



April 4, 2016

Island Village Montessori Charter School, Inc.  
2001 Pinebrook Road  
Venice, FL 34292  
Attention: Board of Directors and Officers

Ladies and Gentlemen:

Wells Fargo Bank, National Association, is pleased to commit to the purchase of tax-exempt, bank-purchased Bond subject to the terms and conditions set forth or referred to in this commitment letter. The final terms, conditions and provisions will be set forth in definitive agreements agreed to or approved by the Borrower and Wells Fargo ("Loan Documents").

The Bank has simultaneously issued an "expression of interest" letter with respect to a conventional revolving line of credit and term loan to Borrower. If approved, the line of credit and term loan may not be accepted by Borrower without acceptance of the Bond financing described herein, and the line of credit and term loan may not be closed prior to closing of the Bond. The Bond, however, may be accepted and closed without acceptance and closing of the line of credit and term loan.

**ISSUER:** City of Venice or other acceptable issuer (the "Issuer")

**BORROWER:** Island Village Montessori Charter School, Inc. (the "Borrower" or the "School")

**PURCHASER:** Wells Fargo Bank, National Association ("Wells Fargo" or the "Bank"), or a wholly-owned subsidiary of the Bank.

**FACILITY AMOUNT:** Up to \$3,850,000.00 in principal, but not to exceed the lesser of: (i) 100% of the amount needed to payoff existing indebtedness on the Security (as defined herein) plus allowable closing costs.

Bank acknowledges receipt of satisfactory appraisals on the Security.

**STRUCTURE:** The Bank will purchase a tax-exempt Bond (the "Bond").

**PURPOSE:** The Bond is to be used to finance the following projects:

- A) Refinance a tax-exempt bond issued through the City of Venice with Bank of America as lender,
- B) Refinance two conventional loans with BB&T used to acquire real estate for school operations,
- C) Cover closing costs up to 2% of total par amount.

**MATURITY:** The fifteenth anniversary of purchase of the Bond.

**AMORTIZATION:** Principal amortization of up to 15 years, but not to exceed 120% of the weighted average economic life of the assets being financed.

**FINANCING DOCUMENTATION:** The Bond will be issued pursuant to standard bond documentations and purchased by the Bank in accordance with and subject to the provisions of a Continuing Covenant Agreement ("CCA") between the Bank and the Borrower containing standard closing conditions, representations and warranties, covenants and remedies. The Bond, the bond documents, and related security documents are herein collectively referred to (along with any amendment, supplement or restatement of any or all of the foregoing) as the "Financing Documents".

**SECURITY:** First mortgage on real properties owned by Borrower, located at 2001 Pinebrook Road, and 2341 Kilpatrick Road, Venice, FL 34292 and 11011 State Road 72, Sarasota, FL 34241.

**INTEREST RATE:** The indicative fixed rate on the Bond is 2.87% as of April 4, 2016. Borrower may elect to lock in this rate for 90 days from the date of this letter upon payment of a fee equal to .40% of the combined facility amount, as long as such election and payment are made not less than five days from the date of this letter. Or, Borrower may lock in the rate for a period of not more than 30 days prior to closing, at Bank's then-current rate for no fee. Otherwise, the interest rate will be subject to change until closing.

If closed, the Fixed Rate would further be subject to adjustment upon a) the occurrence of an event of taxability, b) a reduction in the maximum federal corporate tax rate and/or c) the incurrence of increased costs.

**COMPUTATION BASIS:** Computations of interest shall be calculated on the basis of a 360-day year and actual days elapsed.

**PREPAYMENT PROVISIONS:** Borrower shall pay to the Purchaser a prepayment fee equal to (i) 3% of the amount prepaid if payment is received in the first year, (ii) 2% of the amount prepaid if payment is received in the second year, and (iii) 1% of the amount prepaid if payment is received in the third year. There shall be no prepayment fee for amounts prepaid more than three years after closing.

**CLOSING FEE:** 0.5% of the Bond amount payable to the Bank at closing.

**OTHER FEES:** Usual and customary for this type of financing, including amendment fees, termination fees, trustee fees, attorney's fees (bond and bank), and customary language regarding increased costs, capital adequacy and taxes.

Whether or not the transaction is executed, the Borrower will pay all fees and expenses relating to the preparation of the Financing Documentation.

**INCREASED COSTS AND CAPITAL ADEQUACY; TAXES:** Customary for facilities of this type, including, without limitation, provisions concerning increased costs, taxes, changes in capital adequacy, capital requirements and other requirements of law (including Dodd-Frank Wall Street Reform and Consumer Protection Act and Basel III), or their interpretation, illegality, unavailability, and reserves without proration or offset and payments free and clear of withholding or other taxes.

**TAXABLE RATE:** In case of a determination of taxability, the Borrower will prepay the Bond within 60 days with a premium so that the total amount of premium plus interest paid from the date of taxability through the date of prepayment would be calculated at the Tax Free Rate multiplied by a Tax-Exempt factor currently estimated at 1.54 plus any other expenses incurred by the Bondholder as a result of the determination of taxability.

**RATE ADJUSTMENT:** In order that the bondholder maintains a certain tax-equivalent yield on its investment, the tax-free rate is subject to further adjustments (beyond the changes outlined in the paragraph above) in the event of further governmental legislation which adversely affects the tax-equivalent yield to the bondholder.

**PRINCIPAL FINANCIAL COVENANTS:** Usual and customary for this type of financing, including but not limited to:

- Debt Service Coverage greater than or equal to 1.25x
- Maintain Charter Contract in good standing at all times
- Not incur additional debt in excess of \$250,000 in the aggregate

**DEFAULT RATE:**

Wells Fargo Prime Rate plus 4.00%

**CONDITIONS  
PRECEDENT TO  
CONSIDERING CREDIT  
ACCOMMODATION:**

Usual and customary for this type of financing, including but not limited to:

- 1) No material adverse change in the assets, operations, condition (financial or otherwise) or prospects of the Borrower, nor in the facts and information regarding such entities as represented to date prior to Closing.
- 2) Receipt of Opinion of Bond Counsel acceptable to the Bank, Bank Counsel and Trustee.
- 3) Receipt of the Opinion of Borrower Counsel acceptable to the Bank, Bank Counsel, and Trustee.
- 4) Disclosure of any pending or threatened litigation (with such pending or threatened litigation acceptable to the Bank).
- 5) Environmental Assessment of the Security satisfactory to Bank.
- 6) Execution and delivery of the Financing Documents and all certificates, authorizations and opinions requested in form and substance satisfactory to the Bank, with legal opinions to cover such matters as the Bank may require.
- 7) Payment of all fees, including but not limited to, appraisal fees, environmental fees, legal fees and closing fees.
- 8) Other conditions deemed appropriate.

**EMMA AND RATING  
AGENCY DISCLOSURE:**

To maintain transparency, Wells Fargo requests that the Borrower a) post the financing documents on the MSRB's EMMA site following the closing of the transaction, provided that pricing and certain other information contained therein, as directed by the Bank, shall be redacted prior to such posting and b) deliver relevant financing documents to the rating agencies.

**BANKING  
RELATIONSHIP/AUTO  
DEBIT:**

The Borrower will be required to maintain its primary banking relationship with the Bank for the period that the Bank is the holder of the Bond from which monthly payments due under the Bond shall be deducted automatically.

**REPORTING  
REQUIREMENTS:**

Usual and customary for transactions of this nature including, but not limited to:

- Annual Audited Financial Statements
- Annual Budget prepared by Management
- Semi-Annual, Accountant Prepared Interim Financial Statements
- School Earnings Reports as issued by the School District of Sarasota County

**FUTURE  
MODIFICATIONS:**

The terms, conditions and interest rates herein reference the financing and the par amount indicated herein and are subject to revision in the discretion of the Bank, including, without limitation, in the event that (i) the par amount changes, (ii) the transaction deviates materially from what was initially described in conjunction therewith, (iii) the proposed financing does not close (other than as a result of action/inaction by the Bank) or (iv) events occur resulting in a material disruption of the market.

**NO ADVISORY OR FIDUCIARY ROLE:**

The Borrower acknowledges and agrees that: (i) the transaction contemplated by this term sheet is an arm's length, commercial transaction between the Borrower and Wells Fargo Bank, N.A., in which Wells Fargo Bank, N.A. is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Borrower; (ii) Wells Fargo Bank, N.A. has not assumed any advisory or fiduciary responsibility to the Borrower with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether Wells Fargo Bank, N.A. or its affiliates have provided other services to the Borrower on other matters); (iii) the only obligations Wells Fargo Bank, N.A. has to the Borrower with respect to the transaction contemplated hereby expressly are set forth in this term sheet; and (iv) the Borrower has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

**REPS AND WARRANTIES:**

Usual and customary for this type of financing.

**TRANSFER PROVISIONS:**

While the Bank is purchasing the Bond for its own account without a current intention to transfer them, the Bank reserves the right in its sole discretion to assign, sell, pledge or participate interests in the Bond without the consent of the Borrower.

**LOAN TREATMENT:**

Wells Fargo's purchase of the Bond is conditioned on its ability to treat the Bond as a loan for accounting purposes. To achieve this treatment, the following conditions must be met:

1. No rating can be assigned to the Bond
2. The Bond must be delivered in physical form
3. The physical Bond must carry a legend referencing the transfer restrictions
4. Wells Fargo's ability to transfer is limited to certain commercial bank Qualified Institutional Buyers
5. The Bond must have minimum denominations of not less than \$250,000
6. provided that no placement agent shall be involved in the financing or, if the Issuer requires the involvement of a placement agent, any placement agreement shall be in form and substance satisfactory to Wells Fargo

**EVENTS OF DEFAULT:**

Usual and customary for transactions of this type, to include without limitation: (i) nonpayment of principal, interest, fees or other amounts when due under any of the loan documents; (ii) non-compliance with any representation or warranty; (iii) violation of any covenant continuing beyond any agreed cure period; (iv) default under any other indebtedness; (v) bankruptcy or insolvency event; (vi) unpaid judgment; (vii) material adverse change; (viii) invalidity of any of the Bond documents.

**CONFIDENTIALITY:**

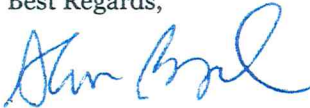
This Term Sheet is confidential and proprietary, and terms herein may not be disclosed without our prior written consent, except to your professional advisors in connection with this Financing who agree to be bound by such confidentiality requirements, or as may be required by law.

Notwithstanding anything herein to the contrary, any party hereto may disclose to any and all persons, without limitation of any kind the tax treatment or tax structure of this transaction. Furthermore, the parties to this transaction may disclose, as required by federal or state laws, any information as required to comply with such federal or state laws.

This letter should not be construed as an attempt to establish all of the terms and conditions relating to the Bond. It is intended only to be indicative of certain terms and conditions around which the Loan Documents will be structured, and not to preclude negotiations within the general scope of these terms and conditions. The execution versions of agreements containing final terms and conditions will be subject to approval by the Borrower and Bank.

Your acknowledgment of this letter below shall constitute acceptance of the foregoing terms and conditions. Unless accepted and returned to the undersigned on or before April 22nd, 2016, (along with a check for \$10,000 which shall be applied to Borrower's out-of-pocket closing costs, if any, or reimbursed to Borrower at closing) this commitment shall terminate. We are pleased to have approved this credit facility and look forward to its closing.

Best Regards,

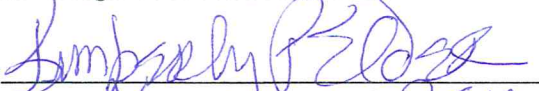


Shawn Byrd  
Relationship Manager  
Wells Fargo Bank, N.A.

Acknowledged and accepted this 22 day of April, 2016:

**BORROWER:**

Island Village Montessori School, Inc.

By:   
Print name: Kimberly P. Elser  
Title: Executive Director

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As these materials include information related to a bank-purchased bond transaction ("Direct Purchase"), please be advised that Direct Purchase is a product offering of Wells Fargo Bank, N.A. or a subsidiary thereof ("Purchaser") as purchaser / investor. Wells Fargo Securities will not participate in any manner in any Direct Purchase transaction between you and Purchaser, and Wells Fargo employees involved with a Direct Purchase transaction are not acting on behalf of or as representatives of Wells Fargo Securities. Information contained in this document regarding Direct Purchase is for discussion purposes only in anticipation of engaging in arm's length commercial transactions with you in which Purchaser would be acting solely as a principal to purchase securities from you or a conduit issuer, and not as a municipal advisor, financial advisor or fiduciary to you or any other person or entity regardless of whether Purchaser or an affiliate has or is currently acting as such on a separate transaction. Additionally, Purchaser, as purchaser / investor, has financial and other interests that differ from your interests. In its capacity as purchaser / investor, Purchaser's sole role would be to purchase securities from you (or the issuer in the case of a conduit transaction). Purchaser will not have any duty or liability to any person or entity in connection with the information provided herein. The information provided is not intended to be and should not be construed as "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934.