

AN ORDER AUTHORIZING THE EXECUTION AND DELIVERY OF A SUBSTITUTE STANDBY BOND PURCHASE AGREEMENT FOR THE DENTON INDEPENDENT SCHOOL DISTRICT VARIABLE RATE UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2006-B; APPROVING A TERM SHEET FOR THE SUBSTITUTE STANDBY BOND PURCHASE AGREEMENT; DELEGATING AUTHORITY TO EXECUTE AND DELIVER SUCH SUBSTITUTE STANDBY BOND PURCHASE AGREEMENT; AND ENACTING PROVISIONS RELATED THERETO.

WHEREAS, Denton Independent school District (the "District") has issued its Variable Rate Unlimited Tax School Building Bonds, Series 2006-B (the "Bonds") pursuant to an Order adopted by the Board of Trustees of the District (the "Board") on June 27, 2006 (the "Bond Order");

WHEREAS, the District entered into a Standby Bond Purchase Agreement and related Fee Letter, each dated August 24, 2012 (collectively, the "Prior Liquidity Agreement"), with Wells Fargo Bank, National Association, to provide liquidity support for the Bonds;

WHEREAS, pursuant to its terms, the Prior Liquidity Agreement expires December 31, 2014;

WHEREAS, the Bank of Tokyo-Mitsubishi UFJ, Ltd., acting through its New York Branch (the "Bank") and the District desire to enter into a Standby Bond Purchase Agreement and related Fee Letter (collectively, the "Liquidity Agreement") to replace and supersede the Prior Liquidity Agreement to provide liquidity support for the Bonds;

WHEREAS, the Bank has provided the District with its Term Sheet dated October 16, 2014 (the "Term Sheet") setting forth the terms and conditions for execution and delivery of the Liquidity Agreement, and this Board has found and determined that it is in the best interest of the District to agree to enter into the Liquidity Agreement with the Bank in accordance with the Term Sheet;

WHEREAS, the District is an "issuer" under Section 1371.001(4)(P), Texas Government Code, having (i) a principal amount of at least \$100 million in outstanding long-term indebtedness, in long-term indebtedness proposed to be issued, or a combination of outstanding or proposed long term indebtedness and (ii) some amount of long-term indebtedness outstanding or proposed to be issued that is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation;

WHEREAS, the District is authorized by Section 1371.056, Texas Government Code, to delegate to an officer or employee of the District the authority, under the terms and for the period approved by the Board, to enter into the Liquidity Agreement; and

WHEREAS, any capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Bond Order;

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF TRUSTEES OF THE DENTON INDEPENDENT SCHOOL DISTRICT:

Section 1. Recitals. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

Section 2. Term Sheet. The Term Sheet presented to the Board at this meeting and attached hereto as Exhibit A is hereby approved and adopted by the Board for and on behalf of the District as the terms and conditions with respect to the Liquidity Agreement to be executed and delivered by the Superintendent or Assistant Superintendent of Administrative Services of the District (each an "Authorized Officer") pursuant to the authority conferred by Section 3 of this Order. An Authorized Officer is hereby authorized to execute and deliver the Term Sheet if so required by the Bank.

Section 3. Approval of Liquidity Agreement; Delegation of Authority. The Liquidity Agreement with the Bank, substantially in the form and substance submitted to the Board at the meeting at which this Order is adopted, is hereby approved, and an Authorized Officer, acting for and on behalf of the Board, is authorized to enter into and carry out the Liquidity Agreement incorporating the terms and conditions in the Term Sheet and such other changes the Authorized Officer determines to be necessary or acceptable in connection therewith, subject to the parameters set forth in Exhibit B. An Authorized Officer is further authorized, for and on behalf of the District and the Board, to approve and execute any necessary interim extensions of the Prior Liquidity Agreement prior to the execution and delivery of the Liquidity Agreement pursuant to the first sentence of this Section 3.

Section 4. Amendments to Tender Agent Agreement and Remarketing Agreement. An Authorized Officer, acting for and on behalf of the Board, is authorized to enter into and carry out any amendments to the Tender Agent Agreement or the Remarketing Agreement, as defined in the Bond Order, that the Authorized Officer determines to be necessary or acceptable in connection with the execution and delivery of the Liquidity Agreement.

Section 5. Further Procedures. The President and Secretary of the Board and the officers of the District are each hereby authorized to take or cause to be taken such other actions and to execute and deliver such documents and certificates as necessary or appropriate to consummate the transactions authorized by this Order, including without limitation, to obtain approval of the Attorney General of Texas, if required, to retain legal counsel in connection with the matters addressed herein or to obtain a rating or rating confirmation from any nationally recognized statistical rating organization, and payment of related fees, such notices as may be required by the proceedings that authorized the issuance of the Bonds, and the preparation and distribution of a supplement to the Remarketing Memorandum for the Bonds dated August 23, 2012 or other disclosure document related to such transactions. Prior to the execution and delivery of the Liquidity Agreement, an Authorized Officer and Bond Counsel are hereby

authorized and directed to approve any technical changes or corrections to this Order in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Order, (ii) obtain a rating from any of the national recognized statistical rating organizations, (iii) make changes to this Order deemed reasonable and necessary by an Authorized Officer, with the advice of Bond Counsel, to conform this Order to the requirements set forth in the Term Sheet or the Liquidity Agreement, or (iv) obtain the approval of the Bonds by the Texas Attorney General's office.

Section 6. Open Meeting. It is hereby officially found and determined that the meeting at which this Order was adopted was open to the public, and public notice of the time, place and purpose of the meeting was given, all as required by the Texas Open Meetings Act.

Section 7. Effective Date. This Order shall be in full force and effect from and upon its adoption.

Section 8. Severability. If any section, paragraph, clause or provision of this Order shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provision of this Order.

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FINALLY PASSED, APPROVED AND EFFECTIVE the 28<sup>th</sup> day of October, 2014.

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President, Board of Trustees  
Denton Independent School District

ATTEST:

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Secretary, Board of Trustees  
Denton Independent School District

(DISTRICT SEAL)

**EXHIBIT A**

**TERM SHEET FOR STANDBY BOND PURCHASE AGREEMENT**

*Attached hereto.*

**THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.**  
**SUMMARY OF PRELIMINARY TERMS AND CONDITIONS**  
 October 16, 2014

**ISSUER / OBLIGOR:** Denton Independent School District (the “*Issuer*” or “*Obligor*”)

**ISSUE:** Variable Rate Unlimited Tax School Building Bonds, Series 2006-B (the “*Bonds*”).

**FACILITY:** Standby Bond Purchase Agreement (the “*SBPA*”) providing liquidity support for the Bonds.

**FACILITY PROVIDER:** The Bank of Tokyo-Mitsubishi UFJ, Ltd., acting through its New York Branch (the “*Bank*”).

**FACILITY AMOUNT:** Up to \$30,000,000, plus required interest coverage.

**FACILITY FEES:**

Term	Up-Front Fee	Facility Fee Rate
2 Years	0 bps	35.0 bps
3 Years	0 bps	37.5 bps
4 Years	0 bps	40.0 bps

**DOWNGRADE PRICING:**

The Facility Fee will be subject to increase from and after the date of a rating downgrade of the lowest unenhanced long-term rating assigned by S&P or Fitch to the Bonds based on the State of Texas Education Agency’s Permanent School Fund Guarantee (“*Parity Debt*”). Any change in the Facility Fee Rate resulting from a change in a rating shall become effective as of and on the date of the announcement of the change in such rating.

Level	S&P Rating	Fitch Rating	Facility Fee Rate Increase*
Level 1	AAA or above	AAA or above	NA
Level 2	AA+	AA+	+0 bppa
Level 3	AA	AA	+05 bppa
Level 4	AA-	AA-	+10 bppa
Level 5	A+	A+	+20 bppa
Level 6	A	A	+25 bppa
Level 7	A-	A-	+30 bppa
Level 8	BBB+	BBB+	+40 bppa
Level 9	BBB	BBB	+50 bppa
Level 10	Below BBB	Below BBB	+100 bppa

\* All fee increases are cumulative

For example, if the bonds were downgraded by either S&P or Fitch to Level 2 (AA+/AA+), the Facility Fee Rate would not increase. If the bonds were

downgraded to Level 3 (AA/AA), the Facility Fee Rate would increase 5 basis points per annum. References to ratings in the grid above are to the rating categories of that rating agency as presently determined.

Upon the occurrence and continuance of an Event of Default (other than a ratings downgrade of Parity Debt and the underlying rating of Obligor's Unlimited Tax School Building Bonds Event of Default below BBB/BBB), the Facility Fee Rate then in effect shall be increased by 1.5% per annum from the level then in effect. In addition, if one or more rating agencies shall suspend its Rating for credit-related reasons or withdraw its rating, the Facility Fee Rate then in effect shall immediately increase to Level 10 (below BBB/BBB).

**EXTENSIONS:**

The Obligor may request an extension in writing within a time period no greater than 180 days and no less than 120 days prior to the expiration date of the SBPA.

The Bank will respond in writing within 60 days of receipt of a written request. The Bank's determination to accept or reject any such request shall be within the Bank's sole and absolute discretion. The failure of the Bank to respond to a request shall be deemed a denial of a request unless the Bank subsequently grants such request in writing.

The terms of each extension will be determined by mutual agreement after such analysis and due diligence as the Bank may require. There will be no fee for the Bank's application, credit approval and renewal process.

**OTHER FEES AND EXPENSES:**

- (a) Bank Counsel:** Bank Counsel fees are estimated at \$20,000, capped at \$25,000, plus disbursements. Foreign counsel is estimated at \$3,500, capped at \$4,500, plus disbursements. Bank counsel fees are for the account of the Obligor.
- (b) Bank's Out-of-Pocket Expenses:** Out-of-pocket expenses, which will relate primarily to travel expenses, if any are for the account of the Obligor.
- (c) Termination and Reduction Fee:** If the SBPA is terminated or permanently reduced within the first two years following its issuance, the Obligor will be required to pay all amounts due the Bank to such date plus an amount equal to the Facility Fee and all other fees and expenses due that would have been payable through the remainder of the second year (a "*Termination or Reduction Fee*"), provided that such latter amounts shall not be payable if (a) the Bank's short-term ratings are downgraded below P-1, A-1 or F1, or (b) in connection with a conversion of the Bonds to fixed rate or a refunding or redemption of the Bonds not requiring bank credit enhancement, credit facility, direct purchase or market-based floating-rate notes.
- (d) Draw Fee:** \$250 per draw.
- (e) Administrative Fees:** Amendments, transfers, standard waivers or consents: \$2,500 plus attorney's fees and expenses.

**PAYMENT OF FEES AND EXPENSES:**

**(a) Timing /  
Computation of  
Payments:** All fees are non-refundable.

The Facility Fee is payable quarterly in arrears on the first business day after the end of each calendar quarter. The Facility Fee is based on the Facility Amount, calculated on the basis of actual days elapsed and a 360 day year, including date of issuance and expiration.

Draw Fees are payable on the date on which a drawing is honored under the SBPAs.

Any Termination Fee or Reduction Fee is payable on the date of the SBPA's termination or the permanent reduction of the Available Commitment, as applicable.

**(b) Fees and Expenses  
Valid for 90 Days:** All fees and expenses, including those of Bank Counsel, are subject to increase if the transaction is not closed within 90 days from the date the Bank receives the mandate from the Obligor. In addition, the fees and expenses payable to Bank Counsel may be increased if the security and/or structure of the transaction changes materially once documentation has commenced.

**INTEREST RATES:**

**(a) Base Rate:** The greatest of: (i) Prime Rate plus 1.0%,  
(ii) Federal Funds Rate plus 2.0%, and  
(iii) 7.5% (floor)

**(b) Bank Rate:** Days 1 – 90: Base Rate  
Thereafter: Base Rate plus 1.0%.

*Provided further that at no time shall the Liquidity Rate be less than the rate on variable rate bonds that are not bank-held bonds.*

**(c) Default Rate:** Base Rate plus 2.0%.

**REPAYMENT OF DRAWS:**

**(a) Draws:** Except as provided below, Draws under the SBPAs are due and payable on the date of the draw.

**(b) Liquidity  
Draws:** The portion of each draw under the SBPAs to pay the portion of the purchase price of tendered but unremarketed Bonds consisting of the principal amount of the Bonds is referred to herein as a "Liquidity Draw" and evidenced by Bank Bonds. So long as on the date thereof no Event of the Default shall have



occurred and be continuing, and all representations and warranties of the Obligor remain true and correct, Liquidity Draws will bear interest at the Bank Rate, and, unless converted to a Term Loan upon satisfaction of the conditions set forth below, will be payable on the Liquidity Draw Maturity Date. The portion of each draw under the SBPAs to pay the portion of the purchase price of tendered but unremarketed Bonds consisting of accrued interest on the Bonds shall be repaid by the Obligor no later than the second Business Day after the date of such draw and to and including such second Business Day shall bear interest at the Bank Rate.

- (c) Term Loans** Provided that no Event of Default has occurred and is continuing and all representations and warranties of the Obligor are true and correct as of the related Liquidity Draw Maturity Date (as defined below), the related Liquidity Draw will automatically convert into an amortizing Term Loan subject to conditions in the Obligor's current SBPA.
- (d) Interest on Liquidity Draws and Term Loans:** Interest on each Liquidity Draw (not required to be immediately repaid) and each Term Loan is payable at the Bank Rate on the first business day of each month. All interest payments are calculated on the basis of the actual number of calendar days elapsed and a 365/366 day year, as the case may be.
- (e) Principal on Liquidity Draws and Term Loans:** Each Liquidity Draw must be repaid on the earlier of (a) the 90th day immediately following the date of such Liquidity Drawing and (b) the scheduled expiration date of the Liquidity Facility (the "*Liquidity Draw Maturity Date*") unless converted to a Term Loan. Each Term Loan must be repaid in full by the earliest of: (i) the fifth anniversary after the related Liquidity Draw, (ii) the date that a substitute liquidity facility replaces the SBPA, (iii) the date that the amount of the SBPA is permanently reduced to zero by Obligor or the SBPA is otherwise terminated under the Bond documents, (iv) the date on which the interest rate on the Bonds is converted to a fixed interest rate, or (v) the fifth anniversary of the scheduled expiration date of the Liquidity Facility.
- Each Term Loan will amortize in ten equal semi-annual principal installments.
- (d) Prepayment:** Each Liquidity Draw or Term Loan may be prepaid at any time without penalty.
- (e) Clawback Amounts:** The SBPA will include customary interest rate recapture ("*clawback*") language allowing the Bank to recover interest in excess of any maximum interest rate imposed by law.
- (f) Event of Default:** All amounts owed to the Bank become due and payable immediately, as and to the extent the Bond Documents permit. Interest accrues daily on such amounts at the Default Rate and is payable on demand.

**INCREASED COSTS AND CAPITAL ADEQUACY; TAXES:**

If a change in laws, rules, guidelines, accounting principles or regulations (or

their interpretation, implementation or administration) shall occur or be implemented and shall increase the cost to the Bank, its parent companies or participants (if any) of issuing or maintaining the SBPA or decrease the return on the Bank's, its parent companies' or any of its participants' capital or liquidity, or on the capital or liquidity of the holding company of any participant, the Bank may increase the Facility Fee by such amount as is necessary to compensate it, its parent companies or such participant for such increased costs or decreased return. In addition, the SBPA shall contain customary provisions providing for all payments to the Bank to be made free and clear of taxes and other claims and, to the extent the Issuer is required by law to withhold amounts to the Bank, its parent companies or its participant, the Issuer shall be required to gross up those payments.

**SECURITY:**

The Bonds and amounts due under the SBPA constitute direct and voted obligations of the District, payable from ad valorem taxes levied annually against all taxable property located within the District, without legal limitation as to rate or amount.

The Bonds are guaranteed by the Permanent School Fund of the State of Texas.

Covenants in the Bond documents will be incorporated into the SBPA.

**DOCUMENTATION:**

Documentation will include the SBPA and Fee Letter prepared by Bank Counsel. The SBPA will include, but not be limited to, the terms and conditions outlined herein as well as provisions that are customary and standard with respect to conditions precedent, representations and warranties, covenants, events of default and remedies.

**CONDITIONS PRECEDENT TO CLOSING:**

Customary and usual for facilities of this type, including but not limited to:

- (1) Documentation in form and substance satisfactory to the Bank including, without limitation, the SBPA prepared by Bank Counsel, Bond Documents prepared by Bond Counsel and other counsel to the transaction and receipt of opinions of Obligor's attorney, Bond Counsel and such other legal opinions as are deemed necessary by the Bank or are customary for a transaction of this type.
- (2) No material adverse change in the financial condition, operations or prospects of the Obligor or laws, rules or regulations (or their interpretation or administration) that, in any case, may adversely affect the consummation of the transaction, as determined in the sole discretion of the Bank.
- (3) Receipt of satisfactory financial information, budgets, projections, etc.

as requested by the Bank.

- (4) Receipt and review of the Obligor investment policy, guidelines and permitted investments, which must be satisfactory to the Bank.
- (5) Bring down of representations and warranties, receipt of statement as to compliance with covenants and no Event of Default or any other event that, with the passage of time, the giving of notice, or both, would result in an Event of Default.
- (6) Certified copies of relevant ordinances, resolutions, agreements, contracts, certificates, etc.
- (7) No change of Tender Agent and Remarketing Agent without Bank consent.
- (8) Evidence satisfactory to the Bank that a CUSIP number has been obtained and reserved for Bank Bonds and at least one of Moody's or Fitch has assigned a rating of at least investment grade to the Bank Bonds.
- (9) Receipt of rating letters from each Rating Agency rating the Bonds.
- (10) Receipt of certificate of compliance with conditions precedent.
- (11) Other conditions precedent as are customary for a financing of the type contemplated, including payment of fees at closing.

**CONDITION TO FUNDING LIQUIDITY DRAWS:**

- (1) Presentation of a properly completed draw certificate on or before the time set forth in the Standby Bond Purchase Agreement.
- (2) No Immediate Termination Event or Suspension Event having occurred (consistent with Rating Agency requirements).

**REPRESENTATIONS AND WARRANTIES:**

Standard for facilities of this type, including but not limited to:

- (1) Duly organized and authorized.
- (2) Enforceability of documents.
- (3) Financial statements true and correct.
- (4) Status of the debt payable from revenues; security for Bonds and obligations of Obligor to the Bank under the SBPA.
- (5) Compliance with all applicable laws, rules and regulations and with established investment policy guidelines.

- (6) True and complete disclosure.
- (7) No litigation.
- (8) No default or event of default.
- (9) No contravention of Regulation U of Federal Reserve Board and local usury laws.
- (10) No proposed legal changes which would adversely affect the Standby Bond Purchase Agreement, the Bank Bonds, Bond Documents or the transaction.
- (11) Environmental matters.
- (12) Status of Tender Agent and Remarketing Agent.
- (13) Tax-exempt status.
- (14) Incorporation of representations and warranties from Bond Documents by reference.

**COVENANTS:**

Standard for facilities of this type, including but not limited to:

- (1) Performance of obligations of Obligor under the SBPA and other Bond Documents.
- (2) Further assurances.
- (3) Access to books and records, provision of information reasonably requested and provision of notices of specified events material to the Obligor's operations.
- (4) Timely publication and dissemination of audited financial statements, certificates, notices, documents, official statements, etc., on the Obligor's website.
- (5) Compliance with other documents, all applicable laws, statutes, acts, rules and regulations (including ERISA and environmental) and investment policy guidelines.
- (6) No amendment of Bond Documents without the Bank's consent.
- (7) No substitution of SBPA, or redemption, defeasance or conversion of all or any portion of the Bonds, without payment in full of all obligations due and payable to the Bank or unless otherwise consented to by the Bank.

- (8) Incorporation of covenants from Bond Documents.
- (9) Maintenance of tax-exempt status of Bonds.
- (10) Disclosure of any facts which could materially adversely impact the business, operations, financial condition or obligations of the Obligor.
- (11) No substitution of Tender Agent and Remarketing Agent without the prior written consent of the Bank.
- (12) Customary covenants for transactions of this sort including redemption of Bank Bonds prior to any other Bonds and delivery of a substitute facility if (i) the Bank declines an extension or the Obligor fails to request an extension, (ii) the Bank causes a mandatory purchase of the Bonds following an Event of Default under the SBPA or (iii) the minimum ratings assigned to Parity Debt are not maintained.
- (13) Prohibition on use of the Bank's name except in offering circular.

**REMARKETING AGENT:**

- (1) The Obligor shall at all times cause a Remarketing Agent to be in place, which Remarketing Agent shall be acceptable to the Bank.
- (2) The Obligor will covenant at all times to cause the Remarketing Agent to use its best efforts to remarket Bonds (including, without limitation, Bank Bonds) up to the Maximum Rate permitted under the Bond documents.
- (3) If the Remarketing Agent fails to remarket any Bank Bonds for 15 consecutive calendar days, or otherwise fails to perform its duties under the Remarketing Agreement, then the Obligor agrees, at the written request of the Bank, to use best efforts to cause the Remarketing Agent to be replaced with a Remarketing Agent satisfactory to the Bank.
- (4) Under any replacement Remarketing Agreement, the Remarketing Agent may not resign until at least 60 days have elapsed following the Remarketing Agent giving of notice to the Obligor and the Bank of such resignation.

**EVENTS OF DEFAULT:**

Standard for facilities of this type, including but not limited to:

- (1) Failure of the Obligor to pay principal and/or interest when due on the Bonds, failure to make timely payments due on the Bank Bonds, unreimbursed drawing or advances under the SBPA or failure to pay any other amount due under the Standby Bond Purchase Agreement.

- (2) Failure of the Obligor to make payment on any Parity Debt or debt senior to the Bonds, including Bank Bonds.
- (3) Cross default to other Unlimited Tax-Backed debt of Obligor.
- (4) Any material representation or warranty in the SBPA or Bond Documents is not true when made.
- (5) Covenant default in the SBPA, after any applicable grace periods.
- (6) Any event of default under the Bond Documents.
- (7) Failure by the Obligor to pay, when due, an uninsured, final and non-appealable judgment or order of \$15,000,000 or more which shall be rendered against the Obligor and such judgment has not been vacated, discharged, satisfied or stayed by the Obligor within a reasonable period of time.
- (8) Invalidity or unenforceability of payment obligations provided in the Standby Bond Purchase Agreement, the Bank Bonds or the Bond Documents or those provisions become null and void, in each case, for any reason.
- (9) The Internal Revenue Service declares any Bonds taxable.
- (10) Voluntary or involuntary bankruptcy, insolvency, debt moratorium, etc.
- (11) The long term ratings assigned by S&P or Fitch to the Obligor's Parity Debt are withdrawn or suspended for credit-related reasons or reduced below A-/A- (or the equivalent), respectively.

**REMEDIES:**

The Bank may increase the Facility Fee pursuant to the SBPA and, subject to the Bond Documents; the Bank may cause the Bonds to become subject to a mandatory tender, redemption or acceleration.

In addition, the Default Rate will apply to all outstanding obligations of the Issuer to the Bank under the SBPA following an Event of Default and the Bank may pursue any other remedies to which it is entitled under the SBPA, the Bond Documents, at law or in equity.

**CHOICE OF LAW / JURY TRIAL :**

**(a) Governing Law:** The SBPA will be governed by the laws of the State of Texas, provided that the rights, duties and obligations of the Bank shall be governed by the laws of the State of New York.

**(b) Jury Trial:** To the extent permitted by law, the Obligor agrees to waive a jury trial in any

proceeding including the Bank.

**INDEMNIFICATION:** Customary indemnification to the extent permitted by law in all cases except where the Bank is proven to have been guilty of negligence or willful misconduct.

**PARTICIPATIONS:** The Bank reserves the right in its sole discretion to sell participations in this transaction.

**PROPOSED TERMS AND CONDITIONS SUBJECT TO CERTAIN EVENTS:**

*This proposal is not a commitment. It represents a willingness on the part of the Bank to seek approval to consummate a transaction based upon the terms and conditions outlined herein and is subject to:*

- Final credit approval;
- Absence of any material adverse change in the financial condition, operations or prospects of the Obligor, or in any law, rule or regulation (or their interpretation or administration), that, in each case, may adversely affect the consummation of the transaction, to be determined in the Bank's sole discretion;
- Such additional due diligence as the Bank may require; and
- Agreement as to all final terms and conditions and satisfactory documentation thereof (including satisfactory legal opinions).

**CREDIT PROCESS TIMEFRAME:**

The credit process will take 10 business days from the point at which the Bank is officially awarded the transaction and has in their possession all materials necessary to undertake a full credit analysis.

**RESCISSION BY THE BANK:**

The Bank reserves the right to unilaterally rescind part or all of the proposed terms and conditions herein at any time prior to their acceptance, which can only be effected by signing and returning this document to the Bank.

**EXPIRATION OF TERMS AND CONDITIONS:**

Unless rescinded earlier, consideration of a financing based on the terms and conditions presented in this term sheet shall automatically expire November 27, 2014.

The Bank reserves the right to terminate, reduce or otherwise amend its term sheet if the subject transaction is not closed within 90 days of the receipt of a signed term sheet.

**FUTURE MODIFICATIONS:**

The terms, conditions, pricing levels and fees (including legal fees and expenses) cited herein reference the financing and the Facility Amount as described herein and are subject to revision in the event that (i) the Facility Amount changes, (ii) the security or transaction structure is modified, (iii) the transaction deviates materially from what was initially described in the RFP or in conjunction therewith, (iv) the proposed financing does not close within 90 days of the receipt by the Bank of a signed term sheet.

**CONFIDENTIALITY:**

This Summary of Preliminary Terms and Conditions contains confidential and proprietary structuring and pricing information. Except for disclosure on a confidential basis to your accountants, attorneys and other professional advisors retained by you in connection with the Facility or as may be required by law, the contents of this Summary of Preliminary Terms and Conditions may not be disclosed in whole or in part to any other person or entity without our prior written consent, provided that nothing herein shall restrict disclosure of information relating to the tax structure or tax treatment of the proposed Facility.

**ADDRESS OF BANK:**

The Bank of Tokyo-Mitsubishi UFJ, Ltd.  
1251 Avenue of the Americas  
New York, NY 10020

**CREDIT RATINGS OF BANK:**

Long Term			Short Term		
Moody's	S&P	Fitch	Moody's	S&P	Fitch
Ratings: Aa3	A+	A	P-1	A-1	F1
Outlook/Credit Watch: Stable	Stable	Stable			

**BANK CONTACTS:**

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The Bank of Tokyo-Mitsubishi UFJ, Ltd.  
2001 Ross Avenue, Suite 3150  
Dallas, TX 75201  
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Email: [nboyle@us.mufg.jp](mailto:nboyle@us.mufg.jp)

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**AGREEMENT BY THE ISSUER / OBLIGOR:**

The Obligor hereby agrees to engage the Bank to provide the Facility, which is the subject hereof, pursuant to the terms and conditions stated herein.

Please evidence your acceptance of the foregoing by signing and returning a copy of the document to the Bank.

ACCEPTED AND AGREED TO:

By \_\_\_\_\_

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

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

## **EXHIBIT B**

### **PARAMETERS FOR STANDBY BOND PURCHASE AGREEMENT**

1. The maximum facility amount for the Liquidity Agreement shall be as set forth in the Term Sheet, or such amount as may be agreed upon by the District and the Bank.
2. The initial term of the Liquidity Agreement, notwithstanding any subsequent extensions agreed to by the District and the Bank, shall not exceed four years.
3. The rates to be paid pursuant to the Liquidity Agreement shall be as set forth in the Term Sheet.
4. The security and source of payment of the District's obligations under the Liquidity Agreement shall be as set forth in the Bond Order.
5. The delegation made hereby shall expire if not exercised by the Authorized Officer on or prior to October 28, 2015.