

Lanterns Metropolitan District Nos. 1-3

Outstanding Debt Overview

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Piper Sandler & Co., Member SIPC and NYSE

Lanterns Metropolitan District Nos. 1-3

Summary of Outstanding Debt – Prior to Lanterns MD No. 1 2024 Refunding

	MD No. 1	MD No. 2	MD No. 3
Date Issued	July 31, 2019	August 12, 2021	October 24, 2023
Series	Series 2019A / Series 2019B / Series 2019C	Series 2021A(3)	Series 2023A-1 / Series 2023A-2 / Series 2023B
Principal Amount at Issuance	\$22,120,000	\$25,482,000	\$16,736,793
Interest Rate	Series 2019A: 5.00% Series 2019B: 7.75% Series 2019C: 10.00%	4.50%	Series 2023A-1: 7.25% Series 2023A-2: 8.00% Series 2023B: 9.25%
First Call Date	9/1/2024	9/1/2026	12/1/2028
Final Maturity	Series 2019A: 12/1/2049 Series 2019B: 12/15/2049 Series 2019C: 12/15/2049	12/1/2050	Series 2023A-1: 12/1/2053 Series 2023A-2: 12/1/2053 Series 2023B: 12/15/2053
Discharge Date	12/1/2054	12/2/2057	Series 2023A-1: 12/1/2060 Series 2023A-2: 12/1/2060 Series 2023B: 12/15/2060

Lanterns MD No. 1 Debt Overview – Prior to 2024 Refinancing

Prior Debt

	Series 2019A	Series 2019B	Series 2019C
Original Principal	\$18,740,000	\$2,051,000	\$1,329,000
Outstanding Principal + Accrued Interest¹	\$18,723,687	\$3,076,006	\$2,230,501
Interest Rate	5.00%	7.75%	10.00%
Maturity Date	12/1/2049	12/15/2049	12/15/2049
First Call Date	9/1/2024	9/1/2024	9/1/2024
Security Pledge	63.6 mills, as adjusted	63.6 mills, as adjusted	63.6 mills, as adjusted

Developer Advances

	Developer Advances
Outstanding Principal + Accrued Interest²	\$7,056,716
Interest Rate	8.00%

The developer advances are owed to the developer as part of a series of reimbursement agreements between the District and the developer related to operations & maintenance and infrastructure expenditures for the benefit of the District.

¹Calculated as of December 31, 2024

²Calculated as of December 31, 2023 – per the District’s 2024 Budget

Refinancing Results – Lanterns MD No. 1

The transaction at a high level achieved the following:

- Refunded all outstanding debt (2019A, 2019B, and 2019C)
- Partially repaid outstanding developer advances for costs of eligible improvements (\$6,000,000)
- Lowered the cost of the District's outstanding debt
- Lowers annual debt service mill levy (starting in 2026)
- Meaningful annual savings for homeowners (starting in 2026)
- Provides additional mill levy flexibility for the District (starting in 2026)

Refinancing Results – Lanterns MD No. 1 (cont.)

	Prior Debt	Proposed Refinancing (November 2024) ¹	Refunding Bonds (Issued December 2024)	Reason for Adjustment
Series	2019A / 2019B / 2019C	Series 2024	Series 2024	--
Par Amount	\$22,025,000	\$28,065,000	\$29,020,000	Change from premium to discount structure to improve the marketing for shorter call protection.
Interest Rate	5.80% ²	4.50%	4.435%	Final pricing of the bonds
Maturity Date	12/1/2049 & 12/15/2049	12/1/2054	12/1/2053	Shorter term requested by Assured Guaranty (insurer) as condition for approval of the transaction.
Prepayment	First callable on 9/1/2024	First callable on 12/1/2029	First callable on 12/1/2028	Provides earlier opportunity to refinance the Series 2024 bonds and generate more savings.
Net Present Value Savings	--	\$1,300,000 (6% of refunded bonds)	\$1,854,287 (8.4% of refunded bonds)	Lower interest rate
Projected 2026 Debt Service Mill Levy	72.6 mills	60.3 mills (16.9% decrease vs. prior debt)	59.1 mills (18.5% decrease vs. prior debt)	Lower interest rate
Est. Average Homeowner Savings in 2026³	--	\$730	\$800	Lower interest rate

¹All assumptions and outcomes estimated as of market conditions in November 2024

²Blended rate amongst the 2019A, 2019B, and 2019C Bonds

³Estimated savings for a home with a market value of \$1,000,000

Estimated 2026 Debt Service Tax Savings – Lanterns MD No. 1

2026 Debt Service Property Tax Payments			
Sample Home Market Value	Estimated Payment without Refunding: 72.6 mills	Estimated Payment with Refunding: 59.1 mills	Estimated 2026 Tax Savings per Homeowner
\$700,000	\$3,020	\$2,460	\$560
\$800,000	\$3,450	\$2,810	\$640
\$900,000	\$3,880	\$3,160	\$720
\$1,000,000	\$4,310	\$3,510	\$800

Lanterns Metropolitan District Nos. 1-3

Summary of Outstanding Debt – After Lanterns MD No. 1 2024 Refunding

	MD No. 1	MD No. 2	MD No. 3
Date Issued	December 31, 2024	August 12, 2021	October 24, 2023
Series	Series 2024	Series 2021A(3)	Series 2023A-1 / Series 2023A-2 / Series 2023B
Principal Amount at Issuance	\$29,020,000	\$25,482,000	\$16,736,793
Interest Rate	4.435%	4.50%	Series 2023A-1: 7.25% Series 2023A-2: 8.00% Series 2023B: 9.25%
First Call Date	12/1/2028	9/1/2026	12/1/2028
Final Maturity	12/1/2053	12/1/2050	Series 2023A-1: 12/1/2053 Series 2023A-2: 12/1/2053 Series 2023B: 12/15/2053
Discharge Date	12/1/2054	12/2/2057	Series 2023A-1: 12/1/2061 Series 2023A-2: 12/1/2061 Series 2023B: 12/15/2061

Questions?

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Appendix

Castle Rock – Metropolitan District Mill Levy Comps

Metropolitan District	Operations Mills	Debt Service Mills	District Mills	Non-District Mills	Total Mill Levy
Lanterns Metro District 1	12.460	72.046	84.506	70.778	155.284
Lanterns Metro District 1 (est. 2026 collections)	12.460	59.142	71.602	70.778	142.380
Castleview Metro District No. 1	11.789	68.172	79.961	69.278	149.239
Dawson Trails MD No. 1	74.044	0.000	74.044	69.278	143.322
Crystal Crossing Metro District	12.966	44.288	57.254	69.278	126.532
Castle Oaks Metro District	3.000	36.000	39.000	69.708	108.708
Castle Oaks Metro District No. 3	1.500	34.500	36.000	69.708	105.708

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