

**CERTIFICATION TO THE TOWN OF CASTLE ROCK**  
**CASTLEVIEW METROPOLITAN DISTRICT NO. 2**

**PROPOSED SUBORDINATE LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2021B<sub>(3)</sub> IN  
THE APPROXIMATE PRINCIPAL AMOUNT OF \$834,000**

In accordance with the provisions of the Town of Castle Rock Municipal Code (the “**Town Code**”), Section 11.02.110, Castleview Metropolitan District No. 2 (the “**District**”) hereby certifies the following:

1. The District will be undertaking the issuance of its proposed Subordinate Limited General Obligation Bonds, Series 2021B<sub>(3)</sub> in the approximate principal amount of \$834,000 to finance additional project costs, generally in accordance with the term sheet, attached hereto and incorporated herein as **Exhibit A** (the “**2021 Bonds**”), with an estimated closing date in December 2021. A detailed financial plan is attached hereto and incorporated herein as **Exhibit B**. Because the 2021 Bonds are a private offering, there is no disclosure document. The 2021 Bonds are a reissuance of the Subordinate Limited Tax General Obligation Bonds, Series 2020B<sub>(3)</sub> Bonds issued on September 23, 2020, in the amount of \$258,00 and simply increase the par amount from \$258,000 to \$834,000.

2. The term sheet and financial plan contain the dollar amount of the issue, the interest rate and other financing costs, and the types of revenues pledged, including the amount of the mill levy pledged. The 2021 Bonds are being issued for the purpose of funding public improvements necessary to serve the Project, paying costs of issuance for the 2021 Bonds, and funding a portion of the interest to accrue on the bonds as authorized by and in compliance with the District’s Service Plan.

3. The District’s Consolidated Amended and Restated Service Plan, approved by the Town Council for the Town of Castle Rock on August 21, 2018, provides for a debt service mill levy cap of 63.600 mills, subject to Gallagher adjustments after January 1, 2018. As a result of such Gallagher adjustments, the District’s current debt service mill levy cap is 64.044 mills. For tax collection year 2021, the District imposed a debt service mill levy of 50.000 mills. The mill levy pledged to the 2021 Bonds 50.000 mills, as adjusted. The financial plan attached as Exhibit B shows a target mill levy of 50.000 mills commencing in tax collection year 2021 and remaining steady throughout the term of thereof. The mill levy pledged to the 2021 Bonds is significantly lower than the caps permitted by the District’s Service Plan, and, therefore, is well within the requirements set forth therein.

4. The 2021 Bonds are authorized by and in compliance with the District’s Service Plan, approved by the Town Council for the Town of Castle Rock on August 21, 2018.

5. The District requests that the Town Council review the proposed financing at the November 2, 2021, regular meeting, and provide any comments to the District in accordance with the Town Code. The District also requests the Town execute the attached Acknowledgment at its meeting on November 2, 2021. The District, its Board members and consultants, are available to address any questions or comments the Town may have as it begins its review.

6. Review of the proposed 2021 Bonds and execution of the Acknowledgment does not constitute a material modification of the District's Service Plan.

Certified to the Town of Castle Rock as of this 18th day of October, 2021.

By:

*Rodney Alpert*

Rodney Alpert (Oct 18, 2021 15:32 MDT)

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Rodney Alpert, President of the District  
Board of Directors of Castleview Metropolitan  
District No. 2

**EXHIBIT A  
TO  
CERTIFICATION TO THE TOWN OF CASTLE ROCK  
FOR  
CASTLEVIEW METROPOLITAN DISTRICT NO. 2 2021 BONDS  
(Term Sheet)**

**CASTLEVIEW METROPOLITAN DISTRICT NO.2**  
SUBORDINATE LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2021B<sub>3</sub>

<b>Delivery Date:</b>	December 2021
<b><u>Sources:</u></b>	
<b>Par Amount:</b>	\$834,000 (estimated)
<b><u>Uses:</u></b>	
<b>Project Fund:</b>	\$749,000 (estimated)
<b>Costs of Issuance:</b>	\$85,000 (estimated)
<b><u>Structure:</u></b>	
<b>Final Maturity:</b>	December 15, 2050 (estimated)
<b>Interest Rate:</b>	7.00% (estimated, actual rate determined at pricing)
<b>Payment Dates:</b>	Principal and interest payments annually on December 15
<b>Tax Status:</b>	Tax-exempt, Non-AMT, Bank Qualified
<b>Optional Redemption:</b>	Estimated 9/1/2025 at \$103 premium declining (actual redemption provisions determined at pricing)
<b>Credit Rating:</b>	Non-Rated
<b>Subordinate Pledged Revenue:</b>	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 discharge on December 16, 2054.
<b>Additional Subordinate Debt:</b>	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.
<b>Junior Subordinate Debt:</b>	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.:** Institutional Investor

**Title 11 exemption:** \$500,000 denoms

**EXHIBIT B  
TO  
CERTIFICATION TO THE TOWN OF CASTLE ROCK  
FOR  
CASTLEVIEW METROPOLITAN DISTRICT NO. 2 2021 BONDS  
(Financial Plan)**



**CASTLEVIEW METROPOLITAN DISTRICT #2**

Development Projection at 50.000 (target) Mills for Debt Service – 09/27/2021

Series 2020A(3), General Obligation Bonds, Non-Rated, 120x, 30-yr. Maturity; plus Series 2021B(3) Developer Cash-Flow Subs.

YEAR	Less: Carve-Out for Trustee Fees [@ \$4,000 ]	Net Available for Debt Svc	Ser. 2020A \$3,435,000 Par [Net \$2.421 MM] Net Debt Service	Annual Surplus	Surplus Release to \$343,500	Cumulative Surplus \$343,500 Target	Senior Debt/ Assessed Ratio	Senior Debt/ Act'l Value Ratio	Cov. of Net DS: @ 50.000 Target	Cov. of Net DS: @ 50.000 Cap
2017										
2018		n/a								
2019	\$0	n/a								
2020	26	\$0	\$0	0	0	0	372%	8%	0.0%	0.0%
2021	4,000	43,946	0	43,946	0	43,946	152%	5%	0.0%	0.0%
2022	4,000	113,213	0	113,213	0	157,159	90%	5%	0.0%	0.0%
2023	4,000	194,319	171,750	22,569	0	179,729	75%	5%	113.1%	113.1%
2024	4,000	234,627	171,750	62,877	0	242,606	75%	5%	136.6%	136.6%
2025	4,000	234,627	171,750	62,877	0	305,483	71%	5%	136.6%	136.6%
2026	4,000	248,945	176,750	72,195	34,178	343,500	70%	5%	140.8%	140.8%
2027	4,000	248,945	176,500	72,445	72,445	343,500	66%	4%	141.0%	141.0%
2028	4,000	264,122	191,250	72,872	72,872	343,500	66%	4%	138.1%	138.1%
2029	4,000	264,122	190,250	73,872	73,872	343,500	62%	4%	138.8%	138.8%
2030	4,000	280,209	199,250	80,959	80,959	343,500	61%	4%	140.6%	140.6%
2031	4,000	280,209	197,750	82,459	82,459	343,500	57%	4%	141.7%	141.7%
2032	4,000	297,261	211,250	86,011	86,011	343,500	57%	4%	140.7%	140.7%
2033	4,000	297,261	214,000	83,261	83,261	343,500	53%	4%	138.9%	138.9%
2034	4,000	315,337	226,500	88,837	88,837	343,500	51%	3%	139.2%	139.2%
2035	4,000	315,337	223,250	92,087	92,087	343,500	48%	3%	141.2%	141.2%
2036	4,000	334,497	240,000	94,497	94,497	343,500	46%	3%	139.4%	139.4%
2037	4,000	334,497	240,750	93,747	93,747	343,500	42%	3%	138.9%	138.9%
2038	4,000	354,807	251,250	103,557	103,557	343,500	41%	3%	141.2%	141.2%
2039	4,000	354,807	251,000	103,807	103,807	343,500	37%	2%	141.4%	141.4%
2040	4,000	376,336	270,500	105,836	105,836	343,500	35%	2%	139.1%	139.1%
2041	4,000	376,336	268,750	107,586	107,586	343,500	31%	2%	140.0%	140.0%
2042	4,000	399,156	286,750	112,406	112,406	343,500	29%	2%	139.2%	139.2%
2043	4,000	399,156	283,500	115,656	115,656	343,500	26%	2%	140.8%	140.8%
2044	4,000	423,345	300,000	123,345	123,345	343,500	23%	2%	141.1%	141.1%
2045	4,000	423,345	300,250	123,095	123,095	343,500	19%	1%	141.0%	141.0%
2046	4,000	448,986	320,000	128,986	128,986	343,500	17%	1%	140.3%	140.3%
2047	4,000	448,986	318,250	130,736	130,736	343,500	13%	1%	141.1%	141.1%
2048	4,000	476,165	341,000	135,165	135,165	343,500	10%	1%	139.6%	139.6%
2049	4,000	476,165	342,000	134,165	134,165	343,500	7%	0%	139.2%	139.2%
2050	4,000	504,975	363,012	141,963	485,463	0	0%	0%	139.1%	139.1%
	120,026	9,764,041	6,899,012	2,865,028	2,865,028					

[AESep0220 20nrA3AE]

**CASTLEVIEW METROPOLITAN DISTRICT #2**

Development Projection at 50.000 (target) Mills for Debt Service -- 09/27/2021

Series 2020A(3), General Obligation Bonds, Non-Rated, 120x, 30-yr. Maturity; plus Series 2021B(3) Developer Cash-Flow Subs.

Cash-Flow Subs. > > >

YEAR	Surplus Available for Sub Debt Service	Application of Prior Year Surplus	Total Available for Sub Debt Service	Date Bonds Issued	Sub Bond Interest on Balance 7.000%	Less Payments Toward Sub Bond Interest	Accrued Interest + Int. on Bal. @ 7.000%	Less Payments Toward Accrued Interest	Balance of Accrued Interest	Sub Bonds Principal Issued	Less Payments Toward Bond Principal	Balance of Sub Bond Principal	Total Sub. Debt Pmts.	Surplus Cash Flow	Surplus Release	Cum. Surplus
2017																
2018																
2019																
2020																
2021	0		0	12/8/21	\$6,811	0	6,811	0	6,811	834,000	\$0	834,000	\$0	0		0
2022	0	0	0		58,380	0	58,857	0	65,668		0	834,000	0	0	0	0
2023	0	0	0		58,380	0	62,977	0	128,645		0	834,000	0	0	0	0
2024	0	0	0		58,380	0	67,385	0	196,030		0	834,000	0	0	0	0
2025	0	0	0		58,380	0	72,102	0	268,132		0	834,000	0	0	0	0
2026	34,178	0	34,178		58,380	34,178	42,971	0	311,103		0	834,000	34,178	0	0	0
2027	72,445	0	72,445		58,380	58,380	21,777	14,065	318,815		0	834,000	72,445	0	0	0
2028	72,872	0	72,872		58,380	58,380	22,317	14,492	326,640		0	834,000	72,872	0	0	0
2029	73,872	0	73,872		58,380	58,380	22,865	15,492	334,014		0	834,000	73,872	0	0	0
2030	80,959	0	80,959		58,380	58,380	23,381	22,579	334,816		0	834,000	80,959	0	0	0
2031	82,459	0	82,459		58,380	58,380	23,437	24,079	334,174		0	834,000	82,459	0	0	0
2032	86,011	0	86,011		58,380	58,380	23,392	27,631	329,934		0	834,000	86,011	0	0	0
2033	83,261	0	83,261		58,380	58,380	23,095	24,881	328,148		0	834,000	83,261	0	0	0
2034	88,837	0	88,837		58,380	58,380	22,970	30,457	320,662		0	834,000	88,837	0	0	0
2035	92,087	0	92,087		58,380	58,380	22,446	33,707	309,401		0	834,000	92,087	0	0	0
2036	94,497	0	94,497		58,380	58,380	21,658	36,117	294,941		0	834,000	94,497	0	0	0
2037	93,747	0	93,747		58,380	58,380	20,646	35,367	280,220		0	834,000	93,747	0	0	0
2038	103,557	0	103,557		58,380	58,380	19,615	45,177	254,658		0	834,000	103,557	0	0	0
2039	103,807	0	103,807		58,380	58,380	17,826	45,427	227,057		0	834,000	103,807	0	0	0
2040	105,836	0	105,836		58,380	58,380	15,894	47,456	195,495		0	834,000	105,836	0	0	0
2041	107,586	0	107,586		58,380	58,380	13,685	49,206	159,974		0	834,000	107,586	0	0	0
2042	112,406	0	112,406		58,380	58,380	11,198	54,026	117,147		0	834,000	112,406	0	0	0
2043	115,656	0	115,656		58,380	58,380	8,200	57,276	68,071		0	834,000	115,656	0	0	0
2044	123,345	0	123,345		58,380	58,380	4,765	64,965	7,871		0	834,000	123,345	0	0	0
2045	123,095	0	123,095		58,380	58,380	551	8,422	0		56,000	778,000	122,802	293	0	293
2046	128,986	293	129,279		54,460	54,460	0	0	0		74,000	704,000	128,460	526	0	819
2047	130,736	819	131,555		49,280	49,280	0	0	0		82,000	622,000	131,280	(544)	0	275
2048	135,165	275	135,440		43,540	43,540	0	0	0		91,000	531,000	134,540	625	0	900
2049	134,165	900	135,065		37,170	37,170	0	0	0		97,000	434,000	134,170	(5)	0	895
2050	485,463	0	485,463		30,380	30,380	0	0	0		434,000	0	464,380	21,083	21,978	0
	2,865,028	2,287	2,867,316		1,622,761	1,358,228	650,823	650,823		834,000	834,000		2,843,051	21,978	21,978	

**CASTLEVIEW METROPOLITAN DISTRICT #2**

**Operations Revenue and Expense Projection -- 09/27/2021**

YEAR	Total Assessed Value	Oper'n's Mill Levy	Total Collections @ 98%	S.O. Taxes Collected @ 6%	Total Available For O&M	Total Mills
2017						
2018						
2019	0	0.000	0	0	0	0.000
2020	500	11.132	5	0	6	61.132
2021	923,110	11.132	10,071	604	10,675	61.132
2022	2,256,700	11.132	24,619	1,477	26,096	61.132
2023	3,818,238	11.132	41,655	2,499	44,154	61.132
2024	4,594,288	11.132	50,121	3,007	53,128	61.132
2025	4,594,288	11.132	50,121	3,007	53,128	61.132
2026	4,869,945	11.132	53,128	3,188	56,316	61.132
2027	4,869,945	11.132	53,128	3,188	56,316	61.132
2028	5,162,142	11.132	56,316	3,379	59,695	61.132
2029	5,162,142	11.132	56,316	3,379	59,695	61.132
2030	5,471,870	11.132	59,695	3,582	63,276	61.132
2031	5,471,870	11.132	59,695	3,582	63,276	61.132
2032	5,800,182	11.132	63,276	3,797	67,073	61.132
2033	5,800,182	11.132	63,276	3,797	67,073	61.132
2034	6,148,193	11.132	67,073	4,024	71,097	61.132
2035	6,148,193	11.132	67,073	4,024	71,097	61.132
2036	6,517,085	11.132	71,097	4,266	75,363	61.132
2037	6,517,085	11.132	71,097	4,266	75,363	61.132
2038	6,908,110	11.132	75,363	4,522	79,885	61.132
2039	6,908,110	11.132	75,363	4,522	79,885	61.132
2040	7,322,597	11.132	79,885	4,793	84,678	61.132
2041	7,322,597	11.132	79,885	4,793	84,678	61.132
2042	7,761,952	11.132	84,678	5,081	89,759	61.132
2043	7,761,952	11.132	84,678	5,081	89,759	61.132
2044	8,227,670	11.132	89,759	5,386	95,144	61.132
2045	8,227,670	11.132	89,759	5,386	95,144	61.132
2046	8,721,330	11.132	95,144	5,709	100,853	61.132
2047	8,721,330	11.132	95,144	5,709	100,853	61.132
2048	9,244,609	11.132	100,853	6,051	106,904	61.132
2049	9,244,609	11.132	100,853	6,051	106,904	61.132
2050	9,799,286	11.132	106,904	6,414	113,318	61.132
			2,076,027	124,562	2,200,589	

**CASTLEVIEW METROPOLITAN DISTRICT #2**  
**Development Summary**  
 Development Projection -- Buildout Plan (updated 8/30/21)



Product Type	Residential Development	
	SFD - 75' x 110' Richmond American	
Base \$ ('21)	\$525,000	
		Res'l Totals
2019	-	-
2020	4	4
2021	68	68
2022	45	45
2023	-	-
2024	-	-
2025	-	-
2026	-	-
2027	-	-
2028	-	-
2029	-	-
2030	-	-
2031	-	-
2032	-	-
2033	-	-
2034	-	-
2035	-	-
2036	-	-
2037	-	-
	117	117
MV @ Full Buildout (base prices;un-infl.)	\$61,425,000	<u>\$61,425,000</u>
Contr. By Product (%)	100%	<u>100%</u>

notes:

Platted/Dev Lots = 10% MV; one-yr prior  
 Base MV \$ inflated 2% per annum

**SOURCES AND USES OF FUNDS**

**CASTLEVIEW METROPOLITAN DISTRICT #2  
IN THE TOWN OF CASTLE ROCK  
DOUGLAS COUNTY, COLORADO  
SUBORDINATE BONDS, SERIES 2021B(3)  
50.000 (target) Mills**

**Non-Rated, Developer Cash-Flow Bonds, Annual Pay, 12/15/2050 (Stated) Maturity  
(Full Growth + 6.00% Bi-Reassessment Projections)**

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|               |            |
|---------------|------------|
| Dated Date    | 12/08/2021 |
| Delivery Date | 12/08/2021 |

**Sources:**

|                |             |
|----------------|-------------|
| <hr/>          |             |
| Bond Proceeds: |             |
| Par Amount     | 834,000.00  |
|                | <hr/>       |
|                | 834,000.00  |
|                | <hr/> <hr/> |

**Uses:**

|                         |             |
|-------------------------|-------------|
| <hr/>                   |             |
| Project Fund Deposits:  |             |
| Developer Bond Proceeds | 749,000.00  |
| Cost of Issuance:       |             |
| Other Cost of Issuance  | 85,000.00   |
|                         | <hr/>       |
|                         | 834,000.00  |
|                         | <hr/> <hr/> |

**BOND PRICING**

**CASTLEVIEW METROPOLITAN DISTRICT #2  
IN THE TOWN OF CASTLE ROCK  
DOUGLAS COUNTY, COLORADO  
SUBORDINATE BONDS, SERIES 2021B(3)  
50.000 (target) Mills**

**Non-Rated, Developer Cash-Flow Bonds, Annual Pay, 12/15/2050 (Stated) Maturity  
(Full Growth + 6.00% Bi-Reassessment Projections)**

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Bond Component	Maturity Date	Amount	Rate	Yield	Price
Term Bond due 2050:	12/15/2050	834,000	7.000%	7.000%	100.000
		834,000			

Dated Date	11/03/2021		
Delivery Date	11/03/2021		
First Coupon	12/15/2021		
Par Amount	834,000.00		
Original Issue Discount			
Production	834,000.00	100.000000%	
Underwriter's Discount	-30,000.00	-3.597122%	
Purchase Price	804,000.00	96.402878%	
Accrued Interest			
Net Proceeds	804,000.00		

**CALL PROVISIONS**

**CASTLEVIEW METROPOLITAN DISTRICT #2  
 IN THE TOWN OF CASTLE ROCK  
 DOUGLAS COUNTY, COLORADO  
 SUBORDINATE BONDS, SERIES 2021B(3)**

**50.000 (target) Mills**

**Non-Rated, Developer Cash-Flow Bonds, Annual Pay, 12/15/2050 (Stated) Maturity  
 (Full Growth + 6.00% Bi-Reassessment Projections)**

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**Call Table: CALL**

| <b>Call Date</b> | <b>Call Price</b> |
|------------------|-------------------|
| 09/01/2025       | 103.00            |
| 09/01/2026       | 102.00            |
| 09/01/2027       | 101.00            |
| 09/01/2028       | 100.00            |