
Banc of America Public Capital Corp

Private Placement
Financing Solutions



Ann Fries
October 16, 2007



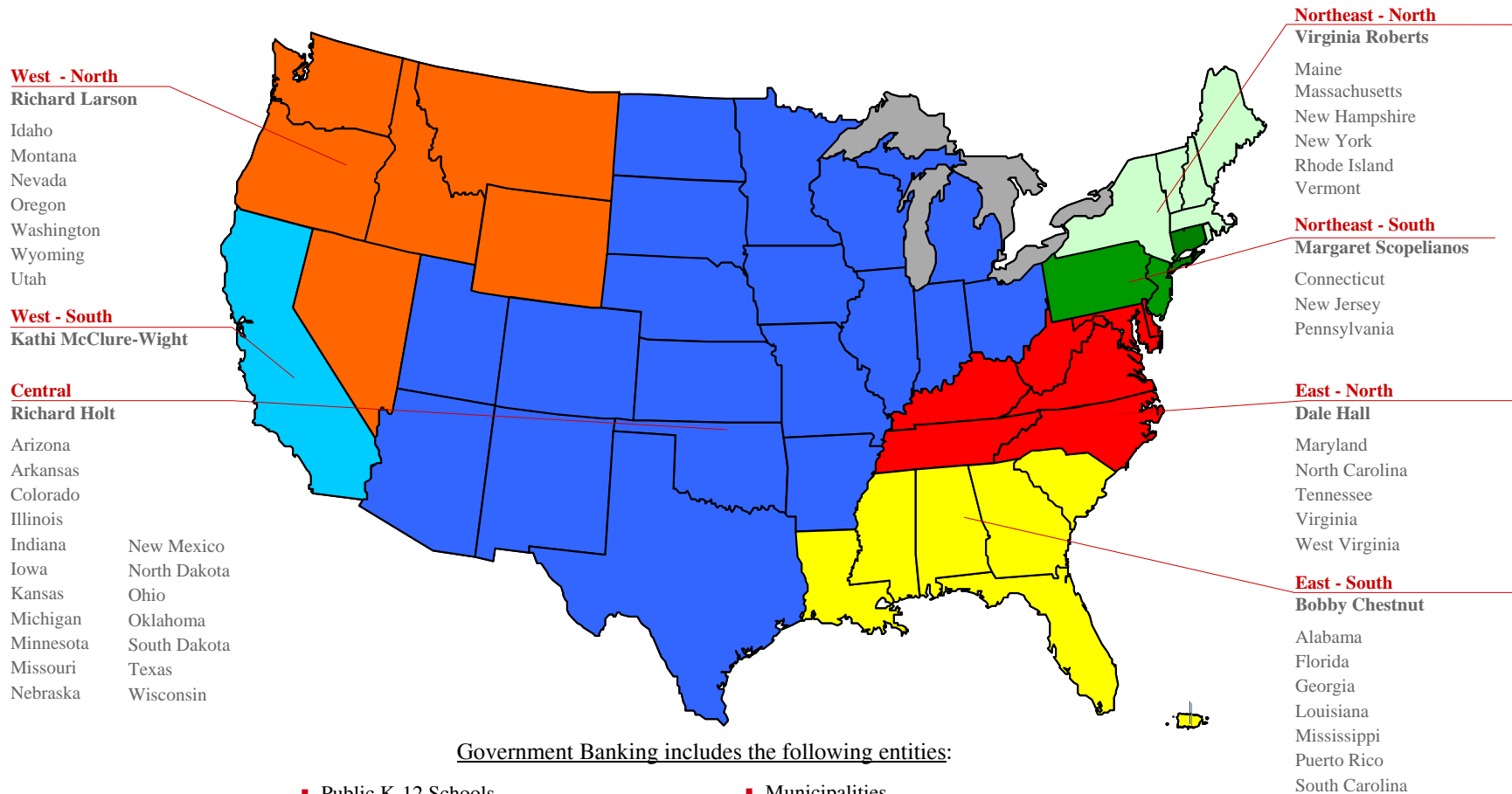
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Introduction

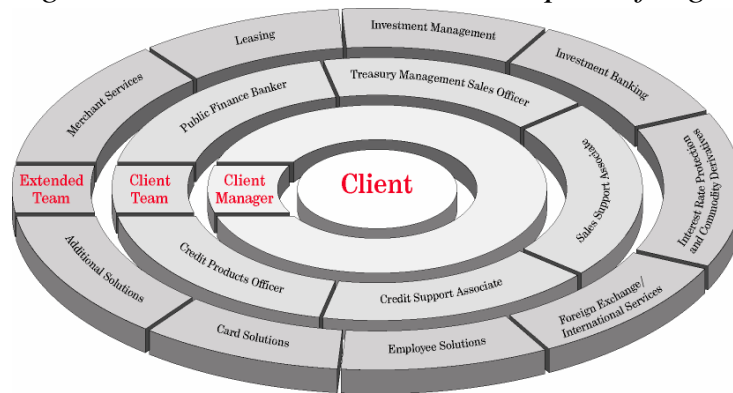
- Today's presentation is designed to:
 - Provide a brief introduction to our company and its client team approach to the Government market
 - Delineate our product specialty area within Banc of America Public Capital Corp and its distinct capabilities
 - Establish a relationship for future client solution-specific discussions

We offer a powerful nationwide Government Banking presence



State of South Carolina Government Banking Team

Delivering a world-class client experience through dedicated teams offering integrated solutions and service with powerful global resources.



Paula Reid, Client Manager, Midlands South Carolina
The Client Manager is your financial advisor and leads the Bank of America client team in bringing together the solutions and the partners to help you achieve your goals.
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 paula.reid@bankofamerica.com

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Creigh Jennings, Credit Products Officer
The Credit Products Officer is the expert consultant in the management of your financial needs and delivers tailored credit solutions.
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The Sales Support Associate is responsible for providing sales support to the Client Manager, partnering with Treasury Management and the Client Service Center, as appropriate.
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Judy Watson, Credit Support Associate
The Credit Support Associate is responsible for supporting the credit management process, partnering with Client Managers and Credit Products Officers.
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Ken Pate, Treasury Management Sales Officer
The Treasury Management Sales Officer is the expert consultant in the management of your working capital assets and related operational processes.
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Tammy Freeman-Martin, Treasury Management Sales Analyst
The Treasury Management Sales Analyst provides additional sales support to the client team, and is available to review or discuss treasury service modifications and enhancements.
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State of South Carolina

Government Banking Team

For Service Related Questions:

Sunnie Baber, Client Service Center Advisor
The Client Service Advisor is an expert in quickly and accurately solving issues related to deposits, treasury management and loan servicing.

888.841.8159 opt 2, x24177

Extended Team:

Edward Boyles, Principal
Banc of America Securities, LLC
The Public Finance Group acts as the State's Financial Advisor on debt issuances.
704.387.2790 Office
edward.boyles@bankofamerica.com

Ann Fries, Senior Vice President
Banc of America Public Capital Corp
BAPCC's representative is the product specialist that provides financing for your medium term (7-20 year) NBQ asset financing requirements, both equipment and real estate.
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Henry Siler, Card Account Manager
The Card Account Manager is responsible for the sales management of our purchasing and travel card programs that enable clients to automate expense management and convert accounts payable and travel and entertainment expenses from manual, paper-based processes.
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Advantages of our client management team approach

- Delivers a personalized client experience led by a dedicated client manager and core team of specialists who are accountable for your satisfaction and success
- Ensures thorough understanding and deeper coverage of your entity
- Provides you with a single point of access to comprehensive capabilities and expertise
- Offers flexibility to scale solutions and resources to best match your changing needs
- Combines the power of a world-class universal bank with the focused attention of a local partner

Banc of America Public Capital Corp (“BAPCC”)

Private Placement Financing
Solutions for Issuers and Advisors

Banc of America Public Capital Corp

Why work with us:

- **#1** US Bank-owned leasing company (Banc of America Leasing, our affiliate company)
- **#1** Tax-exempt government private placement and leasing business in the U.S.
- One-stop shopping – in conjunction with Bank of America we can provide you with a full range of financial products and services from leasing to treasury management and banking solutions
- Local expertise and decision making authority with access to the resources of Bank of America
- Best able to execute and support the largest and most difficult transactions
 - Expertise in a wide selection of financing structures from private bonds to leases
 - Expertise in a wide selection of asset types, including both real estate and equipment
 - Solutions for small, medium, and large clients
- Our strategy combines industry leading experience and capabilities as well as efficient interest costs
- Bank of America Corporation’s commitment to the community in which we serve

Medium Term Capital Analysis

Medium Term: 5 – 20 years

| | Short Term Capital (1-5 years) Operational needs | Medium-Term Capital (5-10 years) Investment opportunities | Long Term Capital (10-20 years) Long range strategy |
|-----------------------------|--|---|---|
| Efficient Products | <ul style="list-style-type: none"> ▪ Bank revolving lines of credit ▪ Working Capital | <ul style="list-style-type: none"> ▪ Bank loans ▪ Equipment loans and leases | <ul style="list-style-type: none"> ▪ Bonds, Mortgages, R/E Sale-Leasebacks |
| Strategic Objectives | <ul style="list-style-type: none"> ▪ Address cash flow and capital gaps in normal operating cycle | <ul style="list-style-type: none"> ▪ Investment strategy typically targeting revenue generation, expense control, or regulatory requirements | <ul style="list-style-type: none"> ▪ Strategic capital formation to support long range plans for growth and market positioning |
| Product Objective | <ul style="list-style-type: none"> ▪ Match fund short term needs (A/R, A/P, etc.) with short term capital | <ul style="list-style-type: none"> ▪ Match fund medium-term term assets (equipment and real estate assets) with medium-term term capital | <ul style="list-style-type: none"> ▪ Match fund long-term assets/investments (infrastructure) with long-term capital |

Government Asset Finance

| | Client Focus | Locations | Market Coverage | Transaction Size |
|------------|--|--|----------------------|----------------------------------|
| Government | Solutions for tax-exempt entities and municipalities | Bradenton, FL Charlotte, NC Chicago, IL Cranford, NJ Richmond, VA San Francisco, CA Scottsdale, AZ Towson, MD Troy, MI | U.S. for all clients | Generally, \$2 million and above |

BUSINESS MODEL

- Solutions-oriented approach to asset financing.
- Banc of America Public Capital Corp’s Government Group is one of the tax-exempt market’s largest providers of financial solutions with over \$4 billion in financings. A nationwide sales team focuses on identifying and closing tax-exempt, and taxable, private placement asset financings that complement the current and long-term financial strategies of tax-exempt entities. Banc of America Public Capital Corp’s tax-exempt products include medium and long-term leases (single funding or master lease line), private placement bonds, notes and loans,, exempt facility bonds, tribal leases and bonds, asset transfers of existing assets, and portfolio and bond refundings.
- In 2006, Banc of America Public Capital Corp booked over a billion dollars in new assets.

TARGET MARKETS/CLIENTS

- Government entities including cites, counties, states, school districts, public colleges and universities, special districts, public healthcare, education, research, cultural and Native American Nations.
- Most efficient from a structuring and economic perspective in the NBQ market



Asset Financing Opportunities

- Personal Property Assets (Software Systems, Vehicles, Furniture and Fixtures, 911 systems, ports, etc)
- Energy Systems, Retrofits, New Central Energy Plants, Solar, Wind and the use of Clean Renewable Energy Bonds (CREBs)
- Transit Solutions – Rolling Stock, Expansion, Replacement and Infrastructure Equipment and Real Property
- School Expansion Assets
- New Construction and the Acquisition of Land and Buildings
- Fire Stations and Equipment
- Higher Education, Instructional, Research and Dormitory Property and Equipment
- Water and Sewer Authorities – Infrastructure Assets and Systems
- Road Improvements
- Redevelopment Opportunities
- Bond Shortfalls

Private Placement Structures and Collateral Sources

Financing Instruments:

- Bonds, loans and notes
- Certificates of participation
- Tax-exempt loans and leases
- Taxable loans and leases
- Master financing arrangements
- Tax-exempt operating leases
- Asset Transfers
- Longer term BANs (5 years or greater)
- Bond Refundings

Secured by:

- General Obligations (Unlimited and Limited)
- Revenue and Tax Pledges
- Lien or Mortgage on Assets Financed
- Grant Pledges

Benefits of a Private Placement

- *Typically provides the most efficient and most flexible solution for transaction sizes of up to \$50 Million*
- General Private Placement advantages:
 - Flexibility in process
 - Ease of documentation
 - Timing to close
 - Prepayment flexibility if required
 - Rate lock flexibility (up to one year)

Benefits of a Private Placement (continued)

Structure:

- Respects and maintains the issuer's financial advisory team
- Most efficient cost of issuance
- Fastest to market
- Most efficient form of capital access as regards documentation
- Provides interest rate certainty ahead of an open-market issuance
- More quickly locks in present value savings on refinancing opportunities
- Direct access to the investor

Interest Rates:

- Market rate when measured on “all-in” cost
- Ability to provide fixed or floating rates
- Ability to bring in interest swap provider and investment vehicle
- Provides for either escrowed funds, or flexible funding over the life of the project

Private Placement vs. Public Security

| Attribute | Tax-exempt Private Placement | Public Security |
|---|------------------------------|---------------------------|
| Asset Type | Private Placement | Publicly Offered Security |
| Asset Cost | \$15,000,000 | \$15,000,000 |
| Term | 15 Years | 15 Years |
| Rate | 4.42% | 4.30% |
| Fees / Expenses: Tax Opinion, Escrow/Trust, Bond rating fee, Insurance, Underwriter fee, Underwriter counsel | \$10,000 (Tax Opinion Fee) | 1.5% or \$150,000 |
| All-In Rate | 4.43% | 4.51% |

Grand Strand Water and Sewer Authority, SC

Private Placement



\$20,000,000

Private Placement

Water and Sewer System
Improvements

Overview:

- GS W and S is the water and sewer provider for Horry County, SC
- Seeking \$10 million BQ financing in 2006 , and \$10 million BQ financing in 2007, to achieve BQ pricing benefits.

Issuer Benefit:

- BAPCC funded the entire \$20 million in 2006, at BQ rates, saving the costs of a second issuance and locking in an acceptable interest rate
- Funded on a Private Placement basis, providing the most efficient cost alternative and greater flexibility

Structure:

- Private Placement Revenue Bond
- Tax-exempt
- 15 year Term

Berkeley County Public Service District, WV

Private Placement



\$20,000,000

Private Placement

Water and Sewer System
Improvements

Overview:

- BCPSD serves an area close to the DC/Baltimore corridor.
- The area is experiencing sustained growth.
- BCPSD is expanding and improving its infrastructure.

Issuer Benefit:

- BAPCC was able to work with the Financial Advisor to BCPSD to provide more cost efficient pricing than achieved in offering the transaction publicly
- Closing and funding occurred within 15 days of award

Structure:

- Private Placement BANS
- Tax-exempt
- 7 year Term

Atlanta Public Schools, GA

Certificate of Participation



Overview:

- Atlanta Public Schools (APS) created Education Reform Success, Inc. a Georgia not for profit corporation to own and run a new facility for at risk students.
- The APS was looking to issue COP's in 2006 and 2007 for a new school for low performing and disruptive students.
- APS has a contract with Community Education Partners to administer their program for at risk students, and CEP will also be Project Manager to demolish the existing school and design, build and construct the new school
- Repayment is payable on a parity basis with all other outstanding Certificates from the right of the Corporation to receive Basic Rent and Supplemental Rent from APS pursuant to the Building Lease

Issuer Benefit:


- Ability to do a single issue vs. splitting into two issues trying to get BQ status
- Avoid interest rate risk from doing a separate COP issue at a later date
- Competitive fixed rate
- Private Placement avoided issuance costs of public security

Structure:

- Certificate of Participation for new school
- 16 year term

St. John's County, FL

Private Placement Revenue Bond



\$4,200,000

Private Placement
Revenue Bond

Solid Waste Transfer Station

Overview:

- St. John's County in central Florida is growing at high rate and needed a second waste transfer station
- Due to time constraints county wanted quick closing.
- 20 year term was required

Issuer Benefit:

- BAPCC offered 15 year term, saving \$1MM in interest costs versus 20 year term
- Cost savings achieved by avoiding issuance cost associated with public security
- Significantly reduced time to close
- Private Placement reduced need for administrative and commissioner attention

Structure:

- Private Placement Revenue Bond
- Tax-exempt
- 15 year term

Austell Gas System, GA

Private Placement Revenue Bond



\$6,000,000

Private Placement
Revenue Bond

Gas Line Expansion

Overview:

- Austell Gas System is a natural gas distribution facility serving residential, commercial and industrial customers in the Georgia cities of Austell, Douglasville and Powder Springs and in portions of Cobb and Douglas Counties
- Austell provides natural gas service to more than 53,000 customers throughout its service area

Issuer Benefit:

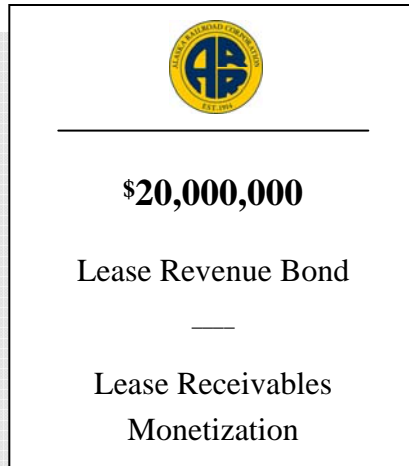
- Cost savings achieved by avoiding issuance cost associated with public security
- Significantly reduced time to close
- Private Placement reduced need for administrative and commissioner attention

Structure:

- Private Placement Revenue Bond
- Tax-exempt
- 16 year term

Alaska Railroad Corporation

Private Placement Lease Revenue Bond



Overview:

- The Alaska Railroad Real Estate Corporation (ARRC), a wholly-owned corporation of the State of Alaska, sought \$15MM of 20-year tax-exempt financing to fund real estate refurbishments and improvements.
- ARRC offered the revenue from a pool of 225 real estate lease contracts as the lender's sole repayment source – ARRC was not willing to provide a corporate guaranty nor was it willing to provide any real estate as security.
- BAPCC proposed a largely conforming 20-year solution with a reserve fund component. Additionally, BAPCC's solution provided a \$20 million commitment, \$5 million above the initial request.


Issuer Benefit:

- Client obtained long-tem, fixed rate financing at a competitive tax-exempt rate
- Client was able to raise \$20MM of capital without providing a corporate guaranty or encumbering any of its asset base
- BAPCC solution provided ARRC more flexibility in the future to incur future borrowing against the pool of real estate leases

Structure:

- 20-year tax-exempt revenue bond secured by a pool of lease contracts
- Additional indebtedness permitted under 1.25x debt service requirement


Banc of America Public Capital Corp Transactions



\$8,589,656

Tax-exempt Bond


Refinancing of Cranes



\$6,400,000

Taxable & Tax-exempt
Installment Sales

Raw Land



\$28,000,000

3 Year LOC converting to
10 Year Fixed Rate Bond

Water & Sewer



\$ 20,000,000

Private Placement


Water & Sewer
Improvements

**Montgomery County, MD
Department of Liquor Control**

\$ 10,615,000

Tax Lease


Warehouse Expansion



\$20,000,000

Private Placement

Water & Sewer Improvements



\$13,145,000

Tax-exempt Bond

Water & Sewer