
2281 Lee Road
Suite 104
Winter Park, FL 32789
Fax: (407) 629-2101

Anthony Grey, First Vice President	Phone: (407) 629-4600	tgrey@gardnirmichael.com
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UNDERWRITER'S COUNSEL

GrayRobinson, P.A.
201 N. Franklin St.
Suite 2200
Tampa, FL 33602
Fax: (813) 273-5145

Frank Fleischer	Phone: (813) 273-5000	ffleischer@gray-robinson.com
Brian J. Fender	Phone: (813) 273-5000	bfender@gray-robinson.com



City of Maitland, Florida
General Obligation Bonds, Series 2005
Distribution List

RATING AGENCY

Fitch Ratings
1600 Tysons Blvd. 8th. Floor
McLean, VA 22102
Fax: (703) 245-1167

Nelsie Smith, Assoc. Dir.

Phone: (703) 245-3065

nelsie.smith@fitchratings.com

Moody's Investors Service
99 Church Street
New York, NY 10007
Fax: (212) 298-7374

Geordie Thompson

Phone: (212) 553-0321

geordie.thompson@moodys.com

PAYING AGENT BANK

J.P. Morgan Trust Company
10151 Deerwood Park Blvd.
Building 400, 5th. Floor
Jacksonville, FL 32256-0566
Fax: (904) 620-6085

Kurt Marson

Phone: (904) 620-6477

kurt.r.marson@jpmorgan.com

BOND INSURER/CREDIT PROVIDER

MBIA Insurance Corporation
113 King Street
Armonk, NY 10504
Fax: (914) 765-3163

Harriet Oomen

Phone: (914) 765-3593

harriet.oomen@mbia.com

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OFFICIAL NOTICE OF BOND SALE
CITY OF CORAL SPRINGS, FLORIDA

\$4,745,000*
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2005A

\$5,545,000*
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2005B

NOTICE IS HEREBY GIVEN that electronic (as explained below) proposals will be received via Bidcomp/Parity Competitive Bidding System ("PARITY") in the manner described below, until 11:00 a.m. Eastern Time on such date as communicated through TM3 News Service ("TM3") not less than twenty (20) hours prior to the time bids are to be received (the "Bid Date") for the purchase of \$4,745,000* of City of Coral Springs, Florida General Obligation Refunding Bonds, Series 2005A (the "Series 2005A Bonds") and \$5,545,000* General Obligation Refunding Bonds, Series 2005B (the "Series 2005B Bonds") (hereinafter collectively referred to as the "Series 2005 Bonds").

Bids must be submitted electronically via PARITY in accordance with this Official Notice of Bond Sale, until 11:00 a.m., Eastern Time, on the Bid Date, but no bid will be received after such time on the Bid Date. The time and date of the bid submission may be changed by the City upon 20 hours notice communicated through TM3. To the extent any instructions or directions set forth in PARITY conflict with this Official Notice of Bond Sale, the terms of this Official Notice of Bond Sale shall control. For further information about PARITY and to subscribe in advance of the bid, potential bidders may contact PARITY at (212) 404-8102. In the event of a malfunction in the electronic bidding process, the bid date will automatically change to the next business day as confirmed in a communication through TM3.

Disclaimer

Each prospective electronic bidder must be a subscriber to the Bidcomp Competitive Bidding System. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to view the bid form on PARITY and to access PARITY for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Bond Sale. Neither the City nor PARITY, shall have any duty or obligation to provide or assure access to PARITY to any prospective bidder, and neither the City nor PARITY shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY. The City is using PARITY as a communication mechanism, and not as the City's agent, to conduct the electronic bidding for the Bonds. The City is not bound by any advice and determination of PARITY to the effect that any particular bid complies with the terms of this Official Notice of Bond Sale and in particular the bid specifications hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via PARITY are the sole responsibility of the bidders; and the City is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying or withdrawing a bid for the Series 2005 Bonds, the prospective bidder should telephone PARITY at (212) 404-8102 and notify the City's Financial Advisor, Dunlap & Associates, Inc., by facsimile at (407) 678-6240.

The Series 2005 Bonds--General

The Series 2005 Bonds shall be issued only as fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof; shall be dated the date of delivery; and shall bear interest as set forth in the terms of this Official Notice of Bond Sale, payable semiannually on April 1 and October 1 of each year until maturity, commencing October 1, 2005.

* Preliminary; subject to change. See "Adjustment of Principal Amounts" herein.

The Series 2005 Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") and immobilized in its custody. The Successful Bidder (as defined below), as a condition to delivery of the Series 2005 Bonds, shall be required to (i) deposit the certificates with DTC, registered in the name of Cede & Co., its nominee and (ii) take all actions required by DTC of a managing underwriter in this regard. The book-entry system will evidence ownership interests in the Series 2005 Bonds in the principal amount of \$5,000 and any integral multiple thereof, with transfers of ownership interests effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Series 2005 Bonds by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The City will not be responsible or liable for such transfers of payments or for maintaining, supervising, or reviewing the records maintained by DTC, its participants or persons acting through such participants.

DTC may discontinue providing its services with respect to the Series 2005 Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law, or the City may terminate its participation in the system of book-entry transfers through DTC at any time. Upon either such event, if the City fails to identify another qualified securities depository to replace DTC, the City will deliver replacement bonds in the form of fully registered certificates in denominations of \$5,000 and any integral multiples thereof pursuant to the resolution under which the Series 2005 Bonds are issued. However, definitive replacement bonds shall be issued only upon surrender to the Bond Registrar of the bond of each maturity by DTC, accompanied by registration instructions for definitive replacement bonds for such maturity from DTC. Neither the City nor the Bond Registrar shall be liable for any delay in delivery of such instructions and conclusively may rely on and shall be protected in relying on such instructions of DTC.

Brokers and dealers with respect to the Series 2005 Bonds will be expected to send to their purchasers a transaction statement regarding their purchase of beneficial interests in the Series 2005 Bonds and setting forth certain terms of those Bonds.

With regard to redemption, DTC is responsible for selecting the principal amount of the Series 2005 Bonds credited to each beneficial owner to be redeemed and for notifying each such beneficial owner. By purchase and acceptance of a bond, the owner agrees that the City shall have no responsibility or liability for the action or inaction by DTC or any of its participants or nominees in connection with the Series 2005 Bonds. Furthermore, the City shall not be responsible or liable for payments from DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

The City cannot and does not give any assurances that DTC, DTC participants or others will distribute payments of principal of or interest on, or any premium on the Series 2005 Bonds paid to DTC or its nominee, as the registered owner, or any redemption or other notices, to the beneficial owners or that they will do so on a timely basis. The City is not responsible or liable for the failure of DTC, DTC participants or others to make any payment or give any notice to a beneficial owner in respect of the Series 2005 Bonds or any error or delay relating thereto.

Maturity Schedule

The Series 2005A Bonds will mature on the first (1st) day of October of the following years in the following principal amounts:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
		2010	\$525,000
2005	\$ 30,000	2011	535,000
2006	460,000	2012	555,000
2007	475,000	2013	575,000
2008	490,000	2014	595,000
2009	505,000		

The Series 2005B Bonds will mature on the first (1st) day of October of the following years in the following principal amounts:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
		2012	\$420,000
2005	\$ 35,000	2013	430,000
2006	345,000	2014	450,000
2007	350,000	2015	470,000
2008	365,000	2016	485,000
2009	375,000	2017	500,000
2010	390,000	2018	525,000
2011	405,000		

Adjustment of Principal Amounts

If, after the final computation of the bids, the City determines, in its sole discretion, that the funds necessary to accomplish the purposes of the Series 2005 Bonds are either more or less than the proceeds of the sale of all of the Series 2005 Bonds, the City reserves the right either to increase or decrease, by no more than 10%, the principal amount of the Series 2005 Bonds provided that any such increase shall not, in the aggregate, cause the total amount of Series 2005 Bonds to exceed the maximum principal amount authorized by the City.

Redemption

The Series 2005 A Bonds are not subject to redemption prior to maturity.

The Series 2005B Bonds maturing on or after October 1, 2015 are subject to redemption at the option of the City prior to their respective dates of maturity on or after October 1, 2014, in whole or in part at any time on the first business day of any month, in any order of maturity selected by the City and by lot within a maturity, at a redemption price equal to 100% of the principal amount of the Series 2005B Bonds to be redeemed, together with accrued interest to the date fixed for redemption, without premium.

Basis of Award

Proposals must be unconditional and only for all of the Series 2005 Bonds. The purchase price bid for the Series 2005 Bonds may include a discount not to exceed two percent (2.0%) of the aggregate principal amount of the Series 2005 Bonds. No more than one (1) Proposal from any bidder will be considered. Bids must be signed with a manual signature; however, the City will accept a facsimile of a manually signed Official Bid Form which is hand delivered with the good faith check. Such signature indicates acknowledgment, understanding and acceptance of the terms and provisions of this Official Notice of Bond Sale and of such bid. The City reserves the right to determine the Successful Bidder, to reject any or all bids and to waive any irregularity or informality in any bid.

The Series 2005 Bonds will be awarded pursuant to a Resolution which authorizes the Mayor or Vice Mayor, the City Manager or the Director of Financial Services, on consultation with the City's Financial Advisor, to award the

Series 2005 Bonds on the Bid Date to the bidder (herein referred to as the "Successful Bidder") offering such interest rate or rates and purchase price which will produce the lowest true interest cost to the City over the life of the Series 2005 Bonds. True interest cost for the Series 2005 Bonds (expressed as an annual interest rate) will be that annual interest rate being twice that factor of discount rate, compounded semiannually, which when applied against each semiannual debt service payment (interest, or principal and interest, as due) for the Series 2005 Bonds will equate the sum of such discounted semiannual payments to the bid price (exclusive of accrued interest). Such semiannual debt service payments begin on October 1, 2005. The true interest cost shall be calculated from the proposed dated date of the Series 2005 Bonds (date of delivery) and shall be based upon the principal amounts of each serial maturity set forth in this Official Notice of Bond Sale and the bid price set forth in each Proposal for Bonds submitted in accordance with this Official Notice of Bond Sale. In case of a tie, the City may select the Successful Bidder by lot. It is requested that each Proposal for Bonds be accompanied by a computation of such true interest cost to the City under the terms of the Proposal for Bonds, but such computation is not to be considered as part of the Proposal for Bonds. The City reserves the right to reject any and all bids, to reject any bid in whole or in part, and to waive any irregularity or informality of any bid.

Interest Rates Permitted

The Series 2005 Bonds shall bear interest expressed in multiples of **one-eighth (1/8) or one-twentieth (1/20) of one percent**. There shall not be a difference greater than three hundred fifty (350) basis points between the lowest coupon and highest coupon. Should an interest rate be specified which results in annual interest payments not being equally divisible between the semiannual payments in cents, the first semiannual payment will be reduced to the next lower cent and the second semiannual payment will be raised to the next higher cent.

It shall not be necessary that all Series 2005 Bonds bear the same rate of interest, provided that all Series 2005 Bonds maturing on the same date shall bear the same rate of interest. A rate of interest based upon the use of split or supplemental interest payments or a zero rate of interest will not be considered.

Electronic Bidding Procedures

Electronic bids must be submitted for the purchase of the Series 2005 Bonds via *PARITY*. Bids will be communicated electronically to the City at 11:00 a.m., Eastern Time, on the Bid Date, as communicated through TM3 not less than twenty (20) hours prior to the time bids are to be received. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via *PARITY*, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds, or (3) withdraw its proposed bid. Once the bids are communicated electronically via *PARITY* to the City, each bid will constitute an irrevocable offer to purchase the Series 2005 Bonds on the terms therein provided. The purposes of the electronic bidding process, the time as maintained on *PARITY* shall constitute the official time.

1. Good Faith Deposit

All bidders must submit a "Good Faith Deposit" (the "Deposit") in the form of a cashier's or certified check or a Financial Surety Bond in the amount of \$100,000. The Financial Surety Bond must be from such insurance company acceptable to the City and licensed to issue such a bond in the State of Florida. Such Financial Surety Bond must be submitted to the City no later than 5:00 p.m. Eastern Time, on the day prior to the sale. The Financial Surety Bond must identify the Bidder whose Deposit is guaranteed by such Financial Surety Bond.

2. Submission of Deposit

If the City selects a winning bid, then the Successful Bidder is required to submit its Deposit (if original deposit was a Financial Surety Bond) to the City in the form of a wire transfer not later than 3:00 p.m. Eastern Time on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn upon by the City to satisfy the Deposit requirement. The Deposit of the Successful Bidder will be collected and the proceeds thereof retained by the City to be applied in part payment for the Series 2005 Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the Successful Bidder shall fail to comply with the terms of the bid, the deposit, without waiving the City's other rights at law or in equity, will be

retained as and for full liquidated damages. Any checks of unsuccessful bidders will be returned promptly after the Bonds are awarded.

3. Amendment of Notice

Amendments hereto and notices if any, pertaining to this offering shall be made through i-Deal at their website of www.i-dealprospectus.com. The City may revise this Official Notice of Bond Sale by written notice to prospective bidders by publishing notice of any revisions on TM3 before the time for submission of bids. Any bid submitted shall be in accordance with, and incorporate by reference, this Official Notice of Bond Sale including any revisions made pursuant to this paragraph.

The City reserves the right to postpone, from time to time, the date established for the receipt of bids upon 20 hours notice communicated through TM3. If any date fixed for the receipt of bids and the sale of the Series 2005 Bonds is postponed, any alternative sale date (the "Alternative Sale Date") will be announced via TM3 at least 48 hours prior to such Alternative Sale Date. In addition, the City reserves the right, on the date established for the receipt of bids, to reject all bids and establish a subsequent Alternative Sale Date. If all bids are rejected and an Alternative Sale Date for receipt of bids established, notice of the Alternative Sale Date will be announced via TM3 not less than 48 hours prior to such Alternative Sale Date. On any such Alternative Sale Date, any bidder may submit a bid for the purchase of the Series 2005 Bonds in conformity in all respects with the provisions of this Official Notice of Bond Sale except for the date of sale and except for the changes announced by TM3 at the time the sale date and time are announced.

Paying Agent and Registrar

The Paying Agent and Registrar for the Series 2005 Bonds is The Bank of New York Trust Company, N.A., Jacksonville, Florida.

Security

The Series 2005 Bonds are general obligations of the City secured by the full faith and credit and taxing power of the City.

Purpose

The Series 2005A Bonds are being issued for the purpose of providing funds which will be used to currently refund the City's outstanding General Obligation Bonds, Series 1998 maturing on April 1, 2006 through April 1, 2014. The Series 2005B Bonds are being issued for the purpose of providing funds which will be used to refund the City's outstanding General Obligation Bonds, Series 1998C and Series 1998D Bonds maturing on October 1, 2006 through October 1, 2019 and pay costs of issuance of the Bonds. Reference is made to the Official Statement for a more detailed description of the use of the proceeds of the Series 2005 Bonds.

Issuance of Series 2005 Bonds

The Series 2005 Bonds will be issued and sold by the City of Coral Springs, Florida, a municipal corporation organized and existing under the laws of the State of Florida. The Series 2005 Bonds are being issued pursuant to Resolution No. 2005-007 duly adopted by the City Commission on March 22, 2005 (the "Resolution"), as amended and supplemented and are subject to all the terms and conditions of such Resolution.

Delivery and Payment

It is anticipated that the Series 2005A Bonds and the Series 2005B Bonds will be available for delivery through DTC on or about June 9, 2005 and July 6, 2005, respectively, in New York City at The Depository Trust Company, or some other date and place to be mutually agreed upon by the Successful Bidder and the City against payment of the purchase price therefor including accrued interest calculated on a 360-day year basis to be delivered in Federal Reserve funds without cost to the City.

Opinion and Documents to be Delivered to the Successful Bidder

On the Closing Date, the City will furnish to the successful bidder (i) an opinion of Bryant Miller & Olive P.A., Bond Counsel in substantially the form contained in Appendix D to the Official Statement relating to the Series 2005 Bonds; (ii) a non-litigation certificate certifying that as of the Closing Dates, there is no litigation pending or to the knowledge of the City, threatened, which in any way questions the validity of the Series 2005 Bonds, or any proceedings or transactions relating to their issuance, sale or delivery; and (iii) a certificate of the Mayor to the effect that to the best knowledge of such official, the final Official Statement for the Series 2005 Bonds (the "Official Statement"), as of its date and as of the Closing Dates, does not contain an untrue statement of a material fact and does not omit to state a material fact which should be included therein for the purpose for which the Official Statement is to be used, or which is necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

A transcript of proceedings of the City showing authority for the issuance, sale and delivery of the Series 2005 Bonds will also be furnished to the successful bidder. In addition, 500 copies of the final Official Statement will be furnished to the successful bidder without charge. Additional copies will be provided at the expense of the successful bidder.

Certificates To Be Delivered By The Successful Bidder

The Successful Bidder shall be obligated to furnish to Bond Counsel within seventy-two (72) hours prior to the Closing Date a certificate in form satisfactory to Bond Counsel stating: (1) all of the Series 2005 Bonds were offered to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices not greater than, or yields no lower than those shown on the cover of the Official Statement, plus accrued interest; (2) a substantial portion of each maturity was sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices not greater than, or in the case of obligations sold on a yield basis at yields no lower than the yields shown on the cover of the Official Statement, plus accrued interest; and (3) at the time the Series 2005 Bonds were priced and sold, under the market conditions then prevailing, the pricing of the Series 2005 Bonds was such that the Successful Bidder would not expect any of the Series 2005 Bonds to be sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices greater than, or in the case of obligations sold on a yield basis, at yields less than the yields shown on the cover of the Official Statement, plus accrued interest.

In addition, by no later than seventy-two (72) hours prior to the Closing Date, the Successful Bidder will be required to provide Bond Counsel with the following information with respect to the Series 2005 Bonds: (1) a pricing table setting forth the par amounts, maturity dates (including mandatory sinking fund redemptions), interest rates and the prices at which each maturity of the Series 2005 Bonds were sold; (2) a debt service schedule; (3) a summary of major assumptions including dated date and delivery date and (4) the amount of accrued interest.

Information Statement

Section 218.38 (1)(b) 1, Florida Statutes, requires that the City file, within 120 days after delivery of the Series 2005 Bonds, an information statement with the Division of Bond Finance of the State of Florida containing the following information: (a) the name and address of the managing underwriter, if any, connected with the Series 2005 Bonds; (b) the name and address of any attorney or financial consultant who advised the City with respect to the Series 2005 Bonds; and (c) any fee, bonus, or gratuity paid, in connection with the bond issue, by any underwriter or financial consultant to any person not regularly employed or engaged by such underwriter or consultant and (d) any other fee paid by the City with respect to the Series 2005 Bonds; including any fee paid to attorneys or financial consultants. The Successful Bidder will be required to deliver to the City at or prior to the time of delivery of the Series 2005 Bonds, a statement signed by an authorized officer containing the same information mentioned in (c) above.

In addition to the foregoing, all Bidders pursuant to the requirements of Section 218.385(2) of the Florida Statutes are required to complete the "Truth-In-Bonding Statement" set forth in the Proposal for Bonds.

Official Statement

The Preliminary Official Statement at its date is "deemed final" by the City for purposes of SEC Rule 15c2-12 (b)(1) but is subject to revision, amendment and completion in a final Official Statement. After the award of the Series 2005 Bonds, the City will prepare copies of the Official Statement and will include therein such additional information concerning the reoffering of the Series 2005 Bonds as the Successful Bidder may reasonably request. The Successful Bidder will be required to acknowledge receipt of such Official Statement to certify that it has made delivery of the Official Statement to such repositories and to acknowledge that the City expects the Successful Bidder to deliver copies of such Official Statement to persons to whom such bidder initially sells the Series 2005 Bonds. The Successful Bidder will be responsible to the City in all respects for the accuracy and completeness of information provided by such Successful Bidder with respect to such reoffering.

The City expects the Successful Bidder to deliver copies of such Official Statement upon receipt to persons to whom such bidder initially sells the Series 2005 Bonds, to all other members of its bidding syndicate to one or more nationally recognized municipal securities information repositories and to the Municipal Securities Rulemaking Board ("MSRB") or its designee pursuant to MSRB Rule G-36 no later than ten (10) business days following the date of award. The Successful Bidder will be required to acknowledge receipt of such Official Statement, to certify that it has made delivery of the Official Statement to such repositories and to acknowledge that the City expects the Successful Bidder to deliver copies of such Official Statement to persons to whom such bidder initially sells the Series 2005 Bonds, to all other members of its bidding syndicate and to the MSRB. The Successful Bidder shall notify the City as soon as practicable of (i) the date which is the end of the Underwriting period (as defined in the Rule) and (ii) the date(s) of filing of the final Official Statement with a repository and the MSRB. Copies of the Official Statement will be provided, at the City's expense, on a timely basis in such quantities as may be necessary for the Successful Bidder's regulatory compliance.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Series 2005 Bonds, but neither the failure to print such number on any Series 2005 Bond or any error with respect thereto shall constitute cause for failure or refusal by the Successful Bidder to accept delivery of and pay for the Series 2005 Bonds in accordance with its agreement to purchase the Series 2005 Bonds. All expenses in relation to the printing of CUSIP numbers on the Series 2005 Bonds shall be paid for by the City; provided, however, that the CUSIP Service Bureau charge for the assignment of said number shall be the responsibility of and shall be paid for by the Successful Bidder.

Blue Sky Laws

The City has not undertaken to register the Series 2005 Bonds under the securities laws of any state, nor investigated the eligibility of any institution or person to purchase or participate in the underwriting of the Series 2005 Bonds under any applicable legal investment, insurance, banking or other laws. By submitting a bid for the Series 2005 Bonds, the Successful Bidder represents that the sale of the Series 2005 Bonds, in states other than Florida will be made only under exemptions from registration or, whenever necessary, the Successful Bidder will register the Series 2005 Bonds in accordance with the securities laws of the state in which the Series 2005 Bonds are offered or sold. The City agrees to cooperate with the Successful Bidder, at the bidder's written request and expense, in registering the Series 2005 Bonds or obtaining an exemption from registration in any state where such action is necessary, provided that the City will not subject itself to service of process in any such jurisdiction.

Amendment

The City reserves the right to amend any provision of this Official Notice of Bond Sale. Any amendment will be announced by the Munifacts News Service given no later than 11:00 a.m., Eastern Time, on the second business day prior to the announced date for receipt of bids. If any amendment to this Official Notice of Bond Sale requires a corresponding change in the Official Bid Form the nature of such change will be set forth in the announcement together with instructions for modifying the Official Bid Form to conform it to the amendment.

Copies of Documents

Copies of the Preliminary Official Statement and this Official Notice of Bond Sale, and further information which may be desired, may be obtained from the Director of Financial Services, City of Coral Springs, 9551 W. Sample Road, Coral Springs, FL 33065, telephone (954) 344-1087 or from Dunlap & Associates, Inc., 1146 Keyes Avenue, Winter Park, Florida 32789, telephone (407) 678-0977, Financial Advisor to the City.

CITY OF CORAL SPRINGS, FLORIDA

/s/ Rhon Ernest-Jones
Mayor

/s/ David L. Russek
Director of Financial Services

TRUTH-IN-BONDING STATEMENT

For purposes of Section 218.385(2) and (3), Florida Statutes, we submit the following truth-in-bonding statement with respect to the Series 2005 Bonds: This debt or obligation is expected to be paid over a period of _____ years. At an average interest rate of _____, total interest paid over the life of the Series 2005 Bonds will be \$ _____.

The source of repayment or security for this bid is the Pledged Funds as defined in the Resolution. Authorizing this debt obligation will result in \$ _____ (insert the maximum annual amount) of the City's money not being available to finance the other services of the City each year for _____ years.

The above computations are submitted for information purposes and are not a part of this bid.

Furthermore, pursuant to Section 218.386, Florida Statutes, the names, addresses and estimated amounts of compensation of any person who has entered into an understanding with the managing underwriter or, to the managing underwriter's knowledge, the City, or both, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the issuer and managing underwriter or who exercises or attempts to exercise any influence to effect a transaction in the purchase of the Series 2005 Bonds are set forth below in the space provided. If no information is provided below, the City shall presume no compensation was paid.

**CITY OF TEMPLE TERRACE, FLORIDA
RFP # 05-004**

**REQUEST FOR PROPOSAL
TO SERVE AS FINANCIAL UNDERWRITER**

I. PURPOSE

The City of Temple Terrace, Florida (the "City") is seeking proposals from qualified investment banking firms to serve the City as a senior manager or co-manager for negotiated financings in regard to their issuance of General Obligation bonds, Revenue bonds, and the Community Redevelopment Agency/Community Development District bonds. The City is interested in hiring a firm that is capable of selling the City's bonds at the lowest possible interest rates. Joint proposals will not be accepted. The City is in the process of selecting a Developer. Some of the initial responses indicated an interest on the part of the Developer to finance the CRA/CDD portions of the project. The City, along with its advisor, will evaluate the cost effectiveness of Developer financing.

During the summer or fall of 2005, the City of Temple Terrace will hold a referendum in regard to the issuance of up to \$18,000,000 of general obligation bonds to finance the development of the infrastructure, garages, streets, parks, and a City Hall in the CRA, along with renovations to other City properties outside of the CRA. The City will also be financing various public projects through its Community Redevelopment Agency/Community Development District (the "CRA/CDD"). The City has acquired the land for the CRA/CDD financed through various taxable bank loans. The amount of loans outstanding is \$20,000,000 and may exceed \$25,000,000 as additional out-parcels are purchased by the City.

It is anticipated that the General Obligation and CRA/CDD bonds will be issued in the 1st Quarter of 2006. Potential financing for the CRA/CDD includes an additional issuance of \$32 million for garages, streets, parks, and infrastructure. The CRA/CDD bonds will be secured by Tax Increment Revenues, Special Assessments, and possibly a covenant to budget and appropriate from legally available non-ad valorem revenues.

II. PROPOSAL REQUIREMENTS

Proposers should address each of the questions in the order below. Your firm's written response should be brief and should directly respond to the following requests for information.

Section	
1	Letter of Transmittal A letter stating the Proposer's understanding of the work to be performed and the names and titles of the persons who will represent the Proposer for this engagement.
2	Firm History and Team Formation A brief history of the firm, including the location of the office(s) from which the primary work will be performed, general background of the firm and names and resumes for the contact person and other members of the team. Identify who in your firm would lead this engagement.

3	<p>Underwriting Experience</p> <p>a.) Discuss the proposer's experience underwriting municipal bonds; also discuss the firm's experience in public/private partnerships.</p> <p>b.) A table listing chronologically similar General Obligation and CRA/CDD financings for which your firm served as senior manager or co-manager in Florida. List the date of issue, issue name, issue size, Bond Buyer Revenue Bond Index on date of sale, TIC, gross spread and components of the gross spread during each of the last three years (be sure to indicate your firm's role in each financing listed).</p> <p>c.) Any unique underwriting experience that may be helpful in demonstrating the proposer's ability to serve the City.</p>
4	<p>Distribution Capabilities</p> <p>Discuss the retail and institutional distribution capabilities of the firm in Florida specifically addressing how they would benefit the City. In the two most recent fixed rate issues for which your firm served as senior manager, co-senior manager or co-manager, list the three largest purchasers of bonds sold directly by your firm. If your firm does not feel comfortable disclosing the names of the purchases, please indicate in more general terms (insurance company, mutual fund, etc.). It is important to the City to allow its citizens access to the City's debt.</p>
5	<p>Tax and Other Regulations</p> <p>Discuss in general terms how Federal tax regulations might impact these transactions with regards to the tax treatment of the prospective bonds, allowable arbitrage, etc.</p>
6	<p>References</p> <p>Complete and include Attachment B, listing three references (issuers) for which your firm has served as senior manager or co-senior manager in Florida for both general obligation or CRA/CDD issues.</p>
7	<p>Fees</p> <p>Present your proposed management fee, expenses (including underwriter's counsel) and all other components of gross spread, except take down. Assume the bonds are insured and receive "Aaa"/"AAA" ratings. Scales should be written based on a current market reoffering. Assume a bond insurance premium of 60 basis points of total debt service. Assume that the City's cost of issuance (bond counsel, financial advisor, printing, rating agency fees, etc. is \$150,000 per issue. Your "fees", along with yields in the competitive market, will be used to establish a pricing index that will be important to the City in considering scales proposed at the actual time of sale. Your interest rate scales should reflect levels which your firm would, if necessary, be prepared to price and underwrite the bonds as of the above-specified date. Both the General Obligation and CRA/CDD issues will have a final term of 30 years. YOUR FIRM'S RESPONSE MUST INCLUDE A TRUE INTEREST COST PERCENTAGE WHICH REFLECTS THE TOTAL COST OF FUNDS AND A DEBT SERVICE SCHEDULE FOR THE RECOMMENDED FINANCING APPROACH. In addition, underwriting candidates should submit a fixed price spread proposal expressed in dollars per thousand segregated as to management fee (if any), underwriting, takedown and expenses. In addition, please specify in actual dollars, the costs which you expect to incur for underwriters' counsel fees and provide a budget for all other elements of underwriting expenses. Bryant Miller & Olive P.A., Tampa, Florida is acting as Bond Counsel and Dunlap & Associates, Inc. is acting as Financial Advisor. Assume that the proposed bonds will be issued in book-entry form. Settlement will be</p>

	expected in Federal Funds.
8	<p>Disclosure Counsel</p> <p>The selection of underwriter's counsel shall be at the discretion of the senior managing underwriter; however, the City expects to retain a Disclosure Counsel for these issues. The City requests that each candidate for senior managing underwriter identify firms which it would consider for this role. The City expects the firms being considered to be listed in the <u>Bond Buyer's Municipal Marketplace Directory</u> (the "Red Book") and the current National Association of Bond Lawyers directory. It is assumed that the firms being considered will accept the compensation level specified in the expense portion of your firm's fixed price spread proposal.</p>
9	<p>Minimum Qualifications</p> <p>Only those underwriters which are validly formed investment banking firms authorized to do business in the State of Florida should respond to this Request for Proposal. Please certify that your firm is registered as a broker/dealer with the appropriate State and Federal authorities. To ensure that your firm is sufficiently capitalized to market the proposed bonds, provide a breakdown of your firm's capital position with regards to "Total Capital", "Equity Capital", and "Net Regulatory Capital". Based upon this capital, provide the maximum amount of your firm's underwriting capability.</p>
10	<p>Disclosure Requirements</p> <p>Does your firm have any arrangement with any individual or entity with respect to the sharing of any compensation, fees, or profits received from or in relation to acting as an underwriter for the City? If so, provide a copy of any contract relating to the arrangement and the manner in which compensation or fees would be shared. PLEASE NOTE THAT YOUR FIRM'S OBLIGATION TO DISCLOSE TO THE CITY ANY SUCH RELATIONSHIP CONTINUES FROM THE DATE OF YOUR SUBMITTAL THROUGH THE ISSUANCE OF THE PROPOSED BONDS. Please complete Attachment A Non-Collusion Affidavit and include in this section.</p> <p>Will the selection of your firm result in any current or potential conflict of interest? If so, your firm's response must specify the party with which the conflict exists or might arise, the nature of the conflict, and whether your firm would step aside or resign from the engagement or representation creating the conflict.</p>
11	<p>Litigation</p> <p>Identify fully the extent to which your firm or individual partners or employees are the subject to any ongoing municipal securities investigation, are a party to any municipal securities litigation or arbitration, or are the subject of a subpoena in connection with a municipal securities investigation. In addition, include any such investigations which concluded in an enforcement or disciplinary action ordered or imposed in the last three years or any settlements thereof. Securities investigations include, but are not limited to, those of the Internal Revenue Service; the Securities and Exchange Commission; and all federal and state securities, tax and law enforcement and/or regulatory agencies, boards and officials.</p>

12	Conflict of Interest Will the selection of your firm result in any current or potential conflict of interest? If so, your firm's response must specify the party with which the conflict exists or might arise, the nature of the conflict, and whether your firm would step aside or resign from the engagement or representation creating the conflict.
13	Proposer's Warranty Please complete and include Attachment C, Proposer's Warranty.
14	Appendices Debt service schedules and other pertinent information – including TIC for the proposed financing.
15	Other Information Provide any other information which your firm feels is important to the City in its evaluation process.

III. PROPOSAL EVALUATION CRITERIA

After receiving the written responses, the City (through its selection committee) may select one or more firms based upon the following criteria. The selection committee will determine maximum points for each criterion within the specified ranges before ranking the proposals.

Criteria	Maximum Points
1. Competence in municipal finance	15
2. Experience with similar financings	15
✓ 3. Experience with public/private partnerships	5
4. Local presence	5
5. Availability and experience of personnel assigned to the financing team	10
6. Past record of accomplishments	10
7. Distribution capabilities	10
8. Proposed fees	15
9. Creativity as applied to other financing and this proposed financing	15
Total	100

A review and evaluation of the responses to this solicitation of RFP will be the sole basis for selection of firms judged to be best suited to represent the City as managing underwriters. The City reserves the right to select one or more firms to serve as managing underwriters. The City may, at its option, interview firms as part of this selection process. The City reserves the right to waive technicalities or irregularities in proposals at its sole discretion or to reject any or all proposals at its sole discretion.

Interested firms will agree that all contracts shall be governed by the laws of the State of Florida. Please be aware that the City will restrict the selected financial underwriter(s) from engaging in activities on behalf of the City that produce a direct or indirect financial gain for the firm, other than the agreed upon compensation, without the City's informed consent.

IV. TENTATIVE SCHEDULE OF EVENTS

Event	Date
Advertising and Issuance of RFP	March 9, 2005
Proposal Due Date	March 29, 2005
Interviews with Top Ranking Firms	Week of April 11, 2005
Recommendation to City Council	May 3, 2005
Award of Contract	May 3, 2005

INSTRUCTIONS TO RESPONDENTS

OBTAIN DOCUMENTS:

Interested parties may obtain one set of RFP document forms from:

City Hall, Finance Department
11250 N. 56th St.
Temple Terrace, FL 33617
www.templeterrace.com

Or by contacting Lee Huffstutler, Finance Director by phone: (813) 989-7103, fax: (813) 989-7185 or e-mail: lhuffstutler@templeterrace.com

EXAMINATIONS:

Respondents shall carefully examine the documents to obtain first-hand knowledge of existing conditions. Contractors may not be given extra payments for conditions that can be determined by examining the site and documents.

BASIS OF PROPOSAL:

(The words "BID" and "PROPOSAL" shall be interpreted to mean the same for the duration of these specifications, terms, and conditions). Respondents will include all costs; failure to comply may be cause for rejection. No segregated proposals or proposals, or assignments will be considered. It shall be the responsibility of the vendor to advise the Finance Director of any language, requirements, etc. or any combination thereof, which may inadvertently restrict or limit the requirements stated in the specifications to a single vendor or manufacturer. Such notification must be made in writing at least 40 working hours prior to opening date and time of the proposal.

PREPARATION OF PROPOSALS:

Proposals shall be made on unaltered proposal forms furnished in this RFP, unless otherwise requested within the RFP package. Fill in all blank spaces and submit one (1) original clearly marked on the outside of the envelope - "ORIGINAL", and (5) copies, clearly marked on their envelopes - "COPY". The original proposal shall be signed in ink with name typed below the

signature (Attachment C). Where respondent is a corporation, proposals must be signed in ink, in longhand (typed or printed name as signed below signature) with the legal name of the corporation followed by the name of the State of Incorporation and the legal signature of an officer authorized to bind the corporation to a contract. A respondent may be requested to present evidence of his/her experience qualifications and the company, corporation, partnership's financial ability to carry out the terms of the contract.

CONTRACT AWARD:

The City reserves the right to accept or reject any or all proposals, in part or total and to waive any minor informalities, as deemed in the best interest of the City and reserves the right to award the contract to the lowest responsive, responsible respondent who submits the proposal meeting specifications most advantageous to the City. The City further reserves the right to consider matters such as, but not limited to, quality offered, delivery terms and reputation of the vendor in determining the most advantageous proposal.

The information listed in the specifications is to establish quality standards, not to limit competition. The respondent may offer any suggestions they are authorized to represent, which meets or exceeds the quality of specifications for any service. If proposals are based on equivalent services, indicate on the response form the deviation(s) of the service submitted in enough detail information for City staff to make an honest determination.

Please note:

1. Proposals adhering to original specifications as listed herein will be considered BEFORE any alternates or deviations.
2. The respondent warrants by virtue of responding that prices, terms and conditions quoted in this proposal will be firm for a period of 60 days from the date of the proposal opening unless otherwise stated by the City or the vendor.
3. The City may negotiate the final contract documents and dollar amount(s) with the short listed, highest ranking, three or more of the ranked respondents as deemed in the best interest of the City.

OFFICIAL AUTHORIZED SIGNATURE:

1. Florida law requires that when a municipality enters into a contractual agreement with a corporation licensed to do business in the State of Florida, such agreement shall be signed by two (2) Corporate Officers (i.e.: President, Vice President, Secretary, Treasurer) with the corporate seal affixed at the signatures. It is also required that such execution be acknowledged before a Notary Public with Notary Seal affixed at their signature. If neither the corporate officers nor the corporate seal are readily available, a letter of authorization can be submitted in lieu of these requirements. Such letter of authorization must be on corporate stationery, must clearly state that the person who signed the referenced agreement is duly authorized to enter into such agreement on behalf of the

corporation and must be signed by the corporate officials designated above. Failure to submit letter of authorization within two (2) weeks after notification of award may result in award to the next apparent lowest respondent.

2. In the case of a partnership, the agreement must be signed by a general or managing partner and notarized as outlined above.
3. In the case of a sole proprietorship the owner must sign the agreement and have such execution notarized.

**MODIFICATIONS &
WITHDRAWALS:**

Proposals cannot be modified after submittal to the City. Respondents may withdraw proposals at any time before the proposal public opening; however, no response may be withdrawn or modified after the proposal public opening. Proposals will be opened as announced in the Request for Proposal.

DISQUALIFICATIONS:

The City of Temple Terrace reserves the right to disqualify proposals, before or after opening, upon evidence of collusion with intent to defraud or other illegal practice upon the part of the respondent. (See Non-Collusion Affidavit form). The City can waive technicalities in submitted proposals. Respondents also warrant that no one was paid a fee, commission, gift or other consideration contingent upon receipt of an award for the services or product(s) and/or supplies specified herein.

PUBLIC ENTITY CRIMES FORM:

Requests for proposals as defined by Section 287.012(16), Florida Statutes, and any contract document described by Section 287.058, Florida Statutes, shall contain a statement informing persons of the provisions of paragraph (2)(a) of Section 287.133, Florida Statutes, which reads:

*“A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid [proposal] on a contract to provide any goods or services to a public entity, may not submit a bid [proposal] on a contract with a public entity for the construction or repair of a public building or public work, may not submit proposals on leases or real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.107, for **CATEGORY TWO** for a period of 36 months from the date of being placed on the convicted vendor list.”*

Any agreement or contract with the City obtained in violation of this Section shall be subject to termination for cause. A subcontractor who obtains a subcontract in violation of this Section will

be removed and promptly replaced by a subcontractor acceptable to the City. Any delays or extra expenses incurred in the conduct of this agreement/contract, due to the necessity for replacement of a subcontractor may be at the expense of the main contractor.

In submitting a proposal to the City of Temple Terrace, Florida, the respondent offers and agrees that if the bid/proposal is accepted, the respondent will convey, sell, assign or transfer to the City of Temple Terrace all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of Florida for price fixing relating to the particular commodities or services purchased or acquired by the City of Temple Terrace. At the City of Temple Terrace's discretion, such assignment shall be made and become effective at the time the purchasing agency tenders final payment to respondent.

CERTIFICATE OF INSURANCE:

The contractor and his subcontractors shall require their insurance carriers, with respect to all insurance policies, to waive all rights of subrogation against the City. The successful respondent shall submit certificates or other documentation evidence to the City for approval with their response to this request for proposal, covering Worker's Compensation Insurance and Professional Liability Insurance in the amount of \$1,000,000.

The City of Temple Terrace shall be named as additional named insured on all certificates and policies pertaining to this project. Insurance companies must be licensed to do business in the State of Florida with a Best's Key Rating Guide rate of A+. This information will be verified and may be grounds for disqualification if not in order.

EXECUTION OF CONTRACT:

Notwithstanding any delay in the preparation and execution of the formal contract agreement, each respondent shall be prepared, upon written notice of acceptance, to commence work within 10 working days following receipt of official written order of the City to proceed, or on a date stipulated in such order. The accepted respondent shall assist and cooperate with the City in preparing the formal contract agreement, and within 10 working days following its presentation shall execute same and return it to the City.

PROHIBITIONS:

The contractor, his/her employees, sub-contractors, his/her employees, shall be prohibited from unlawful drug or alcohol possession, use, manufacture or dispensation of controlled substances while at work and reporting to work. If any employee reports to work under the influence of alcohol or drugs they shall be immediately removed from the City premises. The contractor will be held responsible for any damages, loss or extra expenses caused by delays incurred by such actions.

AGREEMENT:

The resulting AGREEMENT or CONTRACT, including the language within the RFP, General and Special Conditions and all Amendments or Addenda issued by the City, contain all the terms and conditions agreed upon by all parties. No other agreements, oral or otherwise, regarding the subject matter of this AGREEMENT/CONTRACT shall be deemed to exist or to bind either party hereto. All changes must be submitted to the City in writing, and approved by the City Manager or City Council prior to taking effect.

INDEMNIFICATION:

The contractor hereby agrees to indemnify and save harmless the City of Temple Terrace from and against any and all liability, claims, proceedings, actions and cost of actions, including attorney's fees on appeal of any kind and nature arising or growing out of, or in any way connected with, the performance of the contract whether by act or omission of the contractor, its agents, servants, employees, or because of, or due to the mere existence of the contract between the parties.

ACCIDENTS & CLAIMS:

The contractor shall be held responsible for all accidents and shall indemnify and protect the City from all suits, claims and actions brought against the City and all costs for liability to which the City may be put for any injury or alleged injury to the person(s) or property(s) of another resulting from negligence or carelessness in the performance of the work, or in protection of the project site, or from any improper or inferior workmanship, or from inferior materials used in the work. See also: Insurance Requirements.

LAWS & REGULATIONS:

1. The contractor at all times shall be familiar with and observe and comply with all Federal, State, Local, and Municipal laws, codes, ordinances, rules, and regulations in any manner and those which may be enacted later, or bodies or tribunals having jurisdiction or authority over the work and shall indemnify and save harmless the City of Temple Terrace against any claims or liability arising from, or based on, the violation of any such law, ordinance, rule, code, regulation, order, patent infringements or decrees.
2. The respondent is assumed to have made him/herself familiar with all Federal, State, local, and Municipal laws, codes, ordinances, rules, and regulations which in any manner affect those engaged or employed in the work, or the materials or equipment used in or upon the work, or in any way affect the work and no plea of misunderstanding will be considered an excuse for the ignorance thereof.
3. In the event any situation is brought to mediation or a court of law, the venue shall be the County of Hillsborough, in the State of Florida, where all laws, regulations, ordinances, codes, and rules shall be used in the adjudication.

4. All responses, questions, conversations are public information and also any literature or handouts at any subsequent presentations. All submittals are subject to the Florida Public Records Act, F.S. 119. The tender of a proposal authorizes release of all of your company's information as submitted.
5. The proposer acknowledges that all information contained within their proposal is part of the public domain and defined by the State of Florida Public Records Laws. The award of the RFP is subject to the provisions of Chapter 112, Florida Statutes.

COMMUNICATIONS:

Any communications relative to this RFP shall be made via fax or e-mail directly to the Finance Director or Financial Advisor. When questions arise that may effect the proposal, the answers will be distributed in writing in the form of an Addendum to all interested parties involved if time permits. Or, written answers will be faxed, if time demands, with an original Addendum mailed to all interested parties within 24 hours of the fax. No questions will be addressed within 35 working hours from date and time of the public opening of the proposal. All rules pertaining to **ADDENDA** will apply to any written questions and answers. Any addenda must be signed and added to your response to be considered responsive. There will be no further communications, by any means, verbal or written, with any City employee, elected official or member of the Selection Committee, or representative of the City of Temple Terrace during the course of this proposal.

ACCEPTANCE:

Vendor warrants by virtue of submitting a response, their prices, terms and conditions quoted in this proposal will be firm for acceptance for a period of 60 days from the date of the public opening unless otherwise stated by the City or vendor. Amounts specified herein are for fixed price work or products that include all prices for labor and materials required to perform the work or deliver the service(s) as requested by the City. No waiver, alterations, or modification of any of the provisions of the contract shall be binding unless in writing and signed by the City Manager, Assistant City Manager and/or Council.

SUBMITTAL:

Submit your response in a sealed envelope to the following addresses. Proposals are due by 2:00 p.m. on March 29, 2005. Identify the envelope with:

PROPOSAL NAME
PROPOSAL NUMBER
NAME OF COMPANY/INDIVIDUAL SUBMITTING PROPOSAL

Original and 5 copies

Mr. Lee Huffstutler
Finance Director
City of Temple Terrace
11250 N. 56th Street
Temple Terrace, FL 33617
Phone (813) 989-7103
Fax: (813) 989-7185

2 copies

Mr. J. Craig Dunlap
President
Dunlap & Associates, Inc.
1146 Keyes Avenue
Winter Park, FL 32789
Phone: (407) 678-0977
Fax: (407) 678-6240

Submit proposals in accordance with the instructions listed herein regarding time, place and date required. Responses received after the time requirement will NOT be opened and will NOT be considered for award. It is the sole responsibility of the respondent to be sure his/her response is in the hands of the Finance Director by the required time and date, and that the response is properly sealed and labeled as required prior to delivery to City Hall. The City will not be responsible for any proposal delivered incorrectly or to the wrong address or location.

In the event only one proposal is received, that single response may not be opened. It may be returned in the original envelope to the respondent with a letter of explanation. The City staff will review the specifications and possibly reissue at a later date.

All firms are hereby placed on **NOTICE** that the City does not wish to be lobbied...either individually or collectively...about a project for which a firm has submitted a Proposal. Firms and their agents or representatives are not to contact members of the Council for such purposes as meetings of introduction, luncheons, dinners, etc. During the process of underwriter selection, **through and including the time of final Council approval**, no firm or their agent shall contact any other employee of the City of Temple Terrace in reference to this Proposal, with the exception of the Finance Director, Lee Huffstutler, at (813) 989-7103 or Craig Dunlap/Sylvia Seaton-Dunlap, Financial Advisor to the City, at (407) 678-0977. Failure to abide by this provision will serve as grounds for disqualification for award of this contract to the firm.

FISCAL YEAR FUNDING APPROPRIATIONS:

A. Specified Period: Unless otherwise provided by law, a contract for supplies or services may be entered into for any period of time deemed to be in the best interest of the City,

provided the term of the contract and conditions of renewal or extension, if any, are included in the solicitation and funds are available for the first fiscal period (October 1, through September 30), at the time of contract. Payment and performance obligations for succeeding fiscal periods, and any renewals, are subject to appropriation by City Council of funds prior to entering agreement.

- B. Cancellation Due to Unavailability of Funds in Succeeding Fiscal Periods:** When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract may be canceled and the contractor will be entitled to reimbursement for the reasonable value of any nonrecurring costs incurred but not advertised in the price of the supplies or services delivered under the contract, renewal or otherwise recoverable.

IV. PROPRIETARY INFORMATION

In accordance with Chapter 119 of the Florida Statutes (Public Records Law), and except as may be provided by other applicable State and Federal Law, all proposers should be aware that Request for Proposals or Invitations to Proposal and the responses thereto are in the public domain. However, the *proposers are requested to identify specifically* any information contained in their response which they consider confidential and/or proprietary and which they believe to be exempt from disclosure, citing specifically the applicable exempting law.

V. COMPLIANCE

All companies doing business with the City of Temple Terrace must do so in the English language and make proposals or other money quotations in U.S. currency. There shall be no customs, duties or import fees added to the cost shown in the quotation or proposal. In the event of any legal disputes the laws of the State of Florida and, where appropriate, the United States of America shall prevail. Venue for any court proceedings arising out of or related to this proposal or any resulting contract or purchase shall be in a court of competent jurisdiction in Hillsborough County, Florida.

VI. EQUAL OPPORTUNITY EMPLOYMENT

The contractor agrees that it will not discriminate against any employee or applicant for employment for work under this Agreement because of race, color, religion, sex, age, disability, or national origin and will take steps to ensure that applicants are employed, and employees are treated during employment, without regard to race, color, religion, sex, age, disability, or national origin. This provision will include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment advertising; layoff or termination; rates of pay, or other forms of compensation; and selection for training, including apprenticeship.

VII. DISCRIMINATION

Section 287.134 (2)(a), Florida Statutes states the following:

“An entity or affiliate who has been placed on the discriminatory vendor list may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity.”

Any agreement or contract with the City obtained in violation of this Section shall be subject to termination for cause. A subcontractor who obtains a subcontract in violation of this Section will be removed and promptly replaced by a subcontractor acceptable to the City. Any delays or extra expenses incurred in the conduct of this agreement/contract, due to the necessity for replacement of a subcontractor may be at the expense of the main contractor.

Attachment A
City of Temple Terrace, Florida
Non-Collusion Affidavit

Any company submitting a response must sign the non-collusion affidavit form, and attach it to their response or they may not be considered for award. Any infraction of this requirement on non-collusion may result in disqualification of the respondent from award.

The undersigned being first duly sworn as provided by law, disposes and says:

1. His/her name is: _____ (print/type)
and resides at: _____

2. He/she makes this affidavit with the knowledge and intent that it is to be filed with the City of Temple Terrace, Florida and that it will be relied upon by said City in any consideration that it may give to and any action that it may take with respect to this proposal.
3. He/she makes and is authorized to make this affidavit on behalf of:

(Name of corporation, company, partnership, individual, etc.)
A _____, formed under the laws of _____ (state),
in which he/she is _____
(Sole owner, partner, president, etc.)
4. Neither the undersigned no any other person, firm or corporation named in above paragraph 3, nor anyone else to the knowledge of the undersigned, have themselves solicited or employed anyone else that no head of any department or employee or elected official or other officer of the City of Temple Terrace, Florida is directly, or indirectly interested therein.
5. This proposal is genuine and not collusive or a sham. The person, partnership or corporation named above in paragraph 3, has not colluded, conspired, connived or agreed directly or indirectly with any proposer or person, firm or corporation, to put in a sham bid/proposal, or that such other person, firm or corporation, or City employee, or elected official of the City of Temple Terrace, Florida, to fix the unit price(s) of said proposal or proposals of any other proposer, or to secure any advantage against the City of any person, firm or corporation interested in the proposed contract. All statements contained in the proposal or proposals described above are true; and further, neither the undersigned, nor the person, firm or corporation named above in paragraph 3, has directly or indirectly submitted said proposal of the contents thereof, or divulged information or data relative thereto, to any association or to any member or agent thereof.
6. _____
Affiant name and title

Sworn to and subscribed before me this _____ day of _____, 200 _____

Name: _____
My Council expires: _____ / _____ / _____

Attachment B
CITY OF TEMPLE TERRACE, FLORIDA
REFERENCE LISTING FORM

List a minimum of 3 references.

1. CUSTOMER
NAME: _____
ADDRESS: _____
TELEPHONE: () _____ FAX: () _____
CONTACT NAME: _____
DATE OF PROJECT COMPLETION: _____
ORIGINAL AMOUNT OF PROJECT: \$ _____
ENDING AMOUNT OF PROJECT: \$ _____

2. CUSTOMER
NAME: _____
ADDRESS: _____
TELEPHONE: () _____ FAX: () _____
CONTACT NAME: _____
DATE OF PROJECT COMPLETION: _____
ORIGINAL AMOUNT OF PROJECT: \$ _____
ENDING AMOUNT OF PROJECT: \$ _____

3. CUSTOMER
NAME: _____
ADDRESS: _____
TELEPHONE: () _____ FAX: () _____
CONTACT NAME: _____
DATE OF PROJECT COMPLETION: _____
ORIGINAL AMOUNT OF PROJECT: \$ _____
ENDING AMOUNT OF PROJECT: \$ _____

Attachment C
CITY OF TEMPLE TERRACE, FLORIDA
PROPOSER'S WARRANTY

The undersigned warrants that:

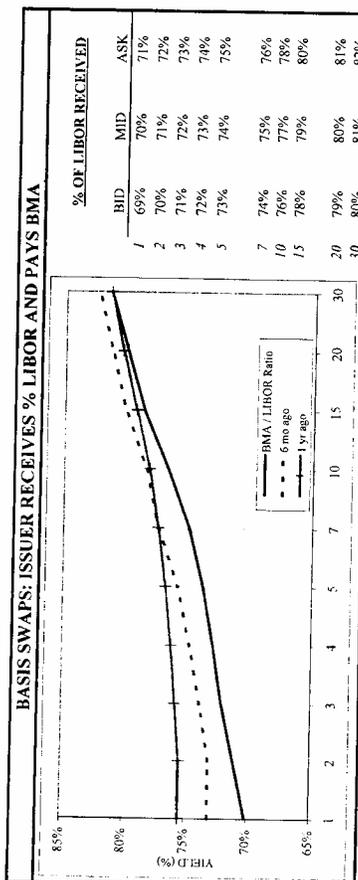
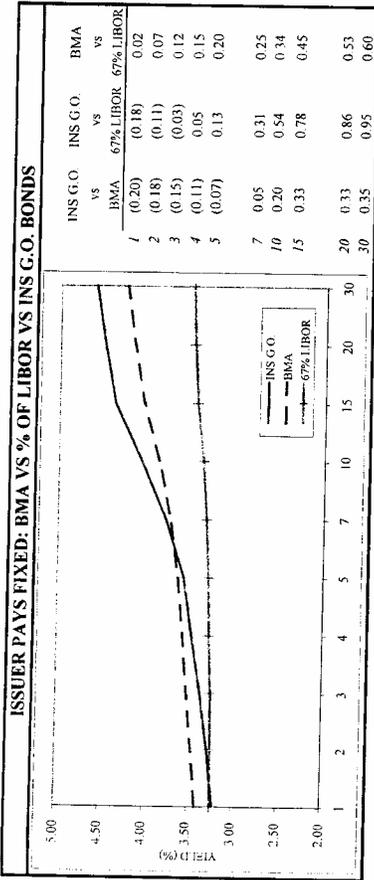
- a. He/she is authorized to offer a proposal in full compliance with all requirements and conditions, as set forth in the RFP.
- b. He/she has fully read and understands the RFP and has full knowledge of the scope, nature, quantity and quality of services and products to be provided; and the requirements and conditions under which the work is to be performed.
- c. If the proposal is accepted, a contract will be issued as proposed subject to any revisions mutually agreed upon by the City and the vendor.

Proposer

Signature
Name & Title
Name of Company
Address
City, State, and Zip Code
Business Telephone
Fax Number
E-mail and Internet Addresses

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BEAR STEARNS - MARKET OVERVIEW
MUNICIPAL DERIVATIVES GROUP - (212) 272-2840
 Friday, December 16, 2005 (as of previous day close)



TAX-EXEMPT AND TAXABLE SWAP MARKETS

AYG LIFE	BMA		LIBOR	
	BID	ASK	BID	ASK
1	3.31	3.41	4.80	4.84
2	3.36	3.46	4.80	4.84
3	3.42	3.52	4.81	4.85
4	3.48	3.58	4.85	4.89
5	3.54	3.64	4.87	4.91
7	3.63	3.73	4.92	4.96
10	3.76	3.86	4.99	5.03
15	3.94	4.04	5.09	5.13
20	4.06	4.16	5.15	5.19
30	4.15	4.25	5.18	5.22

CASH MARKETS

TERM	INS G.O.		AAA G.O.		INS REV		TSY
	G.O.	REV	G.O.	REV	G.O.	REV	
1	3.21	3.20	3.23	3.23	4.22	4.22	
2	3.28	3.27	3.31	3.31	4.35	4.35	
3	3.37	3.35	3.40	3.40	4.37	4.37	
4	3.47	3.43	3.50	3.50	4.37	4.37	
5	3.57	3.52	3.61	3.61	4.37	4.37	
7	3.78	3.71	3.81	3.81	4.39	4.39	
10	4.06	3.94	4.07	4.07	4.46	4.46	
15	4.37	4.21	4.35	4.35	4.59	4.59	
20	4.49	4.35	4.47	4.47	4.73	4.73	
30	4.60	4.43	4.54	4.54	4.67	4.67	

Neil Singer Neil Flanagan Jere McGuiffee Bill Bloom Andrew Levenson Partha Nandi Cindy Ashmore Dnirty Umyun La Yonda Williams Whitney Henderson

All rates are indicative, subject to market conditions and credit approval. The material is based upon information that we consider reliable (Market data source: Bloomberg), but we do not represent that it is accurate or complete, and it should not be relied upon as such. Bear Stearns and/or individuals associated therewith or affiliates thereof may have positions in transactions or instruments similar to those described above. Bear Stearns acts as principal in transactions with counterparties, and accordingly each counterparty must determine the appropriateness of each transaction to their specific application. This Daily Update has been prepared solely for information purposes and is not an offer to buy or sell any security, instrument or contract.

USRateView

Today's Market Focus

Current Account Balance 3Q05 (8:30 AM). The stuff that allows overseas investors to turn-around and reinvest in U.S. debt. Last: \$195.7B, Consensus: \$205.0B.

FedSpeak Nothing.

Market Positions

	New?	Position/Comment	Best Long	Best Short
Curve Level/Shape		Flatter. 2s5s steepened 1 bp, with current slope about 1.5 bp. 2s10s is 10 bp and expect flattening trend to pick up. 10s continue to range trade, finding resistance at 4.42% and support at 4.67%.	Zeros	Whole bonds
Vol Level/Shape	✓	Negative through year-end, but.... Vol should start edging up through 1H06 as the Fed approaches a stopping point on policy. Short-dated options should get most of that bid.		1Yx2Y
Swap Spreads		Neutral-to-wider to USTs. Special repo financing in USTs continues. And longer swap spreads typically widen as general rate market liquidity wanes, including markets where the Fed raises rates	Receive in 2Ys	Pay in 5Ys, 10Ys
Agencies		Positive Agency bullets performed in-line to modestly under swaps in the long end yesterday, but sharply underperformed by 1-2 bp in the short end as 2y Treasuries richened and swaps followed them in. Expect that to unwind		10Y swaps vs 10Y agencies
MBS		Neutral-to-negative. Rising supply looms over the 30-year sector, along with uneven demand from banks and GSEs, and poor risk-adjusted carry..	FNCL 5.5ss	FNCL 5.0s

Key Flows

Market	Comment
Repo	GC on Treasuries is 4.10%. O/N repo on the 10y Treasury is 3.27%, and 0.64% on the long bond. But the real story in repo has been the 2y note. Friday last week they traded special, backed off and were almost trading at GC. Then yesterday a single broker traded \$15 billion 2s in the repo market and they are currently special at 0.10 bp
Treasury	A short squeeze in 2s dragged the market off the lows and back into the middle of the range yesterday. Besides Thursday's economic indicators, comments by a senior Chinese economist regarding China's need to reduce their trade surplus also put a damper on the market and sent it lower. However, as the day wore on, 2s richened significantly as they went special in repo, dragging the market higher and steepening out the curve. 2-10s finished the day around 2 bp steeper. The market generally saw selling from both mortgage- and swap-related accounts. Short-covering across the curve came later in the day from fast money accounts and better buying in the front end of the curve by mortgage-related accounts.
Agency	A slow day in agencies Thursday as spreads marginally underperformed swaps in the long end. Spreads sharply underperformed swaps in the short end as the UST2 went special. The FHLMC 5Y priced yesterday at +39.5 and went out at the same spread. Callables were slow and MTN issuance was tilted towards the longer end of the curve with fewer deals 2Y and under being priced.
Volatility	VoIs were largely unch'd Thursday as the high level of intraday and day-to-day volatility continues to run up against the fact that – after all the noise – we continue to go absolutely nowhere.

Head of Global Liquid Product Strategy: Steven Abrahams
Treasury/Agency Strategy: David Boberski, Mary Beth Fisher
Interest Rate Swaps/Options: David Boberski, Jon Blumenfeld

Agency MBS Strategy: Steven Abrahams, Adam Rilander
Economics: John Ryding, Conrad DeQuadros



The research analyst who prepared this research report hereby certifies that the views expressed in this research report accurately reflect the analyst's personal views about the subject companies and their securities. The research analyst also certifies that the analyst has not been, is not, and will not be receiving direct or indirect compensation for expressing the specific recommendation(s) or view(s) in this report.

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Dunlap & Associates, Inc.
Financial Consultants

CLOSING TRANSACTION MEMORANDUM
\$15,775,000
CITY OF MAITLAND, FLORIDA
Limited Tax General Obligation Bonds, Series 2005

TO: Attached Distribution List
FROM: J. Craig Dunlap
Dunlap & Associates, Inc.
DATE: July 7, 2005
DATED DATE: July 1, 2005
DELIVERY DATE: July 14, 2005

I. SCHEDULE

Pre-Closing

Date: Wednesday, July 13, 2005
Time: 10:00 a.m.
Place: Bryant Miller & Olive P.A.
135 W. Central Blvd.
Suite 700
Orlando, FL 32801
Contact: Ken Artin
(407) 426-7001

Closing

Date: Thursday, July 14, 2005
Time: 9:00 a.m. (by phone)
Place: Bryant Miller & Olive P.A.
Contact: Ken Artin
(407) 426-7001

II. PRE-CLOSING

On Wednesday, July 13, 2005 at 10:00 a.m., a pre-closing will be conducted. Bond Counsel will coordinate signing of documents in preparation of the Closing on Thursday, July 14, 2005.

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City of Maitland, Florida
Closing Transaction Memorandum
Page Two

III. CLOSING

On Thursday, July 14, 2005 at 9:00 a.m., a closing will be conducted by phone. Bond Counsel, City staff, the Underwriter and the Financial Advisor will supervise the transfer of funds.

IV. AMOUNT DUE FROM UNDERWRITER AT CLOSING

Principal Amount of Bonds	\$15,775,000.00
Net Original Issue Discount	(255,324.90)
Underwriter's Discount	(77,832.30)
Accrued Interest	<u>22,631.56</u>
Total Due from Underwriter	<u>\$15,464,474.36</u>

V. TRANSFER OF UNDERWRITER FUNDS

Payment for the Series 2005 Bonds by the Underwriter will consist of two (2) Federal Funds wires totaling \$15,464,474.36. The wiring and delivery instructions for the wires are as follows:

Federal Funds Wires

1) Deposit to Series 2005 Project Fund and Cost of Issuance

Amount:	\$15,397,074.36 ⁽¹⁾
To:	Bank of America – Tampa Florida
ABA #:	026009593
Account Name:	State Board of Administration
Account #:	003601319500
Agency Account #:	221385
Agency name:	City of Maitland, Florida
Contact:	Sharon Anselmo
Phone #:	(407) 539-6201

⁽¹⁾ This amount will be deposited to the following accounts:

Deposit to Project Fund	\$15,279,442.80
Accrued Interest	22,631.56
Cost of Issuance	<u>95,000.00</u>
Total Deposit	\$15,397,074.36

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City of Maitland, Florida
Closing Transaction Memorandum
Page Three

2) Municipal Bond Insurance Premium

Amount:	\$67,400.00
To:	JP Morgan Chase Bank New York, New York
ABA #:	021000021
For Credit To:	MBIA Insurance Corporation
Policy #:	46553
Account #:	910-2-721728
For:	City of Maitland, Florida Limited Tax General Obligation Bonds, Series 2005
Advise:	Clifford Pritchard
Phone #:	(914) 765-3056

VII. SOURCES AND USES OF FUNDS

SOURCES:

Par Amount of Series 2005 Bonds	\$15,775,000.00
Accrued Interest	22,631.56
Less: Net Original Issue Discount	<u>(255,324.90)</u>

TOTAL SOURCES **\$15,542,306.66**

USES:

Deposit to Project Fund	\$15,279,442.80
Cost of Issuance	95,000.00
Municipal Bond Insurance Premium	67,400.00
Accrued Interest	22,631.56
Underwriter's Discount	<u>77,832.30</u>

TOTAL USES **\$15,542,306.66**

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**Florida AAA Ins
Revenue Tax Exempt
As of 12/15/2005**

Submit Another Query

<i>Year</i>	<i>Florida AAA Ins Revenue Tax Exempt</i>	<i>MMD AAA GO</i>	<i>Spread</i>	<i>Treasury Spots</i>	<i>Federal Tax Eq.</i>	<i>Out- of- State Eq.</i>	<i>Full Taxable Equivalent Yield</i>
2006	3.23	3.20	3	4.330	4.97	3.23	4.97
2007	3.29	3.23	6	4.360	5.06	3.29	5.06
2008	3.36	3.26	10	4.368	5.17	3.36	5.17
2009	3.47	3.35	12	---	5.34	3.47	5.34
2010	3.57	3.44	13	4.378	5.49	3.57	5.49
2011	3.67	3.53	14	---	5.65	3.67	5.65
2012	3.76	3.62	14	---	5.78	3.76	5.78
2013	3.86	3.71	15	---	5.94	3.86	5.94
2014	3.94	3.79	15	---	6.06	3.94	6.06
2015	4.01	3.86	15	4.468	6.17	4.01	6.17
2016	4.07	3.92	15	---	6.26	4.07	6.26
2017	4.11	3.96	15	---	6.32	4.11	6.32
2018	4.15	4.00	15	---	6.38	4.15	6.38
2019	4.19	4.04	15	---	6.45	4.19	6.45
2020	4.23	4.08	15	4.572	6.51	4.23	6.51
2021	4.27	4.12	15	---	6.57	4.27	6.57
2022	4.31	4.16	15	---	6.63	4.31	6.63
2023	4.34	4.20	14	---	6.68	4.34	6.68
2024	4.38	4.24	14	---	6.74	4.38	6.74
2025	4.41	4.27	14	4.624	6.78	4.41	6.78
2026	4.42	4.30	12	---	6.80	4.42	6.80
2027	4.45	4.33	12	---	6.85	4.45	6.85
2028	4.47	4.36	11	---	6.88	4.47	6.88
2029	4.50	4.39	11	---	6.92	4.50	6.92
2030	4.52	4.42	10	---	6.95	4.52	6.95
2031	4.55	4.45	10	---	7.00	4.55	7.00
2032	4.56	4.47	9	---	7.02	4.56	7.02
2033	4.58	4.49	9	---	7.05	4.58	7.05

<i>Year</i>	<i>Florida AAA Ins Revenue Tax Exempt</i>	<i>MMD AAA GO</i>	<i>Spread</i>	<i>Treasury Spots</i>	<i>Federal Tax Eq.</i>	<i>Out- of- State Eq.</i>	<i>Full Taxable Equivalent Yield</i>
2034	4.57	4.49	8	----	7.03	4.57	7.03
2035	4.57	4.49	8	4.677	7.03	4.57	7.03

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**City of West Palm Beach, Florida
Debt History - CityPlace CDD**

Year	\$55,155,000 CityPlace Community Development District Capital Improvement - Series 1998 Rev. Bonds		
	Principal	1-May	Coupon
1992			
1993			
1994			
1995			
1996			
1997			
1998			
1999			
2000			
2001			
2002			
2003			
2004			
2005			
2006	1,695,000.00		4.00%
2007	1,675,000.00		4.00%
2008	1,740,000.00		4.10%
2009	1,815,000.00		4.20%
2010	1,895,000.00		4.30%
2011	1,980,000.00		4.375%
2012	2,065,000.00		4.40%
2013	2,180,000.00		4.50%
2014	2,280,000.00		4.625%
2015	2,370,000.00		4.70%
2016			
2017			
2018	7,965,000.00		5.00%
2019			
2020			
2021			
2022	12,485,000.00		5.00%
2023			
2024			
2025			
2026	15,250,000.00		5.00%
Call Date:	5/1/05 @ 101		
Settlement Date:	12/15/1998		
Purpose:	New Money		

**City of West Palm Beach, Florida
Debt History - General Obligation Bonds**

Year	\$20,575,000 General Obligation Bonds Series 1991		\$22,205,000 General Obligation Bonds Series 1993		\$20,000,000 General Obligation Bonds Series 2000		\$14,075,000 General Obligation Refunding Bonds Series 2005	
	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon
1992	715,000.00	4.50%	715,000.00	4.50%				
1993	750,000.00	5.10%	600,000.00	2.90%				
1994	790,000.00	5.30%	155,000.00	3.20%				
1995	835,000.00	5.50%	160,000.00	3.50%				
1996	885,000.00	5.60%	170,000.00	4.05%				
1997	935,000.00	5.70%	1,305,000.00	4.45%				
1998	990,000.00	5.80%	1,365,000.00	4.55%				
1999	1,050,000.00	6.00%			390,000.00	4.40%		
2000	1,120,000.00	6.10%			650,000.00	4.40%	1,460,000.00	3.00%
2001	1,190,000.00	6.20%			710,000.00	4.40%	1,545,000.00	4.50%
2002	1,265,000.00	6.30%			745,000.00	4.40%	1,620,000.00	4.50%
2003	2,190,000.00	6.50%			775,000.00	4.40%	1,695,000.00	4.50%
2004	2,750,000.00	6.50%			815,000.00	4.40%	1,775,000.00	4.50%
2005	1,640,000.00	6.50%			855,000.00	4.50%	1,860,000.00	4.50%
2006	1,875,000.00	6.60%			895,000.00	4.50%	1,945,000.00	4.50%
2007	2,005,000.00	6.625%			940,000.00	4.60%	2,030,000.00	4.20%
2008	2,150,000.00	6.70%			1,050,000.00	4.75%	2,130,000.00	4.30%
2009	2,300,000.00	6.75%			1,050,000.00	5.00%	2,220,000.00	4.40%
2010					1,145,000.00	5.00%		
2011					1,205,000.00	5.25%		
2012					1,270,000.00	5.25%		
2013					1,340,000.00	5.25%		
2014					1,410,000.00	5.25%		
2015					1,490,000.00	5.25%		
2016					1,575,000.00	5.25%		
2017							85,000.00	3.00%
2018							100,000.00	3.00%
2019							990,000.00	3.25%
2020							1,030,000.00	3.25%
2021							1,065,000.00	3.00%
2022							1,130,000.00	3.10%
2023							1,165,000.00	3.30%
2024							1,215,000.00	5.00%
2025							1,275,000.00	5.00%
2026							1,400,000.00	4.60%
							1,460,000.00	4.00%
							1,525,000.00	4.00%
Call Date	3/1/99 @ 102		3/1/01 @ 101		3/1/08 @ 101		3/1/15 @ 100	
Settlement Date	5/7/1991		7/12/1993		8/31/2000		7/27/2005	
Purpose:	New Money Construct the North Flagler Bullhead Construct, Equip & Furnish a New Police Station		Refunding		New Money Improve Existing Parks & Recreational Facilities Acquire & Improve New Parks		New Money Improve Existing Parks & Recreational Facilities Acquire & Improve New Parks	Refunding

Dunlap & Associates, Inc.

**City of West Palm Beach, Florida
Debt History - Guaranteed Entitlement Bonds**

Year	\$13,800,000 Guaranteed Entitlement - Series 1990 Rev. Ref Bonds			\$10,500,000 Guaranteed Entitlement - Series 2003 Rev. Ref Bonds		
	Principal	1-Oct	Coupon	Principal	1-Oct	Coupon
1991						
1992	295,000.00		5.75%			
1993	310,000.00		5.90%			
1994						
1995						
1996		475,000.00	5.00%			
1997		500,000.00	5.00%			
1998		525,000.00	5.00%			
1999		550,000.00	5.00%			
2000		590,000.00	5.00%			
2001		610,000.00	5.00%			
2002		640,000.00	5.00%			
2003		670,000.00	5.00%			
2004		705,000.00	5.00%			
2005		740,000.00	5.00%			
2006		775,000.00	5.10%	825,000.00	1-Oct	2.50%
2007		815,000.00	5.20%	840,000.00		2.50%
2008		855,000.00	5.20%	865,000.00		2.50%
2009		900,000.00	5.25%	910,000.00		3.00%
2010		950,000.00	5.25%	940,000.00		3.00%
2011				770,000.00		3.00%
2012		2,050,000.00	5.25%	200,000.00		2.625%
2013		1,105,000.00	5.25%	1,000,000.00		3.50%
2014				1,045,000.00		5.00%
2015		2,395,000.00	5.375%	1,060,000.00		5.00%
2016				1,130,000.00		3.00%
2017						5.00%
2018						
2019						
2020						
2021						
2022						
2023						
2024						
2025						
2026						
Call Date		10/1/97 @ 102		10/1/03 @ 101		Non-Callable
Settlement Date:		3/15/1990		6/22/1993		7/6/2003
Purpose:		New Money		Refunding		Refunding

**City of West Palm Beach, Florida
Debt History - Public Service Tax Bonds**

Year	Public Service Tax - Series 1992		Public Service Tax - Series 1993		Public Service Tax - Series 1997		Public Service Tax - Series 1998	
	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon
1992								
1993								
1994	40,000.00	3.40%						
1995	45,000.00	4.20%						
1996	40,000.00	4.65%						
1997	45,000.00	4.70%						
1998	45,000.00	4.80%	1,270,000.00	3.60%	40,000.00	3.70%	1,190,000.00	3.40%
2000			1,315,000.00	3.80%	45,000.00	4.00%	2,220,000.00	3.40%
2001					45,000.00	4.15%	2,325,000.00	3.60%
2002					50,000.00	4.25%	2,385,000.00	3.70%
2003	60,000.00	5.90%			110,000.00	4.35%	2,495,000.00	3.75%
2004	65,000.00	6.00%			115,000.00	4.45%	2,455,000.00	3.80%
2005	70,000.00	6.10%			125,000.00	4.55%	2,560,000.00	3.90%
2007					130,000.00	4.60%	2,610,000.00	4.00%
2008					140,000.00	4.70%	2,720,000.00	4.10%
2009	320,000.00	6.25%			150,000.00	4.80%	2,880,000.00	4.20%
2010	1,560,000.00	6.125%			1,620,000.00	5.00%	1,540,000.00	4.25%
2011					1,700,000.00	5.00%	1,670,000.00	4.40%
2012					1,785,000.00	5.00%	855,000.00	4.50%
2013					1,875,000.00	5.125%	875,000.00	4.60%
2014	7,270,000.00	6.25%			1,970,000.00	5.125%	915,000.00	4.625%
2015								
2016								
2017								
2018								
2019								
2020								
2021								
2022								
2023								
2024								
2025								
2026								
Cell Date:	3/1/02 @ 101		3/1/02 @ 101		3/1/07 @ 101		3/1/07 @ 101	
Settlement Date:	11/12/1992		12/22/1993		7/8/1997		12/31/1998	
Purpose:	New Money		Refunding		Refunding		New Money	

**City of West Palm Beach, Florida
Debt History - Utility System Bonds**

Year	\$2,265,000 Utility System - Series 1993A Rev. Ref. Bonds		\$33,230,000 Utility System - Series 1993B Rev. Bonds		\$16,065,000 Utility System - Series 1996 Rev. Bonds		\$15,935,000 Utility System - Series 1998 Rev. Ref. Bonds		\$48,130,000 Utility System - Series 1999 Rev. Bonds		\$6,915,000 Utility System - Series 2000 Rev. Bonds	
	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon
1993												
1994	235,000.00	4.10%	360,000.00	4.10%								
1995	245,000.00	4.10%	350,000.00	4.10%								
1996	255,000.00	4.10%	365,000.00	4.10%								
1997	280,000.00	4.10%	380,000.00	4.10%	180,000.00	3.50%						
1998	290,000.00	4.10%	395,000.00	4.10%	110,000.00	3.90%						
2000	300,000.00	4.25%	410,000.00	4.10%	115,000.00	4.05%	25,000.00	5.00%				
2001	315,000.00	4.40%	430,000.00	4.25%	120,000.00	4.20%	25,000.00	5.00%				
2002	330,000.00	4.50%	445,000.00	4.40%	125,000.00	4.30%	25,000.00	5.00%	600,000.00	5.375%	175,000.00	5.00%
2003	340,000.00	4.60%	465,000.00	4.50%	130,000.00	4.40%	25,000.00	5.00%	635,000.00	5.375%	125,000.00	5.00%
2004			870,000.00	4.80%	135,000.00	4.50%	30,000.00	5.00%	685,000.00	5.375%	135,000.00	5.00%
2005			910,000.00	4.70%	140,000.00	4.60%	30,000.00	5.00%	700,000.00	5.375%	145,000.00	5.00%
2006			955,000.00	4.80%	150,000.00	4.80%	175,000.00	5.00%	745,000.00	5.375%	145,000.00	5.00%
2007			1,000,000.00	4.90%	155,000.00	4.90%	185,000.00	5.00%	780,000.00	5.375%	155,000.00	5.00%
2008			1,050,000.00	5.00%	160,000.00	4.90%	190,000.00	5.00%	830,000.00	5.375%	165,000.00	5.00%
2009			1,105,000.00	5.10%	170,000.00	5.00%	200,000.00	5.00%	870,000.00	5.375%	175,000.00	5.00%
2010			1,160,000.00	5.125%	180,000.00	5.00%	215,000.00	5.00%	915,000.00	5.375%	180,000.00	5.00%
2011			1,220,000.00	5.20%	185,000.00	5.00%	220,000.00	5.00%	970,000.00	5.375%	190,000.00	5.00%
2012			1,285,000.00	5.25%	195,000.00	5.00%	230,000.00	5.00%	1,020,000.00	5.375%	205,000.00	5.10%
2013			1,350,000.00	5.30%	205,000.00	5.00%	245,000.00	5.00%	1,075,000.00	5.375%	210,000.00	5.125%
2014			1,425,000.00	5.375%	220,000.00	5.40%	250,000.00	5.00%	1,130,000.00	5.375%	220,000.00	5.25%
2015			1,500,000.00	5.40%	245,000.00	5.40%	270,000.00	5.00%	1,185,000.00	5.375%	235,000.00	5.375%
2016			1,580,000.00	5.375%	265,000.00	5.50%	285,000.00	5.00%	1,245,000.00	5.375%	245,000.00	5.375%
2017					285,000.00	5.60%	310,000.00	5.00%	1,330,000.00	5.375%	255,000.00	5.375%
2018					1,515,000.00	5.70%	325,000.00	5.00%	1,475,000.00	5.40%	260,000.00	5.60%
2019									1,475,000.00	5.40%	290,000.00	5.60%
2020									1,580,000.00	5.40%	305,000.00	5.625%
2021									1,580,000.00	5.40%	325,000.00	5.625%
2022												
2023												
2024												
2025												
2026												
2027												
2028												
2029												
2030												
2031												
2032												
2033												
2034												
Call Date:	Non-Callable		10/1/02 @ 101		10/1/06 @ 101		10/1/06 @ 101		10/1/07 @ 101		10/1/07 @ 101	
Settlement Date:	12/22/1993		12/22/1993		11/6/1996		9/15/1998		8/24/1999		4/27/2000	
Purpose:	Refunding		New Money		New Money		Refunding		New Money		New Money	

Dunlap & Associates, Inc.

**City of West Palm Beach, Florida
Debt History - Community Redevelopment Agency**

Year	\$15,475,000 Redevelopment - Series 1991-A Rev. Bonds		\$8,235,000 Redevelopment - Series 1992-A Rev. Bonds		\$17,630,000 Tax Increment - Series 2003A Rev. Bonds		\$7,280,000 Tax Increment - Series 2005B Rev. Bonds	
	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon
1992	510,000.00	1-Oct						
1993	540,000.00							
1994	585,000.00							
1995	625,000.00	5.50%	215,000.00	3.90%				
1996	655,000.00	5.60%	225,000.00	4.60%				
1997	685,000.00	5.70%	230,000.00	5.00%				
1998	705,000.00	5.80%	245,000.00	5.10%				
1999	745,000.00	6.00%	255,000.00	5.30%				
2000	790,000.00	6.20%	270,000.00	5.50%				
2001	835,000.00	6.10%	280,000.00	5.70%				
2002	890,000.00	6.25%	300,000.00	6.00%				
2003	940,000.00	6.35%	315,000.00	6.10%				
2004	1,000,000.00	6.40%						
2005	1,065,000.00	6.50%	1,085,000.00	6.50%				
2006	1,135,000.00	6.60%						
2007	1,210,000.00	6.65%						
2008	1,285,000.00	6.70%	1,305,000.00	6.60%				
2009	1,370,000.00	6.75%	1,025,000.00	6.75%				
2010								
2011								
2012								
2013								
2014								
2015								
2016								
2017								
2018								
2019								
2020								
2021								
2022								
2023								
2024								
2025								
2026								
2027								
2028								
2029								
2030								
2031								
2032								
2033								
2034								
2035								
Call Date:	10/1/00 @ 101		3/1/02 @ 101					
Settlement Date:	5/1/1991		11/12/1992		12/27/2005		12/27/2005	
Purpose:	New Money		New Money		New Money		New Money	

**City of West Palm Beach, Florida
Debt History - Sunshine State Commercial Paper**

Year	\$5,000,000 Sunshine State - Series 1985 Commercial Paper		\$5,000,000 Sunshine State - Series 1986 Commercial Paper		\$5,000,000 Sunshine State - Series 1987 Commercial Paper		\$2,865,000 Sunshine State - Series 2001 Commercial Paper	
	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon
1982								
1983								
1984								
1985								
1986								
1987								
1988								
1989								
2000								
2001	620,000.00	6.75%			165,000.00	6.75%		
2002	660,000.00	6.75%	220,000.00	6.75%	175,000.00	6.75%	265,000.00	4.50%
2003	705,000.00	6.75%	230,000.00	6.75%	190,000.00	6.75%	280,000.00	4.50%
2004	750,000.00	6.75%	245,000.00	6.75%	200,000.00	6.75%	290,000.00	4.50%
2005	800,000.00	6.75%	260,000.00	6.75%	215,000.00	6.75%	290,000.00	4.50%
2006	850,000.00	6.75%	275,000.00	6.75%	230,000.00	6.75%	305,000.00	4.50%
2007	905,000.00	6.75%	290,000.00	6.75%	245,000.00	6.75%	315,000.00	4.50%
2008	965,000.00	6.75%	305,000.00	6.75%	260,000.00	6.75%	330,000.00	4.50%
2009	1,025,000.00	6.75%	320,000.00	6.75%	280,000.00	6.75%	345,000.00	4.50%
2010	1,095,000.00	6.75%	335,000.00	6.75%	300,000.00	6.75%	360,000.00	4.50%
2011	1,165,000.00	6.75%	350,000.00	6.75%	320,000.00	6.75%	375,000.00	4.50%
2012	1,240,000.00	6.75%	365,000.00	6.75%	340,000.00	6.75%		
2013	1,320,000.00	6.75%	380,000.00	6.75%	360,000.00	6.75%		
2014	1,405,000.00	6.75%	405,000.00	6.75%	390,000.00	6.75%		
2015	1,495,000.00	6.75%	430,000.00	6.75%	415,000.00	6.75%		
2016			455,000.00	6.75%	440,000.00	6.75%		
2017			480,000.00	6.75%	470,000.00	6.75%		
2018								
2019								
2020								
2021								
2022								
2023								
2024								
2025								
2026								
Call Date:		Anytime		Anytime		Anytime		Anytime
Settlement Date:		7/12/1985		7/9/1986		10/22/1987		1/19/2001
Purpose:		New Money		New Money		New Money		New Money

City of West Palm Beach, Florida
Debt History - Parking System Bonds

Year	\$10,445,000 Parking System - Series 1991-A Rev. Ref. Bonds		\$6,485,000 Parking System - Series 1991-B Rev. Bonds		Coupon
	Principal	1-Sep	Principal	1-Sep	
1992					
1993					
1994					
1995	345,000.00	5.45%	70,000.00	5.45%	
1996	340,000.00	5.65%	145,000.00	5.65%	
1997	335,000.00	5.85%	155,000.00	5.85%	
1998	315,000.00	6.00%	165,000.00	6.00%	
1999			175,000.00	6.10%	
2000			185,000.00	6.20%	
2001					4.50%
2002					4.65%
2003					4.70%
2004					4.85%
2005					4.95%
2006					5.05%
2007					5.15%
2008					5.25%
2009					5.30%
2010					5.30%
2011					5.30%
2012					5.375%
2013					5.40%
2014					5.40%
2015					5.40%
2016					5.40%
2017					5.40%
2018					5.40%
2019					5.40%
2020					5.40%
2021					5.40%
2022					5.40%
2023					5.40%
2024					5.40%
2025					5.40%
2026					5.40%
Call Date:	9/1/2000		9/1/2000	9/1/2001 @ 101	
Settlement Date:	1991		1991	7/12/1993	
Purpose:	Refunding		New Money	Refunding	

Dunlap & Associates, Inc.



Presentation to Provide Financial Advisory
Services
to the

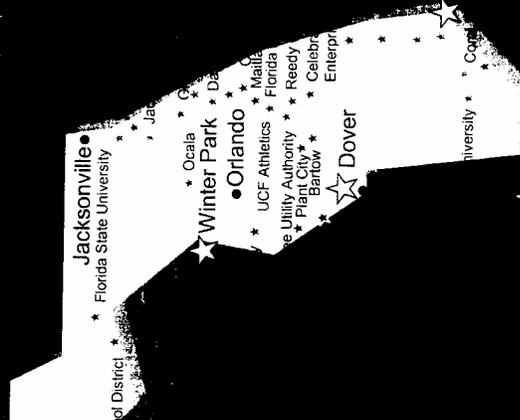
Town of Davie, Florida

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Experience of the Firm



 Office Locations
 Municipal Clients
 Principal Florida Cities

- (1) Florida Intergovernmental Finance Commission:
- City of Coral Springs
 - City of Daytona Beach
 - Escambia County
 - City of Fort Lauderdale
 - Leon County
 - City of Miami
 - City of Naples
 - Pinellas County
 - City of Altamonte Springs
 - City of Zephyrus
 - City of West Palm Beach
 - City of Lake Park

We have financial advisory relationships with more than 55 clients for an average of 15 years - with some over 25 years.

We have executed over \$4.5 billion in total financings in Florida.

FINANCIAL ADVISORY RANKINGS FOR FLORIDA CITIES

Top 3 Rankings for Year 2005

1. RBC Dain Rauscher
- 2.
3. PFM

Source: Thomson Financial

J. Craig Dunlap



- President
- Masters Degree in Business Administration
- 36 Years of Experience
- 30 as Economist
- 36 as FA and Investment Banker
- 14 as Underwriter

Experience

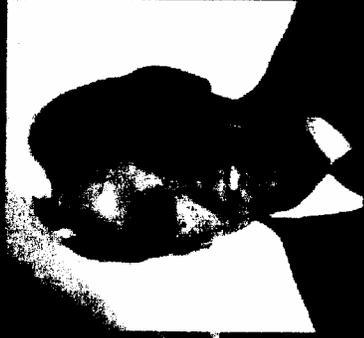
- Pasco County
- Palm Beach County
- City of Coral Gables
- City of Jacksonville
- City of Fort Lauderdale
- City of Vero Beach
- City of Daytona Beach
- City of Miramar
- Celebration Community Development District
- New Smyrna Beach Utilities Comm. Development District
- Reedy Creek Improvement District
- West Palm Beach Community Redevelopment Agency

- Orange County
 - Broward County
 - City of West Palm Beach
 - City of Lakeland
 - City of Winter Park
 - City of Coral Springs
 - City of Temple Terrace
 - City of Naples
 - Broward County
 - UCF Athletics Association, Inc.
 - City of Maitland
 - City of Jacksonville Beach
 - City of Holly Hill
 - Florida Municipal Agency
- Dade County
 - Wakulla County School Dist.
 - Gulliver Schools
 - University of Miami
 - City of Tallahassee
 - Florida State University
 - City of Miami
 - City of Orlando
 - City of Lauderhill
 - St. Thomas University
 - Florida Intergovernmental Finance Commission
 - CityPlace Community Development District

Damon R. Adams

- Senior Vice President
- Bachelors Degree in Business Administration

• 25 Years as Finance Director for the City of Fort Lauderdale



Experience

- City of Lauderdale
- General Obligation Bonds
- Tax Increment Bonds

- City of Pompano Beach
- Water and Sewer Bonds
- Capital Improvement Bonds

- City of West Palm Beach
- Excise Tax Bonds
- Sanitation Bonds

- City of Daytona Beach
- General Obligation Bonds

Nova Southeastern University

Sylvia Seaton Dunlap



- Senior Vice President
- Masters Degree in Business Administration
- Series 7, 52, and 53 NASD

Licenses

• 19 Years of Experience

- 25 as Economist
- 19 as Financial Advisor
- 15 as Investment Banker
- 8 as Commercial Banker
- 17 as General Securities Representative

Experience

- Dade County
- Palm Beach County
- Citrus County
- Broward County
- City of Lakeland
- City of Orlando
- City of Naples
- City of Pompano Beach
- City of Matland
- Saint Leo University
- Florida Institute of Technology
- Marion County Schools
- City of Vero Beach
- City of Temple Terrace
- City of Fort Meade
- Hernando County Schools
- City of Holly Hill
- UCF Athletics Association, Inc.

- Ready Creek Improvement District
- Kissimmee Utility Authority
- Gulliver Schools
- City of Winter Park
- Collier County Schools
- City of Leesburg
- Wakulla County Schools
- City of Fort Lauderdale
- City of Miami

Pam Gilleland



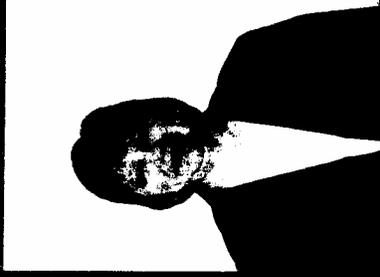
- Vice President
- BA Degree/CPA
- Series 7 and 52
NASD Licenses
- 9 Years of Experience

Experience

- Citrus County
- Escambia County
- Florida Municipal Power Agency
- Palm Beach County
- Lee County
- City of Miami
- Kissimmee Utility Authority
- City of West Palm Beach
- Bonita Springs Utilities
- City of Green Cove Springs
- City of Atlantic Beach
- Hendry County Schools
- Clay County Schools
- Okaloosa County Schools
- City of Fort Lauderdale
- City of Lake City
- City of Jacksonville Beach
- City of Naples
- City of Vero Beach
- City of Temple Terrace
- City of Pompano Beach
- City of Ocala
- Alachua County Schools
- Reedy Creek Improvement District
- City of Maitland
- Brevard County Schools
- Hendry County Schools
- Hernando County Schools
- Manatee County School
- Miami-Dade County Schools
- Marion County Schools
- Okaloosa County Schools
- Orange County Schools
- Pasco County Schools
- City of Brooksville
- Escambia County Utilities Authority

Sue Miner

Associate



20 Years of Experience

- Seminole County
- Citrus County
- Volusia County
- City of Melbourne
- Pasco County
- City of West Palm Beach
- City of Naples
- City of Coral Springs
- City of Casselberry

Experience

- City of Fort Lauderdale
- City of Lake Mary
- City of Sunrise
- City of Temple Terrace
- City of Wauchula
- City of Green Cove Springs
- City of Holly Hill
- City of Maitland
- Lake Highland Preparatory School

- Kissimmee Utility Authority
- City of Atlantic Beach
- City of Jacksonville Beach
- City of Neptune Beach
- City of Ocala
- City of Winter Park
- City of Daytona Beach
- City of Lauderhill
- Wakulla County School District

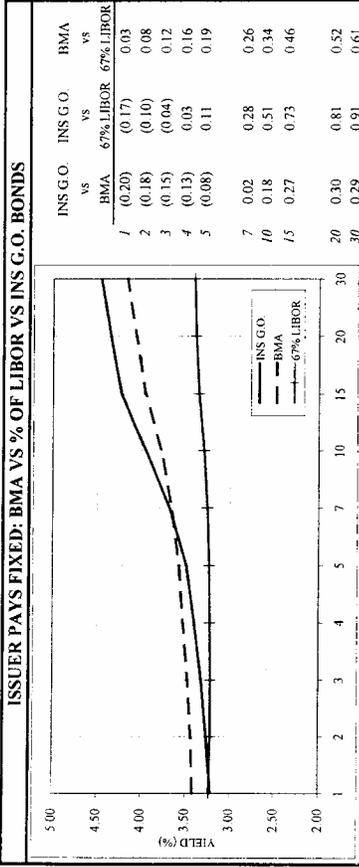
Scope of Services

- Develop a comprehensive plan of finance
- Recommend financing sources, terms and covenants
- Analyze best marketing plan
- Prepare timetables and distribution lists for financings and assist in coordinating meetings, conference calls, etc.
- Obtain and upgrade the underlying rating of each bond issue outstanding
- Advise on timing, structure and interest rate levels on upcoming financings
- Competitively bid and verify bids
- Direct, coordinate and supervise preparation of the transcript
- Solicit bids on investment of idle funds
- Money management relationship with MBIA
- Arbitrage rebate relationship with Bond Logistics and Dufresne & Associates

Outstanding Debt

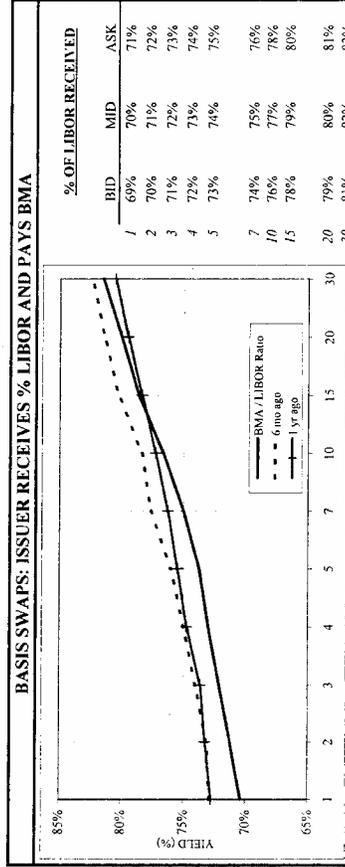
Name of Issue	Current Rate as of 9/30/2003	Current Rate	Recommendation
GO, Series 1989	1.955% (variable) 67% of one month LIBOR plus .7%	1-month LIBOR = 4.40% 3.65%	Recommend fixing the rate based on the flat yield curve
GO, Series 1997	4.74% (fixed)	N/A	Not feasible at this time to refund
GO, Series 1998	4.19% (fixed)	N/A	Not feasible at this time to refund
GO, Series 1999	1.36% (variable) 73.9% of one month LIBOR	3.25%	Recommend fixing the rate based on the flat yield curve
Public Imp, Series 1993A	1.921% (variable) 67% of one month LIBOR plus .8%	3.75%	Recommend fixing the rate based on the flat yield curve
Public Imp, Series 1996	4.59% (fixed)	N/A	Not feasible at this time to refund
Public Imp, Series 1999	1.36% (variable) 73.9% of one month LIBOR	3.25%	Recommend fixing the rate based on the flat yield curve
Public Imp, Series 2001	1.899% (variable) 66.5% of one month LIBOR plus .675%	3.60%	Recommend fixing the rate based on the flat yield curve
Water & Sewer, Series 2003	2% - 4.65% (fixed)	N/A	Not feasible at this time to refund

BEAR STEARNS - MARKET OVERVIEW
MUNICIPAL DERIVATIVES GROUP - (212) 272-2840
 Monday, January 9, 2006 (as of previous day close)



TAX-EXEMPT AND TAXABLE SWAP MARKETS

AVG LIFE	BMA		LIBOR	
	BID	ASK	BID	ASK
1	3.31	3.41	4.79	4.83
2	3.34	3.44	4.76	4.80
3	3.37	3.47	4.76	4.80
4	3.43	3.53	4.77	4.81
5	3.47	3.57	4.79	4.83
7	3.56	3.66	4.82	4.86
10	3.67	3.77	4.87	4.91
15	3.86	3.96	4.96	5.00
20	3.96	4.06	5.01	5.05
30	4.07	4.17	5.04	5.08



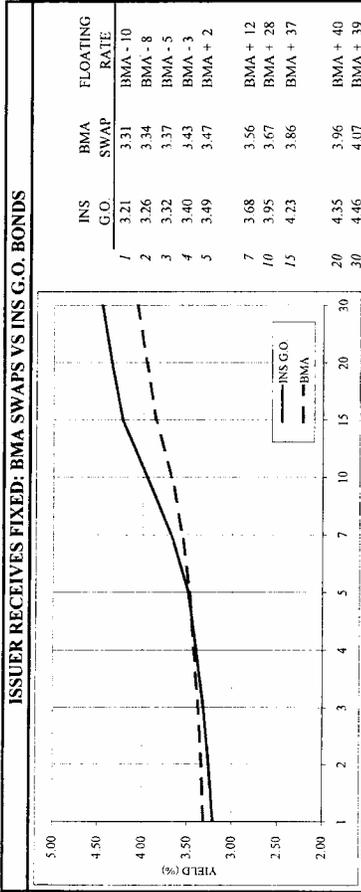
CASH MARKETS

TERM	AAA		INS		REV		TSY	
	G.O.	G.O.	INS	REV	INS	REV	INS	TSY
1	3.21	3.16	3.26	3.26	3.26	3.26	4.24	4.24
2	3.26	3.23	3.32	3.32	3.32	3.32	4.35	4.35
3	3.32	3.30	3.38	3.38	3.38	3.38	4.32	4.32
4	3.40	3.37	3.45	3.45	3.45	3.45	4.32	4.32
5	3.49	3.44	3.53	3.53	3.53	3.53	4.32	4.32
7	3.68	3.60	3.70	3.70	3.70	3.70	4.33	4.33
10	3.95	3.82	3.95	3.95	3.95	3.95	4.38	4.38
15	4.23	4.11	4.26	4.26	4.26	4.26	4.50	4.50
20	4.35	4.26	4.40	4.40	4.40	4.40	4.63	4.63
30	4.46	4.33	4.47	4.47	4.47	4.47	4.56	4.56

Nat Singer Neil Flanagan Jere McGuiffee Bill Bloom Andrew Levenson Partha Nandi Cindy Ashmore Dimitry Umyan Ja Vonda Williams Whitney Henderson

All rates are indicative, subject to market conditions and credit approval. The material is based upon information that we consider reliable (Market data source: Bloomberg), but we do not represent that it is accurate or complete, and it should not be relied upon as such. Bear Stearns and/or individuals associated therewith or affiliates thereof may have positions in transactions or instruments similar to those described above. Bear Stearns acts as principal in transactions with counterparties, and accordingly each counterparty must determine the appropriateness of each transaction to their specific application. This Daily Update has been prepared solely for information purposes and is not an offer to buy or sell any security, instrument or contract.

BEAR STEARNS - MARKET OVERVIEW
MUNICIPAL DERIVATIVES GROUP - (212) 272-2840
 Monday, January 9, 2006 (as of previous business close)



PRESENT VALUE OF A BASIS POINT

*Approximate value of 1 basis point on \$1mm swap notional discounted by the LIBOR curve

AVG LIFE	SWAP PV01*
1	\$95
2	\$186
3	\$273
4	\$356
5	\$435
7	\$582
10	\$776
15	\$1,038
20	\$1,241
30	\$1,524

HISTORICAL RELATIONSHIPS OF BMA AND LIBOR

BMA & 1 MONTH LIBOR AVERAGES		BMA & 3 MONTH LIBOR AVERAGES		BMA & 6 MONTH LIBOR AVERAGES	
BMA / LIBOR	BMA / LIBOR	BMA / LIBOR	BMA / LIBOR	BMA / LIBOR	BMA / LIBOR
CURRENT	2.93%	2.93%	2.93%	2.93%	2.93%
1 YR AVG	2.48%	2.48%	2.48%	2.48%	2.48%
5 YR AVG	1.75%	1.75%	1.75%	1.75%	1.75%
10 YR AVG	2.67%	2.67%	2.67%	2.67%	2.67%
15 YR AVG	2.86%	2.86%	2.86%	2.86%	2.86%
	66.29%	64.40%	64.40%	62.61%	62.61%
	72.79%	69.17%	69.17%	65.41%	65.41%
	74.24%	72.78%	72.78%	70.24%	70.24%
	66.52%	65.43%	65.43%	64.13%	64.13%
	67.68%	66.37%	66.37%	64.83%	64.83%

Neil Singer Neil Flanagan Jere McGuiffee Bill Bloom Andrew Levenson Partha Nandi Cindy Ashmore Dmitry Umyin La Vonda Williams Whitney Henderson

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USRateView

Today's Market Focus

Consumer Credit NOV (3:00 pm). Consensus \$5.0 billion, prev. -\$7.2 billion.

FedSpeak. Atlanta Fed President Gwynn (12:40 pm), Kansas City's Hoenig (1:00 pm)

Market Positions

	New?	Position/Comment	Best Long	Best Short
Curve Level/Shape		Steeper. 2s10s is around 3 bp after flattening Friday due to a NFP number that came in considerably below consensus. Biased steeper due to heavy Treasury supply this month that primarily hits the long end. Support in 10s is 4.35%, with resistance at 4.45% and 4.50%.	2-year	10-year
Vol Level/Shape		Neutral-to-positive. Gamma is already inching up in anticipation of January market moves. Vol in general should be well bid in the New Year.	6Mx2Y, 2Yx2Y	
Swap Spreads		Neutral-to-wider to USTs. Longer swap spreads typically widen as general rate market liquidity wanes, including markets where the Fed raises rates.	Receive in 2Ys	Pay in 5Ys, 10Ys
Agencies		Neutral 10y Agency bullets have been trading in a tight 2-3 bp range vs. swaps since the middle of November, though they have widened by about 8 bp to Treasuries. Expect them to stay in-line with swaps, and maintain the wider spreads to Treasuries for the time being.	Long-mat, high-cpn callables	
MBS		Neutral-to-negative. The par coupon tightened 2.5 bp OAS last week as many accounts had money to put to work at the beginning of the year. We continue to believe that over the next few months the net demand for MBS will be light while net supply should be growing.	FNCL 6.0s	FNCL 5.0s

Key Flows

Market	Comment
Repo	Treasury GC is 4.16%, the 30y is 3.73% overnight, the 5y is 2.34% and should get more special through the auction on Wednesday.
Swaps	We narrowed over 3 bps in 10 yr spreads on the week. Friday's move was partly in response to the continued surge in mortgages as the buying continues there unabated. The flattener is back as is the new issue receiving, the calendar this week will be a doozey and some CMBS is rumored to be thrown in as well. From here? We tighten with technicals and why fight the trend.....
Treasuries	Treasuries lower, and flatter, for a second day. We saw 2-way flows, but generally better selling, and some steepeners put on late in the day. We remain on data alert, watching all the major indicators closely. Tsys are still at expensive levels, and as Friday showed, neutral data (or none, like today) probably lead slowly to higher yields. Tokyo closed today.

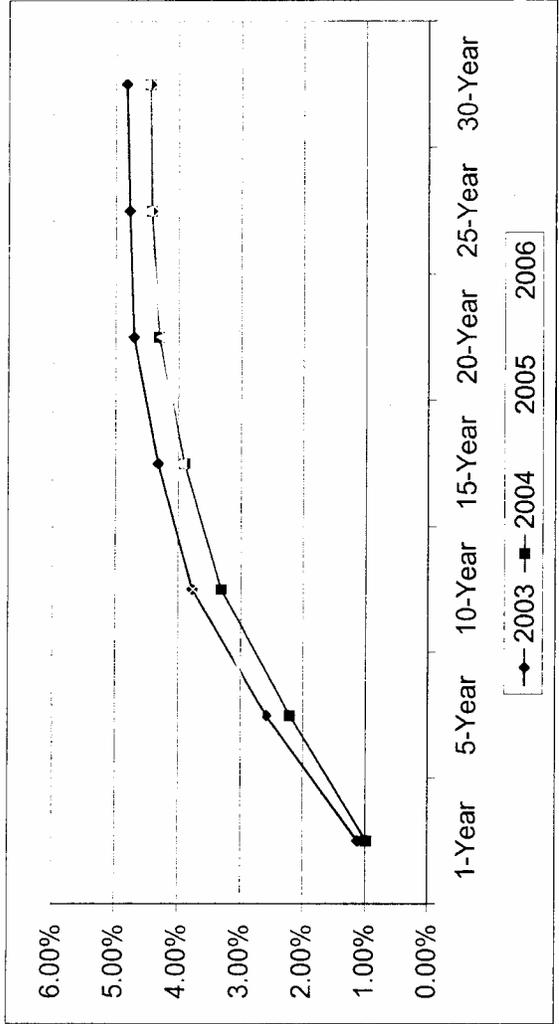
Head of Global Liquid Product Strategy: Steven Abrahams
 Treasury/Agency Strategy: David Boberski, Mary Beth Fisher
 Interest Rate Swaps/Options: David Boberski, Jon Blumenfeld

Agency MBS Strategy: Steven Abrahams, Adam Rilander
 Economics: John Ryding, Conrad DeQuadros



The research analyst who prepared this research report hereby certifies that the views expressed in this research report accurately reflect the analyst's personal views about the subject companies and their securities. The research analyst also certifies that the analyst has not been, is not, and will not be receiving direct or indirect compensation for expressing the specific recommendation(s) or view(s) in this report.

Yield Curve



DUNLAP & ASSOCIATES, INC.

FINANCING EXPERIENCE

2003 - Present

DATE	ISSUER		
12/14/2005	West Palm Beach Community Redevelopment Agency	Tax Increment Revenue Bonds, Series 2005B	\$7,280,000
12/14/2005	West Palm Beach Community Redevelopment Agency	Tax Increment Revenue Bonds, Series 2005A (Northwood/Pleasant City Community Redevelopment Area)	\$17,530,000
12/6/2005	CRA of the City of Maitland	Community Redevelopment Revenue Bonds, Series 2005	\$13,865,000
10/26/2005	City of Temple Terrace	Taxable Non Ad Valorem Revenue Note, Series 2005	\$3,125,000
10/12/2005	City of Holly Hill	Water and Sewer System Improvement Revenue Bond Series 2005	\$1,500,000
9/9/2005	Kissimmee Utility Authority	Electric System Refunding Revenue Bonds, Subordinate Series 2005	\$63,880,000
8/5/2005	City of Lauderhill	General Obligation Bonds, Series 2005	\$35,000,000
7/29/2005	OCIDA (Lake Highland Preparatory School, Inc. Project)	Variable Rate Demand Revenue Bonds, Series 2005	\$6,300,000
7/7/2005	City of West Palm Beach	General Obligation Refunding Bonds, Series 2005	\$14,975,000
6/17/2005	City of Maitland	Limited Tax General Obligation Bonds, Series 2005	\$15,775,000
6/2/2005	City of Fort Lauderdale	General Obligation Bonds, Series 2005	\$20,000,000

DATE	ISSUER	SALE DESCRIPTION	AMOUNT
5/24/2005	City of Winter Park	Electric Revenue Bonds, Series 2005B	\$7,775,000
5/24/2005	City of Winter Park	Electric Revenue Bonds, Series 2005A	\$42,025,000
5/24/2005	City of Coral Springs	General Obligation Refunding Bonds, Series 2005B	\$5,655,000
5/24/2005	City of Coral Springs	General Obligation Refunding Bonds, Series 2005A	\$4,705,000
5/11/2005	Reedy Creek Improvement District (Disney)	Utilities Revenue Refunding Bonds, Series 2005-2	\$38,885,000
5/11/2005	Reedy Creek Improvement District (Disney)	Utilities Revenue Bonds, Series 2005-1	\$26,930,000
5/11/2005	Reedy Creek Improvement District (Disney)	Ad Valorem Refunding Bonds, Series 2005B	\$90,310,000
5/11/2005	Reedy Creek Improvement District (Disney)	Ad Valorem Bonds, Series 2005A	\$18,925,000
5/6/2005	USF Financing Corporation	Certificates of Participation, Series 2005A	\$47,995,000
4/12/2005	City of Lauderhill	Water and Sewer Refunding Revenue Bonds, Series 2005B	\$3,890,000
4/12/2005	City of Lauderhill	Water and Sewer Revenue Bonds, Series 2005A	\$5,000,000
4/12/2005	City of Lauderhill	Half-Cent Sales Tax Refunding Revenue Bonds, Series 2005	\$4,645,000
4/6/2005	City of West Palm Beach	Utility System Variable Rate Revenue Refunding Bonds, Series 2005	\$5,325,000
1/20/2005	City of Ocala, Florida	Utility Systems Revenue Bonds, Series 2005B	\$33,355,000
1/20/2005	City of Ocala, Florida	Utility Systems Refunding Revenue Bonds, Series 2005A	\$24,825,000

DATE	ISSUER	SALES PRICE (\$)
12/22/2004	Utilities Commission, City of New Smyrna Beach	Utilities System Revenue Refunding Certificates, Series 2004A \$3,375,000
12/17/2004	City of Vero Beach	Promissory Note, Series 2004 (FEMA) \$10,000,000
12/15/2004	City of Atlantic Beach	Utility System Revenue Refunding Bonds, Series 2004 \$15,999,000
10/19/2004	City of Coral Springs	Franchise Revenue Refunding Bonds, Series 2004 \$21,400,000
9/23/2004	City of Jacksonville Beach	Southeast Refunding Bonds, Series 2003-2 \$1,698,748.80
9/23/2004	City of Jacksonville Beach	Southeast Refunding Bonds, Series 2003-1 \$4,986,347.32
9/14/2004	CRA of the City of Plant City	Redevelopment Revenue Note, Series 2004 \$2,000,000
8/25/04	City of Daytona Beach	General Obligation Bonds, Series 2004 \$24,000,000
8/11/2004	City of Winter Park	Water and Sewer Revenue Bonds, Series 2004 \$46,345,000
8/2/2004	Florida Municipal Power Agency	Stanton II Project Refunding Revenue Bonds, Series 2004 \$59,975,000.00
7/28/2004	City of West Palm Beach	Utility System Revenue Bonds, Series 2004 \$47,955,000.00
5/21/2004	City of Temple Terrace	Taxable Non-Ad Valorem Revenue Note, Series 2004 \$3,955,000.00
3/24/2004	City of Plant City	Infrastructure Sales Tax Revenue Bonds, Series 2004 \$5,340,000.00
3/17/2004	FSU Financial Assistance, Inc.	Educational, Including Athletic, Fac Imp Rev Ref Bonds, Series 2004 \$25,890,000.00
2/24/2004	City of Casselberry	Sales Tax Revenue Note, Series 2004 \$3,000,000.00

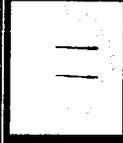
DATE	ISSUER	SALE DESCRIPTION	AMOUNT
1/29/2004	Fort Lauderdale Community Redevelopment Agency	Tax Increment Revenue Bonds, Series 2004B (AMT)	\$5,500,000.00
1/29/2004	Fort Lauderdale Community Redevelopment Agency	Tax Increment Revenue Bonds, Series 2004A (Non-AMT)	\$12,500,000.00
1/8/2004	City of Temple Terrace	Taxable Non-Ad Valorem Revenue Note, Series 2004	\$9,550,000.00
12/18/2003	Reedy Creek Improvement District	Ad Valorem Tax Bonds, Series 2004B	\$10,230,000.00
12/18/2003	Reedy Creek Improvement District	Ad Valorem Tax Bonds, Series 2004A	\$63,520,000.00
12/15/2003	City of West Palm Beach	Capital Improvement Revenue Note, Series 2003	\$17,700,000.00
12/9/2003	City of Casselberry	Infrastructure Sales Surtax Revenue Note, Series 2003	\$2,200,000.00
12/9/2003	City of Casselberry	Gas Tax Revenue Note, Series 2003	\$2,400,000.00
12/9/2003	City of Casselberry	Utility System Revenue Refunding Note, Series 2003A	\$5,351,000.00
12/9/2003	City of Casselberry	Utility System Revenue Note, Series 2003A	\$5,400,000.00
10/29/2003	Winter Park Community Redevelopment Agency	Redevelopment Revenue Bond, Series 2003-1	\$3,116,550.00
9/25/2003	City of Temple Terrace	Taxable Non-Ad Valorem Revenue Note, Series 2003A	\$5,985,000.00
8/25/2003	City of Vero Beach	Variable Rate Electric Refunding Revenue Bonds, Series 2003A	\$57,650,000.00
8/25/2003	City of Vero Beach	Variable Rate Water & Sewer System Ref. Rev. B. Note, Series 2003A	\$14,450,000.00
8/18/2003	Kissimmee Utility Authority	Electric System Refunding Revenue Bonds, Subordinate Series 2003	\$60,700,000.00

DATE	ISSUER	SALE DESCRIPTION	AMOUNT
8/6/2003	Kissimmee Utility Authority	Electric System Refunding & Improvement Revenue Bonds, Series 2003	\$55,835,000.00
6/24/2003	City of Ocala	Capital Improvement Refunding Revenue Certificates, Series 2003	\$15,310,000.00
5/23/2003	Florida Municipal Power Agency	All-Requirements Power Supply Proj. Ref. Rev Bonds, Ser. 2003A	\$62,395,000.00
5/23/2003	Florida Municipal Power Agency	Tri-City Project Refunding Revenue Bonds, Series 2003A	\$39,090,000.00
5/23/2003	Florida Municipal Power Agency	Stanton II Project Refunding Revenue Bonds, Series 2003A	\$18,315,000.00
4/11/2003	City of Temple Terrace	Water and Sewer Revenue Refunding Bonds, Series 2003	\$4,129,900.00
4/9/2003	Citrus County	Capital Improvement Refunding Bonds, Series 2003	\$5,480,000.00
3/13/2003	Pasco County	Half-Cent Sales Tax Revenue Bonds, Series 2003	\$47,870,000.00
3/6/2003	FSU Financial Assistance Inc.	Educational, Incl. Athletic Fac Imp Sub Rev Ref Bonds, Ser. 2003A	\$14,145,000.00
3/4/2003	City of Fort Lauderdale	Water and Sewer Revenue Bonds, Series 2003	\$90,000,000.00
2/26/2003	Pasco County	Guaranteed Entitlement Ref. Rev. Bonds, Series 2003	\$32,250,000.00
1/23/2003	Fort Lauderdale Community Redevelopment Agency	Tax Increment Rev. Ref. Bonds, Series 2003A (AMT)	\$4,415,000.00
1/23/2003	Fort Lauderdale Community Redevelopment Agency	Tax Increment Revenue Bonds, Series 2003B (Non-AMT)	\$195,000.00

References

Client	Contact Person	Address	
City of Coral Springs Client Since 1990 (16 Years)	Mr. David Russek 954-374-1087 dr@coralspringsfl.us	9551 W. Sample Road Coral Springs, FL 33065	
City of Miami Client Since 2000 (6 Years)	Mr. Scott Simpson 305-416-1377 ssimpson@miamigov.com	444 S.W. 2 nd Avenue 6 th Floor Miami, FL 33130	
City of West Palm Beach Client Since 1990 (16 Years)	Mr. Thomas Harris 561-822-1310 tharris@wvpb.org	200 2 nd Street West Palm Beach, FL 33401	
City of Vero Beach Client Since 1978 (28 Years)	Mr. Stephen Maillet 561-978-4770 finance@covero.org	1053 20 th Place Vero Beach, FL 32961	
City of Winter Park Client Since 2003 (3 Years)	Mr. Wes Hamil 407-599-3381 wamil@winterpark.org	401 S. Park Avenue Winter Park, FL 32789	

References (cont'd)

Client	Contact Person	Address	
City of Pompano Beach Client Since 1978 (28 Years)	Mrs. Cynthia Mohner 954-786-4501	100 W. Atlantic Blvd. Pompano Beach, FL 33061	
University of Central FL Athletics Association Client Since 2005 (1 Year)	Mr. Steve Orsini 407-823-2261	4000 Central FL Blvd. Orlando, FL 32816	
City of Fort Lauderdale Client Since 1978 (28 Years)	Ms. Joanne Rizi 954-828-5165	100 N. Andrews Avenue Fort Lauderdale, FL 33301	
City of Green Cove Springs Client Since 1984 (22 Years)	Ms. Sue Heath 904-529-2200 Ext. 310 igs.com	321 Walnut Street Green Cove Springs, FL 32043	
City of Jacksonville Beach Client Since 1994 (12 Years)	Mr. Harry Royal 904-247-6274	11 N. Third Street Jacksonville Beach, FL 32250	

References (cont'd)

Client	Contact Person	Address	
City of Ocala Client Since 2000 (6 Years)	Mr. Don Corley 352-629-8373	151 S.E. Osceola Ave. Ocala, FL 34471	
City of Plant City Client Since 2003 (3 Years)	Mr. Martin Wisgerhof 813-659-4216 Ext. 4215 mwisgerhof@plantcity.com	302 W. Reynolds Street Plant City, FL 33566	
City of Temple Terrace Client Since 1980 (26 Years)	Ms. Diane Richard 813-989-7103	11250 N. 56th Street Temple Terrace, FL 33617	
City of Atlantic Beach Client Since 1998 (8 Years)	Mr. Nelson Van Liere 904-247-5807 nvanliere@ppab.us	800 Seminole Road Atlantic Beach, FL 32233	
City of Casselberry Client Since 2003 (3 Years)	Mr. Jeffrey Drier 407-262-7700 Ext. 1147	95 Triplet Lake Drive Casselberry, FL 32707	

References (cont'd)

Client	Contact Person	Address	
Florida Municipal Power Agency Client Since 1978 (28 Years)	Mr. Mark Larson 407-355-7767	8553 Commodity Circle Orlando, FL 32819-9002	
Florida State University Client Since 1994 (11 Years)	Mr. Andy Miller 850-644-3484 amiller@admin@fsu.edu	225 University Center Suite C 5100 Tallahassee, FL 32306	
Utility Board of the City of Key West Client Since 1996 (10 Years)	Mr. Jack Wetzler 305-295-1012 Jack.wetzler@wkeysenergy.com	1001 James Street Key West, FL 34741	
Kissimmee Utility Authority Client Since 1990 (15 Years)	Mr. Joe Hosteller 407-933-7777 Ext. 1125	1701 W. Carroll Street Kissimmee, FL 34741	
City of Maitland Client Since 2003 (3 Years)	Ms. Sharon Anselmo 407-539-6201	1776 Independence Lane Maitland, FL 32751	

References (cont'd)

Client	Contact Person	Address	
Utilities Commission of the City of New Smyrna Beach Client Since 1989 (17 Years)	Mr. Roberto Montalvo 386-427-1361 Ext. 7114 robertom@ucnsb.net	200 Canal Street New Smyrna Beach, FL 32168	
Pasco County Client Since 1978 (28 Years)	Mr. Mike Nurrenbrock 727-847-8129	7530 Little Road New Port Richey, FL 34654	
Reedy Creek Improvement District (Disney) Client Since 1990 (16 Years)	Mr. Ray Maxwell 407-934-7853 rmaxwell@rcid.usf.edu	1900 Hotel Plaza Blvd. Lake Buena Vista, FL 32830	

Reasons to Select DAI

- **Unmatched experience** in Florida and prior experience with Florida counties and cities. Dunlap & Associates, Inc. personnel have served many of our clients continuously for over 25 years.
- As owners of the firm, we are interested in being involved at the early stages of a development which will shape the economic future of the Town of Davie.
- **Independent** financial advisors providing unbiased consulting services to the Town of Davie.
- Personnel have over **77 years** of financing experience in Florida. "There is no substitute for experience."
- We abide by time schedules and work to meet those timeframes.
- Dunlap & Associates, Inc. is available to work immediately.



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**TOWN OF DAVIE, FLORIDA
General Obligation**

SAMPLE

**Rating Agency Presentation
Outline**

Economic Information

- Demographic annexations
- Wealth
- Income

Tax Base, Size, Structure, Diversity

- Assessed value, building permit activity

Employment Base – Employment by Sector

- Major employers
- Unemployment rates and growth levels
- Retail sales trends
- Sales tax sales

Financial Indicators

- Account reporting methods
- Revenues and expenses, structure
- Annual operating budget performance
- Financial leverage and equity position
- Budget and financial planning
- Contingent financial obligations – pensions, liability, funding

Revenue Analysis

- Proposed sales, income taxes
- User charges
- Intergovernmental aid
- Investment income

Debt

- Short term obligations
- Pension and long term liabilities
- Debt

- Maturity schedules and coverages

Financial Management

- ECO analysis and revenue forecasting
- Tax and policies
- Government OCC practices
- Financial Strategies
- Capital Improvement Program
- Property tax

Other

- Labor settlement and litigation
- Operating fund investment guidelines

TOWN OF DAVIE, FLORIDA
Water and Sewer Enterprise

SAMPLE

Rating Agency Presentation
Outline

Economic Information

- Population trends: Population growth, housing starts, building permits, occupancy rates and system connections. Compare these to local, regional and national trends.
- Income trends: Housing values, property tax base growth, retail sales activity.
- Composition of employment by economic sector, including retail, commercial and industrial. Compare to local, state and national averages.
- Unemployment rates compared to local and national level.
- Largest employers in the Town.

Management Assessment

- The ability to implement measures in a timely manner. Being proactive instead of reactive.
- Quality of planning techniques, demographic and rate studies, financial forecasts, capital improvement plan.
- Strategic planning, including management financial operating and budgeting practices.
- Capital improvement planning, construction management and ability to operate and meet the demands of a changing regulatory and political economic environment.
- Organizational structure.
- Quality and effectiveness of management.
- Staffing practices and training of staff.
- Operator certification requirements.
- Multi-year capital improvement program; development and funding of projects.
- Management effectiveness measured on how actual results compare to projections.
- Administrative capacity to implement rate increases and capital improvement programs independently.
- Autonomy in rate setting.
- Rate setting policies (historically, have rates been raised consistently and promptly).

The System – Operating Factors

- Customer mix, service area demand, user concentration and financial flexibility.
- Usage trends, sources of water, excess treatment capacity, if any.
- Major customers (if more than 5% of revenues are generated by one customer, please explain).
- Stability, commitment to service area, contribution to the bottom line (if the top ten users account for more than 15% of revenues, the system is susceptible to fluctuation).
- Management's ability to implement necessary capital improvement programs to satisfy new and pending legislation to avoid rate shock.
- Maintenance of system/major repairs.
- Water line loss ratios.
- Inflow, infiltration studies.
- Ongoing maintenance program.
- Contamination incidents.
- Operational capacity, size of treatment plant, collection and distribution systems. Is the water source dependable.
- Salt water intrusion, commitments to wholesale delivery.
- Peak and average customer flow compared to collection and treatment plant capacity.
- Rates compared to neighboring communities.
- Service area economic wealth, income level, rate setting process (number of required approvals and length of time necessary to implement adjustments).
- Environmental regulations compliance.

Financial

- Balance and income statement reviews, account receivable turnover, liquidity and income levels.
- Renewal and replacement costs, cash flow history and reserve levels.
- Are fixed costs covered by fixed charges?
- Discuss how future expansions/needs of the Town will be financed.
- Discuss any legal action against the Town.
- Funding of pension liabilities.
- Review investment policy, money managers selection and performance evaluation of investments.

TOWN OF DAVIE, FLORIDA
Water and Sewer Enterprise

SAMPLE

Rating Agency Presentation

Ratios

Balance Sheet Components and Ratios

Net funded debt: Long term debt (gross long-term debt plus the current portion of long-term debt) plus accrued interest payable, less the balance in both the debt service reserve fund and the debt service fund.

Net fixed assets: Fixed assets, less accumulated depreciation.

Working Capital: Net current assets, and net assets of all funds and accounts not devoted to debt service.

Debt Ratio (%): Net funded debt, divided by the sum of net fixed assets, plus net working capital.

Income Statement Components and Ratios

Gross revenue and income: Operating revenue, plus non-operating revenue.

Operating and maintenance expenses: Operating and maintenance expenses, net of depreciation, amortization and interest requirements.

Net Revenues: Gross revenue and income, less operating and maintenance expenses.

Operating ratio (%): Operating and maintenance expenses, divided by total operating revenues.

Net take-down (%): Net revenues, divided by interest requirements for the period.

Interest coverage (x): Net revenues, divided by interest requirements for the period.

Debt service coverage (x): Net revenues, divided by principal and interest requirements for the period.

Debt service safety margin (%): Net revenues, less principal and interest requirements for period, divided by gross revenue and income.

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DEBT MANAGEMENT POLICY

SAMPLE

1. **Administration of debt policy:** The Finance Director of the _____, Florida (the "____") is charged with overseeing and implementing the provisions of this policy. It shall be his/her specific responsibility to recommend to the _____ and subsequently to the _____ the selection of any external agents (bond counsel, financial advisors, underwriters, arbitrage rebate consultants, paying agents, trustees, printers, etc.), to review the proposed annual capital expenditures and financing plan, to recommend specific projects for debt financing and to participate as members of the financing team in the issuance of any debt obligations of the _____.

The _____ and Finance Director are responsible for administration of the _____'s financial policies. The _____ is responsible for the approval of any form of the _____'s borrowing and the details associated therewith. Unless otherwise designated, the Finance Director coordinates the administration and issuance of debt.

2. **Purpose and Objective:** The adoption of a written debt policy by the _____'s _____ and its active use help ensure a consistent approach to debt issuance which will benefit existing and future holders of _____ debt. Access to capital markets at reasonable interest rates and credit terms is a fundamental goal that is facilitated through the adoption of appropriate debt policies taking into consideration the amount and types of fixed and variable rate debt given the _____'s risk tolerance to market fluctuations, capital market outlook, future capital needs, credit, rating agency considerations, tax implications and industry competition.

Additionally, the following items will be considered:

Revenues

- The _____ will maintain a stable and diversified revenue base to offset possible shortfalls caused by short-term fluctuations.
- The _____ will develop, investigate and implement new and expanded revenue sources.
- The _____ will maintain aggressive policies on revenue collections.
- The _____ will estimate revenues at realistic levels.
- The _____ will analyze trends and regional data to accurately estimate revenues.
- The _____ will regularly review and analyze fee structures to ensure cost-of-service coverage.
- The _____ will begin development of three-year projections to better evaluate long-term trends and weaknesses.

- The ____ will apply property taxes as revenue of last choice.
3. **Scope:** This policy shall apply to all debt obligations of the ____, whether for the purpose of acquisition or construction of ____ assets, the refunding of existing debt and for all interest rate hedging products and derivatives.
 4. **Exceptions:** Exceptions to this policy will be approved by the _____.
 5. **Accounting, Budgeting and Reporting Practices:**
 - a. Quarterly financial statements prepared on a budget-basis and annual financial statements prepared on a GAAP basis are to be prepared by the Finance Department and submitted to the _____ at their regularly scheduled meeting dates.
 - b. An annual budget shall be prepared by the Finance Department and approved by the _____. The budget should provide reasonable detail as to the operating, capital and debt service expenditures in the coming year.
 - c. Five Year Capital Improvement Budgets should be prepared by the Finance Department and approved by the _____. Details of the anticipated capital expenditures should be provided such that financing plans can be developed. These financing plans should be reviewed and approved as part of the budget approval process.
 - d. The Finance Department or designees will promptly notify the rating agencies of any debt restructuring, derivative products entered into or any other transaction, which does not involve issuance of debt but has an impact on the overall rate of interest on its debt or its debt structure. The Department or designees shall also respond to all inquiries from creditors, investors, and credit evaluation organizations in a complete and prompt fashion.

6. **General Debt Issue Policies:**

- a. **Structure:** The ____'s capital structure shall consist of fixed rate and variable rate debt in traditional as well as synthetic form along with hedging instruments such as interest rate swaps, caps, collars and other non-speculative derivative products. The percentage of total debt that may be variable rate-based may from time-to-time change, as debt management strategies change given interest rate environments and appropriate approvals. The risks associated with any given structure and the financial instruments used shall be fully explained to those who must decide and approve any final financing structure.
- b. **Borrowing:** The _____ shall have the authority to borrow money, contract loans and issue bonds in accordance with the provisions of the Constitution of the State of Florida and the general laws of the state. However, approval by voter referendum shall be required prior to the issuance of any of the following categories of bonds:

1. General obligation bonds which pledge the full faith and credit of the taxing power of the _____.
 2. Revenue bonds intended to finance enterprises or projects which involve the purchase, lease and/or acquisition of real property by the _____ or agencies thereof, with the exception of revenue bonds issued to finance the purchase, lease and/or acquisition of park real property and/or park projects by the _____ or agencies thereof, or
 3. Revenue bonds which pledge specific non ad valorem taxes as the primary source(s) of revenue to pay principal and interest and which have a principal value in excess of one (1) million dollars. This dollar limitation shall be adjusted annually as of the end of each fiscal year in accordance with changes in the cost-of-living index as published by the federal government.
- c. The _____ will strive to maintain a high reliance on pay-as-you-go financing for its capital improvements and capital assets.
 - d. As a goal, the _____ will maintain its net general obligation bonded debt at a level not to exceed two (2) percent of the assessed valuation of taxable property within the _____ unless otherwise directed by the _____.
 - e. The _____ will maintain revenue bond reserves to comply with the covenants of the bond issues and ensure adherence to federal arbitrage regulations.
 - f. To the extent that the unreserved General Fund balance exceeds 30% of General Fund expenditures and transfers out for recurring operational costs reported in other funds as of the most recent audited financial statements, the _____ may draw upon the excess to provide pay-as-you-go financing for capital projects as approved by the _____.
 - g. **Purpose and Projects:** Long-term borrowing will not be used to finance current operating expenditures.

For any enterprise fund that is supporting debt, an annual rate study will be performed by staff to ensure that the fees or rates are sufficient to meet the debt service requirements.

- h. **Term:** The following guidelines should govern the issuance of new money financing.
 - The maturities of debt will be equal to or less than the useful economic life of the item financed.
 - All debt issues, including lease-purchase methods, will be repaid within a period not to exceed the expected useful lives of the improvements or capital assets financed by the debt.
 - Where practicable the debt service structure on new money financing should be level debt service if economically feasible.

- The use of credit enhancement should be evaluated on a maturity-by-maturity basis and only used where the economic benefits exceed the costs of issuing rated or unrated debt obligations.
- In addition, call features are preferred and should be analyzed closely.
- The use of a fully funded debt service reserve should always be evaluated against the use of a surety or other debt service reserve product.

i. **Reserves**

- The _____ will work towards an unreserved General Fund Balance equaling thirty percent (30%) of General Fund expenditures and transfers out for recurring operational costs reported in other funds. The _____ will not reduce unreserved General Fund Balance below fifteen percent (15%) of General Fund expenditures and transfers out for recurring operational costs reported in other funds.
- Ten percent of any increase in General Fund balance as reported in the audited Comprehensive Annual Financial Report will be designated for the acquisition of land for parks.
- The _____ will budget an annual general contingency amount for unanticipated expenses or increases in service levels.
- The General Fund Undesignated Contingency may be used at the discretion of the _____ for emergency and non-emergency uses:

Emergency uses would include but are not limited to hurricanes, tornadoes, and other natural disasters, train wrecks, plane crashes, epidemics, etc. Non-emergency uses would include but are not limited to capital projects, purchase of capital, contracted services, etc.

An emergency appropriation shall require a simple majority vote of the _____. If an emergency prevents the _____ from convening, the _____ and the _____, in his absence, the _____ and in their absence, any _____.

A non-emergency appropriation shall require a simple majority of the _____ provided the amount does not exceed ten percent to the current undesignated contingency reserve.

A non-emergency appropriation exceeding ten percent of the current undesignated contingency reserve shall require approval by four of the five _____.

- j. **Bond Insurance:** Bond insurance is an insurance policy purchased by an issuer or an underwriter for either an entire issue or specific maturities, which guarantees the payment of principal and interest. This insurance provides a

higher credit rating and must result in a lower borrowing cost for an issuer after consideration of the premium rate and underlying ratings.

Bond insurance can be purchased directly by the ____ prior to the bond sale (direct purchase) or at the underwriter's option and expense (bidder's option). The ____ will attempt to qualify its bond issues for insurance with bond insurance companies rated AAA by Moody's Investors Service, Fitch Rating Services and/or Standard & Poor's Corporation.

When insurance is purchased directly by the ____, the present value of the estimated debt service savings from insurance should be at least equal to or greater than the insurance premium. The bond insurance company will usually be chosen based on an estimate of the greatest net present value insurance benefit (present value of debt service savings less insurance premium).

Credit enhancement may take other forms such as LOCs or other securitization products and may be used if economically beneficial to the ____.

- k. **Credit Ratings:** Credit ratings have wide investor acceptance as tools for differentiating credit quality of investments. Credit ratings tend to close credit risk arbitrage opportunities in capital markets, thus benefiting the ____ by reducing interest rate expense. The ____ shall attempt to continually improve its credit ratings. Comprehensive annual credit rating reviews should be provided to the rating agencies as well as semi-annual updates and ongoing communication of events affecting the ____'s overall credit, including asset and liability management issues.
- l. **Non-Rated:** Non-rated securities may be issued if the credit rating on the issue does not perform any economic benefit or add any value to capital market participants.
- m. **Tax Status:** The ____ has traditionally issued tax-exempt debt which results in significant interest cost savings compared with the interest cost on taxable debt. Accordingly, all of the ____'s debt should be issued to take advantage of the exemption from federal income taxes unless prohibited by federal law or applicable federal regulations.
- n. **Subordinated Debt:** The lien status and credit rating on this type of debt is inferior and protection to the bondholder is lower, therefore, this type of debt should be minimized to protect the ____'s credit rating, unless it is the only method available to finance a project. There may be occasions when this type of debt is issued for potential restructuring reasons, when current senior-lien debt covenants are undesirable and this debt is soon to be retired or refunded.
- o. **Capital Leasing:** Over the lifetime of a lease, the total cost to the ____ will generally be higher than purchasing the asset outright. As a result, the use of lease/purchase agreements and certificates of participation in the acquisition of vehicles, equipment and other capital assets shall generally be

avoided, particularly if smaller quantities of the capital asset(s) can be purchased on a "pay-as-you-go" basis.

- p. **Certificates of Participation:** Under this type of financing, payments to holder of the securities are made from rental payments or other revenues which are subject to annual appropriation. The holders typically have no legal recourse against the _____ if it fails to make the necessary appropriation. Although this type of financing arrangement is not considered debt under a legal analysis, it is viewed as a financial obligation of the _____ and failure to make timely payments would damage the _____'s reputation in the credit markets and increase the cost of future borrowings. Accordingly, the _____ may utilize this financing vehicle, but it should be considered as debt of the _____ and, absent compelling extraordinary circumstances, non-appropriation should not be considered.
- q. **CABS: Capital Appreciation Bonds, Strips, Zero Coupon Bonds.** Capital appreciation bonds and other similar debt instruments pay no interest until their stated maturity. Although there may be extraordinary circumstances in which the use of capital appreciation bonds is fiscally prudent, in most cases the debt service deferral is not appropriate and should be discouraged. Accordingly, only when a compelling _____ interest is demonstrated should capital appreciation bonds be issued.
- r. **Callable Bonds:** Call provisions on bonds provide future flexibility to refinance or restructure debt and eliminate onerous covenants. Consequently, the _____ shall attempt to always have call provisions on its debt. Standard call provisions are five to ten years. Ideally, each case should be analyzed upon marketing the bond issue and determined at the time, upon recommendation of the Financial Advisor.
- s. **Refunding Criteria:** Generally, the _____ issues refunding bonds to achieve debt service savings on its outstanding bonds by redeeming high interest rate debt with lower interest rate debt. Refunding bonds may also be issued to restructure debt or modify covenants contained in the bond documents. Current tax law limits to one time the issuance of tax-exempt advance refunding bonds to refinance bonds issued after 1986. There is no similar limitation for tax-exempt current refunding bonds. The following guidelines should apply to the issuance of refunding bonds, unless circumstances warrant a deviation therefrom:
- refunding bonds should generally be structured to achieve level annual debt service savings;
 - the life of the refunding bonds should not exceed the remaining life of the bonds being refunded or the assets financed, whichever is longer;
 - advance refunding bonds issued to achieve debt service savings should have a minimum target savings level measured on a present value basis equal to 3% of the par amount of the bonds being refunded; and

- refunding bonds which do not achieve debt service savings may be issued to restructure debt or provisions of bond documents only if such refunding serves a compelling ____ interest or under extraordinary conditions.

The 3% minimum target savings level for refundings should be used as a general guide to guard against prematurely using the one advance refunding opportunity for post-1986 bond issues. However, because of the numerous considerations involved in the sale of refunding bonds, the 3% target should not prohibit refundings when the circumstances justify a deviation from the guideline.

- t. **Debt Service Coverages:** Debt service coverages shall conform to bond resolutions and remain at those levels to ensure that the ____'s credit rating is not diminished.

7. Method of Sale

The ____'s policy is to sell public debt using the method of sale expected to achieve the best result, taking into consideration short-term and long-term implications. However, there is a divergence of views as to the merits of the competitive and negotiated methods of sale due to lack of comprehensive, empirical evidence that favors one method over the other. The following section of this policy is intended to ensure that the most appropriate method of sale is selected in light of financial, market, transaction-specific and issuer conditions.

- a. **Competitive vs. Negotiated Preference:** Competitive method sale should be preferred and considered when the following conditions are present:
 - The ____ has been a stable and regular borrower in the public market.
 - There is an active secondary market for the ____'s debt.
 - The ____ has an underlying credit rating of A or above.
 - The issue is neither too large to be absorbed by the market or too small to attract investors.
 - The issue is not composed of complex or innovative features (e.g., a refunding issue).
 - Interest rates are stable, market demand is strong and the market is able to absorb reasonable levels of buying and selling with reasonable price reliability.

If conditions for a competitive bond sale are not available then the following practice will apply to negotiated bond sales:

- A competitive underwriter-selection process that ensures that multiple proposals are considered will be used.
- The ____'s staff and the Financial Advisor will remain actively involved in each step of the negotiation and sale processes to uphold the public trust.
- The ____'s staff and Financial Advisor, who are familiar with and abreast of the condition of the municipal market shall assist in structuring the issue, pricing, and monitoring sales activities.
- The Financial Advisor will not serve as underwriter of an issue.
- The ____ will require that financial professionals disclose the name(s) of any person or firm compensated to promote the selection of the underwriter; any existing or planned arrangements between outside professionals to share tasks, responsibilities and fees; the name(s) of any person or firm with whom the sharing is proposed; and the method used to calculate the fees to be earned.

b. Pricing a Negotiated Sale:

One of the most important outcomes of a bond sale, the cost of borrowing, is established through the pricing process. Unlike a competitive sale, bond pricing in a negotiated sale requires a much greater degree of issuer involvement. The issuer negotiates both the yield on the bonds and the underwriters' compensation, which includes the takedown (or sales commission), management fee, underwriting risk, and expenses.

It is the ____'s policy to strive for the best balance between the yield for each maturity and the takedown (sales commission) to achieve the lowest overall cost of financing. The following actions by the ____'s staff and its advisors are required in the pricing process:

- Take steps during the underwriter selection process and prior to final pricing to manage and establish the compensation to underwriters.
- Develop an understanding of prevailing market conditions, evaluate key economic and financial indicators, and assess how these indicators likely will affect the outcome of the pricing. Among the types of information that will be helpful are:

c. Payment of the Expense Component of Underwriter Discount:

When using the negotiated method of sale for tax-exempt bonds, the underwriter's compensation consists of various costs incurred by the underwriter on behalf of the issuer. To insure that these expenses are reasonable and explicitly identified, the ____'s policy is to:

- Require firms proposing to serve as senior managing underwriters to present an itemized list of expenses that they expect to incur.
 - Require staff to convey clearly to the firm selected as senior managing underwriter, the expenses that the issuer regards as legitimate and those that the issuer does not view as reasonable.
- d. **Private Placements:** The ____ may determine to seek funding by way of a private placement or bank loan where the size of the borrowing does not justify the incurrence of typical issuance expenses. The ____'s Financial Advisor will compare the overall costs of a private placement with those of a public offering and recommend the most cost effective approach.
- e. **Allocation of Bonds:** The ____ should have underwriting firms under contract who have access to institutional, retail, regional and local buyers of debt. As markets change, so do potential buyers of tax-exempt or taxable debt. In order to achieve the lowest overall cost of borrowing, flexibility to access different markets is essential.

8. Plan of Finance

The Finance Department will prepare, from time to time, a Plan of Finance that will be submitted to the _____ for information purposes. Such Plan of Finance will address at a minimum the amount of debt projected to be issued during the next five fiscal years and whether such debt is senior or subordinated, fixed and/or variable and the possible use of hedging instruments.

- a. Factors to be considered in the final projections are:
- The forecast of spending levels for capital projects.
 - The availability of internal funds to pay for capital projects.
 - Desired debt service coverage levels consistent with a highly-rated municipality.
 - The additional bonds test calculation outlined in the applicable bond ordinances or related documents.
- b. Tax-exempt vs. Taxable
- As a municipality, the ____ is authorized to issue tax-exempt debt and must comply with appropriate tax regulations. The ____ will endeavor at all times to issue tax-exempt debt. For certain transactions, due to tax regulations, it may be necessary for the ____ to issue taxable debt. Such prevailing circumstances may include excessive transferred proceeds, volume cap limitations, and private use restrictions. The Finance Department will monitor current tax regulations and utilize tax-exempt financing whenever possible.
- c. Fixed vs. Variable Debt
- The ____ will utilize a mix of fixed and variable rate debt to lower the overall cost of capital. Variable rate debt will generally be used as an efficient way to fund

new construction requirements and as a permanent component of a long-term funding strategy. The amount of variable rate debt outstanding shall be based on any one or a combination of the following factors:

(1) Interest Rates

The absolute level of interest rates, the forecasted direction of interest rates and the shape of the yield curve are all factors in managing the amount of variable rate debt outstanding. If fixed rates are high relative to the current cycle of rates and the yield curve is steep, a higher percentage of net variable rate debt may be desirable. Conversely, if interest rates are low relative to the current cycle of rates and the yield curve is flat, a higher percentage of net fixed rate debt may be desirable.

(2) Capital Structure and Liquidity Levels

Given that the _____ has capital programs with projects beginning at various points in time and the lack of correlation between low interest rate environments and the need to begin a project, having a variable rate program will allow for financing as needed while providing for market timing flexibility. Additionally, variable rate debt adds flexibility for capital structure changes like accelerating the pay down of debt. The _____'s overall liquidity levels will be positively correlated to its levels of variable rate debt.

(3) Other Related Variable Rate Risks

The _____ will take into consideration, when determining the appropriate variable rate risk levels, the potential exposure to variable rate risk on joint financing programs with other related agencies.

To assist in the decision making process, a forecast of interest rate volatility over the short and long terms and expected performance of various financial products (debt or hedging instruments) under various interest rate scenarios will be modeled on a periodic basis. In determining when to use alternative financing arrangements including variable, fixed, and synthetic structures, the availability of internal and external technical expertise to properly manage risk will be evaluated along with ongoing administrative costs. These analyses will be reviewed on a quarterly basis by the Finance Director and _____ Management.

d. As needed/"Just in Time" Financing.

The cash flow forecast for budgeted capital projects is the main factor used in determining the appropriate timing of new money debt transactions. The goal is to issue new debt as outstanding debt proceeds are spent. However, the timing of debt transactions may also depend upon factors including:

- Desired debt service coverage levels
- Budget, financial statement and ratings impacts
- Ability to earn positive arbitrage

- Interest rate environment

All of the above factors are considered prior to making the final determination of the most optimal time to issue new debt to fund capital projects.

e. Credit Ratings

The ____ recognizes that strong credit ratings are necessary to ensure the lowest possible borrowing costs which will factor into maintaining low tax rates for our citizens.

The ____ will strive to achieve the highest possible municipal ratings.

9. Fixed Rate Debt

a. Overview

Fixed rate debt is authorized to finance capital projects and for any other allowable purpose as stipulated in the governing bond ordinances and tax regulations.

b. Type

The ____ may issue any type of fixed rate debt as authorized by the ____'s various bond ordinances and recommended by the ____'s Financial Advisor. Some of the various types of debt authorized include, but are not limited to, serial and term bonds issued at par, discount or premium, capital appreciation bonds, and bullet bonds (e.g., refundable principal installments).

c. Maturity, Structure, and Call Provisions

Prudent debt management requires that there be a proper matching of the lives of the assets and the length of the debt, whether taxable or tax-exempt, used to finance such asset. In addition, the ____ will, at all times, structure the amortization and maturity of any fixed rate debt to comply with the appropriate tax regulations.

To provide the maximum amount of flexibility, the ____ will utilize **(five)**-year or less par calls whenever possible. ____ staff, along with the financial advisor and underwriter, will assess the market at the time of pricing to determine its ability to issue bonds with such features while minimizing interest costs.

d. Providers

The ____ is allowed to sell debt by either negotiated sale or competitive bid. The determination of the method is to be made prior to each financing.

If the ____ selects the "competitive sale" method, determination of the winning bid will be based on the underwriting firm with the lowest True Interest Cost (TIC) proposal.

The ____ will employ staff or an outside professional financial advisor, other than the underwriter, who is familiar with and abreast of the conditions of the municipal market, and is available to assist in structuring the issue, pricing, and monitoring of sales activities. The ____ shall not use a firm to serve as both the financial advisor and underwriter. Selection of underwriters, financial advisors, bond counsel, and other necessary consultants involved in the debt transactions will be selected as outlined in the ____ Purchasing Policy.

e. Debt Service Sinking Fund Reserves

Unless otherwise recommended by the ____'s financial adviser and approved by the _____, a debt service sinking fund reserve will be funded, maintained, and held for the benefit of bondholders as specified in the ordinance authorizing the sale of the bonds to pay principal and/or interest on the bonds should revenues from operations not be sufficient for such purpose in accordance with the appropriate bond ordinance.

- The debt service sinking fund reserve may be in the form of cash and/or investments funded from the proceeds of bonds and/or revenues from operations or other pledged sources.
- If allowed by the ordinance, a surety issued by a financial institution nationally recognized in the industry to issue such policies may be used in place of a cash-funded debt service reserve.
- If allowed under the respective bond ordinance, any other form of financial instruments may be used in place of cash-funded or surety-funded debt service reserve, provided such financial instruments are issued by firms of nationally recognized standing.
- The ____ will weigh the benefits of each method of funding the debt service sinking fund reserve prior to each issue and will choose the method most beneficial to the ____ based upon the facts and circumstances of each issue.

A debt service sinking fund reserve may also be maintained if, in the opinion of the underwriter or the financial advisor, it is reasonably required to provide security for the payment of debt service with respect to the ____'s bonds and is consistent with normal practice in respect of bonds of the same general type as those being issued by the _____. Selection of a surety provider or provider of any financial instrument acceptable to fund the debt service sinking fund reserve requirement under the appropriate ordinance will be pursuant to the ____ Purchasing Policy.

f. Approvals

The structure, maturity, and call provisions for each fixed rate financing must be approved in writing by the Finance Director or designee on or prior to the date of pricing. Negotiation with the underwriter on negotiated bond transactions will be conducted by the Financial Advisor. Final transaction approval must be obtained from the _____.

g. Compliance/Reporting Requirements

All outstanding debt will be reported annually in the Comprehensive Annual Financial Report as required by GASB.

The ____ will monitor and report any arbitrage rebate liability due to the U.S. Treasury on bond proceeds from fixed rate transactions.

10. Variable Rate Debt Instruments

a. Overview

Variable rate debt is authorized to finance capital projects and for any other allowable purpose as stipulated in the governing bond ordinances and tax regulations.

The ____ must adhere to the variable rate debt limits outlined in this Policy.

b. Type

The ____ may issue any type of variable rate debt as authorized by the various bond ordinances and recommended by the ____'s Financial Advisor. Some of the various types of debt authorized include, but are not limited to, Commercial Paper, Variable Rate Demand Obligations, Auction Rate Securities, and Medium Term Notes.

c. Management

On a periodic basis, the Director of Finance or designee will make decisions regarding any changes to the interest mode for variable rate demand obligations, auction period for auction rate securities and desired maturities for commercial paper.

d. Maturity and Call Provisions

As with fixed rate debt, the ____ will structure the maturity dates of the variable rate debt to match the lives of the assets being financed. The ____ will, at all times, structure the amortization and maturity of any variable rate debt to comply with the appropriate tax regulations. For any ____ commercial paper program, the maturity of a Commercial Paper Note shall not exceed 270 days and the term of a commercial paper program shall not exceed 30 years in order to stay within the current safe harbor rules to be treated as part of a single issue. For variable rate debt with tender rights, the current safe harbor rules limit the maturity to no longer than 35 years.

e. Providers

Underwriters, remarketing agents or dealers of the ____'s variable rate debt program will be selected pursuant to the ____'s Purchasing Code.

Banks providing Liquidity Facilities for variable rate debt shall be reviewed regularly with the Financial Advisor and minimum ratings established for these providers shall be AA- or its equivalent from at least two of the three rating agencies: Fitch, Moody's, and Standard & Poor's.

If bond insurance is necessary for variable rate debt, the insurance provider will be selected pursuant to the ____'s Purchasing Policy. Financial institutions which insure bonds for investors of the ____ must have the top rating of AAA from at least two of the three rating agencies: Fitch, Moody's, and Standard & Poor's.

f. Variable Rate Debt Amount

The ____'s total variable rate debt outstanding shall not exceed 40% of its total debt. Variable rate debt synthetically fixed through a swap agreement will not be considered variable rate debt for this criterion.

g. Approvals

The structure and maturity for each variable rate financing must be approved in writing by the Finance Director or designee prior to the transaction. Final transaction approval must be obtained from the _____.

h. Compliance/Reporting Requirements

All outstanding debt will be reported annually in the Comprehensive Annual Financial Report as required by GASB.

The ____ will monitor and report any arbitrage rebate liability due to the U.S. Treasury on bond proceeds from variable rate transactions.

11. Debt Refunding

a. Overview

Refunding of outstanding debt represents unique opportunities for the ____ to realize savings in debt service cost. Refunding also allows the ____ to restructure its existing debt or debt profile to enable the ____ to operate in a more competitive manner. Many of the policies and practices applicable to new money fixed and variable rate financings are applicable to debt refundings as well and those policies and practices shall be adhered to in any debt refunding issue unless specifically addressed below.

b. Management

Periodic reviews of all outstanding debt will be undertaken to determine refunding opportunities. Refundings will be considered within federal tax law constraints. The ____ and the financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings. Current tax regulations permit one Advance Refunding opportunity for a post 1986 issue of bonds. There are no similar limitations with respect to a current refunding of bonds. The following guidelines should apply to the issuance of refunding bonds:

- (1) Any refunding will be evaluated on the economic savings or structure advantages relating to issuing the new debt. For a fixed rate refunding, a five percent savings target is a general guideline. However, refunding issues that produce a net present value savings less than three percent (3%) may be issued for various business and/or economic purposes. Examples include but are not limited to (a) restructuring debt, (b) amending provisions of a bond document, and (c) taking savings based on structure or low interest rate environment considerations. Savings below the five percent guideline must be approved by the Department of Administration/Finance or designee prior to the execution of the refunding transaction.
- (2) Refundings involving variable rate debt generally do not produce savings and will not have a savings guideline. These transactions are usually executed to take advantage of structuring opportunities or may be utilized to take advantage of low long-term interest rates.

c. Fixed and Variable

The ____ can utilize fixed or variable rate debt for refunding purposes and must adhere to the variable rate debt limits outlined in this Policy.

d. Maturity and Call Provisions

The maturity of refunding bonds shall be in accordance with the safe harbor rules for the creation of replacement proceeds found in the tax regulations.

To provide the maximum amount of flexibility, the ____ will utilize five year or less par calls whenever possible. The ____ staff along with the financial advisor and underwriter will assess the market at the time of pricing to determine its ability to issue bonds with such features while minimizing interest costs.

e. Debt Service Sinking Fund Reserve

To the extent of an existing cash funded debt service sinking fund reserve, in the event of a refunding that reduces the debt service reserve requirement, the ____ will deposit any such reduction into the escrow for the refunded bonds or utilize the reduction for any lawful purpose.

f. Approvals

The structure, maturity, and call provisions for each refunding must be approved, in writing, by the Finance Director or designee on or prior to the date of pricing.

Negotiations with the underwriter on negotiated bond transactions will be conducted by the Financial Advisor. Final transaction approval must be obtained from the _____.

12. Interest Rate Swaps, Caps, Options, and Collars

a. Overview

The prudent use of hedging instruments, including interest rate swaps, caps, options, and collars, can be an effective tool in meeting funding needs and structuring a balance sheet while managing risk associated with the movement of interest rates. Utilizing hedging products can provide the _____ with cost effective alternatives to traditional debt financing choices.

Utilizing interest rate swaps to achieve substantially lower interest cost is a main component in building the desired capital structure to allow the _____ to finance efficiently. There are three types of interest rate swaps the _____ is authorized to enter into:

- Floating to fixed rate swaps,
 - Hedge interest rate risk on variable rate debt,
 - Lock in fixed rates on refunding bonds that will be issued in the future or
 - Take advantage of opportunities to obtain fixed swap rates that are lower than comparable fixed rate bonds.
- Fixed rate to floating rate swaps
 - Increase the amount of variable rate exposure without incurring the remarketing and liquidity costs.
 - Eliminate the put risk associated with variable rate debt.
- Basis swaps manage the risk associated with
 - The mismatch between two benchmarks.
 - Methodologies used to set interest rates.

b. Risks

Interest rate swaps and related hedging instruments may introduce additional risks to the _____'s credit profile. These risks include, but are not necessarily limited to, termination risk, counterparty risk, re-execution risk, amortization risk, Basis Risk, and tax event risk. Prior to entering into each interest rate swap transaction, these risks are evaluated to ensure adequate provisions are in place to minimize the downside and provide the maximum benefit the transaction originally intended.

c. Fixed to Floating Rate Swap Management

The Finance Director or designee shall have the overall responsibility, from an overview standpoint, for the execution and management of fixed to floating interest rate swaps.

The Finance Director or designee shall determine the size of the total interest rate swap program and the maturity date for the swaps within the parameters of the Policy which has been approved by the _____.

Interest rate caps and related hedging instruments may be utilized to help manage interest rate risk in the Debt Management Program.

From time to time, the Finance Director or designee will evaluate the use of collar (cap and floor instrument) transactions as a hedging tool to minimize cost and risk.

Forecasts of interest rate volatility over the intermediate term (4 to 7 years) and expected performance of the swaps, caps, collars, and related hedging instruments under various interest rate scenarios shall be updated on not less than a semi-annual basis. Short and long term interest rates will be monitored over varying time periods. If current interest rates are either above or below the moving averages as measured by varying time periods, the Finance Director or designee may elect to alter the timing of adding additional fixed to variable swaps to either increase or decrease the amount of variable exposure. Furthermore, the Finance Director or designee may elect to enter into "reversing" swaps to take advantage of market opportunities. In the event a fixed to floating swap is "reversed", any associated floor will be simultaneously "reversed". Any associated cap will be evaluated and "reversed" if approved by the _____.

d. Floating to Fixed Rate Swap Management

The Finance Director or designee shall have the overall responsibility regarding the execution and management of floating to fixed interest rate swaps. An additional component of the debt management strategy is to use floating to fixed rate swaps to lock in the lowest possible borrowing costs over a long period of time. Floating to fixed rate swaps can be used in conjunction with issuing variable rate debt to obtain the lowest fixed rate when compared to traditional forms of fixed rate financings. In addition, floating to fixed swaps may be desirable when the cycle of long-term rates moves down to or near historical lows and "fixing" a portion of the outstanding variable rate debt appears advantageous. Swaps will be evaluated as alternatives to traditional financing instruments considering their comparable costs, ease of entry and exit provisions, and the amount of potential risk exposure.

Interest rate swaps will be executed for notional amounts, maturities and other related terms and conditions as determined by the Finance Director or designee. Re-execution risk, amortization risk, tax event risk and Basis Risk will be evaluated in order to minimize any potential negative results.

Forecasts of interest rate volatility over the term of the swaps and expected performance of the swaps under various interest rate scenarios shall be analyzed prior to the execution of the swaps. Short and long term interest rates will be monitored over varying time periods. The Finance Director or designee may elect to enter into "reversing" swaps to take advantage of market opportunities.

e. Compliance/Reporting Requirements

The ____ shall perform an annual review relating to fixed to floating interest rate swap management.

Collateral reports will be updated on a monthly basis providing information relating to specific swap transactions that may require collateral posted based on mark to market valuations.

All outstanding debt will be reported annually in the Comprehensive Annual Financial Report as required by GASB.

f. Optional Termination

The ____ shall consider including a provision that permits The ____ optionally to terminate the agreement at the market value of the agreement at any time. In general, the counterparty shall not have the right to optionally terminate an agreement. As practical as possible, The ____ shall have the right to assign its obligation to other counterparties.

g. Events of Default

Events of default of a counterparty shall include the following:

1. Failure to make payments or transfer collateral when due
2. Breach of representations and warranties
3. Illegality
4. Failure to comply with downgrade provisions
5. Failure to comply with any other provisions of the agreement after a specified notice period
6. Bankruptcy
7. Other events as defined by insurance and rating agencies

An event of default by the counterparty shall lead to termination of the agreement with The ____ being the affected party for purposes of calculating the termination payment owed.

h. Aspects of Risk Exposure Associated with Such Contracts

Before entering into a derivative, The ____ shall evaluate all the risks inherent in the transaction. These risks to be evaluated should include the counterparty risk, termination risk, rollover risk, basis risk, tax event risk and amortization risk.

The ____ shall endeavor to diversify its exposure to counterparties. To that end, before entering into a transaction, it should determine its exposure to the relevant counterparty or counterparties and determine how the proposed transaction would affect the exposure. The exposure should not be measured

solely in terms of notional amount, but rather how changes in interest rates would affect the ____'s exposure ("Value at Risk"). The Value at Risk should be based on all outstanding derivative transactions by The _____. The _____ may also elect to take into account the exposure of the _____ and any related entities to a particular counterparty.

i. Provisions for Collateralization

If the rating (a) of the counterparty, if its payment obligations are not unconditionally guaranteed by another entity, or (b) of the entity unconditionally guaranteeing its payment obligations, if so secured, does not meet or falls below the rating required by "Providers" below, then the obligations of such counterparty shall be fully and continuously collateralized by 100% cash, direct obligations of, or obligations the principal and interest on which are guaranteed by, the United States of America or any agency thereof with a net market value of at least 102% of the net market value of the contract (subject to minimum threshold amounts specified by the _____) to the authorized issuer and such collateral shall be deposited with the _____ or an agent thereof.

j. Approvals

The Finance Director or designee must sign all interest rate swap, cap, option, or collar confirmations.

The Finance Director or designee must approve the interest rate swap term sheet prior to execution. In addition, the purpose of the transaction, (asset matched, debt management, etc.) will be included as part of the swap paperwork file kept for each executed swap transaction.

k. Providers

Financial Institutions and Dealers executing interest rate swaps, caps, options, and other hedging instruments for the _____ shall be selected pursuant to the _____ Purchasing Policy. The _____ shall require that all institutions and dealers entering into interest rate swap, cap, option, and other hedging instrument agreements execute a Master Swap Agreement (the ISDA Master Agreement must be used as a part of the Master Swap Agreement) that is signed by both parties. All transactions entered into shall adhere to the requirements of the Master Swap Agreement.

The Master Swap Agreement will contain, among other things, language regarding credit rating maintenance standards. All providers will either, (1) be rated AA-/Aa3 or better by at least 2 of the rating agencies (Fitch, Moody's, or Standard & Poor's) at the time of execution and enter into a collateral agreement to provide collateral as determined by the Credit Support Annex in the event that the credit rating falls below the AA-/Aa3 level or (2) be rated A/A2 or better by at least 2 of the rating agencies at the time the Agreement is entered into, and enter into a collateral agreement.

i. Diversification

No more than 60% of net interest rate swap and cap or other hedging instruments shall be outstanding in the aggregate with any one provider or affiliate thereof. This provision includes all interest rate swap, cap, option, and other hedging instruments the _____ may utilize to manage interest rate risk including, but not limited to, debt management, and 100% investment/asset matched program.

m. Bid

All "initial" interest rate swap and cap transactions shall be competitively bid by at least (3) three providers or shadow pricing providers obtained by the Financial Advisor that have executed interest rate swap agreements with the _____. Upon approval by the _____, 1) a "reversing transaction" resulting in an upfront payment to the _____ may be negotiated with the original swap, cap, option, or collar counterparty, or 2) a negotiated swap with a counterparty may be executed as part of a debt financing.

13. Effective Date

This Policy will become effective upon adoption by the _____. This Policy shall be reviewed and amended from time to time as necessary with the approval of the _____.

14. Definitions

Advance Refunding - A bond is treated as issued to advance refund another bond if it is issued more than 90 days before the redemption of the refunded bond.

Amortization Risk - the potential cost to the issuer resulting from a mismatch between the outstanding underlying bond amortization and the outstanding notional amount of the swap.

Auction Rate Bonds - means "Short-term Adjustable Rate Securities" which are issued and outstanding under the "Auction Rate Mode" and which bear interest for each Auction Period, payable in arrears, at the Auction Rate in effect on the Auction Date (as defined in the respective Supplemental Ordinance) for the Auction Period as defined. Such securities do not normally require Liquidity Facility support, but may require Bond Insurance.

Basis Risk - movement in the underlying variable rate indices may not be perfectly in tandem, creating a cost differential that could result in a net cash outflow from the issuer. Also, the mismatch that can occur in a swap with both sides using floating, but different, rates.

BMA Index - The Bond Market Association Municipal Swap Index, the principal benchmark for the floating rate payments for tax-exempt issuers. The index is a national rate based on a market basket of high-grade, seven-day tax-exempt variable rate bond issues.

Capacity Expansion - Capital expansion projects are those projects designed to accommodate new customers, acquisitions, and expansion of existing system capacity.

Commercial Paper Note - shall mean any Bond which has a maturity date which is not more than 270 days after the date of issuance thereof.

Competitive Bid - a method of submitting proposals for the purchase of new issue of municipal securities by which the securities are awarded to the underwriting syndicate presenting the best bid according to stipulated criteria set forth in the notice of sale.

Construction Loan Credit Facility - means obligations of the _____ of a particular credit facility for construction advance purposes which shall be similar to Bond Anticipation Notes.

Counterparty risk – the risk that the other party in the derivative transaction fails to meet its obligations under the contract.

Credit Enhancement - shall mean, with respect to the Bonds of a Series, a maturity within a Series or an interest rate within a maturity, the issuance of an insurance Policy, letter of credit, surety bond or any other similar obligation, whereby the issuer thereof becomes unconditionally obligated to pay when due, to the extent not paid by the _____ or otherwise, the principal of and interest on such Bonds.

Credit Support Annex - is a standard supporting document that is made part of the ISDA Master Swap Agreement that governs the use of posting collateral when required.

Current Refunding - A bond is treated as issued to current refund another bond if the refunding issue is issued not more than 90 days before the redemption of the refunded bond.

Hedge – a transaction entered into to reduce exposure to market fluctuations.

Interest rate swap – a transaction in which two parties agree to exchange future net cash flows based on predetermined interest rate indices calculated on an agreed notional amount. The swap is not a debt instrument between the issuer and the counterparty, and there is no exchange of principal.

ISDA – International Swap Dealers Association, the global trade association with over 550 members that include dealers in the derivatives industry.

ISDA Master Agreement – the standardized master agreement for all swaps between the Issuer and the dealer that identifies the definitions and terms governing the swap transaction.

LIBOR – the principal benchmark for floating rate payments for taxable issuers. The London Inter Bank Offer Rate (LIBOR) is calculated as the average interest rate on Eurodollars traded between banks in London and can vary depending upon the maturity (e.g. one month or six months).

Long-dated swap - a swap with a term of more than ten years. Often used in the municipal market, as issuers often prefer to use a hedge that matches the maturity of the underlying debt or investment.

Mark-to-market – calculation of the value of a financial instrument (like an interest rate swap) based on the current market rates or prices of the underlying instrument (i.e. the variable on which the derivative is based).

Medium Term Note - any bond which has a maturity date which is more than 365 days, but not more than 15 years, after the date of issuance and is designated as a medium term note in the supplemental ordinance authorizing such bond.

Negotiated Sale - the sale of a new issue of municipal securities by an issuer through an exclusive agreement with an underwriter or underwriting syndicate selected by the issuer.

Tax Event Risk - the risk that tax laws will change, resulting in a change in the marginal tax rates on swaps and their underlying assets or, in a more extreme situation, remove the tax-exempt status of the issue and, therefore, its contractual obligations priced as tax-exempt facilities.

Termination risk – the risk that a swap will be terminated by the counterparty before maturity that could require the issuer to make a cash termination payment to the counterparty.

True Interest Cost - is the rate, compounded semi-annually, necessary to discount the amounts payable on the respective principal and interest payment date to the purchase price received for the bonds.

Variable Rate Bond - shall mean any Bond not bearing interest throughout its term at a specified rate or specified rates determined at the time of initial issuance.

Variable Rate Demand Obligations (VRDO) - A long term maturity security which is subject to a frequently available put option or tender option feature under which the holder may put the security back to the issuer or its agent at a predetermined price (generally par) after giving specified notice or as a result of a mandatory tender. Optional tenders are typically available to investors on a daily basis while in the daily or weekly mode and mandatory tenders are required upon a change in the interest rate while in the flexible or term mode. The frequency of a change in the interest rate of a variable rate demand obligation is based upon the particular mode the security is in at the time.

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City of Maitland, Florida
Limited Tax General Obligation Bonds, Series 2005

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		1	2	3	4						1	2			1	2	3	4	5	6
5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13
12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	19	20
19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27
26	27	28	29	30			24	25	26	27	28	29	30	28	29	30	31			
							31													

Draft as of June 7, 2005

Week of	Action	Responsibility Completed
June 6, 2005	Distribute Final Drafts of Bond Documents Return Comments to Final Draft OS Conference Call with Working Group Print and Distribute POS	BC, DC, UC All All DC
June 13, 2005	City Council Mtg (6/13) Pre-Market Series 2005 Bonds	City UW
June 20, 2005	Pre-Pricing Conference Call (6/20) Price Series 2005 Bonds (6/21) Execute BPA (6/22)	City, FA, UW City, FA, UW City, UC, UW
June 27, 2005	City Council Mtg (6/27) FOMC Mtg (6/29 & 6/30) Circulate Final Draft OS (6/28) Return Comments to Final Draft OS Print and Distribute OS (6/30)	City - DC All DC
July 4, 2005	Independence Day - Bond Market Closed Circulate Final Draft Closing Bond Documents Return Comments to Final Draft Bond Document Distribute Final Bond Documents	- BC, DC, UC All BC, DC, UC
July 11, 2005	City Council Mtg (7/11) Pre-Closing (7/11) Closing (Teleconference) (7/12)	City All All

Legend:

- CITY** City Council and Staff
- BC** Bond Counsel - Bryant Miller & Olive P.A.
- FA** Financial Advisor - Dunlap & Associates, Inc.
- UW** Senior Underwriter - JPMorgan
- DC** Disclosure Counsel - Foley & Lardner LLP
- UC** Underwriter's Counsel - GrayRobinson, P.A.



City of Maitland, Florida
General Obligation Bonds, Series 2005
Distribution List

DISCLOSURE COUNSEL

Foley & Lardner LLP
200 Laura St.
Suite 650
Jacksonville, FL 32202-3510
Fax: (904) 359-8700

Chauncey Lever

Phone: (904) 359-8774

clever@foley.com

Emily Diaz

Phone: (904) 359-8735

ediaz@foley.com

UNDERWRITERS

JPMorgan
390 North Orange Avenue
Suite 1800
Orlando, FL 32801
Fax: (407) 206-3566

Jon Eichelberger, Vice President

Phone: (407) 206-3560

jon.e.eichelberger@jpmorgan.com

JPMorgan
270 Park Avenue
48th. Floor
New York, NY 10017
Fax: (212) 270-9665

Milo Dochow, Analyst

Phone: (212) 270-0898

milo.t.dochow@jpmorgan.com

Gardnyr Michael Capital, Inc.
2281 Lee Road
Suite 104
Winter Park, FL 32789
Fax: (407) 629-2101

Anthony Grey, First Vice President

Phone: (407) 629-4600

tgrey@gardnryrmichael.com

UNDERWRITER'S COUNSEL

GrayRobinson, P.A.
201 N. Franklin St.
Suite 2200
Tampa, FL 33602
Fax: (813) 273-5145

Frank Fleischer

Phone: (813) 273-5000

ffleischer@gray-robinson.com

Brian J. Fender

Phone: (813) 273-5000

bfender@gray-robinson.com



City of Maitland, Florida
General Obligation Bonds, Series 2005
Distribution List

RATING AGENCY

Fitch Ratings
1600 Tysons Blvd. 8th. Floor
McLean, VA 22102
Fax: (703) 245-1167

Nelsie Smith, Assoc. Dir. Phone: (703) 245-3065 nelsie.smith@fitchratings.com

Moody's Investors Service
99 Church Street
New York, NY 10007
Fax: (212) 298-7374

Geordie Thompson Phone: (212) 553-0321 geordie.thompson@moodys.com

PAYING AGENT BANK

J.P. Morgan Trust Company
10151 Deerwood Park Blvd.
Building 400, 5th. Floor
Jacksonville, FL 32256-0566
Fax: (904) 620-6085

Kurt Marson Phone: (904) 620-6477 kurt.r.marson@jpmorgan.com

BOND INSURER/CREDIT PROVIDER

MBIA Insurance Corporation
113 King Street
Armonk, NY 10504
Fax: (914) 765-3163

Harriet Oomen Phone: (914) 765-3593 harriet.oomen@mbia.com

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OFFICIAL NOTICE OF BOND SALE

CITY OF CORAL SPRINGS, FLORIDA

\$4,745,000*
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2005A

\$5,545,000*
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2005B

NOTICE IS HEREBY GIVEN that electronic (as explained below) proposals will be received via Bidcomp/Parity Competitive Bidding System ("PARITY") in the manner described below, until 11:00 a.m. Eastern Time on such date as communicated through TM3 News Service ("TM3") not less than twenty (20) hours prior to the time bids are to be received (the "Bid Date") for the purchase of \$4,745,000* of City of Coral Springs, Florida General Obligation Refunding Bonds, Series 2005A (the "Series 2005A Bonds") and \$5,545,000* General Obligation Refunding Bonds, Series 2005B (the "Series 2005B Bonds") (hereinafter collectively referred to as the "Series 2005 Bonds").

Bids must be submitted electronically via *PARITY* in accordance with this Official Notice of Bond Sale, until 11:00 a.m., Eastern Time, on the Bid Date, but no bid will be received after such time on the Bid Date. The time and date of the bid submission may be changed by the City upon 20 hours notice communicated through TM3. To the extent any instructions or directions set forth in *PARITY* conflict with this Official Notice of Bond Sale, the terms of this Official Notice of Bond Sale shall control. For further information about *PARITY* and to subscribe in advance of the bid, potential bidders may contact *PARITY* at (212) 404-8102. In the event of a malfunction in the electronic bidding process, the bid date will automatically change to the next business day as confirmed in a communication through TM3.

Disclaimer

Each prospective electronic bidder must be a subscriber to the Bidcomp Competitive Bidding System. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to view the bid form on *PARITY* and to access *PARITY* for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Bond Sale. Neither the City nor *PARITY*, shall have any duty or obligation to provide or assure access to *PARITY* to any prospective bidder, and neither the City nor *PARITY* shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, *PARITY*. The City is using *PARITY* as a communication mechanism, and not as the City's agent, to conduct the electronic bidding for the Bonds. The City is not bound by any advice and determination of *PARITY* to the effect that any particular bid complies with the terms of this Official Notice of Bond Sale and in particular the bid specifications hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via *PARITY* are the sole responsibility of the bidders; and the City is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying or withdrawing a bid for the Series 2005 Bonds, the prospective bidder should telephone *PARITY* at (212) 404-8102 and notify the City's Financial Advisor, Dunlap & Associates, Inc., by facsimile at (407) 678-6240.

The Series 2005 Bonds—General

The Series 2005 Bonds shall be issued only as fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof; shall be dated the date of delivery; and shall bear interest as set forth in the terms of this Official Notice of Bond Sale, payable semiannually on April 1 and October 1 of each year until maturity, commencing October 1, 2005.

* Preliminary; subject to change. See "Adjustment of Principal Amounts" herein.

The Series 2005 Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") and immobilized in its custody. The Successful Bidder (as defined below), as a condition to delivery of the Series 2005 Bonds, shall be required to (i) deposit the certificates with DTC, registered in the name of Cede & Co., its nominee and (ii) take all actions required by DTC of a managing underwriter in this regard. The book-entry system will evidence ownership interests in the Series 2005 Bonds in the principal amount of \$5,000 and any integral multiple thereof, with transfers of ownership interests effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Series 2005 Bonds by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The City will not be responsible or liable for such transfers of payments or for maintaining, supervising, or reviewing the records maintained by DTC, its participants or persons acting through such participants.

DTC may discontinue providing its services with respect to the Series 2005 Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law, or the City may terminate its participation in the system of book-entry transfers through DTC at any time. Upon either such event, if the City fails to identify another qualified securities depository to replace DTC, the City will deliver replacement bonds in the form of fully registered certificates in denominations of \$5,000 and any integral multiples thereof pursuant to the resolution under which the Series 2005 Bonds are issued. However, definitive replacement bonds shall be issued only upon surrender to the Bond Registrar of the bond of each maturity by DTC, accompanied by registration instructions for definitive replacement bonds for such maturity from DTC. Neither the City nor the Bond Registrar shall be liable for any delay in delivery of such instructions and conclusively may rely on and shall be protected in relying on such instructions of DTC.

Brokers and dealers with respect to the Series 2005 Bonds will be expected to send to their purchasers a transaction statement regarding their purchase of beneficial interests in the Series 2005 Bonds and setting forth certain terms of those Bonds.

With regard to redemption, DTC is responsible for selecting the principal amount of the Series 2005 Bonds credited to each beneficial owner to be redeemed and for notifying each such beneficial owner. By purchase and acceptance of a bond, the owner agrees that the City shall have no responsibility or liability for the action or inaction by DTC or any of its participants or nominees in connection with the Series 2005 Bonds. Furthermore, the City shall not be responsible or liable for payments from DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

The City cannot and does not give any assurances that DTC, DTC participants or others will distribute payments of principal or of interest on, or any premium on the Series 2005 Bonds paid to DTC or its nominee, as the registered owner, or any redemption or other notices, to the beneficial owners or that they will do so on a timely basis. The City is not responsible or liable for the failure of DTC, DTC participants or others to make any payment or give any notice to a beneficial owner in respect of the Series 2005 Bonds or any error or delay relating thereto.

Maturity Schedule

The Series 2005A Bonds will mature on the first (1st) day of October of the following years in the following principal amounts:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2005	\$ 30,000	2010	\$525,000
2006	460,000	2011	535,000
2007	475,000	2012	555,000
2008	490,000	2013	575,000
2009	505,000	2014	595,000

The Series 2005B Bonds will mature on the first (1st) day of October of the following years in the following principal amounts:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2005	\$ 35,000	2012	\$420,000
2006	345,000	2013	430,000
2007	350,000	2014	450,000
2008	365,000	2015	470,000
2009	375,000	2016	485,000
2010	390,000	2017	500,000
2011	405,000	2018	525,000

Adjustment of Principal Amounts

If, after the final computation of the bids, the City determines, in its sole discretion, that the funds necessary to accomplish the purposes of the Series 2005 Bonds are either more or less than the proceeds of the sale of all of the Series 2005 Bonds, the City reserves the right either to increase or decrease, by no more than 10%, the principal amount of the Series 2005 Bonds provided that any such increase shall not, in the aggregate, cause the total amount of Series 2005 Bonds to exceed the maximum principal amount authorized by the City.

Redemption

The Series 2005A Bonds are not subject to redemption prior to maturity.

The Series 2005B Bonds maturing on or after October 1, 2015 are subject to redemption at the option of the City prior to their respective dates of maturity on or after October 1, 2014, in whole or in part at any time on the first business day of any month, in any order of maturity selected by the City and by lot within a maturity, at a redemption price equal to 100% of the principal amount of the Series 2005B Bonds to be redeemed, together with accrued interest to the date fixed for redemption, without premium.

Basis of Award

Proposals must be unconditional and only for all of the Series 2005 Bonds. The purchase price bid for the Series 2005 Bonds may include a discount not to exceed two percent (2.0%) of the aggregate principal amount of the Series 2005 Bonds. No more than one (1) Proposal from any bidder will be considered. Bids must be signed with a manual signature; however, the City will accept a facsimile of a manually signed Official Bid Form which is hand delivered with the good faith check. Such signature indicates acknowledgment, understanding and acceptance of the terms and provisions of this Official Notice of Bond Sale and of such bid. The City reserves the right to determine the Successful Bidder, to reject any or all bids and to waive any irregularity or informality in any bid.

The Series 2005 Bonds will be awarded pursuant to a Resolution which authorizes the Mayor or Vice Mayor, the City Manager or the Director of Financial Services, on consultation with the City's Financial Advisor, to award the

Series 2005 Bonds on the Bid Date to the bidder (herein referred to as the "Successful Bidder") offering such interest rate or rates and purchase price which will produce the lowest true interest cost to the City over the life of the Series 2005 Bonds. True interest cost for the Series 2005 Bonds (expressed as an annual interest rate) will be that annual interest rate being twice that factor of discount rate, compounded semiannually, which when applied against each semiannual debt service payment (interest, or principal and interest, as due) for the Series 2005 Bonds will equate the sum of such discounted semiannual payments to the bid price (exclusive of accrued interest). Such semiannual debt service payments begin on October 1, 2005. The true interest cost shall be calculated from the proposed dated date of the Series 2005 Bonds (date of delivery) and shall be based upon the principal amounts of each serial maturity set forth in this Official Notice of Bond Sale and the bid price set forth in each Proposal for Bonds submitted in accordance with this Official Notice of Bond Sale. In case of a tie, the City may select the Successful Bidder by lot. It is requested that each Proposal for Bonds be accompanied by a computation of such true interest cost to the City under the terms of the Proposal for Bonds, but such computation is not to be considered as part of the Proposal for Bonds. The City reserves the right to reject any and all bids, to reject any bid in whole or in part, and to waive any irregularity or informality of any bid.

Interest Rates Permitted

The Series 2005 Bonds shall bear interest expressed in multiples of **one-eighth (1/8) or one-twentieth (1/20) of one percent**. There shall not be a difference greater than three hundred fifty (350) basis points between the lowest coupon and highest coupon. Should an interest rate be specified which results in annual interest payments not being equally divisible between the semiannual payments in cents, the first semiannual payment will be reduced to the next lower cent and the second semiannual payment will be raised to the next higher cent.

It shall not be necessary that all Series 2005 Bonds bear the same rate of interest, provided that all Series 2005 Bonds maturing on the same date shall bear the same rate of interest. A rate of interest based upon the use of split or supplemental interest payments or a zero rate of interest will not be considered.

Electronic Bidding Procedures

Electronic bids must be submitted for the purchase of the Series 2005 Bonds via *PARITY*. Bids will be communicated electronically to the City at 11:00 a.m., Eastern Time, on the Bid Date, as communicated through TM3 not less than twenty (20) hours prior to the time bids are to be received. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via *PARITY*, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds, or (3) withdraw its proposed bid. Once the bids are communicated electronically via *PARITY* to the City, each bid will constitute an irrevocable offer to purchase the Series 2005 Bonds on the terms therein provided. The purposes of the electronic bidding process, the time as maintained on *PARITY* shall constitute the official time.

1. Good Faith Deposit

All bidders must submit a "Good Faith Deposit" (the "Deposit") in the form of a cashier's or certified check or a Financial Surety Bond in the amount of \$100,000. The Financial Surety Bond must be from such insurance company acceptable to the City and licensed to issue such a bond in the State of Florida. Such Financial Surety Bond must be submitted to the City no later than 5:00 p.m. Eastern Time, on the day prior to the sale. The Financial Surety Bond must identify the Bidder whose Deposit is guaranteed by such Financial Surety Bond.

2. Submission of Deposit

If the City selects a winning bid, then the Successful Bidder is required to submit its Deposit (if original deposit was a Financial Surety Bond) to the City in the form of a wire transfer not later than 3:00 p.m. Eastern Time on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn upon by the City to satisfy the Deposit requirement. The Deposit of the Successful Bidder will be collected and the proceeds thereof retained by the City to be applied in part payment for the Series 2005 Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the Successful Bidder shall fail to comply with the terms of the bid, the deposit, without waiving the City's other rights at law or in equity, will be

retained as and for full liquidated damages. Any checks of unsuccessful bidders will be returned promptly after the Bonds are awarded.

3. Amendment of Notice

Amendments hereto and notices if any, pertaining to this offering shall be made through i-Deal at their website of www.i-dealprospectus.com. The City may revise this Official Notice of Bond Sale by written notice to prospective bidders by publishing notice of any revisions on TM3 before the time for submission of bids. Any bid submitted shall be in accordance with, and incorporate by reference, this Official Notice of Bond Sale including any revisions made pursuant to this paragraph.

The City reserves the right to postpone, from time to time, the date established for the receipt of bids upon 20 hours notice communicated through TM3. If any date fixed for the receipt of bids and the sale of the Series 2005 Bonds is postponed, any alternative sale date (the "Alternative Sale Date") will be announced via TM3 at least 48 hours prior to such Alternative Sale Date. In addition, the City reserves the right, on the date established for the receipt of bids, to reject all bids and establish a subsequent Alternative Sale Date. If all bids are rejected and an Alternative Sale Date for receipt of bids established, notice of the Alternative Sale Date will be announced via TM3 not less than 48 hours prior to such Alternative Sale Date. On any such Alternative Sale Date, any bidder may submit a bid for the purchase of the Series 2005 Bonds in conformity in all respects with the provisions of this Official Notice of Bond Sale except for the date of sale and except for the changes announced by TM3 at the time the sale date and time are announced.

Paying Agent and Registrar

The Paying Agent and Registrar for the Series 2005 Bonds is The Bank of New York Trust Company, N.A., Jacksonville, Florida.

Security

The Series 2005 Bonds are general obligations of the City secured by the full faith and credit and taxing power of the City.

Purpose

The Series 2005A Bonds are being issued for the purpose of providing funds which will be used to currently refund the City's outstanding General Obligation Bonds, Series 1998 maturing on April 1, 2006 through April 1, 2014. The Series 2005B Bonds are being issued for the purpose of providing funds which will be used to refund the City's outstanding General Obligation Bonds, Series 1998C and Series 1998D Bonds maturing on October 1, 2006 through October 1, 2019 and pay costs of issuance of the Bonds. Reference is made to the Official Statement for a more detailed description of the use of the proceeds of the Series 2005 Bonds.

Issuance of Series 2005 Bonds

The Series 2005 Bonds will be issued and sold by the City of Coral Springs, Florida, a municipal corporation organized and existing under the laws of the State of Florida. The Series 2005 Bonds are being issued pursuant to Resolution No. 2005-007 duly adopted by the City Commission on March 22, 2005 (the "Resolution"), as amended and supplemented and are subject to all the terms and conditions of such Resolution.

Delivery and Payment

It is anticipated that the Series 2005A Bonds and the Series 2005B Bonds will be available for delivery through DTC on or about June 9, 2005 and July 6, 2005, respectively, in New York City at The Depository Trust Company, or some other date and place to be mutually agreed upon by the Successful Bidder and the City against payment of the purchase price therefor including accrued interest calculated on a 360-day year basis to be delivered in Federal Reserve funds without cost to the City.

Opinion and Documents to be Delivered to the Successful Bidder

On the Closing Date, the City will furnish to the successful bidder (i) an opinion of Bryant Miller & Olive P.A., Bond Counsel in substantially the form contained in Appendix D to the Official Statement relating to the Series 2005 Bonds; (ii) a non-litigation certificate certifying that as of the Closing Dates, there is no litigation pending or to the knowledge of the City, threatened, which in any way questions the validity of the Series 2005 Bonds, or any proceedings or transactions relating to their issuance, sale or delivery; and (iii) a certificate of the Mayor to the effect that to the best knowledge of such official, the final Official Statement for the Series 2005 Bonds (the "Official Statement"), as of its date and as of the Closing Dates, does not contain an untrue statement of a material fact and does not omit to state a material fact which should be included therein for the purpose for which the Official Statement is to be used, or which is necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

A transcript of proceedings of the City showing authority for the issuance, sale and delivery of the Series 2005 Bonds will also be furnished to the successful bidder. In addition, 500 copies of the final Official Statement will be furnished to the successful bidder without charge. Additional copies will be provided at the expense of the successful bidder.

Certificates To Be Delivered By The Successful Bidder

The Successful Bidder shall be obligated to furnish to Bond Counsel within seventy-two (72) hours prior to the Closing Date a certificate in form satisfactory to Bond Counsel stating: (1) all of the Series 2005 Bonds were offered to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices not greater than, or yields no lower than those shown on the cover of the Official Statement, plus accrued interest; (2) a substantial portion of each maturity was sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices not greater than, or in the case of obligations sold on a yield basis at yields no lower than the yields shown on the cover of the Official Statement, plus accrued interest; and (3) at the time the Series 2005 Bonds were priced and sold, under the market conditions then prevailing, the pricing of the Series 2005 Bonds was such that the Successful Bidder would not expect any of the Series 2005 Bonds to be sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices greater than, or in the case of obligations sold on a yield basis, at yields less than the yields shown on the cover of the Official Statement, plus accrued interest.

In addition, by no later than seventy-two (72) hours prior to the Closing Date, the Successful Bidder will be required to provide Bond Counsel with the following information with respect to the Series 2005 Bonds: (1) a pricing table setting forth the par amounts, maturity dates (including mandatory sinking fund redemptions), interest rates and the prices at which each maturity of the Series 2005 Bonds were sold; (2) a debt service schedule; (3) a summary of major assumptions including dated date and delivery date and (4) the amount of accrued interest.

Information Statement

Section 218.38 (1)(b) 1, Florida Statutes, requires that the City file, within 120 days after delivery of the Series 2005 Bonds, an information statement with the Division of Bond Finance of the State of Florida containing the following information: (a) the name and address of the managing underwriter, if any, connected with the Series 2005 Bonds; (b) the name and address of any attorney or financial consultant who advised the City with respect to the Series 2005 Bonds; and (c) any fee, bonus, or gratuity paid, in connection with the bond issue, by any underwriter or financial consultant to any person not regularly employed or engaged by such underwriter or consultant and (d) any other fee paid by the City with respect to the Series 2005 Bonds; including any fee paid to attorneys or financial consultants. The Successful Bidder will be required to deliver to the City at or prior to the time of delivery of the Series 2005 Bonds, a statement signed by an authorized officer containing the same information mentioned in (c) above.

In addition to the foregoing, all Bidders pursuant to the requirements of Section 218.385(2) of the Florida Statutes are required to complete the "Truth-In-Bonding Statement" set forth in the Proposal for Bonds.

Official Statement

The Preliminary Official Statement at its date is "deemed final" by the City for purposes of SEC Rule 15c2-12 (b)(1) but is subject to revision, amendment and completion in a final Official Statement. After the award of the Series 2005 Bonds, the City will prepare copies of the Official Statement and will include therein such additional information concerning the reoffering of the Series 2005 Bonds as the Successful Bidder may reasonably request. The Successful Bidder will be required to acknowledge receipt of such Official Statement to certify that it has made delivery of the Official Statement to such repositories and to acknowledge that the City expects the Successful Bidder to deliver copies of such Official Statement to persons to whom such bidder initially sells the Series 2005 Bonds. The Successful Bidder will be responsible to the City in all respects for the accuracy and completeness of information provided by such Successful Bidder with respect to such reoffering.

The City expects the Successful Bidder to deliver copies of such Official Statement upon receipt to persons to whom such bidder initially sells the Series 2005 Bonds, to all other members of its bidding syndicate to one or more nationally recognized municipal securities information repositories and to the Municipal Securities Rulemaking Board ("MSRB") or its designee pursuant to MSRB Rule G-36 no later than ten (10) business days following the date of award. The Successful Bidder will be required to acknowledge receipt of such Official Statement, to certify that it has made delivery of the Official Statement to such repositories and to acknowledge that the City expects the Successful Bidder to deliver copies of such Official Statement to persons to whom such bidder initially sells the Series 2005 Bonds, to all other members of its bidding syndicate and to the MSRB. The Successful Bidder shall notify the City as soon as practicable of (i) the date which is the end of the Underwriting period (as defined in the Rule) and (ii) the date(s) of filing of the final Official Statement with a repository and the MSRB. Copies of the Official Statement will be provided, at the City's expense, on a timely basis in such quantities as may be necessary for the Successful Bidder's regulatory compliance.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Series 2005 Bonds, but neither the failure to print such number on any Series 2005 Bond or any error with respect thereto shall constitute cause for failure or refusal by the Successful Bidder to accept delivery of and pay for the Series 2005 Bonds in accordance with its agreement to purchase the Series 2005 Bonds. All expenses in relation to the printing of CUSIP numbers on the Series 2005 Bonds shall be paid for by the City; provided, however, that the CUSIP Service Bureau charge for the assignment of said number shall be the responsibility of and shall be paid for by the Successful Bidder.

Blue Sky Laws

The City has not undertaken to register the Series 2005 Bonds under the securities laws of any state, nor investigated the eligibility of any institution or person to purchase or participate in the underwriting of the Series 2005 Bonds under any applicable legal investment, insurance, banking or other laws. By submitting a bid for the Series 2005 Bonds, the Successful Bidder represents that the sale of the Series 2005 Bonds, in states other than Florida will be made only under exemptions from registration or, whenever necessary, the Successful Bidder will register the Series 2005 Bonds in accordance with the securities laws of the state in which the Series 2005 Bonds are offered or sold. The City agrees to cooperate with the Successful Bidder, at the bidder's written request and expense, in registering the Series 2005 Bonds or obtaining an exemption from registration in any state where such action is necessary, provided that the City will not subject itself to service of process in any such jurisdiction.

Amendment

The City reserves the right to amend any provision of this Official Notice of Bond Sale. Any amendment will be announced by the MuniFacts News Service given no later than 11:00 a.m., Eastern Time, on the second business day prior to the announced date for receipt of bids. If any amendment to this Official Notice of Bond Sale requires a corresponding change in the Official Bid Form the nature of such change will be set forth in the announcement together with instructions for modifying the Official Bid Form to conform it to the amendment.

Copies of Documents

Copies of the Preliminary Official Statement and this Official Notice of Bond Sale, and further information which may be desired, may be obtained from the Director of Financial Services, City of Coral Springs, 9551 W. Sample Road, Coral Springs, FL 33065, telephone (954) 344-1087 or from Dunlap & Associates, Inc., 1146 Keyes Avenue, Winter Park, Florida 32789, telephone (407) 678-0977, Financial Advisor to the City.

CITY OF CORAL SPRINGS, FLORIDA

/s/ Rhon Ernest-Jones
Mayor

/s/ David L. Russek
Director of Financial Services

TRUTH-IN-BONDING STATEMENT

For purposes of Section 218.385(2) and (3), Florida Statutes, we submit the following truth-in-bonding statement with respect to the Series 2005 Bonds: This debt or obligation is expected to be paid over a period of _____ years. At an average interest rate of _____, total interest paid over the life of the Series 2005 Bonds will be \$_____.

The source of repayment or security for this bid is the Pledged Funds as defined in the Resolution. Authorizing this debt obligation will result in \$_____ (insert the maximum annual amount) of the City's money not being available to finance the other services of the City each year for ___ years.

The above computations are submitted for information purposes and are not a part of this bid.

Furthermore, pursuant to Section 218.386, Florida Statutes, the names, addresses and estimated amounts of compensation of any person who has entered into an understanding with the managing underwriter or, to the managing underwriter's knowledge, the City, or both, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the issuer and managing underwriter or who exercises or attempts to exercise any influence to effect a transaction in the purchase of the Series 2005 Bonds are set forth below in the space provided. If no information is provided below, the City shall presume no compensation was paid.

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**CITY OF TEMPLE TERRACE, FLORIDA
RFP # 05-004**

**REQUEST FOR PROPOSAL
TO SERVE AS FINANCIAL UNDERWRITER**

I. PURPOSE

The City of Temple Terrace, Florida (the "City") is seeking proposals from qualified investment banking firms to serve the City as a senior manager or co-manager for negotiated financings in regard to their issuance of General Obligation bonds, Revenue bonds, and the Community Redevelopment Agency/Community Development District bonds. The City is interested in hiring a firm that is capable of selling the City's bonds at the lowest possible interest rates. Joint proposals will not be accepted. The City is in the process of selecting a Developer. Some of the initial responses indicated an interest on the part of the Developer to finance the CRA/CDD portions of the project. The City, along with its advisor, will evaluate the cost effectiveness of Developer financing.

During the summer or fall of 2005, the City of Temple Terrace will hold a referendum in regard to the issuance of up to \$18,000,000 of general obligation bonds to finance the development of the infrastructure, garages, streets, parks, and a City Hall in the CRA, along with renovations to other City properties outside of the CRA. The City will also be financing various public projects through its Community Redevelopment Agency/Community Development District (the "CRA/CDD"). The City has acquired the land for the CRA/CDD financed through various taxable bank loans. The amount of loans outstanding is \$20,000,000 and may exceed \$25,000,000 as additional out-parcels are purchased by the City.

It is anticipated that the General Obligation and CRA/CDD bonds will be issued in the 1st Quarter of 2006. Potential financing for the CRA/CDD includes an additional issuance of \$32 million for garages, streets, parks, and infrastructure. The CRA/CDD bonds will be secured by Tax Increment Revenues, Special Assessments, and possibly a covenant to budget and appropriate from legally available non-ad valorem revenues.

II. PROPOSAL REQUIREMENTS

Proposers should address each of the questions in the order below. Your firm's written response should be brief and should directly respond to the following requests for information.

Section	
1	Letter of Transmittal A letter stating the Proposer's understanding of the work to be performed and the names and titles of the persons who will represent the Proposer for this engagement.
2	Firm History and Team Formation A brief history of the firm, including the location of the office(s) from which the primary work will be performed, general background of the firm and names and resumes for the contact person and other members of the team. Identify who in your firm would lead this engagement.

3	<p>Underwriting Experience</p> <p>a.) Discuss the proposer's experience underwriting municipal bonds; also discuss the firm's experience in public/private partnerships.</p> <p>b.) A table listing chronologically similar General Obligation and CRA/CDD financings for which your firm served as senior manager or co-manager in Florida. List the date of issue, issue name, issue size, Bond Buyer Revenue Bond Index on date of sale, TIC, gross spread and components of the gross spread during each of the last three years (be sure to indicate your firm's role in each financing listed).</p> <p>c.) Any unique underwriting experience that may be helpful in demonstrating the proposer's ability to serve the City.</p>
4	<p>Distribution Capabilities</p> <p>Discuss the retail and institutional distribution capabilities of the firm in Florida specifically addressing how they would benefit the City. In the two most recent fixed rate issues for which your firm served as senior manager, co-senior manager or co-manager, list the three largest purchasers of bonds sold directly by your firm. If your firm does not feel comfortable disclosing the names of the purchasers, please indicate in more general terms (insurance company, mutual fund, etc.). It is important to the City to allow its citizens access to the City's debt.</p>
5	<p>Tax and Other Regulations</p> <p>Discuss in general terms how Federal tax regulations might impact these transactions with regards to the tax treatment of the prospective bonds, allowable arbitrage, etc.</p>
6	<p>References</p> <p>Complete and include Attachment B, listing three references (issuers) for which your firm has served as senior manager or co-senior manager in Florida for both general obligation or CRA/CDD issues.</p>
7	<p>Fees</p> <p>Present your proposed management fee, expenses (including underwriter's counsel) and all other components of gross spread, except take down. Assume the bonds are insured and receive "Aaa"/"AAA" ratings. Scales should be written based on a current market reoffering. Assume a bond insurance premium of 60 basis points of total debt service. Assume that the City's cost of issuance (bond counsel, financial advisor, printing, rating agency fees, etc. is \$150,000 per issue. Your "fees", along with yields in the competitive market, will be used to establish a pricing index that will be important to the City in considering scales proposed at the actual time of sale. Your interest rate scales should reflect levels which your firm would, if necessary, be prepared to price and underwrite the bonds as of the above-specified date. Both the General Obligation and CRA/CDD issues will have a final term of 30 years. <u>YOUR FIRM'S RESPONSE MUST INCLUDE A TRUE INTEREST COST PERCENTAGE WHICH REFLECTS THE TOTAL COST OF FUNDS AND A DEBT SERVICE SCHEDULE FOR THE RECOMMENDED FINANCING APPROACH.</u> In addition, underwriting candidates should submit a fixed price spread proposal expressed in dollars per thousand segregated as to management fee (if any), underwriting, takedown and expenses. In addition, please specify in actual dollars, the costs which you expect to incur for underwriters' counsel fees and provide a budget for all other elements of underwriting expenses. Bryant Miller & Olive P.A., Tampa, Florida is acting as Bond Counsel and Dunlap & Associates, Inc. is acting as Financial Advisor. Assume that the proposed bonds will be issued in book-entry form. Settlement will be</p>

	expected in Federal Funds.
8	<p>Disclosure Counsel</p> <p>The selection of underwriter's counsel shall be at the discretion of the senior managing underwriter; however, the City expects to retain a Disclosure Counsel for these issues. The City requests that each candidate for senior managing underwriter identify firms which it would consider for this role. The City expects the firms being considered to be listed in the <u>Bond Buyer's Municipal Marketplace Directory</u> (the "Red Book") and the current National Association of Bond Lawyers directory. It is assumed that the firms being considered will accept the compensation level specified in the expense portion of your firm's fixed price spread proposal.</p>
9	<p>Minimum Qualifications</p> <p>Only those underwriters which are validly formed investment banking firms authorized to do business in the State of Florida should respond to this Request for Proposal. Please certify that your firm is registered as a broker/dealer with the appropriate State and Federal authorities. To ensure that your firm is sufficiently capitalized to market the proposed bonds, provide a breakdown of your firm's capital position with regards to "Total Capital", "Equity Capital", and "Net Regulatory Capital". Based upon this capital, provide the maximum amount of your firm's underwriting capability.</p>
10	<p>Disclosure Requirements</p> <p>Does your firm have any arrangement with any individual or entity with respect to the sharing of any compensation, fees, or profits received from or in relation to acting as an underwriter for the City? If so, provide a copy of any contract relating to the arrangement and the manner in which compensation or fees would be shared. PLEASE NOTE THAT YOUR FIRM'S OBLIGATION TO DISCLOSE TO THE CITY ANY SUCH RELATIONSHIP CONTINUES FROM THE DATE OF YOUR SUBMITTAL THROUGH THE ISSUANCE OF THE PROPOSED BONDS. Please complete Attachment A Non-Collusion Affidavit and include in this section.</p> <p>Will the selection of your firm result in any current or potential conflict of interest? If so, your firm's response must specify the party with which the conflict exists or might arise, the nature of the conflict, and whether your firm would step aside or resign from the engagement or representation creating the conflict.</p>
11	<p>Litigation</p> <p>Identify fully the extent to which your firm or individual partners or employees are the subject to any ongoing municipal securities investigation, are a party to any municipal securities litigation or arbitration, or are the subject of a subpoena in connection with a municipal securities investigation. In addition, include any such investigations which concluded in an enforcement or disciplinary action ordered or imposed in the last three years or any settlements thereof. Securities investigations include, but are not limited to, those of the Internal Revenue Service; the Securities and Exchange Commission; and all federal and state securities, tax and law enforcement and/or regulatory agencies, boards and officials.</p>

12	Conflict of Interest Will the selection of your firm result in any current or potential conflict of interest? If so, your firm's response must specify the party with which the conflict exists or might arise, the nature of the conflict, and whether your firm would step aside or resign from the engagement or representation creating the conflict.
13	Proposer's Warranty Please complete and include Attachment C, Proposer's Warranty.
14	Appendices Debt service schedules and other pertinent information – including TIC for the proposed financing.
15	Other Information Provide any other information which your firm feels is important to the City in its evaluation process.

III. PROPOSAL EVALUATION CRITERIA

After receiving the written responses, the City (through its selection committee) may select one or more firms based upon the following criteria. The selection committee will determine maximum points for each criterion within the specified ranges before ranking the proposals.

Criteria	Maximum Points
1. Competence in municipal finance	15
2. Experience with similar financings	15
3. Experience with public/private partnerships	5
4. Local presence	5
5. Availability and experience of personnel assigned to the financing team	10
6. Past record of accomplishments	10
7. Distribution capabilities	10
8. Proposed fees	15
9. Creativity as applied to other financing and this proposed financing	15
Total	100

A review and evaluation of the responses to this solicitation of RFP will be the sole basis for selection of firms judged to be best suited to represent the City as managing underwriters. The City reserves the right to select one or more firms to serve as managing underwriters. The City may, at its option, interview firms as part of this selection process. The City reserves the right to waive technicalities or irregularities in proposals at its sole discretion or to reject any or all proposals at its sole discretion.

Interested firms will agree that all contracts shall be governed by the laws of the State of Florida. Please be aware that the City will restrict the selected financial underwriter(s) from engaging in activities on behalf of the City that produce a direct or indirect financial gain for the firm, other than the agreed upon compensation, without the City's informed consent.

IV. TENTATIVE SCHEDULE OF EVENTS

Event	Date
Advertising and Issuance of RFP	March 9, 2005
Proposal Due Date	March 29, 2005
Interviews with Top Ranking Firms	Week of April 11, 2005
Recommendation to City Council	May 3, 2005
Award of Contract	May 3, 2005

INSTRUCTIONS TO RESPONDENTS

OBTAIN DOCUMENTS:

Interested parties may obtain one set of RFP document forms from:

City Hall, Finance Department
11250 N. 56th St.
Temple Terrace, FL 33617
www.templeterrace.com

Or by contacting Lee Huffstutler, Finance Director by phone: (813) 989-7103, fax: (813) 989-7185 or e-mail: lhuffstutler@templeterrace.com

EXAMINATIONS:

Respondents shall carefully examine the documents to obtain first-hand knowledge of existing conditions. Contractors may not be given extra payments for conditions that can be determined by examining the site and documents.

BASIS OF PROPOSAL:

(The words "BID" and "PROPOSAL" shall be interpreted to mean the same for the duration of these specifications, terms, and conditions). Respondents will include all costs; failure to comply may be cause for rejection. No segregated proposals or proposals, or assignments will be considered. It shall be the responsibility of the vendor to advise the Finance Director of any language, requirements, etc. or any combination thereof, which may inadvertently restrict or limit the requirements stated in the specifications to a single vendor or manufacturer. Such notification must be made in writing at least 40 working hours prior to opening date and time of the proposal.

PREPARATION OF PROPOSALS:

Proposals shall be made on unaltered proposal forms furnished in this RFP, unless otherwise requested within the RFP package. Fill in all blank spaces and submit one (1) original clearly marked on the outside of the envelope - "ORIGINAL", and (5) copies, clearly marked on their envelopes - "COPY". The original proposal shall be signed in ink with name typed below the

signature (Attachment C). Where respondent is a corporation, proposals must be signed in ink, in longhand (typed or printed name as signed below signature) with the legal name of the corporation followed by the name of the State of Incorporation and the legal signature of an officer authorized to bind the corporation to a contract. A respondent may be requested to present evidence of his/her experience qualifications and the company, corporation, partnership's financial ability to carry out the terms of the contract.

CONTRACT AWARD:

The City reserves the right to accept or reject any or all proposals, in part or total and to waive any minor informalities, as deemed in the best interest of the City and reserves the right to award the contract to the lowest responsive, responsible respondent who submits the proposal meeting specifications most advantageous to the City. The City further reserves the right to consider matters such as, but not limited to, quality offered, delivery terms and reputation of the vendor in determining the most advantageous proposal.

The information listed in the specifications is to establish quality standards, not to limit competition. The respondent may offer any suggestions they are authorized to represent, which meets or exceeds the quality of specifications for any service. If proposals are based on equivalent services, indicate on the response form the deviation(s) of the service submitted in enough detail information for City staff to make an honest determination.

Please note:

1. Proposals adhering to original specifications as listed herein will be considered BEFORE any alternates or deviations.
2. The respondent warrants by virtue of responding that prices, terms and conditions quoted in this proposal will be firm for a period of 60 days from the date of the proposal opening unless otherwise stated by the City or the vendor.
3. The City may negotiate the final contract documents and dollar amount(s) with the short listed, highest ranking, three or more of the ranked respondents as deemed in the best interest of the City.

OFFICIAL AUTHORIZED SIGNATURE:

1. Florida law requires that when a municipality enters into a contractual agreement with a corporation licensed to do business in the State of Florida, such agreement shall be signed by two (2) Corporate Officers (i.e.: President, Vice President, Secretary, Treasurer) with the corporate seal affixed at the signatures. It is also required that such execution be acknowledged before a Notary Public with Notary Seal affixed at their signature. If neither the corporate officers nor the corporate seal are readily available, a letter of authorization can be submitted in lieu of these requirements. Such letter of authorization must be on corporate stationery, must clearly state that the person who signed the referenced agreement is duly authorized to enter into such agreement on behalf of the

corporation and must be signed by the corporate officials designated above. Failure to submit letter of authorization within two (2) weeks after notification of award may result in award to the next apparent lowest respondent.

2. In the case of a partnership, the agreement must be signed by a general or managing partner and notarized as outlined above.
3. In the case of a sole proprietorship the owner must sign the agreement and have such execution notarized.

**MODIFICATIONS &
WITHDRAWALS:**

Proposals cannot be modified after submittal to the City. Respondents may withdraw proposals at any time before the proposal public opening; however, no response may be withdrawn or modified after the proposal public opening. Proposals will be opened as announced in the Request for Proposal.

DISQUALIFICATIONS:

The City of Temple Terrace reserves the right to disqualify proposals, before or after opening, upon evidence of collusion with intent to defraud or other illegal practice upon the part of the respondent. (See Non-Collusion Affidavit form). The City can waive technicalities in submitted proposals. Respondents also warrant that no one was paid a fee, commission, gift or other consideration contingent upon receipt of an award for the services or product(s) and/or supplies specified herein.

PUBLIC ENTITY CRIMES FORM:

Requests for proposals as defined by Section 287.012(16), Florida Statutes, and any contract document described by Section 287.058, Florida Statutes, shall contain a statement informing persons of the provisions of paragraph (2)(a) of Section 287.133, Florida Statutes, which reads:

*“A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid [proposal] on a contract to provide any goods or services to a public entity, may not submit a bid [proposal] on a contract with a public entity for the construction or repair of a public building or public work, may not submit proposals on leases or real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.107, for **CATEGORY TWO** for a period of 36 months from the date of being placed on the convicted vendor list.”*

Any agreement or contract with the City obtained in violation of this Section shall be subject to termination for cause. A subcontractor who obtains a subcontract in violation of this Section will

be removed and promptly replaced by a subcontractor acceptable to the City. Any delays or extra expenses incurred in the conduct of this agreement/contract, due to the necessity for replacement of a subcontractor may be at the expense of the main contractor.

In submitting a proposal to the City of Temple Terrace, Florida, the respondent offers and agrees that if the bid/proposal is accepted, the respondent will convey, sell, assign or transfer to the City of Temple Terrace all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of Florida for price fixing relating to the particular commodities or services purchased or acquired by the City of Temple Terrace. At the City of Temple Terrace's discretion, such assignment shall be made and become effective at the time the purchasing agency tenders final payment to respondent.

CERTIFICATE OF INSURANCE:

The contractor and his subcontractors shall require their insurance carriers, with respect to all insurance policies, to waive all rights of subrogation against the City. The successful respondent shall submit certificates or other documentation evidence to the City for approval with their response to this request for proposal, covering Worker's Compensation Insurance and Professional Liability Insurance in the amount of \$1,000,000.

The City of Temple Terrace shall be named as additional named insured on all certificates and policies pertaining to this project. Insurance companies must be licensed to do business in the State of Florida with a Best's Key Rating Guide rate of A+. This information will be verified and may be grounds for disqualification if not in order.

EXECUTION OF CONTRACT:

Notwithstanding any delay in the preparation and execution of the formal contract agreement, each respondent shall be prepared, upon written notice of acceptance, to commence work within 10 working days following receipt of official written order of the City to proceed, or on a date stipulated in such order. The accepted respondent shall assist and cooperate with the City in preparing the formal contract agreement, and within 10 working days following its presentation shall execute same and return it to the City.

PROHIBITIONS:

The contractor, his/her employees, sub-contractors, his/her employees, shall be prohibited from unlawful drug or alcohol possession, use, manufacture or dispensation of controlled substances while at work and reporting to work. If any employee reports to work under the influence of alcohol or drugs they shall be immediately removed from the City premises. The contractor will be held responsible for any damages, loss or extra expenses caused by delays incurred by such actions.

AGREEMENT:

The resulting AGREEMENT or CONTRACT, including the language within the RFP, General and Special Conditions and all Amendments or Addenda issued by the City, contain all the terms and conditions agreed upon by all parties. No other agreements, oral or otherwise, regarding the subject matter of this AGREEMENT/CONTRACT shall be deemed to exist or to bind either party hereto. All changes must be submitted to the City in writing, and approved by the City Manager or City Council prior to taking effect.

INDEMNIFICATION:

The contractor hereby agrees to indemnify and save harmless the City of Temple Terrace from and against any and all liability, claims, proceedings, actions and cost of actions, including attorney's fees on appeal of any kind and nature arising or growing out of, or in any way connected with, the performance of the contract whether by act or omission of the contractor, its agents, servants, employees, or because of, or due to the mere existence of the contract between the parties.

ACCIDENTS & CLAIMS:

The contractor shall be held responsible for all accidents and shall indemnify and protect the City from all suits, claims and actions brought against the City and all costs for liability to which the City may be put for any injury or alleged injury to the person(s) or property(s) of another resulting from negligence or carelessness in the performance of the work, or in protection of the project site, or from any improper or inferior workmanship, or from inferior materials used in the work. See also: Insurance Requirements.

LAWS & REGULATIONS:

1. The contractor at all times shall be familiar with and observe and comply with all Federal, State, Local, and Municipal laws, codes, ordinances, rules, and regulations in any manner and those which may be enacted later, or bodies or tribunals having jurisdiction or authority over the work and shall indemnify and save harmless the City of Temple Terrace against any claims or liability arising from, or based on, the violation of any such law, ordinance, rule, code, regulation, order, patent infringements or decrees.
2. The respondent is assumed to have made him/herself familiar with all Federal, State, local, and Municipal laws, codes, ordinances, rules, and regulations which in any manner affect those engaged or employed in the work, or the materials or equipment used in or upon the work, or in any way affect the work and no plea of misunderstanding will be considered an excuse for the ignorance thereof.
3. In the event any situation is brought to mediation or a court of law, the venue shall be the County of Hillsborough, in the State of Florida, where all laws, regulations, ordinances, codes, and rules shall be used in the adjudication.

4. All responses, questions, conversations are public information and also any literature or handouts at any subsequent presentations. All submittals are subject to the Florida Public Records Act, F.S. 119. The tender of a proposal authorizes release of all of your company's information as submitted.
5. The proposer acknowledges that all information contained within their proposal is part of the public domain and defined by the State of Florida Public Records Laws. The award of the RFP is subject to the provisions of Chapter 112, Florida Statutes.

COMMUNICATIONS:

Any communications relative to this RFP shall be made via fax or e-mail directly to the Finance Director or Financial Advisor. When questions arise that may effect the proposal, the answers will be distributed in writing in the form of an Addendum to all interested parties involved if time permits. Or, written answers will be faxed, if time demands, with an original Addendum mailed to all interested parties within 24 hours of the fax. No questions will be addressed within 35 working hours from date and time of the public opening of the proposal. All rules pertaining to **ADDENDA** will apply to any written questions and answers. Any addenda must be signed and added to your response to be considered responsive. There will be no further communications, by any means, verbal or written, with any City employee, elected official or member of the Selection Committee, or representative of the City of Temple Terrace during the course of this proposal.

ACCEPTANCE:

Vendor warrants by virtue of submitting a response, their prices, terms and conditions quoted in this proposal will be firm for acceptance for a period of 60 days from the date of the public opening unless otherwise stated by the City or vendor. Amounts specified herein are for fixed price work or products that include all prices for labor and materials required to perform the work or deliver the service(s) as requested by the City. No waiver, alterations, or modification of any of the provisions of the contract shall be binding unless in writing and signed by the City Manager, Assistant City Manager and/or Council.

SUBMITTAL:

Submit your response in a sealed envelope to the following addresses. Proposals are due by 2:00 p.m. on March 29, 2005. Identify the envelope with:

PROPOSAL NAME
PROPOSAL NUMBER
NAME OF COMPANY/INDIVIDUAL SUBMITTING PROPOSAL

Original and 5 copies

Mr. Lee Huffstutler
Finance Director
City of Temple Terrace
11250 N. 56th Street
Temple Terrace, FL 33617
Phone (813) 989-7103
Fax: (813) 989-7185

2 copies

Mr. J. Craig Dunlap
President
Dunlap & Associates, Inc.
1146 Keyes Avenue
Winter Park, FL 32789
Phone: (407) 678-0977
Fax: (407) 678-6240

Submit proposals in accordance with the instructions listed herein regarding time, place and date required. Responses received after the time requirement will NOT be opened and will NOT be considered for award. It is the sole responsibility of the respondent to be sure his/her response is in the hands of the Finance Director by the required time and date, and that the response is properly sealed and labeled as required prior to delivery to City Hall. The City will not be responsible for any proposal delivered incorrectly or to the wrong address or location.

In the event only one proposal is received, that single response may not be opened. It may be returned in the original envelope to the respondent with a letter of explanation. The City staff will review the specifications and possibly reissue at a later date.

All firms are hereby placed on **NOTICE** that the City does not wish to be lobbied...either individually or collectively...about a project for which a firm has submitted a Proposal. Firms and their agents or representatives are not to contact members of the Council for such purposes as meetings of introduction, luncheons, dinners, etc. During the process of underwriter selection, **through and including the time of final Council approval**, no firm or their agent shall contact any other employee of the City of Temple Terrace in reference to this Proposal, with the exception of the Finance Director, Lee Huffstutler, at (813) 989-7103 or Craig Dunlap/Sylvia Seaton-Dunlap, Financial Advisor to the City, at (407) 678-0977. Failure to abide by this provision will serve as grounds for disqualification for award of this contract to the firm.

FISCAL YEAR FUNDING APPROPRIATIONS:

- A. **Specified Period:** Unless otherwise provided by law, a contract for supplies or services may be entered into for any period of time deemed to be in the best interest of the City,

provided the term of the contract and conditions of renewal or extension, if any, are included in the solicitation and funds are available for the first fiscal period (October 1, through September 30), at the time of contract. Payment and performance obligations for succeeding fiscal periods, and any renewals, are subject to appropriation by City Council of funds prior to entering agreement.

- B. Cancellation Due to Unavailability of Funds in Succeeding Fiscal Periods:** When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract may be canceled and the contractor will be entitled to reimbursement for the reasonable value of any nonrecurring costs incurred but not advertised in the price of the supplies or services delivered under the contract, renewal or otherwise recoverable.

IV. PROPRIETARY INFORMATION

In accordance with Chapter 119 of the Florida Statutes (Public Records Law), and except as may be provided by other applicable State and Federal Law, all proposers should be aware that Request for Proposals or Invitations to Proposal and the responses thereto are in the public domain. However, the *proposers are requested to identify specifically* any information contained in their response which they consider confidential and/or proprietary and which they believe to be exempt from disclosure, citing specifically the applicable exempting law.

V. COMPLIANCE

All companies doing business with the City of Temple Terrace must do so in the English language and make proposals or other money quotations in U.S. currency. There shall be no customs, duties or import fees added to the cost shown in the quotation or proposal. In the event of any legal disputes the laws of the State of Florida and, where appropriate, the United States of America shall prevail. Venue for any court proceedings arising out of or related to this proposal or any resulting contract or purchase shall be in a court of competent jurisdiction in Hillsborough County, Florida.

VI. EQUAL OPPORTUNITY EMPLOYMENT

The contractor agrees that it will not discriminate against any employee or applicant for employment for work under this Agreement because of race, color, religion, sex, age, disability, or national origin and will take steps to ensure that applicants are employed, and employees are treated during employment, without regard to race, color, religion, sex, age, disability, or national origin. This provision will include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment advertising; layoff or termination; rates of pay, or other forms of compensation; and selection for training, including apprenticeship.

VII. DISCRIMINATION

Section 287.134 (2)(a), Florida Statutes states the following:

“An entity or affiliate who has been placed on the discriminatory vendor list may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity.”

Any agreement or contract with the City obtained in violation of this Section shall be subject to termination for cause. A subcontractor who obtains a subcontract in violation of this Section will be removed and promptly replaced by a subcontractor acceptable to the City. Any delays or extra expenses incurred in the conduct of this agreement/contract, due to the necessity for replacement of a subcontractor may be at the expense of the main contractor.

Attachment A
City of Temple Terrace, Florida
Non-Collusion Affidavit

Any company submitting a response must sign the non-collusion affidavit form, and attach it to their response or they may not be considered for award. Any infraction of this requirement on non-collusion may result in disqualification of the respondent from award.

The undersigned being first duly sworn as provided by law, disposes and says:

1. His/her name is: _____ (print/type)
and resides at: _____

2. He/she makes this affidavit with the knowledge and intent that it is to be filed with the City of Temple Terrace, Florida and that it will be relied upon by said City in any consideration that it may give to and any action that it may take with respect to this proposal.
3. He/she makes and is authorized to make this affidavit on behalf of:

(Name of corporation, company, partnership, individual, etc.)
A _____, formed under the laws of _____ (state),
in which he/she is _____
(Sole owner, partner, president, etc.)
4. Neither the undersigned no any other person, firm or corporation named in above paragraph 3, nor anyone else to the knowledge of the undersigned, have themselves solicited or employed anyone else that no head of any department or employee or elected official or other officer of the City of Temple Terrace, Florida is directly, or indirectly interested therein.
5. This proposal is genuine and not collusive or a sham. The person, partnership or corporation named above in paragraph 3, has not colluded, conspired, connived or agreed directly or indirectly with any proposer or person, firm or corporation, to put in a sham bid/proposal, or that such other person, firm or corporation, or City employee, or elected official of the City of Temple Terrace, Florida, to fix the unit price(s) of said proposal or proposals of any other proposer, or to secure any advantage against the City of any person, firm or corporation interested in the proposed contract. All statements contained in the proposal or proposals described above are true; and further, neither the undersigned, nor the person, firm or corporation named above in paragraph 3, has directly or indirectly submitted said proposal of the contents thereof, or divulged information or data relative thereto, to any association or to any member or agent thereof.
6. _____
Affiant name and title

Sworn to and subscribed before me this _____ day of _____, 200 _____

Name: _____
My Council expires: _____ / _____ / _____

Attachment B
CITY OF TEMPLE TERRACE, FLORIDA
REFERENCE LISTING FORM

List a minimum of 3 references.

1. CUSTOMER
NAME: _____
ADDRESS: _____
TELEPHONE: () _____ FAX: () _____
CONTACT NAME: _____
DATE OF PROJECT COMPLETION: _____
ORIGINAL AMOUNT OF PROJECT: \$ _____
ENDING AMOUNT OF PROJECT: \$ _____

2. CUSTOMER
NAME: _____
ADDRESS: _____
TELEPHONE: () _____ FAX: () _____
CONTACT NAME: _____
DATE OF PROJECT COMPLETION: _____
ORIGINAL AMOUNT OF PROJECT: \$ _____
ENDING AMOUNT OF PROJECT: \$ _____

3. CUSTOMER
NAME: _____
ADDRESS: _____
TELEPHONE: () _____ FAX: () _____
CONTACT NAME: _____
DATE OF PROJECT COMPLETION: _____
ORIGINAL AMOUNT OF PROJECT: \$ _____
ENDING AMOUNT OF PROJECT: \$ _____

Attachment C
CITY OF TEMPLE TERRACE, FLORIDA
PROPOSER'S WARRANTY

The undersigned warrants that:

- a. He/she is authorized to offer a proposal in full compliance with all requirements and conditions, as set forth in the RFP.
- b. He/she has fully read and understands the RFP and has full knowledge of the scope, nature, quantity and quality of services and products to be provided; and the requirements and conditions under which the work is to be performed.
- c. If the proposal is accepted, a contract will be issued as proposed subject to any revisions mutually agreed upon by the City and the vendor.

Proposer

Signature
Name & Title
Name of Company
Address
City, State, and Zip Code
Business Telephone
Fax Number
E-mail and Internet Addresses

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Dunlap & Associates, Inc.
Financial Consultants

CLOSING TRANSACTION MEMORANDUM
\$15,775,000
CITY OF MAITLAND, FLORIDA
Limited Tax General Obligation Bonds, Series 2005

TO: Attached Distribution List
FROM: J. Craig Dunlap
Dunlap & Associates, Inc.
DATE: July 7, 2005
DATED DATE: July 1, 2005
DELIVERY DATE: July 14, 2005

I. SCHEDULE

Pre-Closing

Date: Wednesday, July 13, 2005
Time: 10:00 a.m.
Place: Bryant Miller & Olive P.A.
135 W. Central Blvd.
Suite 700
Orlando, FL 32801
Contact: Ken Artin
(407) 426-7001

Closing

Date: Thursday, July 14, 2005
Time: 9:00 a.m. (by phone)
Place: Bryant Miller & Olive P.A.
Contact: Ken Artin
(407) 426-7001

II. PRE-CLOSING

On Wednesday, July 13, 2005 at 10:00 a.m., a pre-closing will be conducted. Bond Counsel will coordinate signing of documents in preparation of the Closing on Thursday, July 14, 2005.

1146 Hayes Avenue • Winter Park, Florida 32789
Telephone: (407) 678-0977 • Telecopy: (407) 678-6240

City of Maitland, Florida
Closing Transaction Memorandum
Page Two

III. CLOSING

On Thursday, July 14, 2005 at 9:00 a.m., a closing will be conducted by phone. Bond Counsel, City staff, the Underwriter and the Financial Advisor will supervise the transfer of funds.

IV. AMOUNT DUE FROM UNDERWRITER AT CLOSING

Principal Amount of Bonds	\$15,775,000.00
Net Original Issue Discount	(255,324.90)
Underwriter's Discount	(77,832.30)
Accrued Interest	<u>22,631.56</u>
Total Due from Underwriter	<u>\$15,464,474.36</u>

V. TRANSFER OF UNDERWRITER FUNDS

Payment for the Series 2005 Bonds by the Underwriter will consist of two (2) Federal Funds wires totaling \$15,464,474.36. The wiring and delivery instructions for the wires are as follows:

Federal Funds Wires

1) Deposit to Series 2005 Project Fund and Cost of Issuance

Amount:	\$15,397,074.36 ⁽¹⁾
To:	Bank of America – Tampa Florida
ABA #:	026009593
Account Name:	State Board of Administration
Account #:	003601319500
Agency Account #:	221385
Agency name:	City of Maitland, Florida
Contact:	Sharon Anselmo
Phone #:	(407) 539-6201

⁽¹⁾ This amount will be deposited to the following accounts:

Deposit to Project Fund	\$15,279,442.80
Accrued Interest	22,631.56
Cost of Issuance	<u>95,000.00</u>
Total Deposit	\$15,397,074.36

*1146 Hayes Avenue • Winter Park, Florida 32789
Telephone: (407) 678-0977 • Telecopy: (407) 678-6840*

City of Maitland, Florida
Closing Transaction Memorandum
Page Three

2) Municipal Bond Insurance Premium

Amount:	\$67,400.00
To:	JP Morgan Chase Bank New York, New York
ABA #:	021000021
For Credit To:	MBIA Insurance Corporation
Policy #:	46553
Account #:	910-2-721728
For:	City of Maitland, Florida Limited Tax General Obligation Bonds, Series 2005
Advise:	Clifford Pritchard
Phone #:	(914) 765-3056

VII. SOURCES AND USES OF FUNDS

SOURCES:

Par Amount of Series 2005 Bonds	\$15,775,000.00
Accrued Interest	22,631.56
Less: Net Original Issue Discount	<u>(255,324.90)</u>

TOTAL SOURCES **\$15,542,306.66**

USES:

Deposit to Project Fund	\$15,279,442.80
Cost of Issuance	95,000.00
Municipal Bond Insurance Premium	67,400.00
Accrued Interest	22,631.56
Underwriter's Discount	<u>77,832.30</u>

TOTAL USES **\$15,542,306.66**

1126 Hayes Avenue • Winter Park, Florida 32789
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Florida AAA Ins
Revenue Tax Exempt
As of 01/06/2006

Submit Another Query

Year	Florida AAA Ins Revenue Tax Exempt	MMD AAA GO	Spread	Treasury Spots	Federal Tax Eq.	Out- of- State Eq.	Full Taxable Equivalent Yield
2007	3.21	3.18	3	4.350	4.94	3.21	4.94
2008	3.25	3.18	7	4.358	5.00	3.25	5.00
2009	3.31	3.21	10	4.320	5.09	3.31	5.09
2010	3.40	3.28	12	---	5.23	3.40	5.23
2011	3.48	3.35	13	4.318	5.35	3.48	5.35
2012	3.59	3.44	15	---	5.52	3.59	5.52
2013	3.67	3.52	15	---	5.65	3.67	5.65
2014	3.77	3.61	16	---	5.80	3.77	5.80
2015	3.84	3.68	16	---	5.91	3.84	5.91
2016	3.91	3.75	16	4.381	6.02	3.91	6.02
2017	3.98	3.81	17	---	6.12	3.98	6.12
2018	4.03	3.86	17	---	6.20	4.03	6.20
2019	4.08	3.91	17	---	6.28	4.08	6.28
2020	4.13	3.96	17	---	6.35	4.13	6.35
2021	4.17	4.00	17	4.471	6.42	4.17	6.42
2022	4.21	4.04	17	---	6.48	4.21	6.48
2023	4.25	4.08	17	---	6.54	4.25	6.54
2024	4.27	4.12	15	---	6.57	4.27	6.57
2025	4.30	4.15	15	---	6.62	4.30	6.62
2026	4.33	4.18	15	4.517	6.66	4.33	6.66
2027	4.34	4.21	13	---	6.68	4.34	6.68
2028	4.37	4.24	13	---	6.72	4.37	6.72
2029	4.39	4.27	12	---	6.75	4.39	6.75
2030	4.41	4.30	11	---	6.78	4.41	6.78
2031	4.44	4.33	11	---	6.83	4.44	6.83
2032	4.45	4.35	10	---	6.85	4.45	6.85
2033	4.46	4.37	9	---	6.86	4.46	6.86
2034	4.47	4.38	9	---	6.88	4.47	6.88

<i>Year</i>	<i>Florida AAA Ins Revenue Tax Exempt</i>	<i>MMD AAA GO</i>	<i>Spread</i>	<i>Treasury Spots</i>	<i>Federal Tax Eq.</i>	<i>Out- of- State Eq.</i>	<i>Full Taxable Equivalent Yield</i>
2035	4.46	4.38	8	—	6.86	4.46	6.86
2036	4.46	4.38	8	4.565	6.86	4.46	6.86

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Town of Davie, Florida
Outstanding Public Improvement Debt Service

Year	\$4,700,000		\$5,000,000		\$8,000,000		\$10,000,000		\$10,000,000		\$10,000,000		\$10,000,000		\$10,000,000	
	Principal	Total	Principal	Total	Principal	Total	Principal	Total	Principal	Total	Principal	Total	Principal	Total	Principal	Total
2006	363,622.00	22,177.00	286,250.00	46,661.00	400,000.00	87,860.02	477,860.02	665,000.00	272,714.00	937,714.00	520,886.17	349,882.00	870,768.17	2,234,789.47	786,277.02	3,015,146.49
2007	263,642.00	14,186.00	251,500.00	37,175.00	400,000.00	74,982.52	474,982.52	665,000.00	307,642.58	972,642.58	543,386.96	330,354.62	873,741.58	2,183,629.46	704,939.64	2,888,569.10
2008	303,810.00	7,383.00	150,000.00	21,615.00	300,000.00	62,760.20	362,760.20	665,000.00	252,872.00	917,872.00	553,131.06	310,120.40	863,251.46	1,908,201.06	636,674.66	2,544,875.72
2009	0.00	0.00	150,000.00	16,036.00	300,000.00	57,656.26	357,656.26	665,000.00	182,292.34	847,292.34	586,153.99	298,135.45	884,289.44	1,971,619.99	581,206.14	2,552,826.13
2010	0.00	0.00	150,000.00	16,036.00	300,000.00	42,546.26	342,546.26	665,000.00	175,528.04	840,528.04	603,379.44	287,272.02	890,651.46	1,653,379.44	496,576.29	2,149,955.73
2011	0.00	0.00	150,000.00	15,333.00	250,000.00	30,068.13	280,068.13	665,000.00	146,958.99	811,958.99	530,952.32	244,601.14	775,553.46	1,600,952.32	445,191.17	2,046,143.49
2012	0.00	0.00	0.00	0.00	169,000.00	20,643.13	189,643.13	665,000.00	126,282.00	791,282.00	654,282.00	187,191.16	841,473.16	1,704,282.00	386,814.03	2,091,096.03
2013	0.00	0.00	0.00	0.00	190,000.00	16,918.28	206,918.28	665,000.00	96,612.50	761,512.50	678,652.28	171,598.82	850,251.10	1,508,851.65	257,484.20	1,766,335.85
2014	0.00	0.00	0.00	0.00	190,000.00	10,873.36	200,873.36	665,000.00	74,342.00	739,342.00	723,812.85	145,627.36	869,440.21	1,589,824.10	206,252.06	1,796,076.16
2015	0.00	0.00	0.00	0.00	195,000.00	4,107.20	199,107.20	665,000.00	52,742.50	717,742.50	729,054.10	119,717.18	848,771.28	1,477,024.28	144,345.19	1,621,369.47
2016	0.00	0.00	0.00	0.00	0.00	0.00	0.00	665,000.00	0.00	665,000.00	762,089.14	90,662.22	852,751.36	785,089.14	86,562.22	871,651.36
2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	844,432.38	31,709.10	876,141.48	844,432.38	31,709.10	907,850.58
2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	844,432.38	31,709.10	876,141.48	844,432.38	31,709.10	907,850.58
2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	844,432.38	31,709.10	876,141.48	844,432.38	31,709.10	907,850.58
Total	1,090,036.00	44,335.00	1,028,250.00	142,811.00	2,775,000.00	440,379.54	3,215,379.54	7,362,000.00	1,632,571.50	8,997,571.50	6,450,272.52	2,890,117.04	9,340,389.56	21,664,569.53	5,120,344.08	26,784,913.61

Town of Davie, Florida
Outstanding Water and Sewer Debt Service

	\$26,325,000 Water & Sewer Refunding Bonds Series 2003		Total		Total Water and Sewer Debt Service	
	Principal	Interest	Principal	Interest	Principal	Interest
2005	1,260,000.00	847,030.00	2,207,030.00		1,260,000.00	847,030.00
2007	1,265,000.00	921,630.00	2,206,630.00		1,265,000.00	921,630.00
2008	1,315,000.00	862,317.50	2,207,317.50		1,315,000.00	862,317.50
2009	1,345,000.00	658,398.76	2,203,398.76		1,345,000.00	658,398.76
2010	1,390,000.00	616,045.76	2,206,045.76		1,390,000.00	616,045.76
2011	1,435,000.00	771,136.26	2,206,136.26		1,435,000.00	771,136.26
2012	1,485,000.00	719,117.50	2,204,117.50		1,485,000.00	719,117.50
2013	1,545,000.00	661,572.76	2,206,572.76		1,545,000.00	661,572.76
2014	1,605,000.00	599,773.76	2,204,773.76		1,605,000.00	599,773.76
2015	1,670,000.00	533,868.76	2,203,868.76		1,670,000.00	533,868.76
2016	1,740,000.00	462,993.76	2,202,993.76		1,740,000.00	462,993.76
2017	1,820,000.00	386,868.76	2,206,868.76		1,820,000.00	386,868.76
2018	1,915,000.00	291,318.76	2,206,318.76		1,915,000.00	291,318.76
2019	2,015,000.00	190,781.26	2,205,781.26		2,015,000.00	190,781.26
2020	2,110,000.00	97,587.50	2,207,587.50		2,110,000.00	97,587.50
Total	23,935,000.00	9,153,345.10	33,088,345.10		23,935,000.00	9,153,345.10

Total 23,935,000.00 9,153,345.10 33,088,345.10 33,088,345.10

PRICE PROPOSAL

1. **Compensation: The process and amount used to compensate for work performed, fee per hour, flat fee, fees based on percent of bond issue or other. Include a list of estimated out-of-pocket expenses expected to be paid by the Town, if any. The price proposals should indicate the compensation arrangements separately for each category of work, A, B, and C, as listed in Section 1, Scope of Services.**
2. **Billings and Payment Terms: Proposers should include what payment terms are required although quarterly billings are preferred for both the Financial Advisory fee and out-of-pocket expenses, if any.**

1. Upon completion of a bond financing, a bond fee payable to the Financial Advisor would be as follows:

\$.80/\$1,000 for the first \$20 million

\$.50/\$1,000 in excess of \$20 million

A minimum fee of \$15,000 would be charged on each bond financing and \$10,000 for each bank loan.

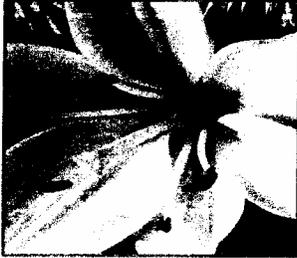
The fee schedule in paragraph 2 above would apply to all types of financing arrangements sold at either competitive or negotiated sale, based upon our proposal to provide a full range of consulting services under all financing scenarios.

In most situations, the services requested in category of work A or B are performed in connection with a specific financing and would be included in the pricing structure above. Otherwise, the services would be billed at the hourly rate indicated in 2 below.

2. The Financial Advisor will receive an hourly fee, billed quarterly, for general financial advisory matters based upon the following hourly fees:

Senior Vice President and above	\$150/hour
---------------------------------	------------

3. Reimbursable expenses – Out-of-pocket expenses for communications, Federal Express, computer and copying will be billed at cost; however, these expenses will not exceed \$5,000 in any fiscal year. This amount excludes mileage within Florida and travel time. This limitation does not apply to bond related out-of-state travel. Costs associated with out-of-state travel will be billed additionally. Client must approve all billable travel expenses in advance.
4. For investment services, the Financial Advisor will arrange for **the competitive bidding of bond** proceeds and will be compensated by the successful bidder in an amount consistent with Federal tax regulations.
5. All fees and expenses not herein listed will be negotiated with Client.



Presentation to



Town of Davie, Florida

Financial Consulting Services
Presentation

 **First Southwest Company**
Investment Bankers Since 1846

January 11, 2006



Overview

Edward Marquez, Senior Vice President
Project Manager



Integrity

Innovation



Professionalism

Introduction to First Southwest Company

- Full Service Investment Banking/Financial Advisory Firm founded in 1946
- A National Firm Headquartered in Dallas, Texas
 - 23 offices in 12 states, including offices in Miami Lakes and Orlando, Florida
- An Investment Bank
 - Regulated by SEC, NASD and MSRB
 - Excess Net Capital of over \$54 million as of October 31, 2005
- Currently serves as Financial Advisor to more than 2,000 local and state issuers



Introduction to First Southwest Company

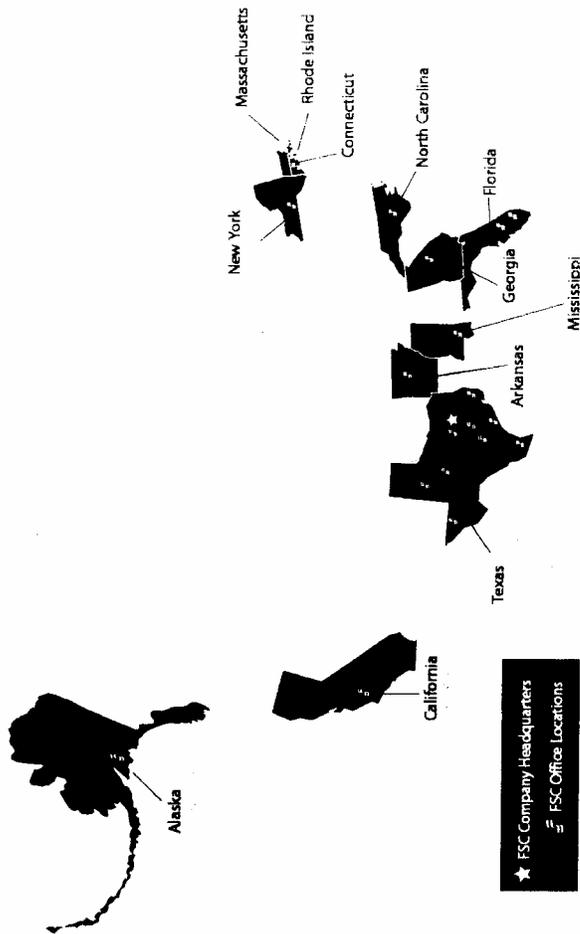
Reputation and Capital are Important to the Advisory Process

- Long-term perspective on relationships
- Sophisticated system of checks and balances to maintain control
- Regulatory environment demands high standard of business conduct
- Advise the Town on current market practices and pricing information
- Recommend only suitable items.



Introduction to First Southwest Company

Office Locations



Introduction to First Southwest Company

PUBLIC FINANCE DEPARTMENT

Underwriting	Financial Advisory & Consulting 80%	Contingent Disclosure
Water / Wastewater Higher Education Transportation	Economic Development State & Local Government Strategic Planning	Housing SRE Healthcare

Short-Term Products	Technical Analysis	Continuing Disclosure	Derivative Products	Institutional/Retail Sales	Structured Products
---------------------	--------------------	-----------------------	---------------------	----------------------------	---------------------

Supporting Services						
Bank Capital Markets Municipal Underwriting, Trading and Sales MFC Handling Scheme Portfolio Transactions Hedge Fund	Equity Capital Markets Equity Sales and Private Offering Underwriting and Trading Placement	Cleaning Service Ceiling Escalator Lobbies Riser Bases	Corporate Finance Corporate Restructuring Mergers and Acquisitions Private Placement and Public Offering	Fixed Income Public & Job Referrals Subscriptions IPOs Bond Finance	Investment Services Investment Advisory and Portfolio Management Retirement Planning Cash Management Wealth Transfer	Special Services Structured Finance Corporate Finance Hedge Fund IPOs Bond Finance Lease Line Credit



Introduction to First Southwest Company

Industry Recognition for Innovation

- 2005 “Southwest Deal of the Year”
 - Financial Advisor – Texas Regional Mobility Authority
- 2004 “Deal of the Year” Runner-up
 - Financial Advisor – New Mexico Finance Authority State Department of Transportation
- 2003 “Deal of the Year”
 - Regional Title Financial Advisor – Dallas/Ft. Worth International Airport
- 2003 “Deal of the Year”
 - Financial Advisor – Orange-Orlando Expressway Authority
- 1996 “Deal of the Year”
 - Swap Advisor – City of Ft. Worth, Texas
- 1993 “Deal of the Year”
 - Financial Advisor – City of Lewiston, Texas
- 1990 “Deal of the Year”
 - Financial Advisor – Dallas/Ft. Worth Regional Airport



Experience

Financial Advisory Experience

- First Southwest Company is one of the leading municipal financial advisory firms in the nation.
- In 2005, First Southwest Company served as financial advisor on 613 national bond deals, totaling over \$17.8 Billion.



Rankings cont.

First Southwest Company National Financial Advisory Rankings

Type of National Ranking	Ranking*	# of Issues
Municipalities	1	1,346
Revenue Bonds (Enterprise Funds)	2	894
Solid Waste Enterprises	2	16
Water and Sewer Facilities	1	395
Primary and Secondary Education	5	500
Airports	3	57
Overall	2	2,853

*Five-Year Period Ending November 30, 2005



Experience cont.

Bond Rating Experience

- First Southwest Company has been consistently recognized as one of the leading firms in terms of number of bond ratings obtained each year.
- Because of the extent of this experience, First Southwest Company has unparalleled relationships with Fitch Ratings, Moody's Investors Service and Standard & Poor's rating agencies.
- Since 2000, First Southwest Company has obtained bond ratings for 2,943 issues with a par amount over \$81.3 Billion.
- Since 2000, First Southwest Company has obtained 357 rating upgrades for 199 clients.



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Experience cont.

Florida Experience

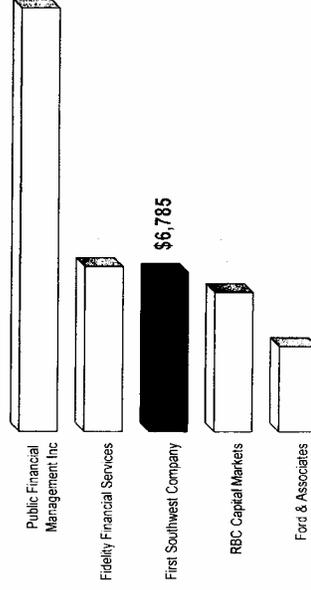
- First Southwest Company has maintained offices in the South Florida since 1996 and in the State of Florida since 1987.
- First Southwest Company currently serves as Financial Advisor to 47 Florida governmental entities.
- First Southwest Company has participated as Financial Advisor on over 70 issues in the State of Florida since 2000.



Rankings cont.

First Southwest Company Florida Financial Advisory Rankings

Florida Financial Advisory Ranking
December 1, 2000 - December 1, 2005
Per Amount (US \$M)



This experience ranks First Southwest Company as the largest firm in the State for total par amount.



Approach to Financial Advisory Services

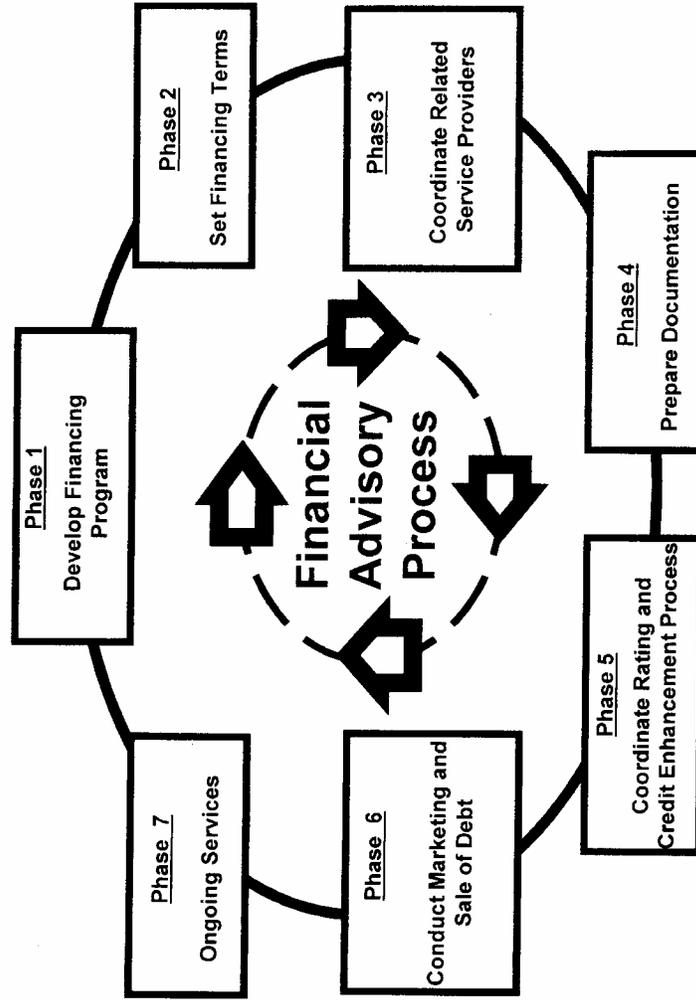
- Assign Senior-level bankers to provide Financial Advisory Services to the Town.
- Financial Advisory role should be ongoing and extend beyond any given financial transaction.
- Direct all of our efforts toward serving the Town's best interests.
- Focus on adding value to all phases of the Town's financial operations.
- Develop an in-depth understanding of the Town's situation.
- Provide comprehensive public finance services to the Town:
 - Financial Advisory
 - Investment Management
 - Arbitrage Rebate Services
 - Continuing Disclosure
- **First Southwest Company will not resign as Financial Advisor in order to serve as the Town's Underwriter, leaving the Town without a Fiduciary.**



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Approach to Financial Advisory Services

Scope of Services



Team Approach

- First Southwest Company believes that financial advisory services are best provided through a “Team Approach.”
 - Commit the firm’s entire resources to the Town
 - The Town hires the firm, not just certain individuals
- The Town will receive expertise from a variety of professionals from several different disciplines.
- Project Managers will coordinate with our team of professionals to ensure that the Town is provided with the expertise it needs.



Team Approach cont.

CORE TEAM

PROJECT MANAGER

Edward Marquez, CPA
Senior Vice President
Miami Lakes Office

PROJECT CO-MANAGER

Lakshmi McGrath
Vice President
Miami Lakes Office

UNDERWRITING

Pete Stare
Senior Vice President
Dallas Office

TECHNICAL BANKER

Rick Fox
Senior Vice President
Dallas Office

SUPPORT TEAM

ARBITRAGE REBATE

Randee Travis, CPA
Senior Vice President
Dallas Office

INVESTMENT MANAGEMENT

Scott McIntyre
Senior Vice President
Austin Office

DERIVATIVE PRODUCTS

Dave Brayshaw
Vice President
Dallas Office

CONTINUING DISCLOSURE

Beth Bankhead
Vice President
Dallas Office



Team Approach cont.

Resumes



Edward Marquez, CPA, Senior Vice President
Miami Lakes, Florida

Mr. Marquez joined First Southwest Company in 1998 after having worked in the public finance sector of local county and city governments for 21 years.

As a Senior Vice President, Mr. Marquez is responsible for providing financial advisory services to multiple governmental entities, including cities, counties, school districts, community redevelopment agencies and utility districts.

He is a proven innovator of new financial instruments and value-added financing techniques, as evidenced by his successful origination and implementation of a variety of unique first-time financing processes, transactions and solutions.

Mr. Marquez earned a Bachelor of Business Administration in Accounting from Florida International University. He is certified by the State of Florida as a Certified Public Accountant; and he is a registered representative of the NASD.



Team Approach cont.

Resumes



Lakshmi McGrath, *Vice President*
Miami Lakes, Florida

Ms. McGrath joined First Southwest Company in 1998, and currently has more than 18 years in the municipal finance industry.

As a Vice President, Ms. McGrath provides financial advisory services to Cities, Counties, Housing Authorities, Transportation Authorities and Health Facilities Authorities. Current and recent clients include the Miami-Dade Aviation Department, Miami-Dade Expressway Authority, Miami-Dade Public Facilities Authority, Broward County Health Facilities Authority, City of Hialeah Gardens, FL, City of Lauderhill, FL, and Hialeah Housing Authority, among others.

Ms. McGrath received a Bachelor of Science in Mathematics from Rutgers University. She is a registered representative with the NASD.



Financing Techniques

- We believe that financial strategies should be a team effort between us and our clients.
- Our clients know their business, their customers and stakeholders.
- We can analyze the financial markets and provide expertise that compliments the client's knowledge and resources.
- We believe that we have unparalleled resources as a financial advisory firm to help the Town manage its financial needs.



Financial Techniques cont.

Examples of Innovative Financings



City of Cocoa Beach, Florida – After identifying and opportunity to refund and restructure a number of bond issues, First Southwest Company was hired as the City's Financial Advisor. Working with the City's staff and elected officials, First Southwest Company developed a comprehensive refunding plan for its outstanding Utilities and Public Improvement bonds that resulted in aggregate present value savings in excess of \$1.35 million and lowered the average rate from 5.30% on the Utilities bonds to 2.70%. As part of the structuring of the Public Improvement Bonds, First Southwest Company included a provision to release the Occupational License Tax in the event that the City met certain debt service coverage requirements.



Financing Techniques cont.

Examples of Innovative Financings



City of Sunny Isles Beach, Florida – After being retained as the City's Financial Advisor, First Southwest Company developed a financing plan for its \$17.5 million financing for a new City Hall. A number of different financing options were examined with staff, including bank financing, bond financing and borrowing through one of the various loan programs.



Financing Techniques cont.

Examples of Innovative Financings



Orange-Orlando Expressway Authority – This financing was recognized by the Bond Buyer as one of the ten most innovative financings in 2003. With new money needs of approximately \$370 million, First Southwest Company identified an opportunity to refund and restructure approximately \$700 million of existing debt, which resulted in net present value savings of \$32 million and ultimately allowed the Authority to dramatically increase its Five-Year Work Plan to \$1.2 billion in 2005 without raising tolls. The transactional structure also included the use of derivative products.



Representative Clients



Ancillary Services

First Southwest Company Provides a Different Dimension of Financial Advisory Services.

The municipal finance industry grows increasingly more complex, challenging financing firms like First Southwest Company to augment the services and resources offered. Such additional services offered include:

- Continuing Disclosure
- Swap Advisory
- Arbitrage Rebate
- Asset Management
- Strategic Planning



Ancillary Services cont.

- Disclosure Group
 - Assists with the required annual financial filings and ongoing material event notice
 - Determines the most appropriate continuing disclosure undertaking for each bond issue
- Swap Advisory Group
 - Offers alternative investment structures
 - Improves debt structure
 - Uses derivative products to accomplish the following:
 - Reduce the cost of borrowing
 - Eliminate or limit interest rate exposure
 - Generate debt service savings
 - Broaden investor base for debt offerings
 - Enhance asset/liability management



Ancillary Services cont.

- Arbitrage Rebate Group
 - Assists with compliance of the complex arbitrage regulations.
 - Failure to comply with the arbitrage rebate requirements may result in the loss of the tax-exempt status of the obligations and vulnerability to severe penalties and interest.
- Asset Management
 - A financial advisor with experience asset managers
 - analyzes potential investment strategy
 - considers arbitrage liabilities
 - Complies with regulations regarding the investment of bond proceeds to determine an “optimal” portfolio



Conclusion

Why First Southwest Company?

First Southwest Company is best qualified to provide Financial Consulting Services to the Town.

- *Registered broker/dealer specializing in public finance.*
- *Sixty years (60) of providing financial advisory services to municipal users.*
- *Offers a full array of services and specialists.*
- *A leader in small issue financing offering innovative solutions.*
- *Multiple resources, disciplines and backup*
- *We are also local, accessible, and evolving.*



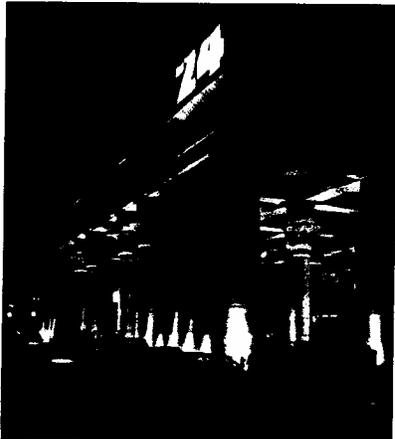


TOWN OF DAVIE, FLORIDA

DECEMBER 20, 2005

ORIGINAL

**Proposal to Provide Financial
Consulting Services**
RFP No. B-06-06



Contact:

Edward Marquez • Senior Vice President
First Southwest Company
15280 N.W. 79th Court, Suite 107
Miami Lakes, Florida 33016
305-819-8886 Phone • 305-819-9992 Fax
emarquez@firstsw.com • www.firstsw.com

 **First Southwest Company**
Investment Bankers Since 1946

**Proposal to Provide
Financial Consulting Services**

**Town of Davie, Florida
December 20, 2005**

First Southwest Company





15280 N.W. 79th Court, Suite 107
Miami Lakes, Florida 33016

305 819 8886 Phone
305 819 9992 Fax

Edward Marquez
Senior Vice President

emarquez@firstsw.com

December 20, 2005

Mr. Herb Hyman, Procurement Manager
Purchasing Department
Town of Davie
6591 Orange Drive
Davie, Florida 33314-3399

Dear Mr. Hyman,

First Southwest Company ("First Southwest" or "FSC") is pleased to present our response to the Town of Davie's (the "Town") Request for Proposals ("RFP") for Financial Consulting Services. We are confident that our unique and unmatched blend of resources, government expertise and personalized, locally based service will enhance the Town's efforts in achieving its financial goals. As a leader in the industry with a senior-level team assigned to the Town, we believe that First Southwest is ideally suited to serve the Town.

Within our response, you will note several themes that are indicative of our firm:

- We employ a *team approach* to financial advisory services. This approach offers our clients the benefit of knowledgeable and talented local individuals with access to the full resources of a highly-regarded national firm. It ultimately equates to consistency in coverage and the ability to draw upon highly specialized or technical services.
- We are a regulated firm which should give comfort that our recommendations will always be made with keeping in mind the *suitability* of the transaction being discussed.
- We are experienced, accessible, available, and have all the tools that the Town requires of a financial consultant.

First Southwest and the members of the consulting team want to serve the Town of Davie and we look forward to further presenting in person our credentials to the Town. The Town will have the commitment of this team and the senior management of the firm throughout this engagement. Should you have any questions, please feel free to contact us at (305) 819-8886.

Sincerely yours,

A handwritten signature in cursive script that reads 'Edward Marquez'.

Edward Marquez
Senior Vice President



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TOWN OF DAVIE, FLORIDA

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Required Submittals

- 1. **Proof of Insurance**
- 2. **Proposer's Certification Form**

Appendix A



4. Profile of Proposer

State whether your firm is local, national or international in size. Give the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors and other professional staff employed at the office. Briefly describe the range of activities performed by the office doing the required services. Provide experience with similar contracts in Florida and with municipalities of similar size and characteristics of the Town in relation to the scope of services being requested.

HISTORY OF THE FIRM

First Southwest Company ("First Southwest" or "FSC") was founded in 1946. Over the last 60 years, First Southwest has evolved into a diversified investment banking firm focused on one mission: to provide excellent *financial advisory and other services to our clients*. Over the past five years, First Southwest has been nationally ranked by Thomson Financial Securities Data as the **number-one** financial advisory firm for municipalities (i.e., cities, towns, and villages) in terms of number of transactions completed.

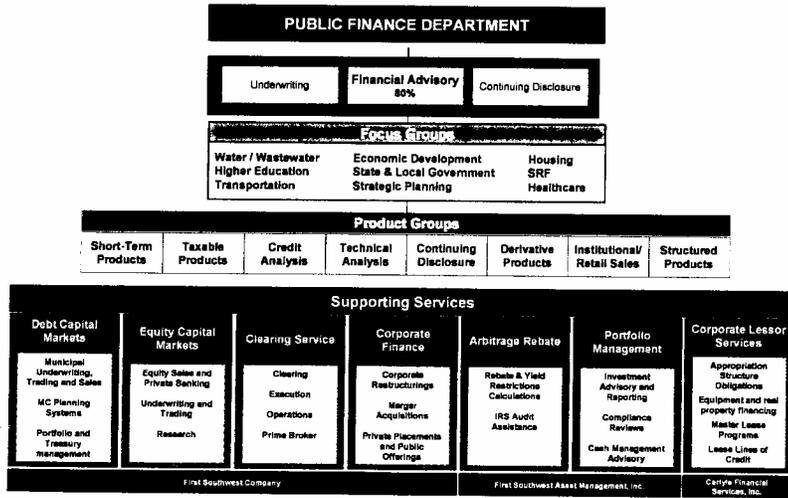
First Southwest has 352 employees in 23 offices across the United States. Our Public Finance Department, the largest division of the firm, currently serves over 2,000 state and local governmental agencies in a financial advisory capacity. As our Table of Organization below reflects, FSC, along with its wholly-owned and fully-integrated subsidiaries, also provides services to investors, broker/dealers, and corporate clients.

First Southwest's success is fueled by the synergy of our reputation for integrity, innovation, and professionalism.

Integrity. First Southwest is known for its integrity — a reputation molded by strict adherence to regulations. As one of few registered broker/dealer financial advisory firms, First Southwest is subject to the rules and regulations of the National Association of Securities Dealers ("NASD"), Municipal Securities Rulemaking Board ("MSRB"), and Securities and Exchange Commission ("SEC"). Our stringent compliance to regulation reinforces the highest standard of integrity we place in all our roles and relationships, creating an atmosphere of trust for our clients.

Innovation. For notably progressive and effective banking strategies we have received seven "Deal of the Year" awards over the past 15 years. Our clients approach First Southwest expecting dynamic financing solutions from a highly trustworthy firm and stay with First Southwest knowing that they will continue to benefit from our creativity and reliability. First Southwest continues to develop services to meet our clients demands.

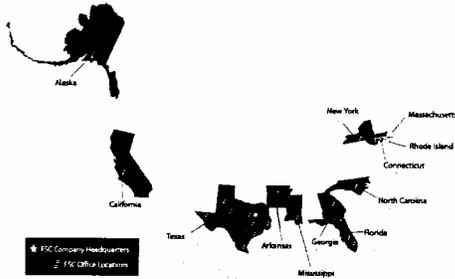
Professionalism. The most important assets of our firm are our employees. Remarkably, over 25% of First Southwest's employees have been with the firm for ten years or more — some more than 50 years. First Southwest cultivates team spirit, firmly bonding the interests of our firm with that of our clients. Within First Southwest, we encourage professionals across the firm to mine the breadth and depth of our resources in order to prepare exceptional, comprehensive plans that anticipate our issuers' current and future needs. Our professionals also maintain and exceed the securities industry's educational and regulatory requirements.





Office Locations

First Southwest is headquartered in Dallas, Texas, with 22 other offices located in 12 states (Alaska, Florida, Georgia, Arkansas, California, Connecticut, Massachusetts, Mississippi, New York, North Carolina, Rhode Island, and Texas). The map below shows First Southwest's numerous office locations throughout the United States.



NATIONAL FINANCIAL ADVISORY EXPERIENCE

For the five-year period ending November 30, 2005, Thomson Financial Securities Data has ranked First Southwest as follows as it relates to the provision of financial advisory services in terms of the number of transactions:

Type of National Ranking	Ranking	# of Issues
Municipalities	1	1,346
Revenue Bonds (Enterprise Funds)	2	894
Solid Waste Enterprises	2	16
Water and Sewer Facilities	1	395
Primary and Secondary Education	5	500
Airports	3	57
Overall	2	2,853

A Full-Service and Registered Firm

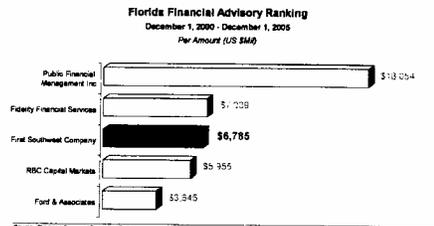
First Southwest is one of the few major financial advisory firms that operates as a registered broker/dealer, which means we operate a fully staffed underwriting desk and regularly commit our own capital. We believe maintaining an active trading and underwriting desk is essential to properly advise our financial advisory clients on market conditions. First-hand market knowledge and daily participation in the municipal markets cannot be duplicated. We will not serve concurrently in the capacity of both Financial Advisor and Underwriter to a client—an obvious conflict of interest.

Being a registered broker/dealer has two significant benefits to the Town. The first, as a regulated entity, First Southwest is always cognizant about the **suitability** of proposed transactions for our clients. We oftentimes offer advice not to do transactions, if they are unsuitable for the client. Protecting the client is the primary duty of a Financial Advisor.

The second major benefit of First Southwest's broker/dealer status is our continual access to bond buyers, which grants us an understanding of their current needs. This benefits the Town in obtaining the lowest possible interest rate on the day of pricing of bonds. This is particularly true in unsettled or volatile markets.

Experience in Florida

In addition to our vast national financial advisory experience, First Southwest's financial advisory experience in the State of Florida spans a variety of governmental clients. First Southwest has provided financial advisory services on 70 Florida issues between December 1, 2000, and December 1, 2005, for a total par amount over \$6.79 billion. The table below indicates how we compare to other firms.



This experience ranks First Southwest as the **NUMBER-THREE** firm in the State for total par amount (Source: Thomson Financial Securities Data).



COMMITMENT TO FLORIDA AND THE TOWN OF DAVIE

MIAMI LAKES OFFICE
 15280 N.W. 79th Court
 Suite 107
 Miami Lakes, Florida 33016
 Telephone: (305) 819-8886
 Fax: (305) 819-9992

With our seasoned history of direct experience with Florida issuers and awareness of the unique concerns and related trends, First Southwest is especially qualified to

provide services to the Town of Davie, Florida (the "Town"). Services for the Town will be based from our office in Miami Lakes, Florida, which has been in operation for 10 years. Personnel located in Miami Lakes include a Senior Vice President, a Vice President and an Administrative Assistant.

The team in Miami Lakes will receive support from professionals in our headquarters in Dallas. First Southwest's *team approach* allows us to draw upon the relevant expertise and experience of any other employees nationwide, so we will contact personnel in our other offices, if necessary, to provide the Town with the best services possible.

In addition to the Miami Lakes office, First Southwest has an office in Orlando. Our two Florida offices offer convenient locations as well as timely delivery of products and services. First Southwest has maintained at least one office in the State of Florida since 1987. We are committed to increasing our presence in Florida and creating new innovations that will benefit issuers throughout the State.

RANGE OF ACTIVITIES

The Miami Lakes office provides full financial advisory services as described in *Question 7 – Financial Advisory Approach*. Additionally, the Miami Lakes office offers to existing clients underwriting and strategic planning services and coordinates the provision of ancillary services (detailed in our response to *Question 10*).

The types of clients serviced by the Miami Lakes office are also varied. The office has provided financial advisory services to the cities of Miami, Hialeah Gardens, Sunny Isles Naples; Broward County; Miami-Dade International Airport; Miami-Dade Expressway Authority; Miami-Dade Public Health Trust; the Broward County Health Facilities Authority; the Redevelopment Agencies of Riviera Beach and North Miami; and the Housing Finance Authorities of Lee County and Hialeah Gardens. Underwriting services were also provided to the Cities of Miami Beach and Palm Beach County.

Below is a representative list of similarly sized governmental, as well as other, South Florida clients; all to which First Southwest has provided general financial advisory services similar to what the Town of Davie seeks through the current RFP process.

City of Hialeah Gardens



Mr. Marcos Piloto
 Director of Finance
 10001 NW 87th Avenue
 Hialeah Gardens, FL 33016
 Tel: (305) 558-4114 ext 213

City of Sunny Isles Beach, Florida



Ms. Jean Watson
 Director of Finance
 18070 Collins Avenue
 Sunny Isles Beach, FL 33160
 Tel: (305) 947-0606 ext 228

City of Naples, Florida



Ms. Ann Marie Ricardi
 Finance Director
 735 Eighth Street South
 Naples, FL 33940-6796
 Tel: (239) 213-11822

City of Wellington, Florida



Ms. Francine Ramaglia
 Director of Administrative Services
 14000 Greenbriar Blvd.
 Wellington, FL 33414
 Tel: (561) 791-4000

City of Marco Island, Florida



Mr. William Harrison
 Director of Finance
 50 Bald Eagle Dr.
 Marco Island, FL 34145
 Tel: (239) 389-5006

5. Client References

Provide the names, addresses, and telephone numbers of client officials who might be contacted regarding your firm's work. At least three (3) references are requested.



Miami-Dade County, Florida

Ms. Rachel Baum
 Finance Director
 111 N.W. 1st Street, Suite 2550.
 Miami, FL 33414
 Tel: (305) 375-5245

Broward County, Florida

Mr. Matt Lalla
 Acting Chief Finance Officer and
 Director of the Finance and
 Administrative Services Department
 115 S. Andrews Ave. Suite 513.
 Fort Lauderdale, FL 33301
 Tel: (954) 357-7137

Edward Marquez, as Project Manager, and **Lakshmi McGrath**, as Co-Project Manager, will be responsible for the day-to-day communications and activities required of First Southwest. They will attend all related meetings with the Town's staff and be responsible for making all presentations to the Town Council and Management.

Rounding out the Core Team to serve the Town, **Richard A. Fox** will serve as Technical Banker on the engagement and **Peter B. Stare** as a Trader/Underwriter.

We will draw from the expertise of the following Support Team members: **Randee Travis**, Arbitrage Rebate; **Scott D. McIntyre**, Asset Management; **David Brayshaw**, Derivative Products; and **Beth Bankhead**, Continuing Disclosure.



6. Personnel

Provide a brief resume for each of the persons to be assigned to the contract. Resumes should include educational and professional experience with particular emphasis on Financial Advisory services for governmental units. Provide experience with similar contracts in Florida and with municipalities of similar size and characteristics of the Town in relation to the scope of services being requested.

FIRST SOUTHWEST'S FINANCIAL ADVISORY TEAM

For all of our engagements, First Southwest implements an integrated team approach whereby a Project Manager is responsible for providing our quality "scope deliverables" to the client. The Project Manager serves as the primary contact to the client, ensuring day-to-day communications are in effect, and draws upon and coordinates the full and vast resources of First Southwest to ensure that the client's expectations are met. A Co-Project Manager is also assigned to the engagement to keep abreast of all engagement activities to ensure continuity and coverage should the Project Manager be unexpectedly unavailable.

The team approach provides a higher level of experience, proficiency, integration, ideas, and most importantly, client service. The organizational chart as follows details the relationship between members of the First Southwest team.





Core Team Members



Edward Marquez

Senior Vice President, Miami Lakes, Florida

Experience Mr. Marquez joined First Southwest in 1998, having been in public finance for 21 years. Mr. Marquez specializes in airport, transportation, and general government financings. He has served as lead project manager for prominent First Southwest Company clients, such as the Miami International Airport; Miami-Dade Expressway Authority; Riviera Beach Community Redevelopment Agency; the counties of Broward and Palm Beach, Florida; and the City of Naples and the Village of Key Biscayne, Florida. As Lead Financial Advisor, he has directly managed over \$2.8 Billion of debt issuance. In September 2003, Mr. Marquez took a one-year hiatus from First Southwest to serve as the Chief Financial Officer of the Miami-Dade Public Schools, assisting the District with its financial challenges.

Prior to joining First Southwest, Mr. Marquez served as the City Manager of the City of Miami, Florida. He was retained by the City when it was confronted with a \$68 million operational deficit. While at the City, Mr. Marquez directed the development of a five-year Fiscal Recovery Plan and coordinated a joint business-government blue-ribbon task force to improve municipal efficiencies.

Before working at the City of Miami, Mr. Marquez worked for Miami-Dade County, Florida, for 20 years in various capacities, the last ten of which he served as Miami-Dade County's Finance Director. As such, Mr. Marquez directed all finance, treasury, and accounting operations of the \$3.6 billion County and supervised the issuance of over \$5.4 billion of debt which ran the gamut of tax-exempt and taxable offerings.

Key Achievements

As Senior Vice President at First Southwest:

- Serves as Financial Advisor to clients that have multi-billion dollar capital improvement programs as well as to several small to mid-size Florida cities
- Completed multiple bond and interest rate swap transactions on behalf of clients

As CFO for the Miami-Dade County School Board:

- Negotiated a successful Educational Facilities Benefit District between the School Board, the City of Homestead and a private developer
- Spearheaded analysis of the large monetary benefits of a self insurance program for the School Board

As City Manager for the City of Miami:

In November 1996, the City of Miami was in a state of financial emergency. Mr. Marquez was hired as City Manager to stabilize and improve the situation. Key accomplishments include:

- Negotiated with the Governor's Office an agreement for State oversight of budgetary matters and successfully worked with the Oversight Committee. The working relationship between the City and the Oversight Committee was at times contentious but ultimately effective
- Successfully negotiated with unions and pension plans for concessions worth over \$15.6 million for FY 1997
- Implemented the FY 1997 Financial Recovery Plan which covered the projected \$68 million deficit for 1997
- Closed FY 1997 with a positive \$17 million surplus for use in reserves and future operations
- Developed the City's first Five-Year Financial and Operational Recovery Plan in April 1997
- Coordinated an in-depth private sector (Blue Ribbon Task Force) review of City operations
- Reorganized the City's management structure to allow for enhanced oversight of operations
- Developed the City's second Five-Year Financial and Operational Recovery Plan in October 1997, which incorporated and funded the bulk of the recommendations made by the Blue Ribbon Task Force

As Finance Director for Miami-Dade County:

- Oversaw issuance of over \$5 billion of debt of which \$3.4 billion was directly managed and included refunding issues, which generated over \$169.8 million in debt service savings
- Maintained Miami-Dade's long-term credit rating of A+ and A1 following Hurricane Andrew
- Created competitive environment for over 40 investment banking firms and multiple international and domestic commercial banks, letter of credit providers, and other credit enhancers seeking County business
- Met minority development goals while maintaining fiscal integrity of bond transactions
- Implemented single audit system for all Federal mandate grants, thereby saving substantial audit fees

Professional Activities and Memberships Mr. Marquez is an active member of Government Finance Officers Association.

Education Mr. Marquez earned an Associate of Arts degree from the University of Florida and a Bachelor of Business Administration in Accounting from Florida International University.



Licenses Held He is a Certified Public Accountant, and is a Registered Representative of the National Association of Securities Dealers, licensed as a General Securities Representative (Series 7) and a Municipal Securities Representative (Series 53).



Lakshmi McGrath

Vice President, Miami Lakes, Florida

Experience Ms. McGrath joined First Southwest's Miami Public Finance Office in 1998 and has over 18 years in the municipal business. Since joining the firm, Ms. McGrath has been involved with over \$3 billion in new money, refunding, variable rate, and commercial paper transactions, and has served as the lead banker in a wide array of financings for Florida issuers, including utility systems, ad valorem and non-ad valorem issues, and many other types of general governmental financings, as well as many financings in specialized sectors such as housing, transportation, and healthcare.

Currently Ms. McGrath serves as Financial Advisor to the Miami International Airport, Miami-Dade County Expressway Authority, Miami-Dade County Public Health Trust (Jackson Memorial Hospital), Housing Finance Authority of Lee County, and Broward County Health Facilities Authority, among other issuers. Her other responsibilities include providing quantitative financial analysis, modeling proposed financing structures, credit and cash flow analyses, reviewing legal documentation, preparing rating agency and bond insurer presentations, obtaining credit enhancement, and overseeing the general processing of financings.

Prior to joining First Southwest, Ms. McGrath served as Vice President in the Corporate Trust department at First Union National Bank, where she administered a large diverse portfolio of bond issues for major Florida and Georgia issuers, with a specialization in Housing. Ms. McGrath has over 16 years of Trust operations and administration experience in both corporate and consulting environments. Additional background experience includes the Federal Reserve Bank of Atlanta/Miami Branch, Southeast Bank, N.A., and Bank of New York (formerly known as Wall Street Trust Company, FIDATA Trust Company and Bradford Trust Company).

Education Ms. McGrath earned a degree in mathematics from Rutgers University.

Licenses Held She is a Registered Representative of the National Association of Securities Dealers, and is licensed as a General Securities Representative (Series 7) and a Uniform Securities Agent (Series 63).

Richard A. Fox

Senior Vice President, Dallas, Texas



Experience Mr. Fox has been with First Southwest since 1982. He wrote the First Southwest's proprietary software programs and is intimately familiar with the structuring of municipal bond issues. Mr. Fox developed software for financial modeling, projections and feasibility, structuring new debt, revenue bond sizing, bid comparison and verification, escrow structuring, alternate advance refunding methods, lease analysis and design, and arbitrage yield and rebate calculations. He has structured over 550 financings totaling \$21 billion for a variety of issuers including airports, counties, cities, power agencies, water authorities, and hospital and school districts. In these transactions, Mr. Fox devised the optimal structure for the bond issue and for any yield restricted proceeds.

Mr. Fox has been responsible for structuring two transactions that have received "Deal of the Year Award" from *Investors Daily Digest*, including an issue which utilized for the Dallas/Fort Worth International Airport the first interest rate swap in the State of Texas. He structured for the Texas Turnpike Authority the first transaction in the nation that incorporates the radical revision to the transferred proceeds rules that occurred in 1987. Additionally, Mr. Fox is responsible for structuring the Texas Water Resources Finance Authority's purchase of over 500 individual loans from the Texas Water Development Board. In addition to these issues, he has structured transactions for cities including Dallas, Fort Worth, Charlotte, and San Antonio; public power transactions for the Texas Municipal Power Agency, Austin Electric, and Orlando Utilities Commission, and the States of Rhode Island, New Hampshire, North Carolina, Mississippi, Virginia, and Texas.

Education Mr. Fox earned a Master of Science in Management Information Systems from University of Arizona Eller College of Business and Public Administration and a Bachelor of Science in accounting from Kelley School of Business.

Licenses Held Mr. Fox is a Registered Representative of the National Association of Securities Dealers, and is licensed as a General Securities Representative (Series 7), a Municipal Securities Principal (Series 53), and a Uniform Securities Agent (Series 63).



Peter B. Stare
Senior Vice President, Dallas, Texas

Experience Mr. Stare joined First Southwest in 1996 as Director of the Municipal Underwriting Department. He is responsible for the competitive and negotiated underwriting efforts of both tax-exempt and taxable municipal issues.

Mr. Stare has been involved in the securities industry for over 30 years in the areas of sales, trading, underwriting, and portfolio management. During this time, he has worked with several regional and nationally recognized firms managing their trading desks, municipal bond departments, and investment divisions.

Professional Activities and Memberships Mr. Stare is a past Trustee for the Municipal Advisory Council of Texas and a past President of the Municipal Bond Clubs of Dallas and Houston.

Education Mr. Stare graduated from Southern Methodist University with a Bachelor of Business Administration.

Licenses Held He is a Registered Representative of the National Association of Securities Dealers, and is licensed as a General Securities Principal (Series 24), a General Securities Representative (Series 7), and a Uniform Securities Agent (Series 63).

Support Team Members



Scott D. McIntyre, CFA, CCM
Senior Vice President and Senior Portfolio Manager, Austin, Texas

Experience Scott McIntyre joined First Southwest in June 1998 as Senior Portfolio Manager of the Investment Management division. His responsibilities include development of client investment policy and strategy, security and market analysis, execution of security transactions, economic review, and investment reporting.

Prior to joining First Southwest, Mr. McIntyre spent four years as a partner in Patterson & Associates, an investment advisory and consulting firm specializing in the management of public funds, as well as five years as a Senior Investment Officer for the Texas State Treasury. His background includes several years of bank portfolio management, mortgage-backed security analysis, accounting, financial reporting, funding and asset/liability management for Texas banking institutions.

Professional Activities and Memberships Mr. McIntyre earned the Chartered Financial Analyst

("CFA") designation from the Association for Investment Management and Research ("AIMR") and the Certified Cash Manager ("CCM") designation from the Association for Financial Professionals. He is a national AIMR member as well as a member of the Austin Society of Financial Analysts.

Education Mr. McIntyre earned a Bachelor of Science degree in Management from Southwest Texas University.

Licenses Held Mr. McIntyre is a Registered Representative of the National Association of Securities Dealers, and is licensed as a Registered Uniform Investment Adviser (Series 65), Registered General Securities Principal (Series 24), and Registered General Securities Representative (Series 7).



David Brayshaw
Vice President, Dallas, Texas

Experience Mr. Brayshaw joined First Southwest in 1992. He currently serves as Structured Investment Products and Municipal Interest Rate Swap trader in the Dallas office. Mr. Brayshaw's other responsibilities have included trading government guaranteed loans and pools, structuring refunding issues for outstanding municipal debt, engineering single family mortgage revenue issues, and designing/selling various asset backed securities transactions. He has also provided development support for the firm's in-house analytical software and proprietary trading models. He is responsible for managing portfolio performance and for analyzing and structuring derivative products and has extensive experience in the performance evaluation and sale of asset backed securities.

Prior to joining First Southwest, Mr. Brayshaw was involved in financial engineering for the Federal Home Loan Bank ("FHLB") of Dallas. At the FHLB, he was responsible for trading and hedging portions of the bank's \$4 billion mortgage backed securities portfolio. These activities concentrated on portfolio benchmark performance and hedging prepayment/interest rate risk exposure. He was also engaged in measuring and tracking the market performance of the bank's \$7 billion interest rate swap portfolio with respect to hedge relationships and potential counterparty risk exposure.

In addition, while at FHLB, Mr. Brayshaw was responsible for transferring multi-billion dollar portions of FHLB debt throughout the FHLB system, and for implementing and maintaining hedging strategies using strips of Euro-dollar futures contracts designed to effectively create "synthetic" interest rate swaps.

Education Mr. Brayshaw earned both a Master of Business Administration degree and a Bachelor of



Business Administration degree from Texas Christian University.

Licenses Held He is a registered representative of the NASD, licensed as a General Securities Representative (Series 7) and a Uniform Securities Agent (Series 63).



Rande Travis
Senior Vice President, Dallas, Texas

Experience Ms. Travis has been with First Southwest since 1990 and is Senior Vice President of First Southwest's Arbitrage Compliance Services. She has extensive experience with federal arbitrage rebate regulations, serving as the primary contact for municipal bond issuers nationwide. Ms. Travis also directs the Arbitrage Rebate Conferences hosted each year by First Southwest and has provided arbitrage rebate training at numerous industry seminars, including the Government Finance Officers Association ("GFOA"), Texas GFOA, Florida GFOA, and Nevada GFOA.

Education Ms. Travis earned a Bachelor of Business Administration degree in Finance from Southern Methodist University and a Master of Science degree in Accounting from the University of Texas at Dallas.

Licenses Held She is a licensed Certified Public Accountant, and is registered with the National Association of Securities Dealers, Inc. as General Securities Principal (Series 24) and a General Securities Representative (Series 7).



Beth Bankhead
Vice President, Dallas, Texas

Experience Ms. Bankhead has been with First Southwest since 1998 and has been in the securities industry for nine years. In her early career with First Southwest, she served as primary analyst for the Cities of Dallas, Irving, Garland, Grand Prairie, DeSoto, and Southlake, as well as other cities, counties, hospital districts, utility systems, and economic development corporations. Since joining the firm, she has assisted with over \$1 billion in new money, refunding, variable rate, and commercial paper transactions.

Ms. Bankhead now specializes in providing continuing disclosure services and has provided such services to many diverse governmental entities. First Southwest's Continuing Disclosure Services currently represents over 500 disclosure clients and files in excess of 590 annual reports on their behalf.

Education Ms. Bankhead earned a Bachelor of Science in Statistics from Southern Methodist University.

Licenses Held Ms. Bankhead is a Registered Representative of the National Association of Securities Dealers, and licensed as a General Securities Representative (Series 7) and a Uniform Securities Agent (Series 63).

7. Financial Advisory Approach

Make a statement indicating your understanding as to the scope of work requested and describe your firm's Financial Advisory approach.

UNDERSTANDING THE TOWN'S NEEDS

First Southwest understands that the Town of Davie is seeking a financial consultant to conduct a comprehensive review of its capital structure to include a review of its debt portfolio and to make recommendations for financial improvements in that regard. The financial consultant also will offer assistance to the Town in broadening its market for debt and on other Town-requested financial matters on which they have financial or other expertise. Additionally, the financial consultant is to assist and advise on all aspects of issuing debt, including but not limited to the following:

- Develop a Plan of Finance
- Review of consultant reports
- Schedule and coordinate the bond process
- Prepare bond authorizing documents
- Prepare offering documents
- Recommend mode of sale
- Evaluate underwriter proposals
- Negotiate bond terms
- Verify final pricing
- Prepare and review closing documentation

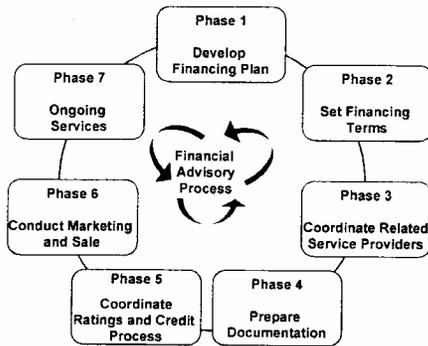
First Southwest offers to the Town a full-service, total solution approach to meeting those needs.

APPROACH

Based on our extensive and varied experience with public entities, First Southwest has developed a full-service approach to providing financial advisory services that ensures every aspect of an issuer's needs is addressed. The driving force behind our long history of success, our approach combines all of the firm's public finance capabilities and additionally employs as needed representatives of our Treasury Management Group, Arbitrage Compliance Department, Continuing Disclosure Department, and Structured Capital Markets Group. The following chart details each step of our approach:



Financial Advisory Scope of Services



We recognize that the Town may require a customized approach and scope of services, and we will readily accommodate needs not covered by the Request for Proposal. Additionally, because of the experience and competence of our professionals, First Southwest confidently assures timely and responsive service during the process of preparing for and completing the transaction.

Phase 1: Develop Financing Program

For the planning and structuring of tax-exempt financings, First Southwest will incorporate the implications of arbitrage rebate, investment policies, marketing, and technical considerations. Furthermore, our financing strategies factor in the implications of relevant financial issues, both current and potential, ensuring clients that the relevant aspects of a transaction will be considered before terms are finalized.

In order to determine available borrowing capacity, we will evaluate the existing debt structure and financial resources of the issuer. First Southwest will analyze the projected sources of revenue that may be pledged to secure payment of debt service; and we will assist in determining the cash flows that are legally available to pay principal and interest as well as the optimal revenue pledge in terms of the overall credit rating of the issuer and the marketability of the issue. First Southwest will devise and recommend a plan for financing bonds to be issued through monitoring and controlling the costs of fees and expenses incurred, a maturity schedule, and other terms and conditions requested by the Town.

First Southwest will recommend the investment of bond proceeds and compliance with federal arbitrage regulations, and will provide sound, current advice concerning the ongoing legislative considerations of new bond or borrowing initiatives. Furthermore, we will

provide oversight, coordination, and experience in the development of new bond or borrowing initiatives.

Upon completion of Phase 1, the Town and First Southwest will have designed a financing strategy that facilitates the success of all future financing initiatives.

Phase 2: Set Financing Terms

First Southwest will perform analyses to determine the timing of the offering, appropriate size of the bond issue, and structure of each financing. In addition, we will evaluate the cost effectiveness of various financing alternatives in order to recommend the structure that achieves the highest possible credit rating within the constraints of the Town and underlying loan participant.

We have the technical capability and experience required to assess virtually every type of financial structure contemplated by a government issuer or conduit borrower. Therefore, we are able to run scenarios that quantify the benefits and costs of various structuring considerations, such as: fixed versus variable rate debt, credit enhancement, optimal call dates and prices, desired maturity dates, premium versus discount bonds, and serial versus term bonds. First Southwest will prepare cash flow forecasts that will enable the Town to evaluate the annual debt service requirements associated with alternative financing structures. We will recommend the method of sale that maximizes the marketability of the Town's securities and minimizes the overall borrowing cost. For the most common types of design analysis, First Southwest will :

- Produce cash flow models with the flexibility to calculate bond capacities based on debt service installments; utilize forecasted revenues, expenditures and growth factors; model construction drawdowns and interest earnings; and project tax rates and user charges. This capacity analysis is vital to the Town's planned annexation negotiations.
- Size a financing including allowance for capitalized interest, construction costs, escrow requirements, insurance costs, interest earnings, issuance costs and reserve funds.
- Structure a payment amortization to a tailored schedule based on projected revenue and expenditure constraints.
- Defeasance outstanding debt utilizing a state-of-the-art proprietary advance refunding software system that structures an optimal escrow fund; structure new debt on a level, front-end or tail-end savings basis; and provide other structures as necessary.
- Calculate the issue price to the public and, using this price, calculate the arbitrage yield as defined by the Tax Reform Act of 1986.
- Calculate an internal rate of return or "true interest cost" and provide present value schedules based on such yield for use in evaluating bids or modeling present values of cash flow projections.



- Devise debt capacity models that can be used to detail the Town's existing debt service requirements; forecast proposed debt service requirements; and project the impact of the proposed requirements on financial ratios, such as debt to valuation and per capita debt as well as taxes and tax rates.
- Develop debt service schedules, which can be used to illustrate the debt service requirements on an actual, bond, or fiscal year basis, while assuming annual, semi-annual, or monthly payments. Our schedules can accommodate serial and term bonds, discount and premium bonds, and zero coupon bonds, including premium capital appreciation bonds, as well as variable rate and synthetic fixed rate debt.
- Provide refunding analysis, which can be used to illustrate savings on a gross basis or a present value basis of refundings.

We offer a distinctly different approach to providing technical services from our competitors. Often investment banking firms use the technical area as a training ground for new bankers; however, we believe that structuring a bond transaction requires the implementation of innovative financing techniques by *experienced* professionals. The team of professionals carefully selected to work with the Town have the ideal combination of expertise, skill, and creativity to address and achieve future financing needs of the Town.

Phase 3: Coordinate Related Service Providers

First Southwest will assist with the evaluation of proposals from financial printers, paying agents/registrars, and trustees. We will participate in document preparation and assist bond counsel in the coordination of the offering, prepare information as necessary for the rating agencies and will help the Town maintain ongoing relationships with credit rating agencies. We will disclose all fees, define all relationships, and meet the Town's needs by facilitating excellent working relationships with the Town's other service providers.

We serve as Financial Advisor for approximately 600 transactions per year. Our professionals work daily with bond attorneys, financial advisors, and underwriters. Because we often commit our own capital for the benefit of our clients, we understand the role of underwriters. Our underwriting capability enables us to negotiate as equals with underwriters during the structuring, marketing, and pricing phases of a transaction. Furthermore, we have a long history of working with minority and female-owned firms involved in all facets of the investment banking industry. For these reasons, our firm is well equipped to provide recommendations on the composition of the financing team.

Phase 4: Review Documentation

First Southwest will coordinate closing details and post-closing duties, including the development of closing memorandum and the final preparation of documents necessary for financing current and future projects. Our participation ensures the creation of documents that will provide credit strength and operating flexibility to the Town, security to the investor, and marketability for the underwriter. Additionally, we will assist with the preparation of an Official Statement and other disclosure documents that describe all terms and conditions of the transaction.

Phase 5: Coordinate Rating & Credit Enhancement Process

First Southwest is consistently recognized as the leading firm for number of bond ratings per year. Our record for obtaining rating upgrades demonstrates our ability to effectively navigate the rating agency process. From 1999 through 2005 year-to-date ("YTD"), we obtained rating upgrades for 346 municipal debt issues.

First Southwest Company Rating Upgrades by Year (2000-2005)							
Year	2000	2001	2002	2003	2004	2005 (YTD)	Total
Number of Upgrades	85	79	84	37	26	33	346

As a result of our experience, First Southwest has unparalleled relationships with Moody's Investors Service, Standard & Poor's, and Fitch. This continual "hands-on" exposure to all aspects of the rating process affords the Town a major advantage: an in-depth understanding of the rating agencies' typical concerns regarding municipal credits. We will closely guide the Town through the presentation process in attempt to achieve the best possible ratings.

In addition to our standing as the nation's leading municipal financial advisory firm for credit enhanced financings, First Southwest has a thorough knowledge of liquidity facilities and relationships with providers of third party credit enhancement and commercial banks beneficial to the successful completion of the Town proposed financing. We regularly explore bond insurance and letters of credit in order to lower the interest and issuance costs of our clients. To evaluate the credit worthiness of our clients' bonds and the cost effectiveness of municipal bond insurance, we maintain contact, nearly daily, with the American Municipal Bond Assurance Corporation ("AMBAC"), Financial Guaranty Insurance Company ("FGIC"), Financial Security Assurance ("FSA"), Municipal Bond Insurance Association ("MBIA"), Radian, and other bond insurance



companies. We also maintain close contact with domestic and foreign banks and other companies that provide letters of credit, surety bonds, and other credit enhancement instruments.

Bond Rating Strategy

Although issuers have much in common, they and their presentations to the rating agencies are unique. After analyzing the Town's finances, First Southwest will determine the relative strengths and weaknesses. We then can anticipate and prepare for the lines of questioning and propose a presentation outline. As part of the rating process, we will make recommendations on how the bond rating will be communicated: by mail or through personal presentations, and which agency or agencies will be approached for the bond rating. We have been involved in a wide variety of presentation formats, ranging from the coordination of written materials to the organization of on-site visits and the preparation of audiovisual productions. During this process, we will focus on the best method for presenting information most likely to influence the rating outcome.

Then, First Southwest will assist the Town with establishing bond rating goals. Based on these targets, we will advise on the selection of bond rating providers and on the method for obtaining bond ratings, which includes:

- Financial, administrative and credit factor consulting
- Assisting in the development of long-term strategic plans
- Developing action plans to obtain credit rating goals
- Assisting with the preparation of presentation materials

We will recommend the most appropriate rating presentation method, including site visits, conference calls, or direct presentation. First Southwest takes a *supportive* role, rather than active, in the actual presentation of materials, because the rating agencies stress direct discussions with the issuer. Therefore, we will fully prepare the Town and Town staff for the presentations that they will make to the rating services. Our participation in the actual presentation will focus primarily on preparing solid answers for different lines of questioning, drawing from experience gained from our participation in many other presentations.

Phase 6: Conduct Marketing and Sale of Debt

First Southwest will take the steps necessary to obtain the broadest possible participation in bidding. We ensure that investors and underwriters understand the issuer's credit and the mechanics of the sale, evaluating such to determine the most beneficial financing structure. For a negotiated sale, we will represent the Town in all areas of pricing and sale. We will assist with the negotiation of covenants, coupons, expenses, takedowns, and yields to ensure that the issuer's bonds

are sold at market rates. Our professionals will conduct pre-pricing calls with the Town and the underwriters, set marketing priorities, monitor all orders, and balance requests for re-pricing.

First Southwest's constant evaluation of alternatives to re-marketing and the implementation of those alternatives, when appropriate, will be highly beneficial to the Town. We will recommend approval of final pricing only after our underwriting desk has assured the issuer that the borrowing has achieved a fair cost of capital for the sale date, based on to-the-minute market conditions for that type of security.

Phase 7: Ongoing Services

Maintain Continual Client Relations

As part of First Southwest's comprehensive service, we will continue to offer assistance to the Town by:

- Commenting on the credit implications of local actions and events
- Developing debt management policies
- Evaluating financing alternatives
- Participating in long-range strategic planning for capital improvements and debt structure
- Developing financial models to analyze the full range of debt funding alternatives
- Evaluating the appropriateness and benefit of derivative products
- Identifying cost savings or debt service restructuring opportunities
- Provide an ongoing link between such parties as underwriters, bankers, insurers, investors, regulators, trade groups, and other issuers
- Monitor Legislative and Regulatory Changes. First Southwest will monitor legislative, economic, budgetary and regulatory changes as they relate to the Town and advise relevant and beneficial action and participation. Additionally, we will continue to comment on the credit implications of local actions and events, develop debt management policies, evaluate financing alternatives, and evaluate the appropriateness and benefit of derivative products and services.

8. Financing Techniques

Provide three innovative financing techniques which have been developed and/or implemented in connection with previous engagements. Include a brief description of project type, project size, financing concept considered (regardless of final method used), as well as brief comments concerning the concepts applicability to the Town's financing needs.

The expertise that the principal bankers will put to work for the Town has been obtained by analyzing and executing hundreds of financings over the course of many years in public finance. The following Florida transactions for which First Southwest served as Financial Advisor reflects the creative abilities of the firm



in developing and implementing financing techniques when assisting clients similar to the Town.

Broward County, Florida - General Obligation Issue

BROWARD COUNTY In August and October 2001, First Southwest served Broward County on two general obligation bond issues in excess of \$100,000,000 each. As part of the transactional work, Broward requested that First Southwest assist it in obtaining a rating upgrade and to examine the possibility of denominating a portion of the issues as 'mini-bonds' (bonds with par amounts of \$1,000 as opposed to the traditional \$5,000 denominations) in order to entice greater local retail participation in the bond sale.

In anticipation of the rating presentations, First Southwest contrasted the demographic and economic strengths and weakness of Broward County versus the counties of Miami-Dade and Palm Beach and worked with staff on developing a thorough presentation highlighting the 'fairness' of an upgrade. Broward was successful in attaining the desired upgrade.

In regard to the issuance of 'mini-bonds', after review of the pros and cons of the concept, we recommended that Broward stay the traditional course. As an alternative to achieve its goal of increased local participation in the bond issues, we had the underwriters locally advertise the bond issues and extended a special priority retail period that favored local retail purchases. As a result, Broward County enjoyed a relatively strong retail showing in its bond sales.

Our experiences with Broward County is applicable to the Town of Davie because of shared demographics used in the ratings presentation and because of the Town's desire to increase the marketplace for its bonds.

Miami-Dade Expressway Authority - Revenue Refunding Issue

MIAMI-DADE In January 2001, Miami-Dade Expressway Authority ("MDX") received several unsolicited refunding proposals from several major investment banking firms recommending refunding portions of the MDX's Series 2000 Bonds. We evaluated the proposals submitted by the firms which included: (i) traditional fixed rate advance refunding-escrow structured with SLGS, (ii) traditional fixed rate refunding - escrow structured with open market securities, (iii) synthetic forward refunding with TBMA Swap Agreement and (iv) a synthetic forward refunding with Tax Language Swap Agreement. We assisted MDX in identifying and evaluating the risk associated with each of the refunding proposals. The risk associated with the synthetic forward refunding (SWAPS) included: (i) the ongoing counterparty risk, (ii)

the non-callable structure and (iii) the liquidity and basis risk consideration. Additionally, we provided MDX with a sensitivity analysis given various interest rate scenarios.

Based on the aforementioned factors, it was determined that the advance refunding option represented significant economic savings with less risk to MDX. In June 2001, we assisted MDX to complete a fairly straight-forward refunding bond transaction.

Subsequently in June 2002, given a completely different set of facts (and associated risks), we served MDX as derivative advisor on two swap transactions which significantly improved the economics of a bond refunding transaction. The swaps were structured to optimize savings and provide debt service capacity for future bond issues.

The Town, if it hasn't already, will receive swap proposals from underwriters and other counterparties. First Southwest is well-poised to educate staff and policy makers on, evaluate and execute derivative transactions on behalf of the Town should it desire to incorporate derivatives into its debt portfolio.

Fernandina Beach, Florida



The City of Fernandina Beach issued \$32.9 million in Utility Acquisition and Improvement Revenue Bonds, Series 2003. The proceeds were used to acquire a private water utility of 7,000 customers and to pay for improvements to the City's utility system, as the City already owned and operated a sewer system. The acquisition of this water system provided the City with total control of the water and sewer utilities in and outside of the City.

As the City's Financial Advisor, First Southwest, along with the City's staff and consulting engineers, developed an insurance presentation and met with five municipal bond insurers to highlight the important structuring and credit considerations associated with the financing. After meeting with the bond insurers, the City received five strong insurance bids, including bids for a debt service reserve surety bond. One of the insurers was willing also to reduce the debt service coverage requirements. These types of contacts with insurers will be of use to the Town as it proceeds on its debt program.

City of Marco Island and Palm Coast, Florida



First Southwest as Financial Advisor represented the Cities of Marco Island and Palm Coast, Florida, in the financing of the acquisition of their respective water systems. First Southwest, working with the Cities and the Underwriters, prepared and directed the



presentations to rating agencies and bond insurers, provided the bond structuring, and was successful in negotiating a reduced combined insurance premium, which resulted in a savings of \$126,000 in bond insurance premium. Although neither of these "new cities" had experience in managing and operating such utility systems and utility acquisitions in Florida had, for the most part, achieved ratings only in the "B" category, Marco Island received assigned ratings of "A-," "A2" and "A" from Fitch, Moody's and S & P, respectively. Moody's, S & P and Fitch have assigned underlying ratings of "A3," "A-," and "A-," respectively. These two financings represented \$197,765,000 in par amount of bonds issued. Innovation and hard work on behalf of our clients is applicable to the Town's engagement of a financial advisor.

INDUSTRY RECOGNITION FOR INNOVATION

First Southwest is perhaps one of the most recognized firm in the nation for innovative financings. Most notably, we have received "Deal of the Year" Awards by *The Bond Buyer* and *Institutional Investor* six times.

2005 "SOUTHWEST DEAL OF THE YEAR" - Financial Advisor to the Texas Regional Mobility Authority - the first regional mobility authority in the State of Texas, created to address mobility projects in the Central Texas area. (Source: *The Bond Buyer*)

2004 "DEAL OF THE YEAR" RUNNER-UP - Financial Advisor to New Mexico Finance Authority State Department of Transportation, providing financial advisory services on the initial issues designed to fund projects identified in Governor Richardson's Investment Partnership ("GRIP") legislation. (Source: *The Bond Buyer*)

2003 "DEAL OF THE YEAR" - Regional Title Financial Advisor - Dallas/Fort Worth International Airport - helped the Airport issue \$1.457 billion in bonds to complete a \$2.6 billion Capital Investment Program. This financing has been recognized as the Largest Single-Day Airport Transaction in U.S. History. (Source: *The Bond Buyer*)

2003 "DEAL OF THE YEAR" - Financial Advisor to the Orlando-Orange County Expressway Authority - developed a finance plan that lowered the overall costs of financing on its \$781 million fiscal year 2003-2007 Five Year Work Plan. (Source: *The Bond Buyer*.)

1996 "DEAL OF THE YEAR" - Swap Advisor (along with Lehman Brothers and GBR Financial as counterparties) to the City of Fort Worth with a \$40 million fixed-to-floating rate swap. (Source: *The Bond Buyer*.)

1993 "DEAL OF THE YEAR" - Financial Advisor to the City of Lewisville, Texas - eliminated the role of the managing underwriter. The City ended up saving over

\$1 per bond in underwriting expenses. (Source: *Institutional Investor*.)

1990 "DEAL OF THE YEAR" Financial Advisor to the Dallas/Fort Worth Regional Airport — formed a unique partnership, bringing together Merrill Lynch to engineer a forward interest rate swap married to First Boston Corp.'s Refunding Escrow Deposits (REDs). (Source: *Institutional Investor*.)

9. Business Ethics

Disclose any circumstance where the conduct of the Proposer is being investigated or has had an adverse determination by any legal or administrative body. Also disclose and explain any potential conflicts of interest, pending or current litigation relating to the performance of requested financial advisory services.

To First Southwest's knowledge, the firm is not being investigated, there is no pending or current litigation, nor has there been an adverse determination during the previous five years by any legal or administrative body related to the firm's public finance business.

First Southwest does not believe it has any relationship that would create a conflict of interest in serving as financial advisor to the Town of Davie.

10. Additional Data

Include in this section any pertinent information not covered in any of the previous sections. If there is no additional information to present, please so state.

Extension of Staff Services

Many of our financial advisory clients use First Southwest as an "extension of staff" in that we are called upon to serve, oftentimes in lead positions, as members of an evaluation, selection, development or negotiating committee or team. Examples of these types of projects include:

- Interviewing applicants for high-level financial positions
- Meeting with operating departments to develop long-term operating and capital budget plans and appropriate performance measures to track progress
- Working with governments to determine the possibilities for financial assistance. Examples of this include First Southwest meeting with Florida Department of Transportation ("FDOT") on multiple occasions on behalf of several of our clients to investigate the applicability of State Infrastructure Bank ("SIB"), Transportation Facilities Revolving Trust Fund, and/or TIFIA loans for rental car complexes
- Negotiating complex contractual terms. As an example, First Southwest has served the Harris County-Houston Sports Authority over the past five



years in the financing of over \$1 billion of new sport facilities. In that regard, First Southwest negotiated the underlying funding (e.g., lease) agreements (with several professional teams and other facility occupants), for the construction of three sports venues, namely, Minute Maid Park (home of the Houston Astros), Reliant Stadium (a multi-purpose, retractable roof, natural grass, sports and entertainment facility and home of the Houston Texans) and the Toyota Center (home of the Houston Rockets). Another example, we assisted the City of Dallas in the negotiation of funding agreements for the construction of the American Airlines Center (home of the Dallas Stars and the Dallas Mavericks)

- Evaluating complex third-party proposals such as the submission of hotel concepts received through RFP/RFQ solicitations from airports seeking developmental partners
- Creating computer models of complex financial transactions
- Assisting with corporate financial strength evaluations

In some cases, First Southwest has been retained to develop and implement a methodology for providing an unbiased review of *unknown* economic impacts.

An example of this occurred when the Miami-Dade Limestone Producers Association retained First Southwest to determine and report upon the impact on the economy of the county and on the governmental revenues of Miami-Dade, if any, of certain proposed legislation. First Southwest prepared and presented a report to the policymakers, which outlined the results of industry-wide surveys of employment and production data, as well as analyses of payroll records obtained from the majority of limestone industry participants. The presentations were well-received by the decision-makers, as it was an independent review of and reflected, in understandable terms, the realistic and probable economic impacts of the proposed legislation.

SPECIALTY SERVICES

The municipal finance industry grows increasingly more complex, challenging financial firms like First Southwest to raise the bar on the services, resources and experience offered. The organization of First Southwest's Public Finance department is structured to provide clients with access to multiple professionals with expertise in diverse specialty practice areas. In addition to providing the common transactional and ongoing financial advisory services, First Southwest has developed specialty practice areas to address the unique needs of local government clients. Examples of these specialty practice groups include the following:

Arbitrage Rebate Compliance: First Southwest's Arbitrage Rebate Compliance Service was introduced in 1987. As arbitrage rebate compliance grows in complexity, municipalities face increased scrutiny and the emergence of new, more challenging regulations. We have proven our leadership in this area by becoming one of the only investment banking firms to offer a dedicated arbitrage rebate group. In 2004, our firm performed over 2,000 rebate calculations representing more than \$72 billion in total par amount.

Continuing Disclosure: The annual disclosure of financial information, operating data and ongoing material events as required by the Securities and Exchange Commission is voluminous for many large municipal bond issuers. As one of the first financial advisory firms to recognize the impact of those requirements, our firm responded by forming a specialty practice area to assist our clients. First Southwest Company is the financial advisory firm in the nation with a separate department established for continuing disclosure. First Southwest Disclosure Services files over 330 reports for over 260 clients annually. First Southwest is competitively unique in that our Disclosure Services department is more than just a dissemination agent; we actually prepare and file disclosure reports.

Asset Management: First Southwest recognizes that the primary objective for state and local governments is to maintain safety of principal while ensuring adequate liquidity. Therefore, we formed First Southwest Asset Management, Inc., a SEC-regulated investment advisory company that has a conservative investment philosophy tailored to the needs of state and local governments that has proven successful over time. All investment transactions made for our investment management clients are performed on a best execution basis with non-affiliated brokers/dealers. In addition, to maintain the independence of First Southwest Asset Management, Inc., it does not solicit bids or purchase any investments from First Southwest Company. Our Asset Management professionals offer the ability to analyze potential investments strategies, determine any subsequent arbitrage liabilities, analyze specific investments and comply with regulations regarding the investment of bond proceeds to determine an "optimal" portfolio. In short, the Asset Management group offers client-specialized services aimed at safely increasing earnings.

Equity Capital Markets: First Southwest's Equity Capital Markets group is known for its flexibility in structuring innovative solutions to meet individual client needs. The group is composed of seasoned investment professionals dedicated to the long-term success of corporate clients, institutional investors and high-net-worth individuals. By analyzing market trends and identifying investment opportunities, we bring together investors and those seeking to raise capital. The group specializes in market-making in approximately 130



stocks, large order executions, and facilitating trades by committing firm capital. We maintain a full-service, agency-order execution desk and are involved in underwriting initial and secondary public offerings. The Equity Capital Markets group is a retail and institutional brokerage that participates as a syndicate member.

Swap Advisor Services: While industry conventions for deriving swap rates have become somewhat standard, and multiple market quotation services exist to aid in the valuation and monitoring of financial products, it still is true that among most swap dealers, valuation methodologies for derivative products are proprietary. To evaluate effectively risks and rewards for our clients, First Southwest provides assistance to our clients throughout the entire process of determining the impact of basis, credit, and tax and termination risk. We also advise the client on appropriate market levels for products being evaluated. Our comprehensive swap advisor services include staff and board education, the formulation of a swap policy, structural and analytical modeling, document negotiations, rating agency analysis, transaction execution, closing, fair market

value opinions and ongoing analyses. Our expertise has enabled multiple credit structures, such as student loans, transportation and sports authorities, housing and limited revenue sources to use successfully financial products to achieve solutions not otherwise available in the traditional bond markets.

Public Pension Funds: Oversight of employee retirement plans in a volatile economic environment can be a challenging task for public sector financial professionals. First Southwest understands the primary objectives of public retirement plans are to offer world-class investments, ample employee education and superior administration - all while minimizing expenses for both employees and plan sponsors. First Southwest's Benefit Plan Services specializes in advising and coordinating retirement plan benefits for public sector clients. Our commitment is to provide the highest level of integrity while offering the very best service and advice. First Southwest works with public entities to meet a variety of retirement plan goals for both defined contribution and defined benefit plans.

Appendix A

REQUIRED SUBMITTALS

1. Proof of Insurance
2. Proposer's Certification Form





PROOF OF INSURANCE

First Southwest currently holds an insurance policy that meets all of the standards required by the Town, as outlined in Section XV of the Request for Proposals. We include here a copy of our insurance policy.

ACORD CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) 12/15/2005
PRODUCER Roach, Howard, Smith and Hunter 9330 LBJ Fwy, Ste.1500 Dallas TX 75243 (214) 231-1300 (972) 231-1368	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.	
INSURED First Southwest Co. 325 N. St. Paul, Suite 800 Dallas TX 75201	INSURERS AFFORDING COVERAGE INSURER A: Great Northern Ins Co INSURER B: Federal Ins Co INSURER C: INSURER D: INSURER E:	NAIC # 20303 20281

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 ADPL LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR	35787714	12/15/2005	12/15/2006	EACH OCCURRENCE \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ Included
B	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	74968567	12/15/2005	12/15/2006	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
B	EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE	79785393	12/15/2005	12/15/2006	EACH OCCURRENCE \$ 10,000,000
	<input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				AGGREGATE \$ 10,000,000 \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER	71705177	12/15/2005	12/15/2006	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
 None

CERTIFICATE HOLDER INFORMATION PURPOSES ONLY confers No Rights to the Holder	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE 
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TOWN OF DAVIE PROPOSER'S CERTIFICATION

I have carefully examined this Request for Proposal which includes the Detailed Specifications, Evaluation and Award procedures, and any other documents accompanying or made part of this Request for Proposal.

I hereby propose to furnish the goods or services specified in the Request for Proposal at the prices or rates quoted in my proposal. I agree that my proposal will remain firm for a period of up to ninety (90) days in order to allow the Town adequate time to evaluate the proposals.

I agree that the Town's terms and conditions herein shall take precedence over any terms and conditions submitted with the proposal, either appearing separately or included in pre-printed catalogs and/or price lists or other literature.

I agree to abide by all conditions of this proposal and understand that that Town reserves the right before recommending any award to inspect the facilities and organization or to take any other action necessary to determine ability to perform in accordance with the specifications, terms, and conditions.

I certify that all information contained in the proposal is truthful to the best of my knowledge and belief. I further certify that I am duly authorized to submit this proposal on behalf of the vendor / contractor as its agent and that the vendor / contractor is ready, willing and able to perform if awarded the contract.

I further certify, under oath, that this proposal is made without prior understanding, agreement, connection, discussion, or collusion with any other person, firm or corporation submitting a proposal for the same product or service; no officer, employee or agent of the Town or of any other Proposer is interested in said proposal; and that the undersigned executed this Proposer's Certification with full knowledge and understanding of the matters therein contained and was duly authorized to do so.

First Southwest Company
NAME OF BUSINESS

15280 N.W. 79th Court, Ste. 107
MAILING ADDRESS


AUTHORIZED SIGNATURE

Miami Lakes, FL 33016
CITY, STATE & ZIP CODE

Edward Marquez
NAME & TITLE, TYPED OR PRINTED

(305) 819-8886
TELEPHONE NUMBER



TOWN OF DAVIE, FLORIDA

DECEMBER 20, 2005

Fee Proposal to Provide Financial Consulting Services

RFP No. B-06-06



Contact:

Edward Marquez • Senior Vice President
First Southwest Company
15280 N.W. 79th Court, Suite 107
Miami Lakes, Florida 33016
305-819-8886 Phone • 305-819-9992 Fax
emarquez@firstsw.com • www.firstsw.com

 **First Southwest Company**
Investment Bankers Since 1946

**Fee Proposal to Provide
Financial Consulting Services**

**Town of Davie, Florida
December 20, 2005**

First Southwest Company



First Southwest Company's Price Proposal:

For Scope of Services Categories A and B listed in Section I of the Request for Proposal: A retainer of \$24,000 per year (anticipates 10-11 hours of work per month on average)

Should it be reasonably expected that a Town-requested service will significantly exceed the anticipated 10-11 hours average per month of work effort, the Town and First Southwest can exercise an Additional Work Provision:

Additional Work Provision

Generally financial advisory contracts have an additional work provision to permit the municipality to use the financial consultant to conduct studies, analyses, and other projects. Work commences on a projects once a "green-light" is given. There's no hard and fast rule on how the green-light comes about (e.g. some cities are fine with a simple verbal go-ahead on a project – others want a separate work order negotiated upfront). The additional work is based on hourly rates (exclusive of out-of-pocket expenses). First Southwest hourly rates are:

Senior Vice Presidents	\$190.00
Vice Presidents	\$150.00
Assistant Vice Presidents	\$125.00
Associates	\$100.00
Analysts	\$75.00
Clerical Staff	\$40.00

A list of projects that have been completed through additional work clauses is quite exhaustive. Examples of some of these types of projects include:

- Reviewing pension funding
- Linking operational and capital budgets into a Five-Year Plan
- Serving on evaluation committees or as staff to evaluation committees for major private/public initiatives
- Assisting with strategic planning and performance measurement
- Reviewing complex, unsolicited third-party proposals such as hotel concepts to determine proposals viability as well as corporate financial wherewithal of proposer
- Serving as lead or support negotiator on major projects (e.g. baseball stadium, race tracks etc).

A) Services Related to the Issuance of Debt

Start Time:

Upon approval of transaction by Town Council

Fees:

Quoted on a per bond (dollar per \$1,000 of bond size) basis.

Applicable for any debt issuance issued either competitively or on a negotiated basis.

Fees **are** contingent upon the execution and settlement of the debt transaction.

\$1.25 per \$1,000 for the first \$10,000,000 of debt issued;

\$0.90 per \$1,000 for the second \$10,000,000 of debt issued;

\$0.80 per \$1,000 for the next \$20,000,000 of debt issued; and

\$0.70 per \$1,000 of debt issued over \$40,000,000 **with** a minimum of \$17,500 per transaction.

Please note that distinct Official Statements or other offering documents represent separate transactions. Also, our fee quote includes our out-of-pocket expenses associated with travel between our Miami Lakes office and the City as well as any telephone calls (local or long-distance) made on the Town's behalf. All other out-of-pocket expenses incurred at the Town's behest will be charged at actual costs (and in accordance to Florida Statutes) and are not included in the above fee per bond, as we cannot control these costs. Please see the schedule below listing these out-of-pocket expenses which are not contingent upon the execution of the debt transaction.

**List of Typical Out-of-Pocket Expenses
Incurred at the Town's Request**

Description	Rates
Travel other than from First Southwest's Miami Lakes office and the Town and related living expenses	Actual costs and in accordance to FL Statutes
Facsimile Transmissions	\$0.25 per page
Black and White Copies	\$0.10 per page
Color Copies	\$0.25 per page
Telephone Conference Services	Actual Costs
Other costs incurred at request of Town	Actual Costs

The Town shall be responsible for the following expenses if and when applicable, whether they are charged directly to the Town as expenses or charged to the Town by First Southwest as reimbursable expenses:

- Bond counsel
- Bond ratings
- Credit enhancement
- Paying agent/registrar/trustee
- Verification fees
- Other Consultant fees
- Bond printing
- Computer structuring/ Underwriter spread
- Auditor consent fees
- Travel expenses
- Underwriter and underwriters counsel
- Official statement preparation and printing fee

Specialty Services

First Southwest offers a number of specialty services to our clients on a as-requested basis. The prices for these will be available to the Town throughout the term of the financial consultant contract.

A) Arbitrage Rebate Services

Calculation of annual arbitrage rebate requirement and filings with the IRS. The fee is \$1,800 per bond issue per year. This service requires a separate contractual arrangement with our registered investment advisor affiliate, First Southwest Asset Management, Inc.

B) Continuing Disclosure Services

Full continuing disclosures have a one-time set up fee of \$1,500 and are billed at \$1,500 per year per pledged revenue stream.

C) Investment Management Services

Investment management services entail the ongoing review of investment policies, development of cash flows, placement and management of investments competitively, and monthly reporting on investment activity. The charge of this service is five basis points (0.05%) per investment transaction, applied against the yield of the investment being purchased. This service requires a separate contractual arrangement with our registered investment advisor affiliate, First Southwest Asset Management, Inc.

D) Bidding Agent

A financial consultant *can* serve a bidding agent for the structuring and investment of certain debt instrument proceeds (i.e. escrowed funds related to refundings). We propose to structure and conduct all bids for any of the funds authorized by the debt instrument documents and to comply with Treasury Regulation 1.148-5 that applies to computing the yield and value of such investments and produce required documentation. The successful Investment Provider would pay a fee not to exceed 0.02 percent of the weighted average dollar amount reasonably expected to be invested each year of the investment agreement. The fee paid by the winning provider is the only compensation we receive in connection with an engagement as bidding agent.

E) Investment Advisory Services

Based on the specific needs of certain clients, we propose the following two options regarding ongoing investment advisory services:

	Option 1	Option 2
Daily Relative Value Report	✓	✓
Standard monthly report package	✓	✓
Custom reporting package option		✓
Economic e-mail alerts / analysis	✓	✓
Quarterly market summaries	✓	✓
Quarterly compliance check	✓	✓
Policy review	✓	✓
Project analysis		✓
CP issuer analysis		✓
Individual security analysis		✓
Present quarterly to Investment Committee		✓
Formal strategy calls		✓
Economic conference calls with Dr. Len Santow	✓	✓
Independent security check		✓
Annual Cost	\$25,000	\$50,000

This service is fairly comprehensive and, should the Town be interested in exploring it, we will make a presentation to the Town explaining the individual deliverables. This service requires a separate contractual arrangement with our registered investment advisor affiliate, First Southwest Asset Management, Inc.

F) Interest Rate Swap and Other Derivative Advisory Services

Interest rate swap advisory services are broken into two categories.

1) Pre-Execution Service

These services are billed at our hourly rates exclusive of reasonable out-of-pocket expenses. These services include:

- Development of a Risk Profile

- Development of swap policies
- Evaluation of the value and appropriateness of existing swap and swap proposals against the entity's debt portfolio and financial condition
- Development of swap and non-swap alternatives for the entity's benefit
- Education of policy makers in regard to the above

2) Swap Execution Service

If the Town decides to proceed on a swap transaction (new or reversal), First Southwest will:

- a) Prepare bidding documents and evaluate bids if a competitive sale or negotiate on the Town's behalf if the swap is to be done a negotiated basis
- b) Document the transaction
- c) Prepare a Fair Market opinion after the transaction closes
- d) Annually compute the fair market value for the auditors and periodically monitor the swap for economic opportunities for so long as First Southwest serves as Financial Advisor to the Town

The fee for the Swap Execution Service is the lesser of \$2.00 per \$1,000 of notional face amount of the Swap and the present value of 2 basis points (0.02%) of the swap rate, payable at closing by the Swap Provider. It does not include reasonable out-of-pocket expenses.

**Response to
Town of Davie, Florida**



**Request for Proposals
Financial Consulting Services
RFP # B-06-06**

Due: December 20, 2005

SPECTRUM
MUNICIPAL SERVICES INC.

357 Hiatt Drive
Palm Beach Gardens, FL 33418
Tel: (561) 627-6064 - Fax: (561) 627-6261
Contact: Clark D. Bennett, Managing Director
Email: cdb@spectmunicipal.com

Town of Davie, Florida
Request for Proposals
For Financial Consulting Services
B-06-06

Proposer: Spectrum Municipal Services, Inc.
357 Hiatt Drive
Palm Beach Gardens, FL 33418
Tel: (561) 627-6064 - Fax: (561) 627-6261
Contact: Clark D. Bennett, Managing Director
Email: cdb@spectmunicipal.com

Date: November 30, 2005

SPECTRUM

**Proposal to Provide
Financial Consulting Services to the
Town of Davie, Florida**

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SPECTRUM

MUNICIPAL SERVICES INC.
357 HIATT DRIVE
PALM BEACH GARDENS, FL. 33418
P.(561) 627-6064. F.(561) 627-6261
EMAIL: CDB@SPECTMUNICIPAL.COM

December 20, 2005

Town of Davie, Florida
6591 Orange Drive
Davie, FL 33314-3399

Dear Ladies and Gentlemen:

We are pleased to submit our response to the Town's **Request for Proposals for Financial Consulting Services**. We have carefully reviewed the Town's criteria, understand the scope of work required, and believe we meet the qualification requirements outlined therein. We have received no written amendments to the Town's Request for Proposals. If selected as the Town's Financial Consultant, we are prepared to commit our entire resources to the Town and its financial needs, and will perform all projects and tasks timely. Mr. Clark D. Bennett, Managing Director and Primary Contact (email: cdb@spectmunicipal.com), and Ms. Judith M. Roulis, Associate (email: jmr5498@aol.com), are prepared to begin work for the Town immediately.

Spectrum Municipal Services, Inc. ("Spectrum") is a local, woman-owned, independent financial advisory firm with a staff of two public finance professionals dedicated exclusively to financial advisory activities. Responsive, efficient, enthusiastic and success-oriented, they are prepared to bring their personal and professional experiences and expertise to the Town and its transactions.

Spectrum prides itself on excellent working relationships with all the parties to municipal debt transactions. As Financial Advisor, since January 1, 1996, Spectrum has completed 157 negotiated and competitive municipal transactions totaling over \$4.1 billion. Our services have included transactions for virtually every type of municipal transaction. We attribute our success to the knowledge and experience of our professional staff, our reputation throughout the municipal community, and our commitment to limit our customer base to remain responsive to the needs of our clients.

Thank you for this opportunity to share our credentials with the Town of Davie. We would be most pleased to answer your questions and discuss our qualifications with you more fully at a personal meeting. Please contact me at your convenience if you wish to make such arrangements.

Yours truly,

SPECTRUM MUNICIPAL SERVICES, INC.


Clark D. Bennett
Managing Director

SPECTRUM

4. Spectrum Profile

Background

Spectrum Municipal Services, Inc. ("Spectrum") is incorporated in the State of Florida, and registered as a Municipal Financial Advisory Firm; Spectrum carries professional liability insurance coverage of \$1,000,000. If retained by the Town, Spectrum shall hold harmless, indemnify and defend the Town, its officials, officers, employees and representatives against any claim, action, loss, damage, injury, liability, cost and expense (including but not by way of limitation, attorney's fees and court costs) arising out of or incidental to the performance of contract or work performed there under.

Two full-time public finance professionals staff the firm. Mr. Clark D. Bennett is the Firm's Managing Director and Ms. Judith M. Roulis is an Associate in the Firm. These individuals have 34 and 30 years, respectively, of experience with municipal financing and municipal bonds. Our professionals are responsive, efficient, enthusiastic, success-oriented individuals who bring their personal and professional experiences and expertise to each transaction.

Location

Spectrum's principal office is in Palm Beach Gardens (Palm Beach County), situated immediately west of the Florida Turnpike and 1.5 miles west of Interstate 95. Each of the functions outlined in the Town's Request for Proposals for Financial Consulting Services will be performed in this location or in its satellite office on Military Trail in Palm Beach Gardens. Due to our proximity to the Town, Spectrum's round-trip travel to the Town of Davie will be at its own expense.

Range of Activities

Spectrum is an independent financial advisory firm. All services performed for the Town of Davie (the "Town") will be by individuals dedicated exclusively to financial advisory activities. Spectrum is not a broker dealer, nor is a swap counterparty and, if selected, cannot and will not during the period of our contract with the Town, engage in the sale or distribution of municipal securities. Additionally we are not, by choice, registered investment advisors as defined by the Investment Act of 1940 and will not offer advice regarding the investment of bond, loan, or escrow proceeds. *Such activities by financial advisors have been the subject of recent discussions by the Securities and Exchange Commission and Municipal Securities Rule Making Board.*

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Since January of 1996, Spectrum has successfully closed over 157 negotiated and competitive municipal bonds, notes, and bank loans totaling over \$4.1 billion for its financial advisory clients. We have provided issuers with financial advice for debt issuance of as much as \$750 million, and as little as \$206,000. We have worked successfully with virtually every bond counsel and underwriting firm doing business in Florida and have not been involved in a failed transaction.

Spectrum's expertise in providing financial advisory services includes transactions for general obligation, revenue and special assessment debt for units of local government and special districts in Florida. Our experience includes transactions for almost every type of municipal financing including capital facilities, infrastructure, utilities, transportation, education, housing, solid waste, healthcare and pooled-finance transactions.

Spectrum is also proficient in the use of derivative products such as interest rate swaps, hedges, caps and collars, forward delivery agreements and guaranteed investment contracts (GICs).

Bond sizing, cash flow analyses of complex new money bond issues and structuring of current and advance refunding transactions is provided in-house. The firm utilizes *Munex* software to provide bond sizing and quantitative analysis and is equipped with the latest computer technology and the expertise to utilize the latest techniques.

Current Clients

Spectrum has provided all of the services outlined in the Town's Request for Proposals for our clients. We currently maintain contracts to provide financial consulting services with the following entities:

Cities, Counties and Authorities:

Palm Beach County
Palm Beach County Solid Waste Authority
Seacoast Utility Authority
Town of Jupiter
City of Belle Glade
City of Lake Worth
City of Palm Beach Gardens

Special Districts:

Belmont Community Development District
Century Park Community Development District
Northern Palm Beach County Improvement District
South Florida Water Management District
West Villages Community Development District

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Spectrum attributes much of its success to its experience with rating agencies on behalf of its clients. Ratings upgrades translate to lower borrowing costs for our clients. Our reputation with the rating agencies is one of accuracy, reliability, advocacy, and honesty. As a result, creative approaches to solve client-related credit issues are often given an extended review. For details and highlights, please refer to the Section entitled "10. Additional Data" included at the end of this Proposal.

5. Client References

1. Palm Beach County

Mr. John A. Long – (561) 355-2733
Office of Management and Budget
Palm Beach County
301 North Olive Avenue
West Palm Beach, FL 33401

23 Revenue Issues
8 General Obligation Issues
\$1.25 Billion Total Par Amount
Financial Advisory Services since 1996

Mr. Bevin Beudeau – (561) 493-6000
Director of Utilities
Palm Beach County Water Utilities Dept.
2065 Prairie Road
West Palm Beach, FL 33416-3472

3 Revenue Issues
\$85,050,000 Total Par Amount
Financial Advisory Services since 1998

2. Town of Jupiter

Mr. Michael Simmons – (561) 741-2216
Director of Finance
Town of Jupiter
210 Military Trail
Jupiter, FL 33458

1 Revenue Issue
2 General Obligation Issues
\$38,565,000 Total Par Amount
Financial Advisory Services since 2001

Mr. David L Brown – (561) 741-2273
Director of Utilities
Town of Jupiter Florida
210 Military Trail
Jupiter, FL 33458

3 Revenue Issues
1 General Obligation Issue
\$62,480,000 Total Par Amount
Financial Advisory Services since 2001

3. South Florida Water Management District

Mr. Paul Dumars – (561) 682-6212
Director of Finance and Administration
South Fla. Water Management District
3301 Gun Club Road
West Palm Beach, FL 33406

4 Revenue Issues
\$76,914,630 Total Par Amount
Financial Advisory Services since 1998

4. City of Palm Beach Gardens

Mr. Allan Owens – (561) 799-4163
Director of Finance
City of Palm Beach Gardens
10500 North Military Trail
Palm Beach Gardens, FL 33410

2 Revenue Issues
1 General Obligation Issue
\$34,485,000 Par Amount
Financial Advisory Services since 2004

6. Personnel

Clark D. Bennett, Managing Director

Mr. Bennett, who has 34 years of municipal bond experience, is a native of Miami, Florida, where he attended the University of Miami, graduating in 1962 with a Bachelor of Business Administration degree and a major in Public Finance. In 1969, after a six-year association with Texaco, Inc., Mr. Bennett joined the firm of Merrill Lynch, Pierce, Fenner, & Smith as an account executive in the Miami Beach Office, where he served as Municipal Securities Coordinator. Merrill Lynch transferred Mr. Bennett to its Vero Beach Offices in 1978.

In 1984, William R. Hough & Co. employed Mr. Bennett as Public Finance Principal and Branch Manager of its Palm Beach County Office. Mr. Bennett joined Florida Municipal Advisors in June of 1991 and remained with the firm until he and Mrs. Bennett acquired Florida Municipal Advisors in 1999. As investment banker or financial advisor, Mr. Bennett has provided financial services to various units of Florida municipal government, including the cities of Bay Harbor Islands, Belle Glade, Boynton Beach, Coconut Creek, Dania, Davie, Fort Lauderdale, Hialeah Gardens, Homestead, Jupiter, Lake Park, Lake Worth, Medley, Palm Beach Gardens, Pompano Beach, Sunrise, Tamarac, and Tequesta, Broward, Martin and Palm Beach Counties, North Broward Hospital District, Broward County Health Facilities Authority, Palm Beach County Solid Waste Authority, Northern Palm Beach County Improvement District, Indian Trail Improvement District, Seminole Improvement District, City of Miami Sports and Exhibition Authority, City of Miami Department of Off-Street Parking, South Indian River Water Control District, Lake Lucie Community Development District, Belmont Community Development District, West Villages Community Development District, South Florida Water Management District, Seacoast Utility, Delray Beach and Westgate-Belvedere Community Redevelopment Agencies, Port of Palm Beach and Port of Miami.

Among the projects for which Mr. Bennett has provided financial advisory services are General and Special Obligation (non-ad valorem pledge) financing, water and wastewater treatment; airport and deep water port; solid waste facilities; fixed to variable interest rate swaps and reversals of swaps to fixed rate transactions; Improvement District and Community Development District assessment transactions; toll roads; sports and convention facilities financing; and single and multifamily housing transactions.

Judith M. Roulis, Associate

Ms. Roulis, who has 30 years of municipal experience, has resided in Palm Beach County since 1972. In 1973, Ms. Roulis joined the former William R. Hough & Co. in its Palm Beach County office where she began her career as a sales assistant. In 1980, Ms. Roulis became a Registered Representative, and specialized in sales of municipal and government securities to individual investors and bank trust departments. Simultaneously, she assisted the firm's public finance department in the preparation of proposals, conducted competitive bond sales, coordinated bond closings, and provided client research and support.

Since 1989, Ms. Roulis has devoted her time primarily to public finance. As a Vice President at William R. Hough & Co., she represented the firm to units of local government in southeast Florida, providing both financial advisory and investment banking services. Ms. Roulis has experience with new money and refunding general obligation, water and sewer, and special assessment bond issues. She procured bond ratings and credit enhancement, provided initial quantitative analysis, identified refunding savings opportunities, and coordinated due diligence efforts with the working groups of the clients she served. From 1994 through 1998, Ms. Roulis served as financial advisor to Martin County, Florida on a number of general obligation, water and sewer and special assessment transactions and bank loans. Detail-oriented, she was also responsible for establishing, compiling, and maintaining the firm's transaction database for internal and regulatory reporting.

Among the issuers whom Ms. Roulis has served to date, are the Towns of Juno Beach, Jupiter, and Jupiter Island, Cities of Belle Glade, Clewiston, Lake Worth, Pembroke Pines and Riviera Beach, Martin County, St. Lucie County, Northern Palm Beach County Improvement District, Palm Beach County Solid Waste Authority, and Westgate-Belvedere Community Redevelopment Agency.

Ms. Roulis joined Spectrum in November 2003. She has attended numerous industry seminars and conferences, and maintains excellent relationships with her clients and industry professionals.

7. Financial Advisory Approach

The primary role of a financial advisor is to assist a client in its financial representations. Our reputation is a result of a combination of extensive product knowledge, attention to detail, excellent working relationships, and efficient administration and operations.

We envision a three-step program leading to the sale and closing of a bond issue, which closely follows the scope of services outlined in the Town's Request for Proposals for Financial Consulting Services.

Spectrum will also explore and recommend alternative financing when appropriate. Regardless of the financing, Spectrum proposes the overview model described below.

STEP ONE: Planning

- a. Prepare a detailed plan of financing including recommendations for (i) a bond structure including terms (ii) method of sale (iii) projected interest rates, cost of issuance and debt service (iv) treatment of capitalized interest and debt service reserve funds. Determine the need for interim financing.
- b. Provide input in the preparation and analysis of any studies or reports in concert with Staff and the Town's Working Group.
- c. Investigate all avenues of credit enhancement (i.e., letters of credit, municipal bond insurance or other available devices) and advise the availability of each. Coordinate the dissemination of all required documents for the rating and bond insurer packages, presentations, meetings and telephone conferences.
- d. Coordinate with other members of the Town's Working Group to produce a distribution list and schedule of major events and culminating in the sale and closing of the transaction
- e. Assist in the assignment of duties, provide oversight for the activities of all parties and disseminate relevant information to Staff and concerned professionals of the Town's Working Group.
- f. Initiate discussions with Moody's, Standard & Poor's and Fitch and develop presentations designed to achieve the most favorable credit rating for the transaction.

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- g. Solicit bids for the professional services of financial printers, trustees, paying agents, registrars, escrow verification, and other service providers.

STEP TWO: Marketing

- a. Assist with the preparation of all ordinances, resolutions and other documentation required for the transaction; participate in validation proceedings, if requested.
- b. Confer with Staff regarding the timing of the transaction to include a review of the forward calendar, projected interest rates, market trends and economic forecasts.
- c. Assist in publicizing the transaction with the means necessary to develop national investor interest, including informational meetings, mailings, etc.
- d. If bonds will be sold through an underwriter, assist, if requested, in the preparation of a request for qualifications and aid in the selection of an investment banking firm.
- e. If bonds are to be placed with a bank, prepare a request for proposal or letter of interest for distribution to all qualified lenders to ensure the most competitive bid possible.
- f. If bonds will be sold at competitive bid, conduct the bid opening or arrange for an internet bid service to promote the issue and receive the bids. Recommend the award of the bonds.
- e. Provide input to the production and distribution of the Official Statement or other disclosure document, emphasizing adherence to current full disclosure guidelines.
- g. Advise as to the final terms of the transaction including recommendations as to the components of the gross spread, redemption provisions and maturity schedule.
- h. Present to Staff and Elected Officials a complete description of the transaction and a recommendation for action.

STEP THREE: Closing

- a. Coordinate with Staff and the Town's Working Group all details of closing, including the preparation of the Closing Memorandum to ensure prompt transfer of funds and delivery.
- b. Consult with Project Engineers to develop a draw schedule that will enable the Town to maximize earnings of the construction funds under current arbitrage regulations, and recommend an appropriate investment vehicle for the funds.

- c. If requested, solicit bids on behalf of the Town for any idle funds.

In a negotiated bond transaction, Spectrum would perform the following functions to ensure the Town of the lowest possible cost of capital and reasonable original offering prices on its Bonds.

Pricing Methodology

- monitor the forward bond calendar to (i) keep pace with the bond volume expected to be in the market at the projected time of pricing and, (ii) avoid dates in the federal news calendar which may adversely effect interest rates
- discuss market timing and market tone with the underwriting desk of the senior managing underwriter to obtain a consensus of prices, yields and take downs
- establish a pre-pricing call the afternoon prior to morning of pricing to discuss the current market, interest rates for the bonds relative to competing issues, order period and priority, structural changes and call features
- follow up with a phone call at the conclusion of the order period to receive results and discuss necessary price revisions
- track the rates, take downs and spreads of similar issues in the marketplace as reported in *The Bond Buyer* and *Delphis Hanover* in order to negotiate the most advantageous spreads for the Town which are fair to the underwriters
- determine an appropriate management fee, if any, by considering the value added to the issue by the Senior Managing Underwriter in the way of innovations and techniques, assistance with credit issues, and general input
- at times when permitted investments may not be obtainable in the market to meet the arbitrage yield, explore other alternatives that may return a higher permissible yield
- seek opportunities to reduce the debt service reserve requirement and/or determine the cost effectiveness of purchasing a debt service reserve surety bonds in lieu of funding a debt service reserve account or, in certain cases, consider the use of available cash to fund debt service reserve funds to reduce negative arbitrage
- under certain circumstances, seek to place the debt with a commercial bank which, in addition to being cost effective, may also be a time-saving financing mechanism

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8. Innovative Financing Techniques

Experience with Commercial Banks

Commercial banks are exhibiting renewed interest in providing certain loans and lines of credit to municipal governments, and Spectrum has become adept at structuring and negotiating such loans and Letters of Credit for its clients. We are in almost daily touch with the major lenders and kept aware of their desire for municipal paper.

Issuers who do not expect to issue more than \$10 million of debt in a calendar year, find that bank financing may be a most cost-effective and efficient method of obtaining funds. "Bank Qualified Bonds" can be purchased and held by commercial banks without incurring the pro-rata disallowance of expense deduction that applies to most tax exempt interest. Commercial banks are willing to accept lower rates of interest for Bank Qualified Bonds, which also result in lower debt issuance costs to the issuer.

Whenever possible, we will attempt to finance with the municipal lending area of the banking community to provide our clients with a cost effective and time saving transaction. In addition to more standardized 10-year bank loans, we have represented clients for conventional variable rate paper and have negotiated a one-year, \$20,000,000 Bond Anticipation Note and a 2-year Bond Anticipation Note, each adjustable based on 30-day LIBOR pricing.

On the following page are two examples of how Spectrum's clients utilized bank financing to effect cost-effective, time saving refunding programs:

Example 1: Seacoast Utility Authority



Seacoast Utility Authority

Our goal at Seacoast was to effect a refunding of the Authority's \$19,000,000 through the issuance of two bank qualified transactions, the first of which took place in March of this year in the amount of \$10,000,000. The Authority simultaneously entered into a Forward Purchase Contract to establish the interest rate used to refund the remaining \$9,000,000 in calendar 2006. Each issue will include an embedded interest rate swap of variable to fixed rate debt to protect the utility from dramatic interest rate swings.

Example 2: City of Belle Glade, Florida



In May, we closed a bank loan transaction for the City, which was designed to advance, refund its currently outstanding \$13 million of water and sewer senior lien debt. The City was not meeting coverage on its subordinated indebtedness with the Department of Environmental protection and was seeking relief from its restrictive bond covenants. By issuing just under \$10,000,000 as a bank loan, and utilizing existing debt service and debt service reserve funds on hand in the escrow, we were able to significantly reduce the City's outstanding indebtedness and debt service. All of the City's objectives were met at closing of this transaction with benefits totaling over \$4 million.

Unlike fixed rate debt, which is locked in, variable rate demand obligations, also known as “floaters” are, tied to an index, which resets its rate periodically (i.e. 30-Day LIBOR). Under certain market circumstances, “floaters” are considered by issuers as a means to issue long term debt at short term rates and take advantage of declines in interest rates. .

Example 3: Palm Beach County, Florida



\$81,340,000
Palm Beach County, Florida
Public Improvement Refunding Revenue Bonds Series 2004
(Convention Center)

The County entered into a multi modal financing structure for the refunding of its Convention Center Bonds in 2004. The Bonds were initially issued in variable rate mode, and at the call date, the County will have the option to continue with the variable mode or convert to fixed rate mode. The County expects to achieve considerable savings between date of issuance and date of call using this financing method.

9. Business Ethics

Spectrum is not presently not has ever been in violation of any statutes or regulatory rules whatsoever, nor has it or its professionals ever been the subject of any litigation.

Spectrum is proud of its reputation, and has never been a party to any litigation or administrative proceeding related to professional activities involving the issuance of securities by a governmental agency. There is no pending litigation, investigation, or proceeding related to our activities relative to the issuance of bonds by a governmental agency or otherwise.

Spectrum has never paid a fine or entered into a settlement agreement with a State or Federal regulatory body regarding the public finance business. Spectrum is solvent. We have no long-term debt and no accounts receivable in excess of 30 days old. The firm has never filed for protection under the bankruptcy laws.

Further, we certify that Spectrum complies with all requirements of the Town's Request for Proposal Invitation.

To our knowledge, the selection of Spectrum to serve as financial advisor to the Town of Davie does not present any current conflict of interest. If engaged, should we encounter a potential conflict, we would immediately bring such matter to the attention of the Town, specifying the party with which there might be a conflict, the nature of the potential conflict, and the means proposed to resolve the conflict.

10. Additional Data

Rating Agency Experience

Spectrum has extensive experience with rating agencies on a wide variety of municipal credit issues. Our well-established relationships with rating analysts permit us to represent our clients' interests in a congenial, professional manner. Our reputation with the rating agencies is one of accuracy, reliability, advocacy, and honesty. As a result, creative approaches to solve client-related credit issues are often given an extended review.

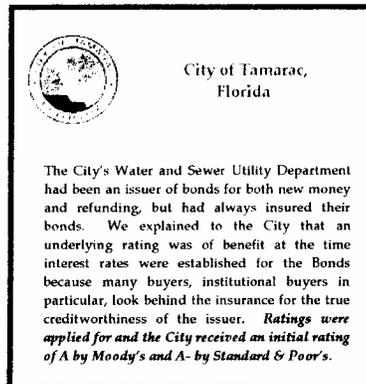
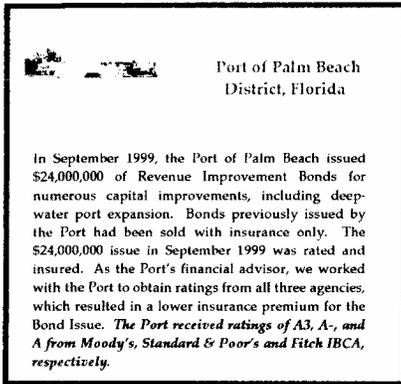
As the Town is aware, its relationship with the rating agencies requires vigilance, often counteracting historical perceptions. Our approach is to continuously update the agencies and provide advocacy, so that they can reach a comfort level with the information provided and be aware that changes in financial circumstances must be adequately reflected in the ratings. Even after the issuance of bonds, we will continue to provide the rating agencies with information regarding the progress of the Town and any important changes that may affect its credit rating.

The Spectrum team believes the most important spokesperson for the client is its own management. Overall, rating agencies seek confirmation that the management team can demonstrate sufficient expertise in technical, administrative, and financial areas necessary to direct a complex financing program. Spectrum's extensive experience (over 40 years of staff experience) in dealing directly with the major rating agencies will be extremely helpful in preparing management for formal rating presentations.

South Florida Water Management District

South Florida Water Management District

Issuance occurred when the District entered the market with a \$32,000,000 new money bond issue. The District, which is one of five, and the largest Water Control District in the State, pledged its 30% of Documentary Stamp Revenues as security for the Bonds. The rating agencies and bond insurers expressed concern over the reliability of Documentary Stamp Collections and the ability of the State Legislature to re-apportion such revenues. After a personal meeting with the rating agencies, we were able to convince them of the legislative intent of the pledge and demonstrate the history of the legislature to increase the rate of collection when redistributions were made. As a result, the South Florida Water Management District received A1, A+ ratings.



In-depth analysis and detailed preparation for rating agency questions and presentations are germane to addressing credit concerns of the agencies. We believe that regularly scheduled meetings, as well as informal sessions, with the rating agencies builds trust and an understanding between parties. The ability to define problems, outline solutions, implement those solutions, and respond to difficult, challenging circumstances demonstrates management strength.

Spectrum is committed to improving, whenever possible, the credit rating of our clients and will devote our entire resources to that end. In addition to the issue spotlights graphically displayed above, Spectrum's clients have achieved outstanding success and distinction with their bond ratings and upgrades:

- Over the years, Palm Beach County's General Obligation debt bond ratings have improved. Today, with ratings of Moody's Aaa, Standard & Poor's AAA and Fitch AAA, Palm Beach County is the only county in the State, which has reached the highest ratings categories of all three major national rating agencies for its General Obligation Bonds. The County is also one of only 39 counties in our Nation of 6,000 counties to achieve natural "Aaa/AAA/AAA" ratings without benefit of bond insurance.
- With ratings of "Aa1/AA+/AA+", Palm Beach County has the added distinction of being the highest rated county in Florida for debt secured with a non-ad valorem revenue pledge.
- In June 2005, the Town of Jupiter became the fourth municipality in Florida to receive an AAA rating from Fitch for its General Obligation Bonds. Despite the absence of a Comprehensive Annual Financial Report, we were able to convince the rating

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agencies of the Town's ability to exceed its policy to maintain an unreserved general fund balance of 25% of the general fund budget by 2% in FY 2004, despite sustaining \$10 million in hurricane damages.

- In late 2003, the Town of Jupiter Water Utility issued bonds for its system expansion. The Town was (and is) experiencing explosive growth in its western community. We convinced the rating agencies to visit the Town, not only to meet with management and tour the facility, but also to witness first-hand the development projects underway. A formal presentation was made, followed by the Town's Planning and Zoning staff. Details of each housing project were readily available. The analysts envisioned the service area expansion and left with an impression that may not have been possible without a site visit. The Town received ratings of Aa2 from Moody's, a first-time rating of AA+ from Fitch, and an upgrade from AA- to AA from Standard & Poor's, the highest ratings given for a Florida utility of this size.
- In October 2002 when the Palm Beach County Solid Waste Authority's debt ratings were upgraded by Moody's to Aa3 from A1 and by Standard & Poor's to AA- from A, it became the only Solid Waste Authority in Florida pledging stand-alone revenues to achieve this caliber of ratings.
- The first series of bonds issued for the Abacoa Development in Jupiter (issued by the Northern Palm Beach County Water Control District), was the largest dollar amount of raw land assessment based debt brought to market in Florida. The District was also the first of its kind to receive a bond rating. The Abacoa Bonds carry a Fitch Investors Service investment-grade rating of "Baa". We were able to secure bond insurance for the second series of Abacoa Bonds (described under the next sub-heading) Each issue was over-subscribed for during the initial underwriting and continue to be highly sought after by institutional as well as retail investors.
- As Financial Advisor to the South Florida Water Management District, we are preparing for the rating process for its proposed Certificates of Participation ("COP") for the Everglades Restoration Project. This is the first time that one of the State's five Water Management Districts will bring a COP issue to market.

Experience with Bond Insurance Providers

Bond insurance has become a most important tool in the financing of municipal debt and, here Spectrum has been successful in providing our clients with initial coverage at reasonable premium rates.

Through our efforts, the Indian Trail Water Control District was able to secure a policy of municipal bond insurance on the refunding of one of its Water Control and Improvement

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Bonds with a sole pledge of drainage tax assessments. We believe this was the first time an insurance policy was issued for drainage tax assessment bonds that did not include a secondary pledge.

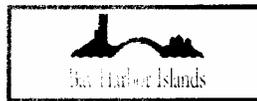


We also assisted the Palm Beach County Solid Waste Authority in securing a policy of insurance with a sole pledge of waste collection assessments, also a first in the industry.



We are currently working with the Town of Jupiter on a \$17 million General Obligation issue for environmentally sensitive lands. We accepted competitive bids for bond insurance from the five bond insurers. Due to the ratings success outlined above, we were able to secure among the lowest bond insurance premium bids for this type of financing in the State by three insurers. The Bonds are expected to be marketed with Ambac Insurance in mid-July 2005.

A client of the firm, the Town of Bay Harbor Islands, owns and operates the Broad Causeway, a toll bridge that connects mainland Miami-Dade County with the barrier island. Rating agencies and insurance providers are wary of toll roads and bridges for many reasons. The physical structures, subject to damage by both man and nature, are impacted by changing traffic patterns and competition from other non-toll facilities, and are subject to costly changes in environmental regulations. The financing project was at first rejected by all of the insurance companies; however, MBIA was finally convinced to make a site visit. The dynamics of the community and the unique location of the facility could not be adequately portrayed in words and required a personal observation to allay fears and misconceptions of the project. MBIA granted a policy of insurance at a favorable premium rate.



Assessment-based transactions are a specialty of Spectrum and we pride ourselves in understanding how to portray these financings to both rating agencies and bond insurers. One case in point is the Abacoa Development in northern Palm Beach County. Originally financed in two series by the Northern Palm Beach County Improvement District, the Series A Bonds carried interest rates reflecting its non-rated, uninsured status. We began, as soon as the development was in the ground, to achieve an investment grade rating for the bonds, which would allow us to insure the issue. In 2003, FitchRatings gave Abacoa a BBB rating, MBIA insured a refunding bond, and the property owners achieved a net present value savings of 10.67%. This was equal to \$4,717,921.47 or gross savings of \$22,876,971.71 over the life of the bonds.



Under the provisions of Chapter 189, Florida Statutes, Palm Beach County has established a dependent assessment district, the first ever created by Palm Beach County, to provide the infrastructure for the Scripps Research Institute at the

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Mecca site in Palm Beach Gardens. The Board of County Commissioners will sit as the Board of Supervisors. The \$125 million authorized financing will be supported by assessments and a pledge of the County's non-ad valorem revenues. We expect to present this issue to the rating agencies and bond insurers later this year.

Spectrum understands the value of effective communication and persistence with the rating agencies and credit enhancement agencies bond insurers . We look forward to putting our knowledge and experience in this area to the test by St. Lucie County.

Financial Advisory Transactions

Spectrum Municipal Services, Inc. has provided financial advisory services to units of Florida government since 1978 when it was known as Florida Municipal Advisors.

The following table demonstrates our experience as Financial Advisors from 1996 to date, which totals over \$4 billion in volume and encompasses 157 municipal transactions of virtually every type and purpose.

Spectrum Municipal Services, Inc.
Financial Advisory Transactions to Date

Date	Amount \$	Issuer and Description
2005		
11/22/05	38,005,000	West Villages Improvement District Unit # 2 Bond Anticipation Notes, Series 2005
09/09/05	13,028,760	Palm Beach County Scripps Biomedical Park Project Note (FAU) (SunTrust)
08/24/05	12,705,000	Indian Trail Improvement District Roadway Improvement Refunding Bonds, Unit R2, Series 2005
08/17/05	9,698,695	Belle Glade Water and Sewer Revenue Refunding Note (Bank Loan)
07/29/05	13,090,043	Port of Palm Beach District Revenue Refunding Bonds, Series 2005
07/27/05	6,440,000	Northern Palm Beach County Improvement District, Water Control & Improvement Refunding, Unit 5-B, Ser. 05
07/21/05	17,000,000	Jupiter General Obligation Bonds, Series 2005 (Environmental Lands Program)
07/07/05	13,485,000	Palm Beach County Revenue Refunding, Series 2005 (N. County Courthouse)
06/22/05	20,070,000	Palm Beach County Stadium Facilities Revenue Refunding, Series 2005
06/16/05	1,500,000	Northern Palm Beach County Improvement District, Unit No. 11 Loan
06/07/05	25,000,000	Palm Beach County General Obligation Bonds, Series 2005 (Recreational and Cultural Facilities)
05/25/05	133,935,000	Palm Beach County Public Improvement Revenue Bonds, Series 2005A (Biomedical Park Project)
05/25/05	8,000,000	Lake Worth Community Redevelopment Agency Improvement Loan, Series 2005 (10th Avenue Project)
05/20/05	6,901,176	Palm Beach Gardens General Obligation Refunding Bonds, Series 2005 (Bank Loan)
05/18/05	1,345,750	Northern Palm Beach County Improvement District Water Control & Improvement Loan Unit 19A
05/11/05	16,025,000	Palm Beach County General Obligation Refunding Bonds, Series 2005A (Recreation and Cultural Facilities)
05/04/05	9,520,000	Palm Beach County Public Improvement Revenue Refunding Bonds, Series 2005 (Judicial Center)
04/26/05	10,500,000	Palm Beach County Public Improvement Revenue BANs, Series 2005 (Convention Hotel) (Taxable)
04/20/05	3,655,000	Principal One Community Development District Special Assessment Bonds, Series 2005
04/20/05	3,020,778	Lake Clarke Shores Utility System Revenue Refunding Bonds, Series 2005 (Bank Loan)
04/20/05	25,805,000	Northern Palm Beach County Improvement District Water Control & Improvement Rfg. Bonds Unit 9-B, 2005
03/01/05	10,000,000	Seacoast Utility Authority Water and Sewer Utility System Revenue Refunding Bonds, Series 2005
02/15/05	<u>10,325,000</u>	West Villages Improvement District Unit # 2 Bond Anticipation Notes, Series 2005
Total	409,055,202	
2004		
11/17/04	69,925,000	Lake Worth Utility Sys. Refunding and Improvement Rev. Bonds, Series 2004 (Adjustable Rate Swap to Fixed)
10/19/04	24,427,515	Palm Beach County Public Improvement Revenue Bonds, Series 2004B Scripps Project (Taxable)
10/19/04	38,895,000	Palm Beach County Public Improvement Revenue Bonds, Series 2004A Scripps Project
10/04/04	50,000,000	Palm Beach County Solid Waste Authority Line of Credit, Series 2004
09/15/04	10,515,000	Mount Dora Health Facilities Authority Series 2004A Waterman Village
09/15/04	3,500,000	Mount Dora Health Facilities Authority Series 2004B Waterman Village
08/20/04	364,400	Palm Beach Gardens Public Safety Acquisition Notes, Series 2004 (Bank Loan)
07/25/04	1,800,000	Northern Palm Beach County Improvement District Multifamily Unit Loan, Series 2004 (Bank Loan)
07/25/04	3,700,000	Northern Palm Beach County Improvement District Emergency Operations Center Loan Series 2004
06/18/04	4,921,286	Quantum Community Development District Refunding Bonds, Series 2004
05/25/04	34,576,915	Palm Beach County Public Improvement Revenue BANs, Series 2004B Scripps Project
05/07/04	22,330,925	Palm Beach County Public Improvement Revenue BANs, Series 2004C Scripps Project (Taxable)
04/26/04	28,265,000	Palm Beach County Water and Sewer Refunding Bonds, Series 2004
03/31/04	5,595,000	Northern Palm Beach County Improvement District Unit 3 and 3A Refunding Bonds Series 2004
03/01/04	27,200,000	Palm Beach County Solid Waste Authority Public Improvement and Refunding Bonds, Series 2004
03/01/04	20,000,000	Palm Beach County Revenue Bond Anticipation Note Scripps Project (Bank Loan)
02/25/04	81,340,000	Palm Beach County Public Improvement Revenue Refunding Bonds Series 2004 (Convention Center)
01/28/04	94,300,000	Palm Beach County Public Improvement Revenue and Refunding Bonds Series 2004
01/22/04	<u>27,220,000</u>	Palm Beach Gardens Public Improvement and Refunding Bonds, Series 2004
Total	548,876,041	

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2003		
11/13/03	6,525,000	Palm Beach County, Florida, Public Improvement Recreational Facilities Refunding Bonds, Series 2003
11/05/03	26,995,000	Town of Jupiter Water Improvement Revenue Bonds, Series 2003
10/24/03	2,945,000	Sausalito Bay Community Development District
10/08/03	6,300,000	Northern Palm Beach County Improvement District, Unit 31 Refunding
09/26/03	2,744,000	Wyndam Park Community Development District
09/10/03	34,550,000	South Florida Water Management District Special Obligation Land Acquisition Refunding Bonds, Series 2003
08/28/03	9,140,000	Islands at Doral Community Development District
08/22/03	6,298,949	Bonita Springs Fire Control & Rescue District (Bank Loan)
07/29/03	25,000,000	Palm Beach County Florida Rec and Cultural Facilities General Obligation Bonds, Series 2003
07/09/03	30,500,000	Palm Beach County Florida Library General Obligation Bonds, Series 2003
06/16/03	26,785,000	Palm Beach County Water and Sewer Refunding Bonds, Series 2003
08/01/03	44,110,000	Northern Palm Beach County Improvement District Unit 9A Refunding Bonds Series, 2003
02/13/03	3,075,000	Pentathlon Community Development District
01/23/03	736,826	Northern Palm Beach County Improvement District Unit 43 (Bank Loan)
01/15/03	<u>765,000</u>	Northern Palm Beach County Improvement District Unit 36 (Bank Loan)
Total	226,469,775	
2002		
11/05/02	5,750,000	Kendall Breeze Community Development District
11/04/02	4,340,000	Northern Palm Beach County Improvement District Unit 27AB Botanica
10/31/02	7,692,586	Palm Beach County Bond Anticipation Notes, Series 2002 (Bank Loan)
10/29/02	70,429,386	Palm Beach County Solid Waste Authority Refunding and Improvement Bonds, Series 2002
10/22/02	6,025,000	Northern Palm Beach County Improvement District Unit 2A Evergreen
09/13/02	750,000	Northern Palm Beach County Improvement District Unit 48 (Taxable Bank Loan)
09/19/02	35,000,000	Broward Health Facilities Authority (John Knox Village) Revenue and Refunding Bonds
09/05/02	18,560,000	Palm Beach County Criminal Justice Revenue Refunding Bonds, Series 2002
08/29/02	23,810,000	South Florida Water Management District Special, Obligation Refunding Bonds, Series 2002
07/03/02	60,150,000	Palm Beach County Airport System Revenue Refunding Bonds, Series 2002
05/29/02	12,520,000	Mount Dora Health Facilities Authority (Waterman Village Project)
04/30/02	4,950,000	Century Parc Community Development District Series 2002
04/11/02	4,530,000	Northern Palm Beach County Improvement District Unit 45 Terrabrook
04/15/02	206,000	Northern Palm Beach County Improvement District Unit 19A Regional Center (Bank Loan)
03/28/02	1,788,100	Quantum Community Development District Promissory Note (Bank Loan)
02/12/02	13,920,000	Jupiter Water Revenue Refunding Bonds, Series 2002
01/24/02	<u>10,235,000</u>	Jupiter Sales Tax Revenue Refunding Bonds, Series 2002
Total	280,656,072	
2001		
11/21/01	5,565,000	Palm Beach County Health Facilities Authority Revenue Bonds Series B (Abbey Delray Project
11/21/01	6,475,000	Palm Beach County Health Facilities Authority Revenue Bonds Series A (Abbey Delray Project
09/25/01	21,535,000	Northern Palm Beach County Improvement District Unit 43 Mirasol
07/25/01	650,000	Northern Palm Beach County Improvement District Unit 2A (Bank Loan)
06/26/01	11,330,000	Town of Jupiter Florida General Obligation Bonds, Series 2001
06/01/01	83,965,000	Palm Beach County Airport System Revenue Refunding Bonds, Series 2001
05/23/01	300,000	Northern Palm Beach County Improvement District Unit 19 (Bank Loan)
05/15/01	80,705,000	Palm Beach County Public Improvement Revenue Bonds, Series 2001 (Convention Center)
04/30/01	14,190,000	Northern Palm Beach County Improvement District Water Control and Improvement, Unit 31, Refunding, 2001
03/13/01	75,000,000	Palm Beach County General Obligation Bonds, Series 2001
01/15/01	<u>3,247,939</u>	Seminole Improvement District Unit 3 Promissory Note, 2000 (Bank Loan)
Total	302,962,939	
2000		
12/13/00	11,255,000	Florida Housing Finance Corporation Housing Revenue Bond, Series 2000 S
11/20/00	8,815,000	Florida Housing Finance Corporation Housing Revenue Bond, Series 2000 Q-1
11/20/00	4,170,000	Florida Housing Finance Corporation Housing Revenue Bond, Series 2000 Q-1 (Taxable)
11/01/00	13,800,000	Palm Beach County Industrial Development Revenue Bonds South Florida Fair, Series 2000

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08/20/00	20,280,000	Palm Beach County (Sunshine State Financing Commission) Variable Rate Loan
07/27/00	20,480,000	Broward County Health Facilities Authority (Catholic Health Services)
05/31/00	1,637,000	Indian Trail Improvement District Consolidated Promissory Note, 2000 (Bank Loan)
03/01/00	3,545,000	Northern Palm Beach County Improvement District Water Control and Improvement, Unit 19, Series 2000
02/09/00	150,000,000	Miami-Dade County Expressway Authority Toll System Revenue, Series 2000
02/01/00	<u>9,255,000</u>	Indian Trail Improvement District Water Control and Improvement Bonds Unit 18, Series 2000
Total	243,237,000	
1999		
12/02/99	75,000,000	Palm Beach County General Obligation Bonds, Series 1999B (Land Acquisition)
10/20/99	3,715,000	Northern Palm Beach Co. Imp. Dist., Water Control and Improvement Bonds Unit 16, Refunding, Series 1999
10/19/99	25,000,000	Palm Beach County General Obligation Bonds, Series 1999A (Recreational Facilities)
07/27/99	13,745,000	Palm Beach County Water & Sewer Revenue Bonds Series 1985 (Restructuring)
07/01/99	6,525,000	Northern Palm Beach County Improvement District Water Control and Improvement Unit 5B, Series 1999
06/25/99	9,715,000	Delray Beach Community Redevelopment Agency, Tax Increment Financing and Refunding Series 1999A
06/25/99	2,105,000	Delray Beach Community Redevelopment Agency Tax Increment Fin & Rfg. Series 1999B (Taxable)
06/15/99	25,825,000	Northern Palm Beach County Improvement District Water Control & Imp. Unit 9B, (ABACO) Series 1999
04/15/99	9,200,000	Port of Palm Beach Note (Bank Loan)
04/15/99	8,554,630	South Florida Water Management District Revenue Note, Series 1999 (Bank Loan)
03/05/99	750,000,000	Joint Underwriters Association Line of Credit with Consortium (JP Morgan et. al.)
03/30/99	3,380,000	Westgate/Belvedere Homes Community Development Agency, Refunding, Series 1999
01/04/99	<u>5,000,000</u>	Tequesta Note (Bank Loan)
Total	937,764,630	
1998		
12/01/98	5,550,000	Northern Palm Beach County Improvement District Water Control and Improvement Unit 5D, Series 1998
10/23/98	10,000,000	South Florida Water Management District Note (Bank Loan)
09/02/98	36,435,432	Solid Waste Authority of Palm Beach County Revenue Refunding Series 1998 Tax-exempt
09/02/98	19,170,000	Solid Waste Authority of Palm Beach County Revenue Refunding Series 1998 Taxable
06/24/98	30,000,000	Palm Beach County Water and Wastewater Revenue Bonds, Series 1998
06/12/98	15,000,000	Housing Finance Authority of Palm Beach County, Single Family Mortgage Cert. of Participation Series 1998 B
06/12/98	15,000,000	Housing Finance Authority of Palm Beach County, Series 1998 A
05/27/98	1,061,367	Northern Palm Beach County Improvement District, Units 12A, 29, 32A, 33 Refunding, Series 1998 (Sun Loan)
04/30/98	45,625,000	Palm Beach County General Obligation Refunding, Series 1998
04/28/98	15,505,000	Housing Finance Authority of Palm Beach County, Multi-Family Revenue Bonds Series 1998 A&B
04/09/98	2,800,000	Palm Beach County Sheriff's Office Vehicle Purchase (Bank Loan)
04/08/98	7,000,000	Housing Finance Authority of Manatee Co. Single Family Mortgage Revenue Bonds, Series 1998
04/06/98	9,280,000	Northern Palm Beach County Improvement District Water Control and Imp. Rfg., Bonds, Series 1998 Unit #5A
04/06/98	3,485,000	Northern Palm Beach County Improvement District Water Control and Imp. Rfg. Bonds, Series 1998 Unit #24
03/11/98	7,915,000	Tequesta Water Improvement Revenue Bonds Series, 1998
03/11/98	33,980,000	Northern Palm Beach County Improvement District Water Control & Imp. Ref. Bonds, Series 1998 Unit #18
02/25/98	82,445,000	Palm Beach County Department of Airports Interest, Rate Swap Floating to Fixed, Series 1991
02/25/98	<u>61,090,000</u>	Palm Beach County Department of Airports Interest, Rate Swap Floating to Fixed, Series 1992
Total	401,341,799	
1997		
12/16/97	22,425,000	Palm Beach County Revenue Improvement Bonds Series 1997
10/24/97	16,100,000	Housing Finance Authority of Palm Beach County, Multi-Family Refunding Bonds Series 1997 A&B
08/14/97	5,950,000	Housing Finance Authority of Manatee Co. Multi-Family Refunding Bonds Series 1997A
08/14/97	935,000	Housing Finance Authority of Manatee Co. Multi-Family Refunding Bonds Series 1997B (Taxable)
08/08/97	32,775,000	Palm Beach County Criminal Justice Facilities Revenue Refunding Bonds, Series 1997
06/26/97	21,800,000	Housing Finance Authority of Palm Beach County, Single Family Mortgage Rev. Series 1997A
06/26/97	21,000,000	Housing Finance Authority of Palm Beach County, Single Family Mige. Series 1997B, Conv. Option Bonds
06/11/97	13,275,000	Housing Finance Authority of Palm Beach County, Multi-Family Mortgage Rev., Series 1997A
05/07/97	15,775,000	Indian Trail Water Control District Road Improvement Bonds Unit # R2, Series 1997
04/23/97	2,595,000	Northern Palm Beach County Improvement District Water Control and Improvement Unit#3A, Series 1997
03/12/97	12,500,000	Housing Finance Authority of Manatee Co. Single Family Mortgage Revenue, Series 1997 Sub.#1

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03/05/97	7,905,000	Housing Finance Authority of Palm Beach County, Multi-Family Mortgage Revenue Bonds.
03/01/97	339,040,000	Palm Beach County Solid Waste Authority Revenue Series 1997 A&C, Improvement Rev Bonds, Series 1997B
02/12/97	<u>5,000,000</u>	Palm Beach County Sheriff's Office Motor Pool (Bank Loan)
Total	517,075,000	

1996

12/17/96	28,010,000	Palm Beach County Stadium Facilities Revenue Bonds, Series 1996A
12/13/96	8,700,000	Housing Finance Authority of Palm Beach County Multi-Family Mortgage Bonds., Series 1996A
12/06/96	80,000,000	Dade County Expressway, Authority Toll System Revenue Bonds, Series 1996 (Taxable Floater)
10/28/96	1,500,000	Indian Trail Water Control District Improvement Bonds, Unit #17, Series 1996
10/22/96	13,267,894	Port of Palm Beach Revenue Improvement Bonds., Series 1996A
10/04/96	10,700,000	Port of Palm Beach Revenue Improvement Bonds, Series 1996B
10/01/96	4,120,000	Seminole Water Control District Improvement. Bonds., Unit No. 2, Series 1996
08/30/96	45,345,000	Northern Palm Beach County Improvement District Unit #9A
08/30/96	1,545,000	Northern Palm Beach County Improvement District Unit #9A (Taxable)
08/27/96	26,300,000	Palm Beach County Parks and Recreational Facilities Revenue Bonds, Series 1996
06/27/96	5,360,000	Northern Palm Beach County Improvement District Unit 5C
06/12/96	2,315,000	Indian Trail Water Control District Unit R/C
05/17/96	10,380,000	Manatee County Housing Finance Authority Single Family Mortgage Revenue, Series 1996 Sub.#1
05/01/96	4,300,000	Palm Beach County Sheriffs Office Motor Pool
03/14/96	10,000,000	Manatee County Housing Finance Authority Single Family Mortgage, Series 1996 (Variable)
02/16/96	8,310,000	Manatee County Housing Finance Authority Single Family Mortgage, Series 1994 Sub.#4
01/24/96	<u>9,155,000</u>	City of Tamarac Taxable Water and Sewer Refunding Revenue Bonds, Series 1996
Total	269,307,894	

SPECTRUM
MUNICIPAL SERVICES INC.

357 Hiatt Drive
Palm Beach Gardens, FL 33418
Tel: (561) 627-6064 - Fax: (561) 627-6261

Mr. Clark D. Bennett, Managing Director
Ms. Judith M. Roulis, Associate

Presentation to:

TOWN OF DAVIE, FLORIDA
January 12, 2005

Background

- **Firm Founded December, 1999**
- **Woman-owned Firm**

Patricia S. Bennett, President and Secretary
Clark D. Bennett, Vice President and Treasurer
Judith M. Roulis, Associate

- **Exclusive Financial Advisory Services**
- **No Conflict of Interest**
- **Solvency**
- **No Litigation**
- **Excellent References**

Town of Davie, Florida
Water and Sewer Refunding Revenue Bonds
(Acquisition of 2 private utilities)

- **Mr. Bennett's first transaction as Financial Advisor**
- **Issue challenged by City of Sunrise at Supreme Court level;
Bonds successfully issued**

Experience

- **2005 – Total Number of Issues: 23**
- **2005 – Total Dollar Volume: \$409,055,202**

- **1996 to Date – Total Number of Issues: 157**
- **1996 to Date – Total Dollar Volume: \$4.136 Billion**

- **Clark D. Bennett – 34 Years**
- **Judith M. Roulis – 30 Years**

- **Types of Transactions:**
 - **General Obligation**
 - **Revenue**
 - **Special Obligation**
 - **Special Assessment**
 - **Variable and Fixed Rate**
 - **Bridge Financing**
 - **Bank Loans**
 - **Lease Purchase**
 - **Forward Delivery**
 - **Pooled Loans**
 - **Certificates of Participation**

- **Transaction Purposes**
 - **Utilities**
 - **Land and Infrastructure**
 - **Sports and Convention Facilities**
 - **Capital Governmental Facilities**
 - **Housing**

Current Clients

- **Palm Beach County**
- **Palm Beach County Solid Waste Authority**
- **Seacoast Utility Authority**
- **Town of Jupiter**
- **City of Belle Glade**
- **City of Lake Worth**
- **City of Palm Beach Gardens**
- **Belmont Community Development District**
- **Century Park Community Development District**
- **Northern Palm Beach County Improvement District**
- **South Florida Water Management District**
- **West Villages Community Development District**

Rating Agency Expertise

- **Reputation**
- **Excellent Working Relationships**
 - **Moody's Investors Service**
 - **Standard & Poor's**
 - **FitchRatings**
- **Preparation of Management Team**
- **Ability to Define Problems and Outline Solutions**
- **In-Depth Analysis**
- **Commitment to Improve (Upgrade) Clients' Ratings**
- **Vigilance and Ongoing Services**
- **Initial Ratings and Upgrade Examples:**
 - **Palm Beach County General Obligation Bonds**
 - **Palm Beach County Non-Ad Valorem Revenue Bonds**
 - **Town of Jupiter General Obligation Bonds**
 - **Town of Jupiter Water Revenue Bonds**
 - **Palm Beach County Solid Waste Authority**
 - **Northern Palm Beach County Water Control District**
 - **South Florida Water Management District**
 - **City of Tamarac**
 - **Port of Palm Beach**

Credit Enhancement Expertise

- **Initial Coverage**
 - **Indian Trail Water Control District**
 - **Palm Beach County Solid Waste Authority**
 - **Town of Bay Harbor Islands**
 - **Northern Palm Beach County Improvement District (Abacoa)**
 - **Palm Beach County (Scripps Biotechnical Park)**

Commercial Lending

An alternative solution...

- **Renewed Interest**
- **Continual Monitoring of Interest by Commercial Banks**
- **Excellent Relationships**
- **“Bank Qualified” Opportunities**
- **Structuring Experience**
- **Negotiation and Competitive Bidding**
 - **Fixed Rate Loans**
 - **Variable Rate Indexed Loans (“Floaters”)**
 - **Lines of Credit**
- **Economic Efficiency**
- **Examples of Commercial Loan Experience**
 - **Seacoast Utility Authority**
 - **City of Belle Glade**
 - **Palm Beach County Convention Center**
 - **Town of Bay Harbor Islands**
 - **Northern Palm Beach County Improvement District (Abacoa)**
 - **Palm Beach County (Scripps Biotechnical Park)**
 - **City of Palm Beach Gardens**

Pricing Methodology

Additional Steps to Assure the Lowest Cost of Borrowing

- **Monitor Forward Calendar**
- **Discuss Market Timing and Tone**
- **Establish Pre-Pricing Call**
- **Track Rates, Take Downs and Spreads**
- **Follow-up After Order Period**
- **Provide input on Appropriate Compensation**
- **Alternatives to Permitted Investments**
- **Opportunities to Reduce Reserve Requirement**

Why Spectrum?

- Reputation
- Research Capability
- Ability to Look Beyond Convention
- Continual Monitoring for Savings Benefits
- "In-House" Facilities and Personnel
- "Team Approach"
- Quick Transaction Turnarounds
- Fair and Reasonable Per-Bond Fees
- No Hourly Fees
- Cost-Conscious and Efficient
- Minimum of Staff Time
- Convenient Location
- Availability

SPECTRUM

MUNICIPAL SERVICES, INC.

357 HIATT DRIVE
PALM BEACH GARDENS, FL. 33418
P.(561) 627-6064, F.(561) 627-6261
EMAIL: CDB@SPECTMUNICIPAL.COM

December 20, 2006

Town of Davie, Florida
6591 Orange Drive
Davie, FL 33314-3399

Dear Ladies and Gentlemen:

We are pleased to submit our Price Proposal to the Town of Davie in connection with its Request for Proposals for Financing Consulting Services.

Spectrum Municipal Services, Inc. ("Spectrum") proposes the following fees for the issuance of General Obligation Bonds, Revenue Bonds and Non Ad Valorem Revenue Bonds and Notes issued by the Town in negotiated or competitive bid format. *Please see "Consulting Services", below.*

Per issue - \$15,000 Minimum Fee

\$2.00 per \$1,000 principal amount up to and including \$5,000,000 plus
\$1.50 per \$1,000 principal amount on the next \$15,000,000 plus
\$1.00 per \$1,000 principal amount remaining
Plus Out-of-Pocket Expenses

Leases and Private Placements

Flat Fee of \$7,500 per transaction
Plus Out-of-Pocket Expenses

Bank Financing

Flat Fee of \$7,500 per transaction
Plus Out-of-Pocket Expenses

Alternative Financing Schedule

For derivative-based transactions, we would propose to negotiate a fee acceptable to the Town.

Consulting Services

We are reluctant to quote hourly fees to the Town for services unrelated to debt issuance because we believe that such fees may discourage contact with us when consultation is needed. Therefore, Spectrum will not charge hourly fees to the Town for the services outlined in A, B, and C, of its Request for Proposals for Financial Consulting Services.

Expenses

Expenses of the firm to be billed to the Town, will be itemized and may include items such as overnight and two-day document shipping (i.e. Federal Express), as necessary, large document copying, travel outside the Town (i.e. travel for rating agency presentations), and conference call charges. Spectrum is efficient and cost-conscious, and any such expenses will be billed to the Town at our cost. Spectrum will not request reimbursement for non-conference telephone calls, fax or round-trip travel from our offices to the Town.

All expense reimbursement shall be in accordance with Town and State guidelines.

Billing and Payment Terms

Spectrum proposes to be compensated by the Town the above per-issue fees at Closing of bond and note transactions, via bank wire or check.

Please Note: Spectrum has no arrangement with any individual or entity with respect to the sharing of any compensation, fees or profit received from or in relation to acting as financial advisor to the Town or whose compensation is based in whole or in part on compensation for acting as financial advisor to the Town.

Respectfully submitted,

SPECTRUM MUNICIPAL SERVICES, INC.



Clark D. Bennett
Managing Director
cdb@spectmunicipal.com