

Deal Spotlight: Lease Transaction

School District of Lee County, South Carolina Lee County School Facilities, Inc.

Installment Purchase Revenue Bonds

\$30,000,000

Ratings: Aa3 (Moody's)/AA (S&P)

UW: Wachovia Bank, N.A.

FA: Ross Sinclair & Associates, LLC

Dated Date: 12/20/07

Lee County School Facilities, Inc. (the "Issuer") issued \$30 million of installment purchase revenue bonds to fund construction of a new middle school and make various improvements to aging facilities within the School District of Lee County (the "District"). The financing replaces and completes a financing plan that was initiated in 2006.

The District, which is coterminous with Lee County (the "County"), was established in 1952 by the consolidation of a number of school districts. The District is located in the Pee Dee section of South Carolina. The District is predominantly a rural farming area with a County population of just over 20,000 in 2006. Total enrollment was projected to be 2,355 students for the 2007-08 school year.

The bonds are secured by installment lease payments on certain District facilities as well as a debt service reserve fund that is fully funded at 50% of average annual debt service. The payments are subject to annual appropriation by the District. The District intends on issuing general obligation debt, secured by unlimited ad valorem taxes and further secured by the State's AA rated intercept program, to fund a portion of the lease payments. The District intends on funding a greater portion of the lease payments with property tax relief payments which include an additional one percent sales tax.

Current market value of the District is equal to \$589 million and assessed value (AV) is \$33.1 million. Despite a recent reassessment, AV grew an average 2.8% annually from 2002 to 2006. The general fund balance grew from \$30,000 in 2005 to \$1.2 million in 2007, or 8% of expenditures. Property tax relief payments are projected to generate more than \$1.4 million of revenue for the 2007-2008 fiscal year.

The Issuer accessed the market at lower interest rates based on Radian's "AA" ratings. Attached are sample maturities with their spread to the Municipal Market Data Line (MMDL) AAA GO Index.

Maturity	2022	2027	2031
Coupon	6.00%	6.00%	6.00%
Yield	5.05%*	5.27%*	5.35%*
Spread to MMDL High Grade (bps)	+111	+110	+110

* Priced to the 2017 par call.

Key Contacts:

James George, VP • 212 984.9279 • james.george@radian.biz

John DeLuca, SVP, Director of Marketing • 212 984.9222 • john.deluca@radian.biz

This report has been prepared by Radian Asset Assurance Inc. ("Radian") based on information available and believed to be accurate and complete as of the date on which the obligations described above were issued (the "Issuance Date"). Certain information included in this report was obtained by Radian from third-party sources, and Radian does not guarantee the accuracy or completeness of this report as of the Issuance Date or its continued accuracy as of any date subsequent thereto. Radian does not intend to, and disclaims any duty or obligation to, update or revise any information included in this report to reflect new information or future events for any other reason. This report is distributed for information purposes only and nothing contained herein should be viewed as investment advice or as constituting a recommendation to buy, hold or sell the obligations described herein. Radian has insured the obligations described above and received fees for the issuance of a financial guarantee insurance policy covering such obligations.