



## Energy Financing Proposal For Albemarle County, VA August 1, 2017

Bank of America has increased its current environmental business initiative from \$50 billion to \$125 billion in low-carbon business by 2025 through lending, investing, capital raising, advisory services and developing financing solutions for clients around the world. Bank of America has provided more than \$39 billion in financing for low-carbon activities since 2007.

**Holly Andreozzi**  
Banc of America Public Capital Corp  
Senior Vice President  
Energy Services

100 Federal Street  
Boston, MA 02110  
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Tel: (617) 434-7760

TRANSMITTAL VIA EMAIL

Attn: Mr. Douglas Gebhardt                      Mr. Gary LeClair  
Davenport & Company                      Davenport & Company

Date: August 1, 2017

**Re: Proposal for Tax-Exempt Lease-Purchase Agreement and QECB for Albemarle County**

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Thank you for the opportunity to present to you the attached terms and conditions for the financing of the above private placement transaction for Albemarle County (or “Lessee” or “Borrower”). Banc of America Public Capital Corp (“BAPCC” or “Lessor”) and its affiliate Banc of America Leasing & Capital, LLC (or “Lender”) looks forward to the opportunity to provide our financing services for this important energy efficiency project.

BAPCC offers unique financing features and qualifications that can be leveraged on behalf of the County to complete this transaction at a low interest cost and in a smooth and efficient manner. These features and qualifications include:

1. **PRIVATE PLACEMENT EXPERIENCE:** BAPCC is a leading provider of private placement capital to the state government, municipal local government, K-12, housing authority, and higher education tax-exempt markets. Our team is highly experienced in documenting and closing tax-exempt lease purchase transactions;
2. **ENERGY EFFICIENCY FINANCING EXPERIENCE:** BAPCC’s Energy Services group is a leading provider of financial solutions for energy efficiency, renewable energy, water system, and energy generation equipment and assets. BAPCC’s Energy Services team was started in 2006 and has a dedicated team in funding transactions for energy efficiency and renewable energy projects that benefit clients throughout the country. BAPCC originates approximately \$1 billion annually of energy efficiency and renewable energy projects.

**Virginia Experience:** BAPCC has been funding energy performance contracts in Virginia since 2006. We have financed the Commonwealth’s master lease program at various points, and have recently been awarded its \$40 million master lease program for 2016. Recent VA transactions include Botetourt County, Pittsylvania County, Newport News Schools, Southampton County Schools, and Orange County Schools.

We are **active purchasers of QECBs** for our portfolio. The interest rate on the QECBs is typically set through a direct purchase agreement at the same time locking in the tax-credit rate. **We finance projects both directly with borrowers, and also through conduit issuers. We financed the initial VA SAVES QECB with Pittsylvania County.**

3. **PRIVATE PLACEMENT:** The proposed transaction is a private placement that will not require (i) any additional public ongoing disclosure requirements, (ii) any additional public offering document generation requirements, or (iii) any underwriting or related fees.

This cover letter and term sheet include only a brief description of the principal terms of the proposed transaction. Please understand that this proposal is not a commitment or offer to lend, and does not create any obligation for Lessor or BAPCC. Lessor and BAPCC will not be responsible or liable for any damages, consequential or otherwise, that may be incurred or alleged by any person or entity, including Lessee, as a result of this letter. Lessor will notify you in writing of its decision if Lessor agrees to proceed with the proposed transaction after completing its review and analysis.

Please feel free to contact me at 617.434.7760 to discuss the proposed transaction, or to accept this proposal, please sign the enclosed copy of this letter within 10 business days from the date of this letter and return it to **Banc of America Public Capital Corp., 100 Federal Street, 8<sup>th</sup> Floor, Boston, MA 02110 Attention: Holly Andreozzi, or by fax to the same attention at fax number: 404.532.3026.** I look forward to the opportunity to work with you on the proposed transaction for Albemarle County.

Very truly yours,



**Banc of America Public Capital Corp**

By: Holly Andreozzi  
Authorized Agent

The undersigned, by its authorized representative below, accepts the above proposal, agrees to furnish Lessor, its successors and assigns, any information relating to the business or financial condition of borrower or its affiliates, and authorizes Lessor, Bank of America and their affiliates to disclose to, discuss with and distribute such information (and any information they may already have) to any other affiliates or proposed assignees or successors of Lessor.

**Albemarle County, VA**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Tax ID: \_\_\_\_\_

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**QECB SUMMARY OF TERMS AND CONDITIONS**  
**Options 2A and 2B**

**I. Borrower and Lender - Introduction**

**Issuer:** **Option 2A:** Virginia Resources Authority (“VRA”)  
**Option 2B:** Virginia Small Business Financing Authority (“VSBA”)

**Lessee/  
Borrower:** **Option 2A:** Albemarle County and Albemarle County School Board  
**Option 2B:** Albemarle County School Board

**Lender:** For a taxable, direct pay, QECB transaction: Banc of America Leasing & Capital, LLC, or its affiliate or designee

**II. Structure, Project Description**

**Purpose:** The purpose of this transaction is to provide financing to the Lessee for the installation and acquisition of certain energy improvements (collectively, the “*Equipment*”) for the County’s buildings under an energy performance contract with Ameresco (the “Vendor”).

**Structure:** This transaction will be structured as a taxable direct pay QECB Revenue Bond Issue (the “Bonds”) between the Lender and the Issuer. The Issuer’s obligations are limited obligations payable solely from the payments made by the Lessee under a Financing Lease between the Lessee and the Issuer (the “Lease”). Repayments under the Lease shall be absolute and unconditional, subject only to annual appropriation of funds by the County’s governing body and in accordance with the laws of the Commonwealth of Virginia. 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..

**Security:** Upon acceptance of the Equipment, title to the Equipment shall be vested in the Lessee. The Lessee’s obligations under the Lease shall be secured by, among other things, a first priority security interest in the Equipment, evidenced by the filing of UCC financing and fixture filing statements – thus legal property descriptions will be needed for the project facilities. At maturity of the Lease, upon payment of all outstanding amounts under the Lease, Lender’s security interest in the Equipment shall be released and the Lessee shall retain the Equipment. The Lessee shall be required to maintain the Equipment free and clear of other liens, to insure the Equipment (public liability and property damage insurance), to promptly repair or replace any damaged or destroyed Equipment and to pay any applicable taxes.

**Approximate  
Proceeds:** \$7,900,000

**III. Funding, Interest Rate, Closing**

**Funding:** Proceeds from the Bonds will be deposited into an escrow fund (“Escrow Fund”) acceptable to Lender. Borrower will be required to direct

investments in the Escrow Fund and any interest earned will be for the benefit of Borrower. Disbursements will be made from the Escrow Fund to pay for project costs upon delivery by Borrower of a disbursement request and related documents and approval by Lender. The Escrow Fund is subject to compliance by Borrower with all applicable regulations under the Internal Revenue Code, including but not limited to arbitrage reporting. So long as the Escrow Fund investments are from the Escrow Agent's standard investments for governmental entities, there will not be an escrow fee.

**Anticipated  
Escrow Agent:**

Bank of America, National Association or US Bank for VA Saves Program

**Payments:**

Please see the attached draft amortization schedule.

**Closing Date:**

Purely for purposes of this proposal, funding was calculated to be September 30, 2017

**Indicative  
Fixed  
Interest Rate:**

Taxable Direct Pay QECCB (prior to subsidy): 3.51%

The calculation for the Indicative Fixed Interest Rate above is:

*7-Yr Bloomberg Treasury SWAP Rate\* + Applicable Spread Below:*

Swap Term	Swap Rate	Spread	Indicative Rate
7	2.08%	1.43%	3.51%

\* As of August 1, 2017, the 7-yr Treasury Interest Rate SWAP as reported by Bloomberg.

**Rate Lock  
Procedure:**

If this proposal is signed and returned to Lender within ten (10) business days, the above taxable, direct pay QECCB rate of 3.51% will be fixed and held firm for 60 days from the date of this proposal. The tax credit rate will float until the execution of a Bond Purchase Agreement.

If closing of the transaction occurs after such rate lock expiration, the respective Indicative Fixed Interest Rate for the transaction is subject to repricing at the discretion of Lender 15 business days prior to the scheduled closing date.

PLEASE BE ADVISED THAT THE PROPOSED INDICATIVE PRICING INDEX SET FORTH ABOVE IS ONLY AVAILABLE FOR A TRANSACTION THAT IS FULLY FUNDED OR FOR SPECIFIC EQUIPMENT THAT HAS COMMENCED FUNDING UNDER A QECCB PURSUANT TO THIS PROPOSAL WITHIN 90 DAYS. THEREAFTER, LENDER MAY AT ITS DISCRETION ADJUST ITS PRICING TO REFLECT ADVERSE CHANGES IN ITS COST OF FUNDS OR CHANGES GENERALLY IN MARKET CREDIT MARGINS.

PLEASE NOTE THAT THE PRICING AND RATE ABOVE ARE BASED ON THE AVERAGE LIFE OF THE ATTACHED DRAFT AMORTIZATION SCHEDULE. TO THE EXTENT THAT THE AVERAGE LIFE OF THE FINAL SELECTED AMORTIZATION SCHEDULE CHANGES FROM

THE ATTACHED, THE RESPECTIVE RATE ABOVE IS SUBJECT TO MODIFICATION BY LENDER TO ACCOUNT FOR ANY LENGTHENING OF THE AVERAGE LIFE OF THE FINAL SCHEDULE.

**Closing Costs:** Issuer and Borrower will be responsible for its own closing costs, including its own legal costs for providing a legal/validity AND QECB eligibility opinions for the transaction. Issuer and Borrower may include legal and financing costs in the transaction amount up to 2% of proceeds (per tax regulations).

**IV. Prepayment and Other Terms**

**Prepayment:** With 30 days advance notice, Borrower will have the option to prepay the Lease in whole but NOT part on any payment date by paying the applicable Purchase Price which shall be calculated as 102% of the outstanding principal balance of the transaction.

**Documents:** All transaction documents are subject to further review and approval by Lender.

**Opinion of Counsel:** See Closing Costs above.

**QECB Obligation:** The Bond payments have been calculated on the following assumptions and representations by Issuer and Borrower that Issuer and Borrower:

1. are a state or political subdivision of a state within the meaning of Section 103(c) of the Internal Revenue Code (the "Code") and duly created and validly existing under the laws of Commonwealth of Virginia;
2. are authorized under the laws of the Commonwealth of Virginia to enter into the Bonds and the transactions contemplated thereby and to perform all of Issuer's obligations thereunder; and
3. have duly authorized the execution and delivery of the Bonds (Financing Lease) under the terms of a resolution of its governing body or by other appropriate official approval, and all requirements and procedures have been satisfied in order to ensure the enforceability of the Bonds (and Financing Lease), and Issuer and Borrower have complied with all applicable public bidding requirements.

Lender is not responsible or liable for the loss or reduction of the QECB direct pay subsidy.

**Final Approval:** This proposal and the terms set forth herein are an indication of interest in the transaction, and are not and should not be construed as a commitment nor obligation of Lender or its affiliates to provide any financing. The proposed transaction and the terms set forth herein are subject to all credit, risk, documentation and legal approvals of Lender as well as execution and delivery of documentation acceptable to all parties. All disbursements are subject to no material adverse change in the financial condition of Borrower.

**Assignment:** Without prior consent of Borrower, Lender shall be entitled to assign its right, title and interest in the Bonds and leased equipment on a private placement basis to qualified purchasers. In addition, Lender shall be

entitled to assign its right, title and interest in the Bonds to a trustee for the purpose of issuing certificates of participation or other forms of certificates evidencing an undivided interest in such Bonds, 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 Bonds 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. At any time, Lender may sell, assign or encumber all or any part of its right title and interest in the Bonds; however, in no event shall the Lender assign this agreement as a public offer of participation. Borrower consents to a private placement transaction within the meaning of applicable federal securities laws.

**Proposal Expiration**

**Date:**

This proposal must be accepted within ten (10) business days to be valid.

**Payment and  
Performance**

**Bonds:**

The Lessor requires to be listed as dual obligee on the payment and performance bonds provided by the Vendor. No payments to the Vendor will be permitted until such bonds are in place.

**Market**

**Disruption:**

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, IN THE EVENT ANY MATERIAL CHANGE SHALL OCCUR IN THE FINANCIAL MARKETS AFTER THE DATE OF THIS PROPOSAL LETTER, INCLUDING BUT NOT LIMITED TO ANY GOVERNMENTAL ACTION OR OTHER EVENT WHICH MATERIALLY ADVERSELY AFFECTS THE EXTENSION OF CREDIT BY BANKS, LEASING COMPANIES OR OTHER LENDING INSTITUTIONS, LENDER MAY MODIFY THE INDEX PRICING DESCRIBED ABOVE.

**USA Patriot Act  
Compliance:**

The Lessee acknowledges that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), the Lessor is required to obtain, verify and record information that identifies the Lessee, which information includes the name and address of the Lessee and other information that will allow the Lessor to identify the Lessee in accordance with the Patriot Act.

**Questions:**

Please contact Lender with any questions you may have regarding this proposal.



TELP SUMMARY OF TERMS AND CONDITIONS  
Options 1A and 1B

**I. Lessee, Lessor and Project Information - Introduction**

**Lessee:**                   **Option 1A:** Albemarle County, Virginia  
                                  **Option 1B:** Albemarle County School Board

**Lessor:**                   Banc of America Public Capital Corp or its affiliate or designee

**II. Lease Structure, Project Description**

**Purpose:**                   The purpose of this transaction is to provide financing for the acquisition, construction and installation of energy efficiency improvements (collectively, the "*Equipment*") through an energy performance contract with Ameresco (the "*Vendor*").

**Structure:**               This transaction will be structured as a tax-exempt equipment lease purchase agreement ("*Lease/Purchase*") between Lessee and Lessor. Repayments under the Lease/Purchase shall be absolute and unconditional, subject only to annual appropriation of funds by the Lessee's governing body and in accordance with the laws of the Commonwealth of Virginia. 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.

**Security:**                Upon acceptance of the Equipment, title to the Equipment shall be vested in Lessee. Lessee's obligations under the Lease/Purchase shall be secured by, among other things, a first priority security interest in the Equipment, evidenced by the filing of UCC financing statements and fixture filings and thus legal descriptions (as applicable) for the property locations at which the Equipment will be installed will be required. At maturity of the Lease/Purchase, upon payment of all outstanding amounts under the Lease/Purchase, Lessor's security interest in the Equipment shall be released and Lessee shall retain the Equipment. Lessee shall be required to maintain the Equipment free and clear of other liens, to insure the Equipment (public liability and property damage insurance), to promptly repair or replace any damaged or destroyed Equipment and to pay any applicable taxes.

**Proceeds:**                **\$7,900,000**

**III. Funding, Interest Rate, Closing**

**Funding:**                Proceeds from the Lease will be deposited into an Escrow fund account ("*Escrow Fund*") acceptable to Lessor. Lessor will have a security interest in any unexpended funds in the Escrow. Lessee will be required to direct investments in the Escrow Fund and any interest earned will be for the benefit of Lessee. Disbursements will be made from the Escrow Fund to pay for project costs upon delivery by Lessee of a disbursement request and related documents and approval by Lessor. The Escrow Fund is subject to compliance by Lessee with all applicable regulations

under the Internal Revenue Code, including but not limited to arbitrage reporting.

**Anticipated Escrow Agent:**

Bank of America, National Association or other mutually acceptable bank

**Closing Date:**

September 30, 2017

**Indicative Interest Rate:**

**2.25%**

**Indicative Rates are calculated according to the following formula:**

*7 Year Bloomberg Treasury SWAP Rate\* X 65% + Applicable Spread*

Swap Term	Swap Rate *	x 65	Spread	Indicative Rate
7	2.08%	1.35%	0.90%	2.25%

\* As of August 1, 2017, the 7-yr Treasury Interest Rate SWAP as reported by Bloomberg.

**PLEASE BE ADVISED THAT THE INDICATIVE INTEREST RATE AND THE PROPOSED PRICING SET FORTH ABOVE AND IN EXHIBIT A HERETO ARE ONLY AVAILABLE FOR TRANSACTIONS THAT HAVE BEEN CONSUMMATED WITHIN 90 DAYS HEREOF. THEREAFTER, LESSOR MAY AT ITS DISCRETION ADJUST ITS PRICING TO REFLECT ADVERSE CHANGES IN ITS COST OF FUNDS OR CHANGES GENERALLY IN MARKET CREDIT MARGINS.**

If this proposal is signed and returned to Lender within ten (10) business days, Lender will hold the tax-exempt rate of 2.25% for funding for 60 days from the date of this proposal.

If closing of the transaction occurs after such rate lock expiration, the respective Indicative Fixed Interest Rate for the transaction is subject to repricing *at the discretion of Lender* 15 business days prior to the scheduled closing date in accordance with the selected option formula above.

IF BORROWER ASKS LENDER TO LOCK THE RESPECTIVE INTEREST RATE ABOVE FOR FUNDING, BORROWER AGREES NOT TO SEEK FUNDING FOR THE PROJECT WITH ANOTHER LENDER FOR A PERIOD OF SIX MONTHS AS A MEANS TO CIRCUMVENT THE RATE THAT BORROWER HAS ASKED LENDER TO HOLD.

PLEASE NOTE THAT THE PRICING AND RATE ABOVE ARE BASED ON THE AVERAGE LIFE OF THE ATTACHED DRAFT AMORTIZATION SCHEDULES. TO THE EXTENT THAT THE AVERAGE LIFE OF THE FINAL SELECTED AMORTIZATION SCHEDULE CHANGES FROM THE ATTACHED, THE RESPECTIVE RATE ABOVE IS SUBJECT TO MODIFICATION BY LENDER TO ACCOUNT FOR ANY LENGTHENING OF THE AVERAGE LIFE OF THE FINAL SCHEDULE.

**Closing Costs:**

Lessee will be responsible for its own closing costs, including its own legal costs for providing any legal opinions for the transaction. Lessee may include legal and financing costs in the transaction amount.

**Lessor's Counsel:** Lessor will responsible for Lessor's outside attorney fees, if any.

**Documentation:** Lessor is prepared to use its standard form of lease documentation if acceptable to the Lessee. If using BAPCC's lease documentation, BAPCC will not request payment for legal fees.

#### **IV. Repayment, Prepayment and Other Terms**

**Payments:** Lessee shall make rental payments per the attached amortization schedule.

**Prepayment:** On any periodic rental payment date and following **30 days** advance written notice, Lessee shall have the option to prepay its obligations (in whole and **NOT** in part) under the Lease/Purchase upon payment of the then-applicable Purchase Price, which will be calculated as 102% of the outstanding principal balance.

**Bank Qualification:** This transaction is NOT bank-qualified.

**Opinion of Counsel:** Counsel to Lessee shall deliver an opinion to Lessor at closing in form and substance satisfactory to Lessor. The opinion of counsel will provide, among other matters:

- (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 (if applicable);
- (b) such interest is not a specific preference item for purposes of the Federal individual or corporate alternative minimum taxes;
- (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/Purchase; and
- (d) the Lease/Purchase has been duly executed by Lessee and is a valid, binding and enforceable obligation against Lessee.

**Tax Exempt Lease/Purchase:** The rental payments have been calculated on the following assumptions and representations by Lessee that Lessee:

1. is a state or political subdivision of a state within the meaning of Section 103(c) of the Internal Revenue Code (the "Code") and duly created and validly existing under the laws of the State of Virginia;
2. is authorized under the laws of the State of Virginia to enter into the Lease/Purchase and the transactions contemplated thereby and to perform all of Lessee's obligations thereunder; and
3. has duly authorized the execution and delivery of the Lease/Purchase under the terms of a resolution of its governing body or by other appropriate official approval, and all requirements and procedures have been satisfied in order to

ensure the enforceability of the Lease/Purchase, and Lessee has complied with all applicable public bidding requirements; and

Lessee shall provide Lessor with such evidence as Lessor may request to substantiate and maintain such tax status, and shall make such further representations and certifications as are customary in tax exempt transactions.

**Final Approval:**

This proposal and the terms set forth herein are an indication of interest in the transaction, and are not and should not be construed as a commitment nor obligation of Lessor or its affiliates to provide any financing. The proposed transaction and the terms set forth herein are subject to all credit, risk, documentation and legal approvals of Lessor as well as execution and delivery of documentation acceptable to all parties. All disbursements are subject to no material adverse change in the financial condition of Lessee from the time of approval.

**Assignment:**

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/Purchase 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. At any time, Lessor may sell, assign or encumber all or any part of its right title and interest in the Lease/Purchase; however, in no event shall the Lessor assign this agreement as a public offer of participation. Lessee consents to a private placement transaction within the meaning of applicable federal securities laws.

**Proposal Expiration**

**Date:**

This proposal must be accepted within 10 business days to be valid.

**Market**

**Disruption:**

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, IN THE EVENT ANY MATERIAL CHANGE SHALL OCCUR IN THE FINANCIAL MARKETS AFTER THE DATE OF THIS PROPOSAL LETTER, INCLUDING BUT NOT LIMITED TO ANY GOVERNMENTAL ACTION OR OTHER EVENT WHICH MATERIALLY ADVERSELY AFFECTS THE EXTENSION OF CREDIT BY BANKS, LEASING COMPANIES OR OTHER LENDING INSTITUTIONS, LESSOR MAY MODIFY THE INDEX PRICING DESCRIBED ABOVE.

**USA Patriot Act**

**Compliance:**

The Lessee acknowledges that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), the Lessor is required to obtain, verify and record information that identifies the Lessee, which information includes the name and address of

the Lessee and other information that will allow the Lessor to identify the Lessee in accordance with the Patriot Act.

### **Standard Disclosures and Disclaimers**

The transaction described in this document is an arm's length, commercial transaction between you and Banc of America Public Capital Corp ("BAPCC") and its affiliate, Banc of America Leasing & Capital, LLC ("BALC") in which: (i) BAPCC and BALC are each acting solely as a principal (i.e., as a lender) and for its own interest; (ii) neither BAPCC nor BALC is not acting as a municipal advisor or financial advisor to you; (iii) neither BAPCC nor BALC have no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether BAPCC, BALC or any of its affiliates has provided other services or is currently providing other services to you on other matters); (iv) the only obligations BAPCC and BALC have to you with respect to this transaction are set forth in the definitive transaction agreements between us; and (v) neither BAPCC nor BALC are recommending that you take an action with respect to the transaction described in this document, and before taking any action with respect to the this transaction, you should discuss the information contained herein with your own legal, accounting, tax, financial and other advisors, as you deem appropriate. If you would like a municipal advisor in this transaction that has legal fiduciary duties to you, you are free to engage a municipal advisor to serve in that capacity.

This proposal is submitted in response to your Request for Proposal. The contents of this proposal and any subsequent discussions between us, including any and all information, recommendations, opinions indicative pricing, quotations and analysis with respect to any municipal financial product or issuance of municipal securities, are provided to you in reliance upon the exemption provided for responses to requests for proposals or qualifications under the municipal advisor rules (the "Rules") of the Securities and Exchange Commission (240 CFR 15Ba1-1 et seq.).

The Staff of the SEC's Office of Municipal Securities has issued guidance which provides that, in order for a request for proposals to be consistent with this exemption, it must (a) identify a particular objective, (b) be open for not more than a reasonable period of time (up to six months being generally considered as reasonable), and (c) involve a competitive process (such as by being provided to at least three reasonably competitive market participants) or by being publicly posted to your official website. In submitting this proposal, we have relied upon your compliance with this guidance.

In submitting this proposal, we are not undertaking to act as a "municipal advisor" to you or any other person within the meaning of the Rules. In connection with this proposal and the transactions described herein, we are not subject to, and we hereby disclaim, any fiduciary duty to you or to any other person. We understand that you will consult with and rely on the advice of your own municipal, financial, tax, legal and other advisors as and to the extent you deem necessary in connection with your evaluation of this proposal and the transactions described herein.

QECB Sample Amortization Schedule  
Options 2A and 2B

Par Amount of QECBs	7,885,000.00
Taxable QECBs Interest Rate	3.51%
Federal Tax Credit Rate (as of 08/01/2017)	4.18%
70% Federal Tax Credit Rate	2.93%
Tax Credit Rate after 6.8% Sequestration Reduction	2.73%
Net Effective Rate (before Sequestration)	0.58%
Net Effective Rate (after Sequestration)	0.78%
Final Maturity (yrs.)	8/15/2029
Average Life (yrs.)	6.76
Closing/Funding Date	9/30/17

Pmt. No.	Year No.	Payment Date	Taxable Payment Amount	Taxable Interest Portion	Taxable Principal Portion	Taxable Outstanding Balance	Treasury Subsidy Amount *	Net Payment After Subsidy
0	0	9/30/2017	-	-	0.00	7,885,000.00	-	-
1	1	8/15/2018	742,168.06	242,168.06	500,000.00	7,385,000.00	107,513.24	634,654.83
2	2	2/15/2019	129,606.75	129,606.75	0.00	7,385,000.00	100,695.66	28,911.09
3	2	8/15/2019	693,606.75	129,606.75	564,000.00	6,821,000.00	100,695.66	592,911.09
4	3	2/15/2020	119,708.55	119,708.55	0.00	6,821,000.00	93,005.43	26,703.12
5	3	8/15/2020	705,708.55	119,708.55	586,000.00	6,235,000.00	93,005.43	612,703.12
6	4	2/15/2021	109,424.25	109,424.25	0.00	6,235,000.00	85,015.22	24,409.03
7	4	8/15/2021	718,424.25	109,424.25	609,000.00	5,626,000.00	85,015.22	633,409.03
8	5	2/15/2022	98,736.30	98,736.30	0.00	5,626,000.00	76,711.41	22,024.89
9	5	8/15/2022	730,736.30	98,736.30	632,000.00	4,994,000.00	76,711.41	654,024.89
10	6	2/15/2023	87,644.70	87,644.70	0.00	4,994,000.00	68,093.99	19,550.71
11	6	8/15/2023	743,644.70	87,644.70	656,000.00	4,338,000.00	68,093.99	675,550.71
12	7	2/15/2024	76,131.90	76,131.90	0.00	4,338,000.00	59,149.32	16,982.58
13	7	8/15/2024	756,131.90	76,131.90	680,000.00	3,658,000.00	59,149.32	696,982.58
14	8	2/15/2025	64,197.90	64,197.90	0.00	3,658,000.00	49,877.42	14,320.48
15	8	8/15/2025	769,197.90	64,197.90	705,000.00	2,953,000.00	49,877.42	719,320.48
16	9	2/15/2026	51,825.15	51,825.15	0.00	2,953,000.00	40,264.63	11,560.52
17	9	8/15/2026	782,825.15	51,825.15	731,000.00	2,222,000.00	40,264.63	742,560.52
18	10	2/15/2027	38,996.10	38,996.10	0.00	2,222,000.00	30,297.33	8,698.77
19	10	8/15/2027	795,996.10	38,996.10	757,000.00	1,465,000.00	30,297.33	765,698.77
20	11	2/15/2028	25,710.75	25,710.75	0.00	1,465,000.00	19,975.51	5,735.24
21	11	8/15/2028	745,710.75	25,710.75	720,000.00	745,000.00	19,975.51	725,735.24
22	12	2/15/2029	13,074.75	13,074.75	0.00	745,000.00	10,158.19	2,916.56
23	12	8/15/2029	758,074.75	13,074.75	745,000.00		10,158.19	747,916.56
			9,757,282.26	1,872,282.26	7,885,000.00		1,374,001.44	8,383,280.82

\* Assumes Sequestration of 6.8%

TELP Sample Amortization Schedule  
Options1A and 1B

<b>Total Project Costs</b>	<b>7,885,000.00</b>
<b>Repayment Term (annual)</b>	<b>12</b>
<b>Interest Rate</b>	<b>2.25%</b>
<b>Closing/Funding Date (est.)</b>	<b>9/30/17</b>
<b>Average Life</b>	<b>6.765</b>

Pmt. No.	Year No.	Payment Date	Funding Amount	Payment Amount	Interest Portion	Principal Portion	Outstanding Balance
0		9/30/2017	7,885,000.00				7,885,000.00
1	1	8/15/2018		655,235.94	155,235.94	500,000.00	7,385,000.00
2	2	2/15/2019		83,081.25	83,081.25	0.00	7,385,000.00
3	2	8/15/2019		647,081.25	83,081.25	564,000.00	6,821,000.00
4	3	2/15/2020		76,736.25	76,736.25	0.00	6,821,000.00
5	3	8/15/2020		662,736.25	76,736.25	586,000.00	6,235,000.00
6	4	2/15/2021		70,143.75	70,143.75	0.00	6,235,000.00
7	4	8/15/2021		679,143.75	70,143.75	609,000.00	5,626,000.00
8	5	2/15/2022		63,292.50	63,292.50	0.00	5,626,000.00
9	5	8/15/2022		695,292.50	63,292.50	632,000.00	4,994,000.00
10	6	2/15/2023		56,182.50	56,182.50	0.00	4,994,000.00
11	6	8/15/2023		712,182.50	56,182.50	656,000.00	4,338,000.00
12	7	2/15/2024		48,802.50	48,802.50	0.00	4,338,000.00
13	7	8/15/2024		728,802.50	48,802.50	680,000.00	3,658,000.00
14	8	2/15/2025		41,152.50	41,152.50	0.00	3,658,000.00
15	8	8/15/2025		746,152.50	41,152.50	705,000.00	2,953,000.00
16	9	2/15/2026		33,221.25	33,221.25	0.00	2,953,000.00
17	9	8/15/2026		764,221.25	33,221.25	731,000.00	2,222,000.00
18	10	2/15/2027		24,997.50	24,997.50	0.00	2,222,000.00
19	10	8/15/2027		781,997.50	24,997.50	757,000.00	1,465,000.00
20	11	2/15/2028		16,481.25	16,481.25	0.00	1,465,000.00
21	11	8/15/2028		736,481.25	16,481.25	720,000.00	745,000.00
22	12	2/15/2029		8,381.25	8,381.25	0.00	745,000.00
23	12	8/15/2029		753,381.25	8,381.25	745,000.00	-
				9,085,180.94	1,200,180.94	7,885,000.00	