

STETSON RIDGE METROPOLITAN DISTRICT #3
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2020A

Draft Term Sheet
(as of February 28, 2020)

FOR DISTRICT USE ONLY
PROSPECTIVE INVESTORS SHOULD REVIEW THE BOND DOCUMENTS

Delivery Date: June 4, 2020

Sources:

Par Amount:	\$7,010,000.00 (estimated)
Original Issue Discount:	-62,681.40 (estimated)
Series 2012 Debt Service Reserve Fund:	<u>488,693.76 (estimated)</u>
Total Sources:	\$7,436,012.36 (estimated)

Uses:

Project Fund:	\$2,133,771.32 (estimated)
Refunding Project:	5,017,191.04 (estimated)
Costs of Issuance:	<u>285,050.00 (estimated)</u>
Total Uses:	\$7,436,012.36 (estimated)

Structure:

Final Maturity: December 1, 2047 (estimated)

Interest Rate: All in TIC 3.34% (estimated as of the current market)

Payment Dates: Semi-annual principal and interest payments on June 1 and December 1 with principal payments annually on December 1. The Bonds will be discharged on December 1, 2047.

Tax Status: Tax-exempt, Non-AMT, Bank-Qualified

Optional Redemption: Estimated 6/1/2030 at par (actual redemption provisions determined at pricing)

Credit Rating: Baa3 (estimated)

Senior Pledged Revenue: Pledged Revenue consists of (i) revenues produced from the District's required debt service mill levy of 27.832 mills, as adjusted from January 1, 2006 (the "Required Mill Levy"), and (ii) specific ownership taxes generated from the Required Mill Levy.

Surplus Fund:	The District shall be required to levy 27.832 mills (consisting of the Required Mill Levy), gallagherized from January 1, 2006, until the Surplus Fund is full. To the extent pledged revenue is not needed for current year debt service, it will be deposited to the Surplus Fund. The Surplus Fund will have a maximum size of \$188,150 (half MADS) and shall be drawn in the event that current revenue is insufficient to cover current debt service.
Additional Debt:	<ul style="list-style-type: none">- Allowed with 100% bondholder consent.- Allowed without bondholder consent for a refunding of this 2020 debt such that debt service is lower in every year and there is no extension of the final maturity.
Subordinate Debt:	In addition to the 2020B(3) bonds, additional subordinate bonds may be issued provided that they pay debt service annually only after all payment on senior bonds and that such subordinate bonds are in compliance with the parameters for issuance under any existing senior and 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.:	Investment grade
Title 11 exemption:	Investment grade

STETSON RIDGE METROPOLITAN DISTRICT #3
SUBORDINATE LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2020B(3)

Draft Term Sheet
(as of February 28, 2020)

FOR DISTRICT USE ONLY
PROSPECTIVE INVESTORS SHOULD REVIEW THE BOND DOCUMENTS

Delivery Date: June 4, 2020

Sources:

Par Amount: \$1,119,000.00 (estimated)

Uses:

Project Fund: \$1,085,430.00 (estimated)

Costs of Issuance: \$ 33,570.00 (estimated)

Total Uses: \$1,119,000.00 (estimated)

Structure:

Final Maturity: December 15, 2042 (estimated)

Interest Rate: 8.00% (estimated as of the current market)

Payment Dates:

The bonds are structured as cash flow bonds that pay each year on December 15th. Any senior pledged revenue available to the subordinate bonds will be used to pay current interest, accrued interest, and then principal. Interest not paid when due will accrue and compound annually at the rate on the bonds. Any amount unpaid at the maturity date will remain outstanding and continue to accrue and compound. The Bonds will be discharged on December 1, 2047.

Tax Status: Tax-exempt, Non-AMT, Bank-Qualified

Optional Redemption: Estimated 6/1/2025 at \$103 premium declining (actual redemption provisions determined at pricing)

Credit Rating: Non-Rated

Pledged Revenue: Subordinate lien on revenues produced from the senior pledged revenue stream.

Junior Subordinate Debt: Junior subordinate bonds may be issued provided that they pay debt service annually only after all payment on senior bonds and subordinate bonds.

Trustee: UMB Bank, n.a.

Title 32 qual.: Issued to financial institutions or institutional investors

Title 11 exemption: \$500,000 denominations