

Banning Lewis Ranch Metropolitan District No.5
Term Sheet
Series 2018A General Obligation Bonds
(as of August 28, 2018)

FOR DISTRICT USE ONLY
PROSPECTIVE INVESTORS SHOULD REVIEW THE BOND DOCUMENTS

Delivery Date:	November 2018
Par Amount:	\$6,440,000 (estimated)
Project Fund:	\$4,382,925 (estimated)
Costs of Issuance:	\$457,800 (estimated)
Capitalized Interest:	\$1,062,600 (estimated)
Reserve Fund:	\$536,675 (estimated)
Final Maturity:	December 1, 2048
Discharge Date:	December 1, 2059
Interest Rate:	5.50% (estimated rate, actual rate determined at pricing)
Payment Dates:	Semi-annual interest payments on June 1 and December 1 with principal payments annually on December 1
Tax Status:	Tax-exempt, Non-AMT
Optional Redemption:	Estimated 12/1/2023 at 103 premium declining 1% per year (estimated)
Rating:	Non-Rated
Pledged Revenue:	Senior lien on revenues produced from the required mill levy subject to a Gallagherized 33.166 mill levy cap, specific ownership tax from the debt service mill levy, and facility fees of \$1,000 per unit. The pledge will NOT convert to an unlimited pledge.
Surplus Fund:	The District shall be required to levy 33.166 mills Gallagherized to today for debt service until the Surplus Fund is full. To the extent this amount 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 10% of par and shall be drawn in the event that current revenue at 33.166 mills gallagherized is insufficient to cover current debt service.

Additional Debt: Allowed with majority bondholder consent. Allowed without bondholder consent when the District's total debt to assessed ratio is at or below 50% or for a refunding of this 2018 debt such that debt service is lower in every year.

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

Events of Default: It is not an EoD if the District misses a payment but has levied the required mill levy. Only failure to levy the RML is a payment EoD.

Trustee: UMB Bank

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

Title 11 exemption: \$500,000 denominations

Term Sheet
Series 2018B Subordinate Cash Flow Bonds

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Closing Date:	Same as 2018As
Par Amount:	\$1,030,000 (estimated)
Project Fund:	\$999,100 (estimated)
Costs of Issuance:	\$30,900 (estimated)
Final Maturity:	December 15, 2048
Discharge Date:	December 15, 2059
Interest Rate:	7.75% (estimated)
Rating:	Non-Rated
Tax-Exempt:	Yes, Non-AMT
Optional Redemption:	Estimated 12/15/2023 at 103 premium declining 1% per year (estimated)
Structure:	The bonds are structured as cash flow bonds that pay each year on December 15th. Any Pledged Revenue available to the subordinate bonds will be used to pay current interest, accrued interest, 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 debt will be discharged on December 15, 2059
Pledged Revenue:	Subordinate lien on revenues produced from the Senior Bond Pledged Revenue stream
Additional Debt:	Senior debt allowed without subordinate bondholder consent only for refunding the senior debt and subject to the condition that the refunding bond debt service is lower in every year than the refunded bond debt service and that the reserve and surplus fund for such refunding bonds be limited to 10% of par. Additional subordinate debt allowed with 100% subordinate bondholder consent.

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

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

Title 11 exemption: \$500,000 denominations

Term Sheet
Series 2018C Junior Subordinate Cash Flow Bonds

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Closing Date:	Same as 2018A &B
Par Amount:	\$1,826,000 (estimated)
Project Fund:	\$1,807,740 (estimated)
Costs of Issuance:	\$40,590 (estimated)
Final Maturity:	December 15, 2059
Discharge Date:	December 15, 2059
Interest Rate:	8% stepping down to 6% at the first Optional Redemption date (estimated)
Rating:	Non-Rated
Tax-Exempt:	Yes, Non-AMT
Optional Redemption:	Estimated 12/15/2023 at 103 premium declining
Structure:	The bonds are structured as cash flow bonds that pay each year on December 15th. Any Pledged Revenue available to the junior subordinate bonds will be used to pay current interest, accrued interest, then principal. Interest not paid when due will accrue and compound annually at the rate on the bonds. The debt will be discharged at maturity.
Pledged Revenue:	Junior subordinate lien on revenues produced from the Senior Bond Pledged Revenue stream.
Additional Debt:	Senior debt allowed without junior subordinate bondholder consent only for refunding the senior debt and subject to the condition that the refunding bond debt service has a lower average interest rate, the same or more pledged revenue sources and generates no new money.
Trustee:	UMB Bank
Title 32 qual.:	Institutional Investor
Title 11 exemption:	Accredited Investor