



MUNICIPAL FINANCE CORPORATION

2945 Townsgate Road, Suite 200

Westlake Village, CA 91361

Telephone (805) 719-1235

www.munifinance.com

TERM SHEET

Municipal Finance Corporation, on behalf of City National Bank, is pleased to present a refinancing proposal to the Del Paso Manor Water District. The proposed terms and conditions are as follows:

- Date: May 22, 2018
- Purchaser: Del Paso Manor Water District (the “District”)
- Seller: CSDA Finance Corporation (the “Corporation”)
- Assignee: City National Bank (the “Bank”)
- Financing Type: Refunding Installment Purchase Contract (Taxable and Tax-Exempt)
- Issue Size: Approximately \$4,900,000
- Interest Rate: 5.15% (Taxable) 4.25% (Tax-Exempt), with a closing date of the taxable Installment Purchase Contract no later than June 14, 2018 and a closing date of the tax-exempt Installment Purchase Contract no later than July 1, 2020
- Maturity Date: July 1, 2040
- Bank Fee: \$10,000, paid at closing to Municipal Finance Corporation as the Bank’s representative
- Optional Prepayment: The District shall have the right to prepay the taxable Installment Purchase Contract in whole on July 1, 2020 with no prepayment premium. The District shall have the right to prepay the tax-exempt Installment Purchase Contract commencing on July 1, 2025 with no prepayment premium.
- Security: Each Installment Purchase Contract shall be secured by a pledge of net revenues of the water, sanitation, and recycled water systems. The District shall covenant to maintain rates and charges so as to generate net revenues equal to 120% of debt service each fiscal year, although moneys transferred from the rate stabilization fund shall be considered revenues for purposes of the net revenues computation.

Bank Qualified: The tax-exempt Installment Purchase Contract is to be “bank qualified” pursuant to Section 265(b) of the Internal Revenue Code. This requires the District to issue no more than \$10,000,000 of tax-exempt financings in total during the calendar year in which the tax-exempt Installment Purchase Contract is issued.

Documentation: The District’s special counsel shall prepare all documentation and will include all agreements, certificates as are reasonably required to evidence and carry out the transaction. The District’s general counsel shall render an enforceability opinion on behalf of the District.

Credit Approval: The transaction is subject to final credit approval by the Assignee.

Proposal Acceptance: This financing proposal is good for an acceptance by the District no later than June 5, 2018.

Upon acceptance of this financing proposal, Municipal Finance Corporation shall use its best efforts to secure a credit approval in a timely fashion and otherwise to faithfully meet the requirements of this proposal. If this proposal is acceptable to the District, please sign below and return to my attention at your earliest convenience.

I look forward to the opportunity to be of service to the Del Paso Manor Water District.

Sincerely,

Proposal Accepted By:
Del Paso Manor Water District



Stefan Morton
Vice President

By _____

Date _____