

CERTIFICATION

In accordance with the Town of Castle Rock, Mun. Code Section 11.02.110, Review of District Financing, we the undersigned members of the Board of Directors of the Bella Mesa Metropolitan District (the "District"), do hereby certify, to the best of our knowledge and belief, that the proposed issuance of indebtedness generally described in the term sheet attached hereto is authorized by and in compliance with the service plan for the District by Resolution No. 2004-120, which service plan was amended by resolution of the District's Board of Directors adopted on May 4, 2006 after publication of a Notice of Amendment to Service Plan in *The Douglas County News-Press* on March 9, 2006, which service plan was amended a second time by Resolution 2018-058 adopted by the Town on June 19, 2018, and which service plan was amended a third time by Resolution 2020-017 adopted by the Town on February 18, 2020.

Date: September 16, 2024

DocuSigned by:
John V. Hill
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John V. Hill, President
Signed by:
Maxine Hepfer
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Maxine Hepfer, Treasurer/Secretary
DocuSigned by:
Anna Maria Ray
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Ana Maria Ray, Assistant Secretary

BELLA MESA METROPOLITAN DISTRICT
SUBORDINATE LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2024B

TERM SHEET – AS SEPTEMBER 12, 2024

FOR DISTRICT USE ONLY
PROSPECTIVE INVESTORS SHOULD REVIEW THE BOND DOCUMENTS

Delivery Date: October 10, 2024

Sources:

Par Amount: \$ 9,780,000 (estimated)

Uses:

Project Fund: \$ 8,776,600 (estimated)

Cost of Issuance: \$ 1,003,400 (estimated)

Total Uses: \$ 9,780,000 (estimated)

Structure:

Final Maturity: December 15, 2054

Interest Rate: 8.25% (estimated rate; actual rate determined at pricing)

Payment Dates: Principal and interest payments annually on December 15.

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

Optional Redemption: Estimated 12/15/2029 at \$103 premium declining (actual redemption provisions determined at pricing)

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 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, 2059.

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.

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