

**April 5, 2016**

**J.P.Morgan**

**CREDIT FACILITY PROPOSAL**

**Direct Purchase of a Non-Bank Qualified Tax-Exempt Certificates of Participation, Series 2009 and / or Series 2010B issued by the School District of Sarasota County, Florida in the amount of up to \$69,000,000**

# J.P.Morgan

April 5, 2016

Mitsi Corcoran  
Chief Financial Officer  
School District of Sarasota County, FL  
[Mitsi.Corcoran@sarasotacountysschools.net](mailto:Mitsi.Corcoran@sarasotacountysschools.net)

Jay Glover  
Managing Director  
Public Financial Management  
[gloverj@pfm.com](mailto:gloverj@pfm.com)

Dear: Ms. Corcoran & Mr. Glover

School District of Sarasota County, Florida (the "Issuer"), has requested that JPMorgan Chase Bank, N.A. or one of its affiliates purchase a "non-bank qualified" certificate of participation (the "Facility" or "Certificate") in the aggregate principal amount of \$69,000,000. JPMorgan Chase Bank, N.A. or one of its affiliates (the "Purchaser") is pleased to confirm its willingness purchase the Certificate in the amount of \$69,000,000, (the "Commitment") on the terms and conditions set forth herein and in the term sheet attached hereto (the "Term Sheet").

The obligation of JPMorgan Chase Bank, N.A. or one of its affiliates to provide credit to the Issuer in the form of its purchase of the Certificate is subject to the execution and delivery of loan documentation (the "Lease Purchase Documents") that is satisfactory to the Purchaser and its legal counsel. The Lease Purchase Documents shall contain such representations, warranties, covenants, events of default, conditions precedent, remedies and general provisions that the Purchaser and its counsel deem necessary and shall otherwise be satisfactory in form and substance to the Purchaser and its counsel. The terms, covenants, and conditions set forth in the Term Sheet merely outline some of the principal provisions of the Lease Purchase Documents rather than a full and complete description or exclusive list of all terms, covenants and conditions which shall be included in the lease documentation. To the extent that any terms, covenants and conditions in the Lease Purchase Documents are inconsistent with this Commitment, the terms, covenants and conditions in the Lease Purchase Documents shall control. The Purchaser's obligation under this Commitment shall also be subject to (a) the Purchaser's determination that there is no material adverse change in the business, condition (financial or otherwise), operations, performance or properties of the Issuer from June 30, 2015, (b) the Purchaser not becoming aware after the date hereof of any information or other matter affecting the Issuer or the transactions contemplated hereby which is inconsistent in a material and adverse manner with any such information or other matter disclosed to us prior to the date hereof, (c) the Issuer's compliance with the terms of this Commitment Letter and (d) the other conditions set forth or referred to herein and in the Term Sheet.

The Issuer hereby agrees to reimburse the Purchaser for all reasonable out-of-pocket expenses (including the reasonable fees, time charges and expenses of attorneys for the Purchaser, which attorneys may be employees of the Purchaser) incurred in connection with the preparation, negotiation, execution, and enforcement of this commitment letter, the Lease Purchase Documents and any other documentation contemplated hereby or thereby.

The obligations of the Purchaser under this commitment letter are enforceable solely by the Issuer and may not be relied upon by any other person. The Purchaser shall not be liable under this Commitment Letter or any Lease Purchase Document or in respect of any act, omission or event relating to the transaction contemplated hereby or thereby, on any theory of liability, for any special, indirect, consequential or punitive damages. IF THIS COMMITMENT LETTER, THE TERM SHEET OR ANY SUCH ACT, OMISSION OR EVENT BECOMES THE SUBJECT OF A DISPUTE, THE ISSUER AND THE PURCHASER EACH HEREBY WAIVE TRIAL BY JURY.

This Commitment Letter and the Term Sheet are for the Issuer's confidential use only and may not be disclosed by it to any person other than its employees, attorneys and financial advisors (but not commercial lenders), and then only in connection with the proposed transaction and on a confidential basis, except where (in the Issuer's reasonable judgment) disclosure is required by law or where the Purchaser consents to the proposed disclosure, which consent shall not be unreasonably withheld. Officers, directors, employees and agents of the Purchaser shall at all times have the right to share information received from the Issuer with its affiliates and their respective officers, directors, employees and agents, all on a confidential basis. This Commitment Letter and the Term Sheet supersede any and all prior versions hereof or thereof. This Commitment Letter may only be amended by a writing signed by all parties hereto. This Commitment Letter shall be governed by the internal laws of the State of Florida.

This Commitment Letter and the Term Sheet are submitted to you in our capacity as a lender in an arm's length commercial transaction. JPMorgan Chase Bank, N.A. and its affiliates are acting solely as a principal and not as a "Municipal Advisor" as defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules") or any other agent or fiduciary capacity. JPMorgan Chase Bank, N.A. and its affiliates are providing this information to you in reliance on the Bank exemption in the Municipal Advisor Rules and is not recommending that you take action or refrain from taking action or providing any advice. Please see "Municipal Advisor Disclosures and Disclaimers" in the Term Sheet for further information relating to the same.

You acknowledge that JPMorgan Chase Bank, N.A. and any of its affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which you may have conflicting interests regarding the transactions described herein and otherwise. Neither JPMorgan Chase Bank, N.A. nor any of its affiliates will use confidential information obtained from you by virtue of the transactions contemplated by this letter or their other relationships with you in connection with the performance by JPMorgan Chase Bank, N.A. or any of its affiliates of services for other companies, and neither JPMorgan Chase Bank, N.A. nor any of its affiliates will furnish any such information to other companies. You also acknowledge that JPMorgan Chase Bank, N.A. and its affiliates have no obligation to use in connection with the transactions contemplated by this letter or to furnish to you confidential information obtained from other companies.

The compensation, reimbursement and confidentiality provisions contained herein and in the Term Sheet shall continue and are and shall remain absolute obligations of the Issuer, unless and until superseded by the provisions of definitive Lease Purchase Documents, whether or not the Lease Purchase Documents are executed or any loan is made by the Purchaser or any conditions of lending are met.

If the foregoing correctly sets forth our agreement, please indicate the Issuer's acceptance of the terms hereof and of the Term Sheet by returning to the Purchaser an executed counterpart hereof not later than 5:00 p.m., New York City time, on April 16, 2016. The Purchaser's commitment will expire at such time in the event the Purchaser has not received such executed counterpart in accordance with the immediately preceding sentence. This Commitment Letter and Term Sheet supersede any and all prior versions hereof and thereof.

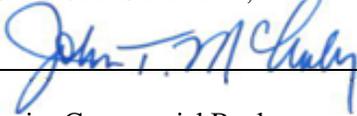
Sincerely,

DNT Asset Trust, a wholly owned subsidiary of  
JPMorgan Chase Bank, N.A.

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

Title: Authorized Officer

JPMORGAN CHASE BANK, N.A.

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

Title: Senior Commercial Banker

ACCEPTED AND AGREED TO:

\_\_\_\_\_  
**School District of Sarasota County, Florida**

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

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

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

CC: Mark-David Adams, Locke Lord LLP

# J.P.Morgan

## SCHOOL DISTRICT OF SARASOTA COUNTY, FLORIDA

### Direct Purchase Non-Bank Qualified Tax-Exempt Certificates of Participation, Series 2009 AND/OR Series 2010B

#### Summary of Terms and Conditions April 5, 2016

This Summary of Terms and Conditions (the "Term Sheet") is delivered with a commitment letter of even date herewith (the "Commitment Letter") from JPMorgan Chase Bank, N.A. or its affiliates to the below defined Issuer in connection with the Facility. The terms, covenants and conditions set forth below outline some of the principal provisions of the Lease Documents, but do not provide a full and complete description or exclusive list of all terms, covenants and conditions. This Term Sheet supersedes all previous Term Sheets and oral discussions. Capitalized terms used in this Term Sheet and not otherwise defined herein have the meanings attributed to them in the Commitment Letter.

SECTION I	DESCRIPTION OF THE LEASE
<b>Lessee:</b>	School District of Sarasota County, Florida (the "Lessee" or the "Issuer").
<b>Lessor:</b>	Financing Corporation for the School District of Sarasota County, Florida (the "Lessor" or "Corporation").
<b>Purchaser:</b>	DNT Asset Trust and its successors and assigns (the "Purchaser"). DNT Asset Trust is a Delaware business trust and wholly owned subsidiary of JPMorgan Chase Bank, N.A. DNT Asset Trust holds \$15.8 Billion in capital as of December 31, 2014 and meets the requirements as a Qualified Institutional Buyer.
<b>Leaseholder Representative:</b>	JPMorgan Chase Bank, N.A. (the "Leaseholder Representative" or the "Bank") and its successors and assigns, or any other entity subsequently appointed by the majority of the leaseholders, shall act as the representative on behalf of the leaseholders and shall be the party which provides consent, direct remedies and takes all actions on behalf of the Purchaser and other leaseholders under the Lease Documents.
<b>Facility / Amount:</b>	<p>Not to exceed \$69,000,000 Non-Bank Qualified Tax-Exempt Direct Purchase Certificates of Participation, Series 2009 and or 2010B (the "Certificates" or "COPs" or the "Facility").</p> <p>The Certificates would be purchased at 100% of Par on an 'all or none' basis.</p> <p>The Lease would not designated by the Issuer as a "qualified tax exempt obligation" under Section 265(b)(3) of the Internal Revenue Code.</p> <p>The Lease (including the Certificates issued in connection therewith) and Ground Lease would be payable pursuant to the Series 2009 and 2010B Lease Agreement as described in the Lease Purchase Documents (defined below) and would include an interest component at the rate(s) set forth in this Term Sheet. The Lessee's obligation to budget Basic Rent and Supplemental Rent (if any) due under the Lease Purchase Documents would be subject to annual appropriation by the Issuer. The Lease and Ground Lease shall expire at the earlier of (i) the repayment of all of the Basic Rent and Supplemental Rent due through the final term of the Lease, or (ii) the stated end of the term of the Ground Lease.</p>

The Certificates shall not be rated by any rating agency, shall not be initially registered to participate in DTC, shall not contain a CUSIP number and shall not be marketed during any period in which the Lease are held by the Purchaser pursuant to any Official Statement, Offering Memorandum or any other disclosure documentation. The Purchaser shall take physical delivery of the Certificates at closing.

**Purpose:** Proceeds of the Lease would be used to refund, refinance, or defease a portion of the existing Series 2009 and/or Series 2010B COPs of the Issuer, and provide costs of issuance.

**Lease Maturity Date:** Amortization Option 1: July 1, 2025

## SECTION II INTEREST RATES, PAYMENTS AND FEES

**Fixed Interest Rate:** The interest component of the Base Rentals payable under the Lease would accrue interest at a fixed rate per annum as set forth below, based upon the tenor selected by the Issuer. The following fixed interest rates are indicative as of April 5, 2016 and are subject to change daily until a written rate lock letter agreement is executed between the Issuer and the Bank:

	<b>Lease Maturity Date</b>	<b>Optional Redemption Date *</b>	<b>Indicative Fixed Rate**</b>
<b>Amortization Option 1:</b>	July 1, 2025	Standard Make Whole	1.64%

*\*The lease is callable at par on or after the Optional Redemption Date.*

*\*\* Should the Issuer request the removal of the 'Change in Tax Rate' provision referenced on page 7 of this Term Sheet, an additional 10 basis points would be added to the Indicative Fixed Rate shown above.*

**Lease Payments / Amortization:**

Interest would be payable semi- annually on January 1 and July 1, commencing July 1, 2016.

Principal would be payable annually commencing on July 1, 2017.

**Amortization Option 1**

<b>Date</b>	<b>Principal</b>
7/1/2017	\$1,390,000
7/1/2018	\$1,415,000
7/1/2019	\$1,445,000
7/1/2020	\$7,110,000
7/1/2021	\$12,390,000
7/1/2022	\$12,615,000
7/1/2023	\$12,830,000
7/1/2024	\$13,050,000
7/1/2025	\$6,270,000
<b>Total</b>	<b>\$68,515,000</b>

Notwithstanding the foregoing, interest would be computed at the Default Rate (defined below) upon the occurrence of an Event of Default.

**Prepayment:** The Lease may be prepaid in whole or in part, without premium or penalty, on any Optional Redemption Date as defined above. Any prepayment on any date other than those provided for above would be subject to breakage costs payable by the Issuer.

**Day Basis/Year:** 30/360

**Maximum Interest****Rate:**

No limitation would exist in the applicable lease documentation or authorizing resolution that restricts the interest rate to any rate lower than the maximum rate permitted by law.

**Interest Rate****Clawback:**

The Lease Purchase Documents would contain a customary interest rate recapture provision (“clawback”) as protection against the possibility of the interest rate payable on the Certificates exceeding the maximum rate permitted by law or the maximum rate provided for on the Lease. Such excess amounts shall be payable during such time periods where the interest rate payable on the Certificates is below the maximum rate permitted by law. Upon termination of the Facility, the Issuer shall pay to the Purchaser a taxable equivalent fee equal to the amount of all unpaid deferred excess interest.

**Default Rate:**

Base Rate + 4.00%

**Base Rate:**

The higher of (i) the Bank’s Prime Rate and (ii) 2.5% plus the one month LIBOR Rate, as such terms would be more particularly described in the related lease documents.

**SECTION III****OTHER LEASE TERMS AND PROVISIONS**

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**Security:**

Obligations under the Certificates will be evidenced by undivided proportionate interests in the Basic Rent Payments made by the Issuer under the Master Lease Purchase Agreement dated as of June 1, 2003 (the “Lease”), by and between the Issuer acting as the governing body of the School District of Sarasota County, Florida and the Lessor, as supplemented, and particularly as supplemented by Lease Schedule No. 2009 and No. 2010B. All lease payments are subject to annual appropriation by the Issuer and its failure to appropriate funds with respect to any lease schedule under the Lease will result in the termination of all lease schedules under the Lease.

**Drawdown:**

The proceeds of the Certificates would be fully drawn on the date of issuance.

**Required Documents:**

The terms of this financing would be evidenced by agreements, instruments and documents (collectively, the “Lease Purchase Documents”) that are usual and customary for a Lease Purchase transaction. The required documentation would include, but not limited to, the terms and conditions outlined herein as well as the Bank’s standard provisions with respect to representations and warranties, covenants, events of default, remedies, conditions precedent, right of set-off, waiver of jury trial, compliance with anti-corruption laws, protections against increased costs and other general provisions that the Purchaser and its counsel deem necessary and would otherwise be satisfactory in form and substance to the Purchaser and its counsel. All documentation will be prepared by Bond Counsel or Issuer’s Counsel as appropriate.

The Lease Purchase Documents shall also contain the following covenants:

- a) No material modification to the terms of the Lease or Ground Lease without approval of the Purchaser; such approval shall not be unreasonably withheld.
- b) So long as the Lease is in effect, the Lessee shall covenant to include in the budget proposals submitted to its Governing Board (the “Board”) all base rentals and estimated additional payments due under the Lease on an annual basis.
- c) In the event that the Board fails to renew the Lease, or fails to budget sufficient monies to pay the ensuing year’s base rental payments, the Board shall, not more than thirty days from the adoption of the budget, notify the Bank of any failure to so renew or budget on behalf of the Lessee.

- d) The Lessor as operator of the Leased Property shall maintain property, casualty and liability insurance on the Leased Property under the Ground Lease and the Lease as required under the Lease.

**Conditions Precedent:** Usual and customary representations and warranties and other conditions prior to the issuance of the Certificates for like situated issuers and for the type and term of the Facility, including absence of default, absence of material litigation and absence of material adverse change from the Issuer's financial conditions and operations as reflected in the financial statements of the Issuer as of June 30, 2015.

Additional conditions precedent would include delivery of acceptable lease documentation and legal opinions, including an opinion of bond counsel as to the validity and enforceability of the obligations of the Issuer under the Lease Purchase Documents and that the interest component payable on the Certificates is exempt from federal and State of Florida income taxation.

The Bank would require a schedule of all properties under Lease Schedule No. 2009 and No. 2010B (the "Schedule") and the addresses thereof. The Bank would require receipt and review of the title insurance policy and surveys related to the properties under the Schedule. In addition, the Bank would complete a flood zone determination, and would require executed flood notification forms signed by the Issuer or other applicable party and, if located within a special flood hazard area, evidence of flood insurance on the property would be required, in each case acceptable to the Bank. All related fees and expenses shall be the sole responsibility of the Issuer.

**Reporting Covenants:** The Issuer would provide the following items in an electronic format acceptable to the Purchaser:

1. Receipt of CAFR within 210 days of the fiscal year end.
2. Additional information as reasonably requested by the Bank.

**Tax Gross-Up:** In the event that the interest component of basic lease payments subsequently loses its tax exemption as a result of violations of the tax covenants, the Purchaser would require an adjustment to the Interest Rates payable on the Certificates to account for such loss of tax exemption.

The Purchaser would not require any adjustment to the Interest Rate for (i) changes to the regulatory environment or required regulatory capital, (ii) changes due to a decline in the Issuer's public bond rating.

**Change in Tax Rate:** In the event of a change in the Corporate Tax Rate (as hereinafter defined) during any period where interest is accruing on a tax-exempt basis causes a reduction in the tax equivalent yield on the Bond, the interest payable on the Bond would be increased to compensate for such change in the effective yield to a rate calculated by multiplying the bond interest rate by the ratio equal to  $(1 \text{ minus } A) \text{ divided by } (1 \text{ minus } B)$ , where A equals the Corporate Tax Rate in effect as of the date of the corporate tax rate adjustment as announced by the IRS and B equals the Corporate Tax Rate in effect on the date of the original issuance of the Bond. The Corporate Tax Rate would mean the highest marginal statutory rate of federal income tax imposed on corporations and applicable to the Bank (expressed as a decimal). ***Should the Issuer request removal of the 'Change in Tax Rate' provision an additional 10 basis points would be added to the Indicative Fixed Rate chosen as shown on page 5.***

- Sale / Assignment:** The Issuer would agree that the Purchaser may without limitation (i) at any time sell, assign, pledge or transfer all or a portion of the COPs, or one or more interests in all or any part of the Purchaser's rights and obligations under the COPs to one or more assignees and/or participants which may include affiliates of the Bank; and (ii) at the Purchaser's option, disclose information and share fees with such assignees and/or participants.
- Waiver of Jury Trial:** The Issuer and the Purchaser would waive, to the fullest extent permitted by applicable law, any right to have a jury participate in resolving any dispute in any way related to this Term Sheet, any related documentation or the transactions contemplated hereby or thereby.
- Governing Law:** All aspects of the Facility being discussed including this Term Sheet and any Lease Documents would be governed by the laws of the State of Florida.

#### **SECTION IV OTHER BANK REQUIREMENTS**

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**Municipal Advisor Disclosure:**

The Issuer acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the Issuer and the Bank and its affiliates, (ii) in connection with such transaction, the Bank and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the Issuer, (iii) the Bank and its affiliates are relying on the Bank exemption in the Municipal Advisor Rules, (iv) the Bank and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Bank, or any affiliate of the Bank, has provided other services or advised, or is currently providing other services or advising the Issuer on other matters), (v) the Bank and its affiliates have financial and other interests that differ from those of the Issuer, and (vi) the Issuer has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

- Expenses:** The Issuer would pay or reimburse the Purchaser for all its out-of-pocket costs and expenses and reasonable attorneys' fees where not prohibited by applicable law and incurred in connection with (i) the development, preparation and execution of the Lease, the Ground Lease and the Certificates and (ii) in connection with the enforcement or preservation of any rights under any agreement, any amendment, supplement, or modification thereto, and any other loan documents both before and after judgment.

- Legal Counsel:** The Bank would engage Locke Lord LLP as the Purchaser's legal counsel. Mark-David Adams would be acting in the capacity of attorney representing the Purchaser. Legal fees to be paid by the Issuer are estimated at \$7,500 based on the scope of the financing as presented.

Mark-David Adams  
 Locke Lord LLP  
 525 Okeechobee Boulevard, Suite 1600  
 West Palm Beach, FL 33401  
 Tel: (561) 820-0281  
 Fax: (561) 655-8719  
 Email: mark.adams@lockelord.com

**Information Sharing:** The Issuer would agree that the Purchaser may provide any information or knowledge the Purchaser may have about the Issuer or about any matter relating to the Facility described in this Term Sheet to JPMorgan Chase & Co., or any of its subsidiaries or affiliates or their successors, or to any one or more purchasers or potential purchasers of the Certificates, or participants or assignees of the Lease or the Facility described in this letter.

**Website Disclosure:** As a best practice to maintain transparency, final lease documentation may be posted by the Issuer on a national public lease market repository provided that certain information is redacted by the Issuer as directed by the Bank. Items that should be redacted include pricing, financial ratio covenants, signatures/names, account numbers, wire transfer and payment instructions and any other data that could be construed as sensitive information.

**Confidentiality:** This Term Sheet is for the Issuer's confidential review and may not be disclosed by it to any other person other than its employees, attorneys, board members and financial advisors (but not other commercial lenders), and then only in connection with the transactions being discussed and on a confidential basis, except where disclosure is required by law, or where the Purchaser consents to the proposed disclosure.

**RATE LOCK LETTER AGREEMENT  
TEMPLATE**

April 5, 2016

School District of Sarasota County, FL

Dear: Ms. Corcoran & Mr. Glover

**Defined Terms:**

Rate Lock Date: April 5, 2016

Rate Lock Funding Date: April 28, 2016

Rate Lock Breakage Date: Date on which the rate lock is broken on or before the Rate Lock Funding date.

Rate Lock Amount: \$68,515,000

Annual Interest Rate (%): 1.74%

*The Issuer has elected to remove the 'Change in Tax Rate' provision for an additional 10 basis points which is added to the indicative rate as shown on page 5. The final Annual Interest Rate is shown above.*

This letter is to confirm that, pursuant to your request, JPMorgan Chase Bank, N.A. (the "Bank") has reserved for School District of Sarasota County, Florida ("Issuer") \$68,515,000 in fixed rate funds effective on the Rate Lock Date, in anticipation of the Issuer's financing need on or before Rate Lock Funding Date.

The interest rate for the 9-year period of the above-described financing will be at an annual rate equal to 1.74%.

In order to lock the interest rate for this transaction, Issuer agrees that if for any reason the full Rate Lock Amount is not funded in accordance with the terms of the financing documents by the Rate Lock Funding Date, then Borrower shall pay a Reinvestment Premium to the Bank within 5 business days of the Bank's written request, as further described below.

- I. A Reinvestment Premium shall be due and payable if (i) exceeds (ii) where (i) equals total scheduled interest payments due on the Rate Lock Amount calculated at the 7- year Interest Rate Swap rate as reported on the Federal Reserve H.15 report effective on the Rate Lock Date plus 2 basis points and (ii) equals total scheduled interest payments due on the Rate Lock Amount calculated at the 7- year Interest Rate Swap rate as reported on the Federal Reserve H.15 report effective on the Rate Lock Breakage Date.

II. If (ii) above is equal to or greater than (i) above, then no Reinvestment Premium is due.

III. The Reinvestment Premium payable to the Bank shall be equal to the net present value of the difference in scheduled interest payments of (i) above less (ii) above for each scheduled interest period, discounted at the 7- year Interest Rate Swap rate as reported on the Federal Reserve H.15 report as effective on the Rate Lock Breakage Date

If the Issuer is in agreement with the above, please indicate such acceptance by providing signatures as set forth below, and returning this letter to my attention. The letter will only be effective if a Commitment Letter between the Issuer and the Bank for this financing transaction has been fully executed.

I'm delighted that we could be of assistance to you in this matter and look forward to working with you to complete this transaction.

Yours truly,

**JPMORGAN CHASE BANK, N.A.**

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

Name: Dominic D'Amato

Its: Authorized Officer

Agreed to and accepted by:

**School District of Sarasota County, Florida**

Date: April 5, 2016

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

Name: \_\_\_\_\_

Its: \_\_\_\_\_