

**BANNING LEWIS METROPOLITAN DISTRICT NO.3**

**DRAFT TERM SHEET – AS OF AUGUST 24, 2020**

*FOR DISTRICT USE ONLY  
PROSPECTIVE INVESTORS SHOULD REVIEW THE BOND DOCUMENTS*

**Delivery Date:** November 12, 2020

**Sources:**

**Par Amount:** \$ 8,710,000 (estimated)  
**Net Premium:** \$ 1,175,653 (estimated)  
**Funds on Hand:** \$ 1,356,000 (estimated)  
**Series 2015A – DSRF:** \$ 755,869 (estimated)  
**Total Sources:** \$ 11,997,522 (estimated)

**Uses:**

**Escrow Deposit:** \$ 11,109,627 (estimated)  
**Debt Service Reserve:** \$ 573,800 (estimated)  
**Cost of Issuance:** \$ 314,095 (estimated)  
**Total Uses:** \$ 11,997,522 (estimated)

**Structure:**

**Final Maturity:** December 1, 2045 (estimated)

**Interest Rate:** 2.67% (estimated TIC as of the current market)

**Payment Dates:** Semi-annual interest payments on June 1 and December 1. Annual principal payments on December 1.

**Tax Status:** Tax-exempt, Non-AMT, BQ

**Optional Redemption:** Estimated 12/1/2030 at par

**Credit Rating:** Baa Rating (estimated)

**Pledged Revenue:** Pledged Revenue consists of (i) revenues produced from the required debt service mill levy to produce an amount sufficient to pay debt service up to the District's mill levy cap of 30 mills, as adjusted (the "Required Mill Levy"), and (ii) specific ownership taxes generated from the Required Mill Levy.

**Additional Debt:**

- Allowed with 100% bondholder consent.
- Allowed if the debt to assessed value ratio is at or below 50% after the issuance of such additional debt
- Allowed without bondholder consent for a refunding of this 2020 debt such that debt service is lower in every year.

**Subordinate Debt:** Subordinate bonds may be issued provided that they pay debt service annually only after all payment on senior bonds and that the senior bonds and the subordinate bonds are in compliance with the parameters for issuance under any existing subordinate bond documents.

**Events of Default:** It is not an event of default if the District fails to pay interest and principal on December 1, but has imposed the Required Mill Levy. Failure to impose the Required Mill Levy is an event of default.

**Trustee:** UMB Bank, n.a.

**Title 32 qual.:** Rated in one of the four highest investment grade ratings.

**Title 11 exemption:** Rated in one of the four highest investment grade ratings.