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SUMMARY OF TERMS AND CONDITIONS

Date: November 15, 2007

Lessee: The County of Marin, California

Lessor: Banc of America Public Capital Corp ("Lessor")

Equipment: Variety of Essential Use Equipment

Purchase Price: \$5,000,000 Master Lease Line of Credit

Lease Structure: A lease intended as security transaction; under which all tax benefits will remain with Lessee. The lease will be a net financial lease, and all expenses, including (but not limited to) insurance, maintenance, and taxes, will be for the account of Lessee.

Term: **Lease Commencement Date:** January 2008-January 2009
Lease Term: 4 and 5 years (other terms are available if desired)

Tax Exempt Interest Rate: **A) 4 years: 3.65%** **B) 5 Years 3.69%**

The rate was based on cost of Funds as of November 15, 2007. Such indicative Tax Exempt Interest Rate will be held until as long as funding occurs before or on December 15, 2007. After this time the following formula will be used to determine the rate for a schedule. Once set, the rate will be fixed over the term of the lease.

5 Year Interest Rate Swap Rate: 4.56% as of November 15, 2007

$4.56\% \times .65 = 2.964$ Then we add our spread for 4 years: + 69 Basis points

For 5 years : + 73 Basis Points

Rent: Lessee shall make Annual payments, pursuant to the attached Schedule A, payable in advance or arrears ("Indicative Rental Rate"). This rental amount is indicative only and is comprised of principal and interest at the Tax Exempt Interest Rate.

**Governmental
Entity Lease:**

The Base Rent installments are calculated on the assumptions, and Lessee will represent, that Lessee is a state or political subdivision of a state within the meaning of Section 103(c) of the Internal Revenue Code (the "Code"), and that this transaction will constitute an obligation of Lessee within the meaning of Section 103(a) of the Code, notwithstanding Section 103(b) of the Code. Lessee shall provide Lessor with such evidence as Lessor may request to substantiate and maintain such tax status. Lessee shall comply with the filing requirements of Section 149(e) of the Code. Lessee will pay Lessor amounts calculated at a taxable rate sufficient to maintain Lessor's yield in the Lease, in the event Lessor suffers a loss of Federal income tax exemption of the interest portion of the rentals.

Early Termination:

Lessee may prepay the Lease with 10 days written notice after two years. The amount paid will include accrued interest, principal balance and an amount equal to 1% of the then outstanding balance.

End of Term:

At the expiration of the Lease Term, Lessee will purchase all (but not less than all) the Equipment for \$1.00 ("Purchase Price").

Expenses:

Lessee and Lessor will each be responsible for its own expenses incurred in connection with the preparation, negotiation and closing of the lease documentation.

Lease Documents:

Lease documents in form and substance satisfactory to Lessor and its local counsel must be executed and delivered. Nonappropriation provisions, if any, must be satisfactory to Lessor. Lessee will also provide board resolutions, incumbency certificates and other documentation required by Lessor.

Opinion of Counsel:

Lessee's counsel shall deliver an opinion to Lessor at closing in form and substance satisfactory to Lessor. The opinion of counsel will cover the following tax matters, in addition to other customary opinions:

- (a) The portion of Base Rent designated as and constituting interest paid by Lessee and received by Lessor is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from state personal income taxes;
- (b) Such interest is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes; and
- (c) Counsel has examined, approved and attached the text of the enabling resolution of Lessee's governing body authorizing Lessee to enter into the Lease.

Assignment by Lessor:

The Lessor shall be entitled to assign its right, title and interest in the Lease and leased equipment on a private placement basis to qualified purchasers. In addition, Lessor shall be entitled to assign its right, title and interest in the Lease to a trustee for the purpose of issuing certificates of participation or other forms of certificates evidencing an undivided interest in such Lease, provided such certificates are sold only on a private placement basis (and not pursuant to any "public offering") to a purchaser(s) who represent that (i) such purchaser has sufficient knowledge and experience in financial and business matters to be able to evaluate the risks and merits of the investment (ii) such purchaser understands neither the Lease or certificates will be registered under the Securities Act of 1933, (iii) such purchaser is either an "accredited investor" within the meaning of Regulation D under the Securities Act of 1933, or a qualified institutional buyer within the meaning of Rule 144A, and (iv) that it is the intention of such

purchaser to acquire such certificates (A) for investment for its own account or (B) for resale in a transaction exempt from registration under the Securities Act of 1933.

Acquisition Account:

In compliance with applicable regulations under the Code, including but not limited to arbitrage reporting, the proceeds of the Lease may be deposited into an acquisition account acceptable to Lessor, and disbursements made therefrom to pay for equipment upon execution and delivery of an acceptance certificate (and related documents by Lessee and approved by Lessor.

Utilization Period

Expiration Date:

The latest date for any funding will be December 31, 2008.

Credit Due Diligence:

In order to complete its credit due diligence, Lessor will require Lessee to submit:

- Three years of most recent financial statements;
- Most recent fiscal year budget;
- Insurance Certificate.

Thank you for the opportunity to present this proposal to Marin County. We look forward to your positive response and look forward to a smooth closing. If the terms and conditions are acceptable, please sign the proposal so that we may begin the renewal of your master lease line of credit. Thank you again for your interest.

Sincerely,

Jill M. Forsyth
Senior Vice President

Accepted:

Date:

The County of Marin, California