

Arbitrage

GADA Policy #: II.3

Purpose:

Summarize liabilities and responsibilities related to arbitrage

Policy:

GADA will have arbitrage reports prepared annually in accordance with the existing general indenture and loan agreements.

The Reserve Fund liabilities and Computation Date Credits of individual series will be allocated by the arbitrage consultant to each borrower in the issue based on a pro-rata allocation of the par amount of bond proceeds received.

All future rebate reports will show allocations and cumulative rebate liability by borrower within the report.

Any rebate liabilities owed by a borrower will be deposited into the individual borrower's rebate fund account held with the trustee to pay the rebate liability. In the event other participants earned a negative rebate liability, those negative liabilities would not offset the positive liabilities of the other borrowers.

GADA would retain all positive liabilities that were offset by other negative liabilities. The money will be deposited and utilized according to statute.

Responsibility: Executive Director

Statutory Reference: ARS 41-1554 et seq

Rule Reference: R20-8-204

Original Issue Date: July 22, 2009 – Effective retroactively to program inception

Approved by GADA Board of Directors: July 22, 2009

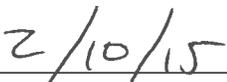
Previous Amendment Date(s): N/A

Most Recent Amendment Date: N/A

Approval:



Executive Director



Date