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**United States Department of State  
and the Broadcasting Board of Governors  
Office of Inspector General**

**Office of Audits**

**Independent Accountants' Report on the  
Application of Agreed-Upon Procedures on Final Buyout Claim by  
Enviro-Management & Research, Inc.,  
Under Contract No. S-FBOAD-98-D0010**

**Report Number AUD/CG-08-28, May 2008**

**Leonard G. Birnbaum and Company, LLP, Certified Public Accountants,  
performed the agreed-upon procedures under Department of State, Office of  
Inspector General, Contract No. S-AQM-PD-04-D-0033, and by acceptance, the  
report becomes a product of the Inspector General.**



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**Mark W. Duda  
Assistant Inspector General  
Office of Audits**

*5/15/08*

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**Date**

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### Summary

At the request of the Department of State, Office of Inspector General (OIG), Leonard G. Birnbaum and Company, LLP, Certified Public Accountants, performed certain agreed-upon procedures to determine whether the January 30, 2008, final buyout claim submitted by Enviro-Management & Research, Inc. (EMR), under Contract No. S-FBOAD-98-D0010 was reasonable, allocable, and allowable under relevant federal cost principles and the terms and conditions of the contract.

We concluded that the claim made by EMR is without merit and that the Department has overpaid the amount financed for this project. We recommend that the Department require EMR to repay \$15,607.03 and decline to pay EMR's \$146,757.58 buyout claim.

### Background

The Department's Bureau of Overseas Buildings Operations awarded Delivery Order No. 0002 under Contract No. S-FBOAD-98-D0010 to EMR, Inc., on November 15, 2003. The delivery order provided for installation of lighting and HVAC controls upgrades at the U.S. embassy compound in Santo Domingo, Dominican Republic. The delivery order was an energy savings performance contract under which EMR guaranteed annual cost savings resulting from the upgrades.

The total project cost was \$462,451, of which \$430,546 was to be financed. The financed amount consisted of two elements: a \$395,546 project balance and a \$35,000 margin balance. Under the delivery order, the Department could withhold portions of the margin debt service amount against any guaranteed energy savings performance claimed and not achieved by EMR. The Department's payments to EMR included project principal, project interest, margin principal, margin interest, and an annual contract administrative fee.

Financing was to be over a 10-year period using an interest rate of 8.7 percent. Because the delivery order provided for payment over a 10-year period, the delivery order contained a termination liability schedule. The termination liability schedule identified, by month, the amount the Department would be required to pay EMR if the Department terminated or canceled the contract for any reason before the Department completed payment of the amount financed. The termination liability was established at 105 percent of any amount of the financed project cost that remained unpaid at the time of contract cancellation.

On January 30, 2008, EMR presented a \$146,757.58 claim, identified as the "final buyout of energy savings performance task order." The details of this claim and audit recommendations are in Exhibit A.

## Purpose, Scope, and Methodology

We performed this agreed-upon procedures engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and in accordance with *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described either for the purpose for which this report has been requested or any other purpose. The procedures we performed are summarized as follows:

- Reviewed Delivery Order No. 0002 under contract No. S-FBOAD-98-D0010.
- Reviewed EMR's January 30, 2008, \$146,757.58 claim.
- Reviewed the delivery order's original financing repayment schedule.
- Reviewed the rationale presented by EMR in support of its claim.
- Reviewed EMR's calculations of revised repayment schedules after buydowns of the outstanding balance by the Department.
- Reviewed EMR's presentation of the allocation of payments between principal financed and other categories.
- Reviewed the amount presented as Margin Debt Service Payment as calculated by EMR.
- Developed a repayment schedule that considered (1) recommended reallocation of payments by the Department and (2) application of buydown amounts to the principal balance at the time of buydown.

Because the procedures described do not constitute an audit conducted in accordance with generally accepted auditing standards or *Government Auditing Standards*, we do not express an opinion on the adequacy and compliance of the reviewed claim. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. In connection with the procedures referred to, no matters came to our attention that caused us to believe that there were significant inadequacies or noncompliance related to the areas reviewed.

This report is intended solely for the use of the U.S. Department of State, Office of Inspector General, and the Department's Bureau of Overseas Buildings Operations and should not be used by anyone who has not agreed to the procedures and has taken responsibility for the sufficiency of the procedures for their purposes. This report relates only to the claim specified.

## Results

At the beginning of this engagement, we requested that EMR provide the details of, and rationale for, the amounts included in its claim. We expressed a specific interest in how a termination liability in excess of \$130,000 could remain after the Department had paid approximately \$470,000 against \$430,000 financed. EMR responded as follows:

The methodology, which was provided to DOS in an October 16, 2006 e-mail, used to apply partial buydown payments to the project financing is that the future Project Debt Service Payments due by DOS are reduced dollar for dollar starting with the payment due the furthest date out in the future and working toward the nearest payment due date until all of the buydown dollars are used. All of the financing completed in the Federal energy space is based on the Government paying all of the debt payments throughout the term and not paying periodic partial buydowns. The Government has the option to pay the Total Termination Amount at any point in time in order to complete the financing, however, all partial buydowns are applied in the manner described above in order to enable the Government to use any year end funds that may become available.

This position has no substance. First, the purpose of a termination liability provision is to ensure that the contractor does not suffer any loss in the event the Government terminates or otherwise cancels the contract before the contractor has recovered its investment (in this case, the costs financed)—it is to protect the contractor, not to provide additional profit or windfall.<sup>1</sup> For that reason, the amount of the termination liability is reduced pro rata with every payment by the Government. EMR's suggestion that the Department somehow has a termination liability of \$143,824 after paying approximately \$470,000 against \$430,000 financed is not logical.

Second, we do not agree that “all of the financing completed in the federal energy space is based on the Government paying all of the debt payments throughout the term and not paying periodic partial buydowns.” EMR has not provided us with any documentation that supports a premise that the Department agreed to a financing repayment/buydown process different from that used conventionally; that is, the amount of any buydown or prepayment is applied to the balance of principal at the time the payment is made.

The original payment schedule contemplated a payment by the Department in August 2005 of \$64,612 and quarterly payments of \$16,064.87 beginning in August 2006

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<sup>1</sup> For example, 15 U.S.C. 5806(b), “Termination Liability,” subparagraph (2), states: “Contracts that provide for the payment of termination liability . . . shall include a fixed schedule of such termination liability payments. **Liability under such contracts shall not exceed the total payments which the Government would have made after the date of termination to purchase the good or service if the contract were not terminated.**” (Emphasis added.)

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and ending in May 2015. This original schedule, annotated with the corresponding monthly termination liability amounts, is shown in Schedule A-1. This schedule is identical to the schedule identified by EMR as the original payment schedule. At two points during the contemplated term of the payment schedule, the Department made two significant unscheduled additional payments: one in November 2005 for \$140,000 and one in December 2006 for \$200,000. Schedule A-2 shows the schedule of payments made by the Department as allocated by EMR between (1) the amount to be paid to the bank to cover the \$430,546 that was financed; (2) the amount to be paid to EMR for Margin Debt Service Payment to be credited back to the Department; and (3) the amount to be paid to EMR for contract administrative fee, together with the corresponding amounts recommended by us. This schedule also shows that we disagree with the allocation presented by EMR, particularly in the amounts allocated to contract administrative fee.

We prepared a revised payment schedule that gives effect to (1) the two significant additional payments and (2) our recommended allocation of payments by the Department. Schedule A-3 shows the revised payment schedule, which presents activity during the entire financing term, and shows that the Department has overpaid principal and interest by \$2,475.73.

EMR's explanation of its repayment calculation methodology was accompanied by two repayment schedules prepared by EMR: one reflecting the buydown payment of \$140,000 (Schedule A-4) and the other (Schedule A-5) reflecting the second buydown payment of \$200,000, both recalculated back to July 2005.<sup>2</sup> EMR was unable to explain why, in Schedule A-4, a principal balance of \$375,160 would remain on an initial borrowing of \$430,546 after a payment of \$140,000 or why, in Schedule A-5, a principal balance of \$271,908 would remain after an additional payment of \$200,000. We noted that neither schedule presents the totality of payments, starting with the original financed amount of \$430,546.

In summary, as detailed in Exhibit A, we concluded that the EMR claim of \$147,757.58 is without merit and that the Department has overpaid the amount financed for this project and is therefore due a repayment.

**Recommendation 1:** We recommend that the Bureau of Administration, Office of Logistics Management, Office of Acquisitions Management, decline to pay Enviro-Management & Research, Inc., its buyout claim under the contract and require the company to reimburse the Department of State for overpayments totaling \$15,607.03.

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<sup>2</sup> As noted, EMR applied the buydown amounts first to the "furthest date out in the future" and worked back.

**Enviro-Management & Research, Inc.  
Final Claim Under Contract No. S-FBOAD-98-D0010**

**Summary of Amounts Claimed and  
Audit Recommendations**

	<u>Amount Claimed</u>	<u>Audit Recommended</u>	<u>Note</u>
Project Debt Service Payment due 2/10/2008	\$16,064.87	(\$2,475.73)	1
Termination amount due on 2/10/2008	143,824.01	-0-	2
Credit due for overpayment of Margin Debt Service Payment	<u>(13,131.30)</u>	<u>(13,131.30)</u>	3
Total	<u>\$146,757.58</u>	<u>\$ (15,607.03)</u>	

**Notes**

1. Schedule A-3, which arrays payments by the Department and remaining balances after each payment, demonstrates that not only does the Department not have a payment due of \$16,064.87, as asserted by EMR, but also that the Department has overpaid the amount financed by \$2,475.73.
2. Since there is no balance due on the amount financed, there is no corresponding termination liability.
3. This amount represents the balance of overpayment by the Department of debt service associated with margin that is the responsibility of EMR. We consider this amount to have been calculated accurately.

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**Enviro-Management Research, Inc.  
Final Buyout Claim  
Contract No. S-FBOAD-98-D0010  
Original Payment Schedule**

**Schedule A-1**

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<u>Payment Date</u>	<u>Payment</u>	<u>Decrease</u>	<u>Increase</u>	<u>Balance</u>	<u>Termination Liability</u>
6/10/2005				\$ 430,546.00	\$ 452,073.30
7/10/2005			\$ 3,121.46	433,667.46	455,350.83
8/10/2005	\$ 64,612.00	\$ 61,467.91	3,144.09	372,199.55	390,809.52
10/10/2005			2,718.01	377,616.00	396,496.80
11/10/2005			2,737.72	380,353.72	399,371.41
12/10/2005			2,757.56	383,111.29	402,266.85
1/10/2006			2,777.56	385,888.84	405,183.28
2/10/2006			2,797.69	388,686.54	408,120.86
3/10/2006			2,838.41	391,504.51	411,079.74
4/10/2006			2,838.41	394,342.92	414,060.07
5/10/2006			2,858.99	397,201.91	417,062.00
6/10/2006			2,879.71	400,081.62	420,085.70
7/10/2006			2,900.59	402,982.21	423,131.32
8/10/2006	16,064.87	13,143.25	2,921.62	389,838.96	409,330.91
9/10/2006			2,846.82	392,665.30	412,298.56
10/10/2006			2,846.82	395,512.12	415,287.73
11/10/2006	16,064.87	13,197.41	2,812.12	382,314.71	401,430.45
12/10/2006			2,771.78	385,086.49	404,340.82
1/10/2007			2,791.88	387,878.37	404,340.82
2/10/2007	16,064.87	13,252.75	2,812.12	374,625.62	393,356.90
3/10/2007			2,716.04	377,341.66	396,208.74
4/10/2007			2,735.73	380,077.38	399,081.25
5/10/2007	16,064.87	13,309.31	2,755.56	366,768.07	385,106.48
6/10/2007			2,659.07	369,427.14	387,898.50
7/10/2007			2,678.35	372,105.49	390,710.76
8/10/2007	16,064.87	13,367.11	2,697.76	358,738.38	376,675.30
9/10/2007			2,600.85	361,339.24	379,406.20
10/10/2007			2,619.71	363,958.95	382,156.89
11/10/2007	16,064.87	13,426.17	2,638.70	350,532.78	368,059.42
12/10/2007			2,541.36	353,074.14	370,727.85
1/10/2008			2,559.79	355,633.93	373,415.63
2/10/2008	16,064.87	13,486.52	2,578.35	342,147.40	359,254.78
3/10/2008			2,480.57	344,627.97	361,859.37
4/10/2008			2,498.55	347,126.53	364,482.85
5/10/2008	16,064.87	13,548.20	2,516.67	333,578.32	350,257.24
6/10/2008			2,418.44	335,996.77	352,796.60
7/10/2008			2,435.98	338,432.74	352,796.60
8/10/2008	16,064.87	13,611.23	2,453.64	327,176.47	343,535.29
9/10/2008			2,354.96	327,176.47	343,535.29
10/10/2008			2,372.03	329,548.50	346,025.92

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**Enviro-Management Research, Inc.  
Final Buyout Claim  
Contract No. S-FBOAD-98-D0010  
Original Payment Schedule**

**Schedule A-1**

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<u>Payment Date</u>	<u>Payment</u>	<u>Decrease</u>	<u>Increase</u>	<u>Balance</u>	<u>Termination Liability</u>
11/10/2008	16,064.87	13,675.64	2,389.23	315,872.85	331,666.50
12/10/2008			2,290.08	318,162.93	334,071.08
1/10/2009			2,306.68	320,469.61	336,493.09
2/10/2009	16,064.87	13,741.47	2,323.40	306,728.15	322,064.55
3/10/2009			2,223.78	308,951.93	324,399.52
4/10/2009			2,239.90	311,191.83	326,751.42
5/10/2009	16,064.87	13,808.73	2,256.14	297,383.10	312,252.26
6/10/2009			2,156.03	299,539.13	314,516.08
7/10/2009			2,171.66	301,710.79	316,796.33
8/10/2009	16,064.87	13,877.47	2,187.40	287,833.32	302,224.99
9/10/2009			2,086.79	289,920.11	304,416.12
10/10/2009			2,101.92	292,022.03	306,623.13
11/10/2009	16,064.87	13,947.71	2,117.16	278,074.32	291,978.04
12/10/2009			2,016.04	280,090.36	294,094.88
1/10/2010			2,030.66	282,121.02	296,227.07
2/10/2010	16,064.87	14,019.49	2,045.38	268,101.52	281,506.60
3/10/2010			1,943.74	270,045.26	283,547.52
4/10/2010			1,957.83	272,003.09	285,603.24
5/10/2010	16,064.87	14,092.85	1,972.02	257,910.24	270,805.75
6/10/2010			1,869.85	259,780.09	272,769.09
7/10/2010			1,883.41	261,663.50	274,746.67
8/10/2010	16,064.87	14,167.81	1,897.06	247,495.69	259,870.47
9/10/2010			1,794.34	249,290.03	261,754.53
10/10/2010			1,807.35	251,097.38	263,652.25
11/10/2010	16,064.87	14,244.41	1,820.46	236,852.97	248,695.62
12/10/2010			1,717.18	238,570.15	250,498.66
1/10/2011			1,729.63	240,299.79	252,314.77
2/10/2011	16,064.87	14,322.70	1,742.17	225,977.09	237,275.94
3/10/2011			1,638.33	227,615.42	238,996.19
4/10/2011			1,650.21	229,265.63	240,728.92
5/10/2011	16,064.87	14,402.69	1,662.18	214,862.94	225,606.09
6/10/2011			1,557.76	216,420.70	227,241.73
7/10/2011			1,569.05	217,989.75	228,889.23
8/10/2011	16,064.87	14,484.44	1,580.43	203,505.30	213,680.57
9/10/2011			1,475.41	204,980.72	215,229.75
10/10/2011			1,486.11	206,466.83	216,790.17
11/10/2011	16,064.87	14,567.99	1,496.88	191,898.84	201,493.78
12/10/2011			1,391.27	193,290.11	202,954.61
1/10/2012			1,401.35	194,691.46	204,426.03

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**Enviro-Management Research, Inc.  
Final Buyout Claim  
Contract No. S-FBOAD-98-D0010  
Original Payment Schedule**

**Schedule A-1**

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<u>Payment Date</u>	<u>Payment</u>	<u>Decrease</u>	<u>Increase</u>	<u>Balance</u>	<u>Termination Liability</u>
2/10/2012	16,064.87	14,653.36	1,411.51	180,038.10	189,040.01
3/10/2012			1,305.28	181,343.38	190,410.55
4/10/2012			1,314.74	182,658.12	191,791.03
5/10/2012	16,064.87	14,740.60	1,324.27	167,917.52	176,313.40
6/10/2012			1,217.40	169,134.92	177,591.67
7/10/2012			1,226.23	170,361.15	178,879.21
8/10/2012	16,064.87	14,829.75	1,235.12	155,531.40	163,307.97
9/10/2012			1,127.60	156,659.00	164,491.95
10/10/2012			1,135.78	157,794.78	165,684.52
11/10/2012	16,064.87	14,920.86	1,144.01	142,873.92	150,017.62
12/10/2012			1,035.84	143,909.76	151,105.25
1/10/2013			1,043.35	144,953.10	152,200.76
2/10/2013	16,064.87	15,013.96	1,050.91	129,939.14	136,436.10
3/10/2013			942.06	130,881.20	137,425.26
4/10/2013			948.89	131,830.09	138,421.60
5/10/2013	16,064.87	15,109.10	955.77	116,720.99	122,557.04
6/10/2013			846.23	117,567.22	123,445.58
7/10/2013			852.36	118,419.58	124,340.56
8/10/2013	16,064.87	15,206.33	858.54	103,213.25	108,373.91
9/10/2013			748.30	103,961.55	109,159.62
10/10/2013			753.72	104,715.27	109,951.03
11/10/2013	16,064.87	15,305.68	759.19	89,409.58	93,880.06
12/10/2013			648.22	90,057.80	94,560.69
1/10/2014			652.92	90,710.72	95,246.26
2/10/2014	16,064.87	15,407.22	657.65	75,303.50	79,068.68
3/10/2014			545.95	75,849.46	79,641.93
4/10/2014			549.91	76,399.36	80,219.33
5/10/2014	16,064.87	15,510.97	553.90	60,888.39	63,932.81
6/10/2014			441.44	61,329.83	64,396.32
7/10/2014			444.64	61,774.47	64,863.19
8/10/2014	16,064.87	15,617.01	447.86	46,157.47	48,465.34
9/10/2014			334.64	46,492.11	48,816.71
10/10/2014			337.04	46,829.18	49,170.63
11/10/2014	16,064.87	15,725.36	339.51	31,103.82	32,659.01
12/10/2014			225.30	31,329.32	32,895.79
1/10/2015			227.14	31,556.46	33,134.28
2/10/2015	16,064.87	15,836.09	228.78	15,720.37	16,506.39
3/10/2015			113.97	15,834.34	16,626.06
4/10/2015			114.80	15,949.14	16,746.60
5/10/2015	16,064.87	15,949.24	116.63	(0.10)	(0.10)

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**Enviro-Management Research, Inc.  
Final Buyout Claim  
Allocation of Payments**

**Schedule A-2**

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<u>EMR Invoice No.</u>	<u>Amount Paid by DOS</u>	<u>Type of Payment</u>	<u>Payment Amount to Bank</u>	<u>Payment Amount Paid to EMR for MDSP* to be Credited Back to DOS</u>	<u>Payment Amount Paid to EMR for Contract Administrative Fee</u>	<u>Payment Received</u>
<b>Per EMR:</b>						
1	\$ 72,664.52	Regular	\$ 64,612.00	\$ 5,252.52	\$ 2,800.00	9/16/2005
2	140,000.00	Buydown	121,761.09	13,338.91	4,900.00	11/23/2005
3	18,078.00	Regular	16,064.87	1,313.13	700.00	7/25/2006
4	200,000.00	Buydown	184,242.44	7,357.56	8,400.00	12/14/2006
5	18,078.00	Regular	16,064.87	1313.13	700.00	11/22/2006
6	18,078.00	Regular	16,064.87	1313.13	700.00	3/6/2007
7	18,078.00	Regular	16,064.87	1313.13	700.00	5/9/2007
8	18,078.00	Regular	16,064.87	1313.13	700.00	9/24/2007
9	16,165.05	Regular	16,064.87	-	100.18	1/16/2008
10	-		-	-	-	Delinquent
<b>Total:</b>	<b>\$ 519,219.57</b>		<b>\$ 467,004.75</b>	<b>\$ 32,514.64</b>	<b>\$ 19,700.18</b>	

\*Margin Debt Service Payment

**Auditor recommended:**

1	\$ 72,664.52		\$ 66,712.00	\$ 5,252.52	\$ 700.00
2	140,000.00		123,861.09	13,338.91	2,800.00
3	18,078.00		16,064.87	1,313.13	700.00
4	200,000.00		192,642.44	7,357.56	-
5	18,078.00		15,364.87	1,313.13	1,400.00
6	18,078.00		16,064.87	1,313.13	700.00
7	18,078.00		16,064.87	1,313.13	700.00
8	18,078.00		16,064.87	1,313.13	700.00
9	16,165.05		16,165.05	-	
10	-		-	-	
<b>Total:</b>	<b>\$ 519,219.57</b>		<b>\$ 479,004.93</b>	<b>\$ 32,514.64</b>	<b>\$ 7,700.00</b>

**Note:**

Payments made by the Department were to EMR. Therefore, the allocation of those payments shown as **Per EMR** is the designation made by EMR. Except for the amounts designated as **Contract Administrative Fee**, we consider the allocations reasonable. The Contract Administrative Fee was set at \$700 per quarter, or \$2,800 per year. EMR has designated portions of buydown payments as allocable to the Contract Administrative Fee. We disagree. The Contract Administrative Fee is a function of time, not of the amount paid. Accordingly, we have recommended an amount for Contract Administrative Fee that approximates \$700 per quarter for the length of time the payback was in effect (beginning September 15, 2005) and transferred the difference to **Payment Amount to Bank**.

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**Enviro-Management Research, Inc.  
Final Buyout Claim  
Termination Liability**

**Schedule A-3**

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<u>Payment Date</u>	<u>Payment</u>	<u>Decrease</u>	<u>Increase</u>	<u>Balance</u>	<u>Termination Liability</u>
6/10/2005				\$ 430,546.00	\$ 452,073.30
7/10/2005			\$ 3,121.46	433,667.46	455,350.83
8/10/2005	\$ 66,712.00	\$ 63,567.91	3,144.09	370,099.55	388,604.52
9/10/2005			2,683.22	372,782.77	391,421.91
10/10/2005			2,702.68	375,485.44	394,259.72
11/10/2005			2,722.27	378,207.71	397,118.10
11/23/2005	123,861.09		2,757.56	257,104.18	269,959.39
12/10/2005			1,864.01	258,968.19	271,916.60
1/10/2006			1,877.52	260,845.71	273,887.99
2/10/2006			1,891.13	262,736.84	275,873.68
3/10/2006			1,904.84	264,641.68	277,873.77
4/10/2006			1,918.65	266,560.33	279,888.35
5/10/2006			1,932.56	268,492.90	281,917.54
6/10/2006			1,946.57	270,439.47	283,961.44
7/10/2006			1,960.69	272,400.16	286,020.16
8/10/2006	16,064.87	14,089.97	1,974.90	258,310.19	271,225.70
9/10/2006			1,872.75	260,182.94	273,192.08
10/10/2006			1,886.33	262,069.26	275,172.73
11/10/2006	16,064.87	14,164.87	1,900.00	247,904.39	260,299.61
12/10/2006			1,797.31	249,701.70	262,186.79
12/14/2006	192,642.44			57,059.26	59,912.22
1/10/2007			1,810.34	58,869.60	61,813.08
2/10/2007	15,364.87	14,938.07	426.80	43,931.53	46,128.11
3/10/2007			318.50	44,250.04	46,462.54
4/10/2007			320.81	44,570.85	46,799.39
5/10/2007	16,064.87	15,741.73	323.14	28,829.12	30,270.57
6/10/2007			209.01	29,038.13	30,490.04
7/10/2007			210.53	29,248.66	30,711.09
8/10/2007	16,064.87	15,852.82	212.05	13,395.84	14,065.53
9/10/2007			97.12	13,492.96	14,167.61
10/10/2007			97.82	13,590.78	14,270.32
11/10/2007	16,165.05	16,165.05	98.53	(2,475.73)	(2,599.52)
	\$ 479,004.93				

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**EMR-DOS Santo Domingo Project  
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<u>Payment #</u>	<u>Payment Date</u>	<u>Payment</u>	<u>Decrease</u>	<u>Increase</u>	<u>Balance</u>	<u>Termination Liability</u>
	7/10/2005	-	-	-	\$ 375,160.24	\$ 393,918.25
	7/10/2005	-	-	\$ 2,719.91	377,880.15	396,774.16
1	8/10/2005	\$ 64,612.00	\$ 61,872.37	2,739.63	316,007.78	331,808.17
	9/10/2005	-	-	2,291.06	318,298.84	334,213.78
	10/10/2005	-	-	2,307.67	320,606.50	336,636.83
	11/10/2005	-	-	2,324.40	322,930.90	339,077.44
	12/10/2005	-	-	2,341.25	325,272.15	341,535.76
	1/10/2006	-	-	2,358.22	327,630.37	344,011.89
	2/10/2006	-	-	2,375.32	330,005.69	346,505.98
	3/10/2006	-	-	2,392.54	332,398.23	349,018.14
	4/10/2006	-	-	2,409.89	334,808.12	351,548.53
	5/10/2006	-	-	2,427.36	337,235.48	354,097.25
	6/10/2006	-	-	2,444.96	339,680.44	356,664.46
	7/10/2006	-	-	2,462.68	342,143.12	359,250.28
2	8/10/2006	16,064.87	13,584.33	2,480.54	328,558.79	344,986.73
	9/10/2006	-	-	2,382.05	330,940.84	347,487.88
	10/10/2006	-	-	2,399.32	333,340.16	350,007.17
3	11/10/2006	16,064.87	13,648.15	2,416.72	319,692.01	335,676.61
	12/10/2006	-	-	2,317.77	322,009.78	338,110.27
	1/10/2007	-	-	2,334.57	324,344.35	340,561.56
4	2/10/2007	16,064.87	13,713.37	2,351.50	310,630.98	326,162.52
	3/10/2007	-	-	2,252.07	312,883.05	328,527.20
	4/10/2007	-	-	2,268.40	315,151.45	330,909.02
5	5/10/2007	16,064.87	13,780.02	2,284.85	301,371.43	316,440.00
	6/10/2007	-	-	2,184.94	303,556.37	318,734.19
	7/10/2007	-	-	2,200.78	305,757.16	321,045.02
6	8/10/2007	16,064.87	13,848.13	2,216.74	291,909.03	306,504.48
	9/10/2007	-	-	2,116.34	294,025.37	308,726.64
	10/10/2007	-	-	2,131.68	296,157.05	310,964.91
7	11/10/2007	16,064.87	13,917.73	2,147.14	282,239.32	296,351.29
	12/10/2007	-	-	2,046.24	284,285.56	298,499.84
	1/10/2008	-	-	2,061.07	286,346.63	300,663.96
8	2/10/2008	16,064.87	13,988.86	2,076.01	272,357.78	285,975.66
	3/10/2008	-	-	1,974.59	274,332.37	288,048.99
	4/10/2008	-	-	1,988.91	276,321.28	290,137.34
9	5/10/2008	16,067.87	14,061.54	2,003.33	262,259.74	275,372.73
	6/10/2008	-	-	1,901.38	264,161.12	277,369.18
	7/10/2008	-	-	1,915.17	266,076.29	279,380.11

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**EMR-DOS Santo Domingo Project  
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<u>Payment #</u>	<u>Payment Date</u>	<u>Payment</u>	<u>Decrease</u>	<u>Increase</u>	<u>Balance</u>	<u>Termination Liability</u>
10	8/10/2008	16,064.87	14,135.82	1,929.05	251,940.48	264,537.50
	9/10/2008	-	-	1,826.57	253,767.04	266,455.40
	10/10/2008	-	-	1,839.81	255,606.86	268,387.20
11	11/10/2008	16,064.87	14,211.72	1,853.15	241,395.14	253,464.89
	12/10/2008	-	-	1,750.11	243,145.25	255,302.51
	1/10/2009	-	-	1,762.80	244,908.05	257,153.46
12	2/10/2009	16,064.87	14,289.28	1,775.58	230,618.77	242,149.71
	3/10/2009	-	-	1,671.99	232,290.76	243,905.29
	4/10/2009	-	-	1,684.11	233,974.86	245,673.61
13	5/10/2009	16,064.87	14,368.55	1,696.32	219,606.31	230,586.63
	6/10/2009	-	-	1,592.15	221,198.46	232,258.38
	7/10/2009	-	-	1,603.69	222,802.15	233,942.26
14	8/10/2009	16,064.87	14,449.55	1,615.32	208,352.60	218,770.23
	9/10/2009	-	-	1,510.56	209,863.15	220,356.31
	10/10/2009	-	-	1,521.51	211,384.66	221,953.89
15	11/10/2009	16,064.87	14,532.33	1,532.54	196,852.33	206,694.95
	12/10/2009	-	-	1,427.18	198,279.51	208,193.49
	1/10/2010	-	-	1,437.53	199,717.04	209,702.89
16	2/10/2010	16,064.87	14,616.92	1,447.95	185,100.12	194,355.12
	3/10/2010	-	-	1,341.98	186,442.09	195,764.20
	4/10/2010	-	-	1,351.71	187,793.80	197,183.49
17	5/10/2010	16,064.87	14,703.36	1,361.51	173,090.43	181,744.96
	6/10/2010	-	-	1,254.91	174,345.34	183,062.61
	7/10/2010	-	-	1,264.00	175,609.34	184,389.81
18	8/10/2010	16,064.87	14,791.70	1,273.17	160,817.64	168,858.53
	9/10/2010	-	-	1,165.93	161,983.57	170,082.75
	10/10/2010	-	-	1,174.38	163,157.95	171,315.85
19	11/10/2010	16,064.87	14,881.97	1,182.90	148,275.98	155,689.78
	12/10/2010	-	-	1,075.00	149,350.98	156,818.53
	1/10/2011	-	-	1,082.79	150,433.78	157,955.46
20	2/10/2011	16,064.87	14,974.22	1,090.64	135,459.55	142,232.53
	3/10/2011	-	-	982.08	136,441.63	143,263.72
	4/10/2011	-	-	989.20	137,430.84	144,302.38
21	5/10/2011	16,064.87	15,068.49	996.37	122,362.34	128,480.46
	6/10/2011	-	-	887.13	123,249.47	129,411.94
	7/10/2011	-	-	893.56	124,143.03	130,350.18
22	8/10/2011	16,064.87	15,164.83	900.04	108,978.20	114,427.11
	9/10/2011	-	-	790.09	109,768.29	115,256.70
	10/10/2011	-	-	795.82	110,564.11	116,092.31

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<u>Payment #</u>	<u>Payment Date</u>	<u>Payment</u>	<u>Decrease</u>	<u>Increase</u>	<u>Balance</u>	<u>Termination Liability</u>
23	11/10/2011	16,064.87	15,263.28	801.59	95,300.83	100,065.87
	12/10/2011	-	-	690.93	95,991.76	100,791.35
	1/10/2012	-	-	695.94	96,687.70	101,522.09
24	2/10/2012	16,064.87	15,363.88	700.99	81,323.82	85,390.01
	3/10/2012	-	-	589.60	81,913.42	86,009.09
	4/10/2012	-	-	593.87	82,507.29	86,632.65
25	5/10/2012	16,064.87	15,466.69	598.18	67,040.60	70,392.63
	6/10/2012	-	-	486.04	67,526.64	70,902.97
	7/10/2012	-	-	489.57	68,016.21	71,417.02
26	8/10/2012	16,064.87	15,571.75	493.12	52,444.46	55,066.68
	9/10/2012	-	-	380.22	52,824.88	55,465.92
	10/10/2012	-	-	382.98	53,207.66	55,868.04
27	11/10/2012	16,064.87	15,679.11	385.76	37,528.55	39,404.98
	12/10/2012	-	-	272.08	37,800.63	39,690.66
	1/10/2013	-	-	274.05	38,074.68	39,978.42
28	2/10/2013	16,064.87	15,788.83	276.04	22,285.86	23,400.15
	3/10/2013	-	-	161.57	22,447.43	23,569.80
	4/10/2013	-	-	162.74	22,610.17	23,740.68
29	5/10/2013	16,064.87	15,900.95	163.92	6,709.23	7,044.69
	6/10/2013	-	-	48.64	6,709.23	7,044.69
	7/10/2013	-	-	48.64	6,709.23	7,044.69
30	8/10/2013	6,757.87	6,709.23	48.64	-	-

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<u>Payment #</u>	<u>Payment Date</u>	<u>Payment</u>	<u>Decrease</u>	<u>Increase</u>	<u>Balance</u>	<u>Termination Liability</u>
	7/10/2005	-	-	-	\$ 271,907.94	\$ 285,503.34
	7/10/2005	-	-	\$ 1,971.33	273,879.27	287,573.24
1	8/10/2005	\$ 64,612.00	\$ 62,626.38	1,985.62	211,252.90	221,815.54
	9/10/2005	-	-	1,531.58	212,784.48	223,423.71
	10/10/2005	-	-	1,542.69	214,327.17	225,043.53
	11/10/2005	-	-	1,553.87	215,881.04	226,675.09
	12/10/2005	-	-	1,565.14	217,446.18	228,318.49
	1/10/2006	-	-	1,576.48	219,022.66	229,973.80
	2/10/2006	-	-	1,587.91	220,610.58	231,641.11
	3/10/2006	-	-	1,599.43	222,210.00	233,320.50
	4/10/2006	-	-	1,611.02	223,821.03	235,012.08
	5/10/2006	-	-	1,622.70	225,443.73	236,715.92
	6/10/2006	-	-	1,634.47	227,078.20	238,432.11
	7/10/2006	-	-	1,646.32	228,724.51	240,160.74
2	8/10/2006	16,064.87	14,406.62	1,658.25	214,317.90	225,033.79
	9/10/2006	-	-	1,553.80	215,871.70	226,665.29
	10/10/2006	-	-	1,565.07	217,436.77	228,308.61
3	11/10/2006	16,064.87	14,488.45	1,576.42	202,948.32	213,095.74
	12/10/2006	-	-	1,471.38	204,419.70	214,640.68
	1/10/2007	-	-	1,482.04	205,901.74	216,196.83
4	2/10/2007	16,064.87	14,572.08	1,492.79	191,329.66	200,896.14
	3/10/2007	-	-	1,387.14	192,716.80	202,352.64
	4/10/2007	-	-	1,397.20	194,114.00	203,819.70
5	5/10/2007	16,064.87	14,657.54	1,407.33	179,456.45	188,429.28
	6/10/2007	-	-	1,301.06	180,757.51	189,795.39
	7/10/2007	-	-	1,310.49	182,068.01	191,171.41
6	8/10/2007	16,064.87	14,744.88	1,319.99	167,323.13	175,689.29
	9/10/2007	-	-	1,213.09	168,536.22	176,963.03
	10/10/2007	-	-	1,221.89	169,758.11	178,246.02
7	11/10/2007	16,064.87	14,834.12	1,230.75	154,923.99	162,670.19
	12/10/2007	-	-	1,123.20	156,047.19	163,849.55
	1/10/2008	-	-	1,131.34	157,178.53	165,037.46
8	2/10/2008	16,064.87	14,925.32	1,139.54	142,253.21	149,365.87
	3/10/2008	-	-	1,031.34	143,284.54	150,448.77
	4/10/2008	-	-	1,038.81	144,323.35	151,539.52

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<u>Payment #</u>	<u>Payment Date</u>	<u>Payment</u>	<u>Decrease</u>	<u>Increase</u>	<u>Balance</u>	<u>Termination Liability</u>
9	5/10/2008	16,064.87	15,018.52	1,046.34	129,304.83	135,770.07
	6/10/2008	-	-	937.46	130,242.29	136,754.41
	7/10/2008	-	-	944.26	131,186.55	137,745.87
10	8/10/2008	16,064.87	15,113.77	951.10	116,072.78	121,876.42
	9/10/2008	-	-	841.53	116,914.31	122,760.02
	10/10/2008	-	-	847.63	117,761.94	123,650.03
11	11/10/2008	16,064.87	15,211.09	853.77	102,550.84	107,678.39
	12/10/2008	-	-	743.49	103,294.34	108,459.05
	1/10/2009	-	-	748.88	104,043.22	109,245.38
12	2/10/2009	16,064.87	15,310.55	754.31	88,732.67	93,169.30
	3/10/2009	-	-	643.31	89,375.98	93,844.78
	4/10/2009	-	-	647.98	90,023.95	94,525.15
13	5/10/2009	16,064.87	15,412.19	652.67	74,611.76	78,342.35
	6/10/2009	-	-	540.94	75,152.70	78,910.33
	7/10/2009	-	-	544.86	75,697.55	79,482.43
14	8/10/2009	16,064.87	15,516.06	548.81	60,181.49	63,190.57
	9/10/2009	-	-	436.32	60,617.81	63,648.70
	10/10/2009	-	-	439.48	61,057.29	64,110.15
15	11/10/2009	16,064.87	15,622.00	442.67	45,435.08	47,706.84
	12/10/2009	-	-	329.40	45,764.49	48,052.71
	1/10/2010	-	-	331.79	46,096.28	48,401.09
16	2/10/2010	16,064.87	15,730.67	334.20	30,365.61	31,883.89
	3/10/2010	-	(220.15)	220.15	30,585.76	32,115.05
	4/10/2010	-	(221.75)	221.75	30,807.51	32,347.88
17	5/10/2010	16,064.87	15,841.51	223.35	14,965.99	15,714.29
	6/10/2010	-	(108.50)	108.50	15,074.50	15,828.22
	7/10/2010	-	(109.29)	109.29	15,183.79	15,942.98
18	8/10/2010	15,293.87	15,183.79	110.08	-	-

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