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July 26, 2022

Discovery Bay Community Services District
1800 Willow Lake Road
Discovery Bay, CA 94505

Project: DISCOVERY BAY COMMUNITY SERVICES DISTRICT 2022 REVENUE REFUNDING BONDS, SERIES 2022B

Webster Bank (“WB”) is pleased to present this financing proposal (the “Term Sheet”) to the Discovery Bay Community Services District, subject to final credit approval, in connection with the above-referenced project. Working with WB has several major advantages, including:

- **Experience and Expertise:** Each member of the WB Public Finance team has significant experience regarding the financing of essential governmental equipment and projects and can help you document your financing in a manner that complies with applicable local laws.
- **Financial Capability:** The WB Public Finance team was formerly Sterling National Bank, a publicly traded commercial bank, which has the capability of funding tax-exempt and taxable financings on a nationwide basis. Combined, Webster now has over \$65 Billion in assets.
- **Reliability:** The WB Public Finance team prides itself on excellent customer service and the prompt closing of awarded transactions. We have worked with many special districts (as Sterling National Bank) so the District will have no worries about certainty of execution with us.
- **Simplified Financing Structure:** WB is proposing to refinance 100% of the District’s 2012 Series Enterprise Revenue Bonds, and costs of issuance of the Loan.

We look forward to working with you and your team on this assignment, and please do not hesitate to contact us with any questions, comments, or concerns. We are positive that you’ll enjoy working with SNB.

Very truly yours,

John Riddle

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TERM SHEET

TYPE OF FINANCING:	Enterprise Revenue Bond - combination of Water and Wastewater Revenues (the “Bond”) to be directly purchased through a private placement.
ISSUER/BORROWER:	Discovery Bay Public Financing Authority acting on behalf of the Discovery Bay Community Services District, CA (the “District”)
PURCHASER/LENDER:	Webster Bank
PLACEMENT AGENT:	Brandis Tallman, a Division of Oppenheimer and Co. Inc
MUNICIPAL ADVISOR:	Fieldman, Rolapp & Associates
PURCHASER’S COUNSEL:	Gilmore & Bell, P.C.
BOND COUNSEL:	Jones Hall, A Professional Law Corporation
AMOUNT OF BOND:	\$11,678,000- (\$1,240,000 payable from the Water Net Revenues, and \$10,438,000 payable from Wastewater Net Revenues)
FINAL MATURITY:	December 1, 2042
INTEREST RATES:	3.54%- Fixed for the term of the financing
TAX STATUS:	Tax-exempt and NBQ
ANTICIPATED CLOSING DATE:	Expected to be on September 7, 2022
INTEREST RATE LOCK:	The Interest Rates quoted above are locked through the Anticipated Closing Date.
PRINCIPAL PAYMENT STRUCTURE:	Due annually, commencing on 12/01/22 through final maturity and as further outlined in the District’s request for proposal.

INTEREST PAYMENT STRUCTURE: Due semi-annually, commencing on 12/01/2022 through final maturity. Based on a 30/360 calculation.

PURCHASE OPTION: The Issuer shall have the right to pre-pay the Bond in whole, but not in part, on any payment date by paying the Redemption Price, provided that Issuer gives Lender at least thirty (30) days prior written notice of its intent to do so. The Redemption Price, as a percentage of the then-outstanding Loan balance, shall be equal to:

Year	Percentage
1 – 2	No call
3 – 5	102%
6 - 9	101%
Thereafter	100%

FEES OF THE PURCHASER: None. Webster National Bank does not charge any fees.

Any costs of issuance incurred by the District such as financial advisory, placement agent and bond counsel shall be the responsibility of the District and can be included in the borrowed amount.

DOCUMENTATION: This financing is subject to the execution of mutually acceptable documentation to be prepared by Bond Counsel at the District’s expense. Documents, including validity and tax opinions, will include those that are normal and customary for a transaction of this type and size.

IRS CIRCULAR 230 DISCLOSURE: The Purchaser and its affiliates do not provide tax advice. Accordingly, any discussion of U.S. tax matters contained herein (including any attachments) is not written or intended to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with the Purchaser of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

ADVISORY DISCLOSURE: The Purchaser is not a registered municipal advisor as defined under the Dodd-Frank Wall Street Reform and Consumer Protection Act and its related rules and regulations. In providing this Term Sheet, the Purchaser is not providing any advice, advisory services, or recommendations with respect to the structure, timing, terms, or similar matters concerning an issuance of municipal securities. This Term Sheet is a commercial, arms-length proposal that does not create a fiduciary duty by the Purchaser to the District. The District may

engage, separately and at its own cost, an advisor to review this Term Sheet and the proposed transaction on the District's behalf.

DIRECT BANK LOAN:

The Purchaser intends to classify the financing as a privately placed loan. As such, the financing will feature (but will not be limited to) the following restrictions:

- The financing will not be assigned a CUSIP
- The financing will not be registered with the DTC;
- The financing will feature transfer restrictions such that transfer is restricted to Bank affiliates, or to Qualified Institutional Buyers, each of which is a commercial bank with minimum capital, etc.;
- The financing cannot be marketed pursuant to an offering document.

CREDIT APPROVAL:

This Term Sheet is subject to formal credit approval by the Purchaser and the negotiation of mutually acceptable documentation.

PROPOSAL EXPIRATION:

Unless accepted by the District or extended in writing by the Purchaser at its sole discretion, this Term Sheet shall expire on August 15, 2022. Once accepted, this Term Sheet shall expire if the Bond is not issued and purchased by September 15, 2022.

Upon receipt of the signed Term Sheet, we will endeavor to provide you with a timely commitment and we will use good faith efforts to negotiate and purchase the Bond based on the terms herein. It is a pleasure to offer this financing proposal to the District, and we look forward to your favorable response.

Respectfully –
Webster National Bank

John Riddle

John Riddle
Managing Director

Agreed to and Accepted by:

Discovery Bay Community Services District, CA

_____ (Name)

_____ (Title)

_____ (Date)