

WOODMEN HEIGHTS METROPOLITAN DISTRICT NO.2

SUBORDINATE GENERAL OBLIGATION LIMITED TAX REFUNDING BONDS, SERIES 2020B-1 (TAXABLE)
SUBORDINATE GENERAL OBLIGATION LIMITED TAX REFUNDING BONDS, SERIES 2020B-2 (TAX-EXEMPT)

DRAFT TERM SHEET – AS OF AUGUST 21, 2020

FOR DISTRICT USE ONLY
PROSPECTIVE INVESTORS SHOULD REVIEW THE BOND DOCUMENTS

Delivery Date:	October 14, 2020
Sources:	
<i>Par Amount</i>	\$7,740,000 (estimated)
Uses:	
<i>Refunding Project</i>	\$6,611,000 (estimated)
<i>Deposit to Reserve Fund</i>	\$774,000 (estimated)
<i>Capitalized Interest Fund</i>	\$122,550 (estimated)
<i>Cost of Issuance</i>	<u>\$232,450 (estimated)</u>
<i>Total Uses:</i>	\$7,740,000 (estimated)
Final Maturity:	December 1, 2045
Interest Rate:	9.5% TX converting to 6.0% TE (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. First coupon on December 1, 2020.
Tax Status:	Taxable converting to Tax-Exempt (12/1/2021), Non-AMT, Non-BQ
Optional Redemption:	Estimated 12/1/2025 at \$103 premium declining (actual redemption provisions determined at pricing)
Credit Rating:	Non-Rated
Reserve Fund:	Sized to the lesser of 10% par, 100% MADS, 125% Average Annual DS
Surplus Fund:	The District shall be required to levy the Required Mill Levy of 28 (prelim) mills (as adjusted to 31.171 from January 1, 2006) until the Surplus Fund is full. To the extent this amount of 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 10% of par and shall be drawn in the event that Pledged Revenue is insufficient to cover current debt service. So long as the combination of annual pledged revenues and the amount in the surplus fund can

cover current debt service, the District will not be required to increase the mill levy above the target of 28 mills. However, if the combinations of annual pledged revenues and the amount in the surplus fund are not sufficient to cover current debt service, the District shall levy the number of mills necessary to meet current debt service, but not in excess of the cap of 30 mills (as adjusted to 33.398).

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.

Events of Default:

It is not an event of default if the District misses a payment but has levied the Required Mill Levy. Only the failure to levy the Required Mill Levy is a payment event of default.

Trustee:

UMB Bank, n.a.

Title 32 qual.:

Issued to financial institutions or institutional investors

Title 11 exemption:

\$500,000 denominations

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Delivery Date:	October 14, 2020
Sources:	
<i>Par Amount</i>	\$6,719,000 (estimated)
Uses:	
<i>Refunding Project</i>	\$6,516,684 (estimated)
<i>Cost of Issuance</i>	<u>\$202,316 (estimated)</u>
<i>Total Uses:</i>	\$6,719,000 (estimated)
Final Maturity:	December 15, 2045
Interest Rate:	7.250% (estimated rate, actual rate determined at pricing)
Payment Dates:	Principal and interest payments annually on December 15
Tax Status:	Tax-exempt, Non-AMT, Non-BQ
Optional Redemption:	Estimated 12/1/2025 at \$103 premium declining (actual redemption provisions determined at pricing)
Credit Rating:	Non-Rated
Subordinate Pledged Revenue:	The bonds are structured as cash flow bonds that pay each year on December 15th. Any Senior Pledged Revenue available to the subordinate bonds (as described in B-1 Surplus Fund) 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 discharge on December 15, 2045.
Additional Subordinate 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. Additional subordinate debt allowed with 100% subordinate bondholder consent.

Events of Default:	It is not an event of default if the District misses a payment but has levied the Required Mill Levy. Only the failure to levy the Required Mill Levy is a payment event of default.
Trustee:	UMB Bank, n.a.
Title 32 qual.:	Issued to financial institutions or institutional investors
Title 11 exemption:	\$500,000 denominations