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May 23, 2023

Hernando County, Florida
15470 Flight Path Dr.
Brooksville, FL 34604

Project: A Tax-Exempt Non-Ad Valorem Revenue Note, Series 2023

Webster Bank, formerly Sterling National Bank, is pleased to present this financing proposal (the "Term Sheet") to Hernando County, Florida subject to final credit approval, in connection with the above-referenced project. Working with Webster Bank has several major advantages, including:

- **Experience and Expertise:** Each member of the Webster Bank 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 Webster Bank Public Finance team is part of Webster Bank, a publicly traded commercial bank, which has the capability of funding tax-exempt and taxable financing on a nationwide basis.
- **Reliability:** The Webster Public Finance team prides itself on excellent customer service and the prompt closing of awarded transactions.
- **Simplified Financing Structure:** Webster Bank is proposing to finance 100% of the Term Loan via a Tax-Exempt Non-Ad Valorem Revenue Note.

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 Webster Bank.

Very truly yours,

A handwritten signature in black ink, appearing to be 'M. Cargo'.

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TERM SHEET

TYPE OF FINANCING:	A Tax-Exempt Fixed Rate Term Loan (the “Series 2023 Note” or “Note”), with repayment from all Non-Ad Valorem Revenues as detailed in the RFP. Lender will fund the Loan on a private-placement basis.
BORROWER:	Hernando County, Florida (the “County”)
LENDER:	Webster Bank, or its designee or assignee
ESCROW OPTION:	The “Note” proceeds may be funded into an escrow account (the “Escrow Fund”), with disbursements made as needed. The Escrow may be set up with Webster Bank at no cost and will be collateralized as required by the State of Florida.
AMOUNT FINANCED:	Not to Exceed \$4,500,000.00
PURPOSE/USE:	Proceeds from the Series 2023 Note will be used to finance various costs and expenditures related to the acquisition and equipping of vehicles and equipment for the County’s Fleet Replacement Program.
TERM:	Approximately Ten (10) years, (Exhibit A).
PAYMENT STRUCTURE:	Borrower shall make Note payments as set forth in the RFP and in Exhibit A.
ANTICIPATED CLOSING DATE:	On or before June 20, 2023
INTEREST RATE:	3.90%

INTEREST RATE LOCK:

The Interest Rates quoted above are valid through June 30, 2023.

SECURITY:

The County will covenant and agree to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues amounts sufficient to pay debt service on the Series 2023 Note.

PREPAYMENT:

Borrower shall have the right to pre-pay the Note in whole (or in part subject to mutually agreed upon parameters), on any payment date by paying the Principal Balance plus any outstanding interest due, provided the Borrower 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 Note balance, shall be equal to:

Exhibit A:

Year:	Percentage:
1-2	No Call
3	101%
Thereafter	100%

FEES OF LENDER:

None. The costs of issuance incurred by Borrower, such as Note counsel fees, are payable by Borrower and may be capitalized into the Note upon request.

DOCUMENTATION:

Borrower shall provide the documentation for the Note, subject to review & approval by Lender. If needed, Borrower shall provide an opinion of legal counsel attesting to the legal, valid, binding, and enforceable nature of the Note. The Lender will use Gilmore & Bell as counsel to review the documents. The County will be required to send the Lender financial statements on an annual basis by agreed upon dates.

ASSIGNMENT:

Webster Bank (the “Purchaser/Lender”) is purchasing the Loan Obligation as a vehicle for making a commercial loan for its own account with the present intent to hold the Loan Obligation to maturity or earlier prepayment, and without any present intent to distribute or sell any interest therein or portion, provided, however, the Purchaser/Lender reserves the right – without the consent of (but with notice to) the Borrower - to assign, transfer or convey the Loan in whole only, but no such assignment, transfer or conveyance shall be effective as against the Borrower, unless and until the Purchaser/Lender has delivered to the Borrower written notice thereof that discloses the name and address of the assignee and such assignment, transfer or conveyance shall be made only to (i) an affiliate of the registered owner of the Loan or (ii) banks, insurance companies or other financial institutions or their affiliates. The Loan shall limit the right of the Purchaser/Lender or its assignees to sell or assign in whole only, interest in the Loan to one of the entities listed in (i) or (ii). Webster Bank will sign an Investment Letter upon award.

IRS CIRCULAR 230 DISCLOSURE:

Lender 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 Lender of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

ADVISORY DISCLOSURE:

Webster Bank 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, Webster Bank 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 Webster Bank to the Borrower. The Borrower may engage, separately and at its own cost, an advisor to review this Term Sheet and the proposed transaction on the Borrower’s behalf.

CREDIT APPROVAL:

Although favorably prescreened, the Note is subject to final approval by Webster Bank and the negotiation of mutually acceptable documentation. For due diligence, Lender will require Borrower’s three (3) most recent audited financial statements, its most recently adopted budget, and any other information that Lender may reasonably require.

PROPOSAL EXPIRATION:

Unless accepted by the Borrower or extended in writing by Webster Bank at its sole discretion, this Term Sheet shall expire on May 31, 2023.

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 finance the Note based on the terms herein. It is a pleasure to offer this financing proposal and we look forward to your favorable review.

Very truly yours,



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Managing Director
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Agreed to and Accepted by:
Hernando County, Florida

_____ (Name)

_____ (Title)

_____ (Date)

		Exhibit A--Sample Amortization Schedule				
Funding Amount:		\$4,500,000.00			Interest Rate:	3.90%
Down Payment:		\$0.00			Closing Date:	6/20/2023
Capitalized Interest:		\$0.00			Term (years):	10.00
Cost of Issuance:		<u>\$0.00</u>				
Amount Financed:		\$4,500,000.00				
Payment	Payment	Payment	Interest	Principal	Outstanding	Redemption
<u>Number</u>	<u>Date</u>	<u>Amount</u>	<u>Component</u>	<u>Component</u>	<u>Balance</u>	<u>Price</u>
Principal:	6/20/2023				\$4,500,000.00	No Call
1	11/1/2023	\$64,430.14	\$64,430.14	\$0.00	\$4,500,000.00	No Call
2	5/1/2024	\$416,750.00	\$87,750.00	\$329,000.00	\$4,171,000.00	No Call
3	11/1/2024	\$81,334.50	\$81,334.50	\$0.00	\$4,171,000.00	No Call
4	5/1/2025	\$475,334.50	\$81,334.50	\$394,000.00	\$3,777,000.00	\$3,814,770.00
5	11/1/2025	\$73,651.50	\$73,651.50	\$0.00	\$3,777,000.00	\$3,814,770.00
6	5/1/2026	\$483,651.50	\$73,651.50	\$410,000.00	\$3,367,000.00	\$3,367,000.00
7	11/1/2026	\$65,656.50	\$65,656.50	\$0.00	\$3,367,000.00	\$3,367,000.00
8	5/1/2027	\$491,656.50	\$65,656.50	\$426,000.00	\$2,941,000.00	\$2,941,000.00
9	11/1/2027	\$57,349.50	\$57,349.50	\$0.00	\$2,941,000.00	\$2,941,000.00
10	5/1/2028	\$500,349.50	\$57,349.50	\$443,000.00	\$2,498,000.00	\$2,498,000.00
11	11/1/2028	\$48,711.00	\$48,711.00	\$0.00	\$2,498,000.00	\$2,498,000.00
12	5/1/2029	\$509,711.00	\$48,711.00	\$461,000.00	\$2,037,000.00	\$2,037,000.00
13	11/1/2029	\$39,721.50	\$39,721.50	\$0.00	\$2,037,000.00	\$2,037,000.00
14	5/1/2030	\$519,721.50	\$39,721.50	\$480,000.00	\$1,557,000.00	\$1,557,000.00
15	11/1/2030	\$30,361.50	\$30,361.50	\$0.00	\$1,557,000.00	\$1,557,000.00
16	5/1/2031	\$529,361.50	\$30,361.50	\$499,000.00	\$1,058,000.00	\$1,058,000.00
17	11/1/2031	\$20,631.00	\$20,631.00	\$0.00	\$1,058,000.00	\$1,058,000.00
18	5/1/2032	\$539,631.00	\$20,631.00	\$519,000.00	\$539,000.00	\$539,000.00
19	11/1/2032	\$10,510.50	\$10,510.50	\$0.00	\$539,000.00	\$539,000.00
20	5/1/2033	<u>\$549,510.50</u>	<u>\$10,510.50</u>	<u>\$539,000.00</u>		
Total:		\$5,508,035.14	\$1,008,035.14	\$4,500,000.00		

ABOUT – Webster Bank

The public finance group of Webster Bank provides tax-exempt and taxable financing solutions on a nationwide basis for state & local governments, non-profit corporations, and the federal government. Projects financed include virtually all types of essential capital items, including equipment, vehicles, energy efficiency & renewable energy equipment, and real property. Financing terms are tied to the useful life of the capital improvements and range from 3 to 20 years. Each member of the public finance team has 25 or more years of lending experience and is committed to the timely closing of awarded transactions.

CONTACT INFORMATION

For more information about this financing opportunity, please contact:

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