

# **ATTACHMENT D**

## **TERM SHEET**



## **MUNICIPAL FINANCE CORPORATION**

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### **TERM SHEET**

Municipal Finance Corporation, on behalf of City National Bank, is pleased to present an assessment bond financing proposal to the City of Newport Beach. The proposed terms and conditions are as follows:

Date:	March 26, 2020
Issuer:	City of Newport Beach (the “City”)
Type of Issue:	Assessment District No. 111 Limited Obligation Improvement Bonds (the “2020 Bonds”)
Investor:	City National Bank or an affiliate
Investor Representative:	Municipal Finance Corporation
Issue Size:	Estimated at \$3,333,000
Maturity Date:	September 2, 2040
Interest Rate:	2.35%, locked through a closing date no later than June 26, 2020
Payments:	Semi-annual interest (3/2 and 9/2) and annual principal (9/2) payments.
Term Bond:	The 2020 Bonds shall be issued in the form of one term bond with mandatory sinking fund payments of principal commencing on September 2, 2021.
Optional Prepayment:	The City may prepay the 2020 Bonds commencing on 9/2/27 and on any interest payment date thereafter. No prepayment premium shall apply.
Mandatory Prepayment:	The City may prepay the 2020 Bonds in part on any interest payment date due to prepayments of assessments. No prepayment premium shall apply.
Reserve Fund:	Equal to 5% of the issue size.
Investor Fees:	\$7,500, paid to investor representative at closing.

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Investor Letter: The Investor shall provide a sophisticated investor letter at closing with respect to the purchase of the 2020 Bonds.

Security: The 2020 Bonds shall be secured by a pledge of the assessments, backed by the authority of the City to initiate judicial foreclosure proceedings under certain circumstances against delinquent parcels.

Credit Review: This proposed transaction is subject to credit review by the Investor and receipt of all documents and opinions in form acceptable to the Investor.

Proposal Acceptance: This financing proposal is good for an acceptance by the City by March 26, 2020. Acceptance of this financing proposal is subject to approval of the City Council. If the City Council elects not to proceed with this proposal, no investor fees or expenses shall apply.


Sincerely,



William A. Morton  
President

Proposal Accepted By:

CITY OF NEWPORT BEACH

By 

Date 3-26-20