

October 23, 2023

Board of Directors
Leyden Ranch Metropolitan District

Ms. Laci Knowles
Managing Director
D.A. Davidson
lknowles@dadco.com

Re: Leyden Ranch Metropolitan District (the "District") Tax-Exempt Refunding Loan (the "Loan")

On behalf of Western Alliance Bank (the "Bank") and its affiliate, Western Alliance Business Trust (the "Lender"), I am pleased to provide the following commitment for the above referenced Loan, which has received credit approval pending final due diligence, final interest rate and document review.

Borrower: Leyden Ranch Metropolitan District (the "Borrower" or the "District").

Lender: Western Alliance Business Trust, a Delaware statutory trust, or a wholly owned affiliate of Western Alliance Bank (the "Lender").

Credit Facility: Tax-exempt loan.

Loan Amount: Not to exceed \$7,000,000.

Use of Loan Proceeds: Proceeds from the Loan, together with existing funds of the District, will be used to (i) advance refunding the District's outstanding General Obligation Limited Tax (Convertible to Unlimited Tax) Bonds, Series 2017A, Subordinate General Obligation Limited Tax Bonds, Series 2017B and the Junior Subordinate General Obligation Limited Tax Bonds, Series 2017C (together, the "Refunded Bonds") and (ii) pay for the costs of issuance of the Loan.

Closing Date: November 7, 2023 (the "Closing Date").

Final Maturity: December 1, 2033 (the "Maturity Date").

Interest Rate: Tax-exempt fixed rate determined on the Pricing Date based on the following formula:

79% of the sum of the 10-Year U.S. Treasury Actives Curve Spot Rate + 2.80%

The interest rate on the Loan may be locked no earlier than two (2) weeks prior to the Closing Date following all necessary approvals by the District (the "Pricing Date").

Interest Payments: Semi-annually on 6/1 and 12/1, commencing 6/1/24 (each a "Payment Date").

Principal Repayment: Annually on 12/1, commencing 12/1/25, based on a 30-year amortization acceptable to the Lender. Any unpaid principal of the Loan shall be due and payable on the Maturity Date.

Prepayment Provisions: The Loan may not be prepaid prior to December 1, 2024. On or after December 1, 2024, the Loan may be prepaid in full, or with the consent of the Lender, in part, on any Payment Date at a prepayment price equal to the sum of (i) par plus accrued interest, plus (ii) the applicable premium as set forth below:

| <u>Payment Date</u> | <u>Premium</u> |
|------------------------|----------------|
| 12/1/24* thru 6/1/26 | 103% |
| 12/1/26 and 6/1/27 | 102% |
| 12/1/27 and 6/1/28 | 101% |
| 12/1/28 and thereafter | 100% |

** Assumes a closing date prior to 12/1/23*

In addition, on or after December 1, 2024, the District may prepay, on any Payment Date, up to 2.00% of the outstanding principal of the Loan annually from excess Pledged Revenue upon payment to the Lender of the principal amount so prepaid and accrued interest thereon to the prepayment date. No Prepayment Fee shall be required with respect to any optional prepayment of the Loan from excess Pledged Revenue.

Security: The Loan shall constitute a limited tax general obligation of the District secured by and payable from the following:

- (i) all revenues derived from (a) the Required Mill Levy (as hereinafter defined); and (b) specific ownership taxes allocable to the Required Mill Levy (collectively, the Pledged Revenue”); and
- (ii) all funds and accounts established and held under the Loan Agreement in which deposits of amounts representing the Pledged Revenue is held, including all investment earnings thereon.

Required Mill Levy: Means (i) prior to the time when the District’s debt to assessed ratio is 50% or less, an ad valorem mill levy not to exceed 40 mills (Gallagher adjusted to 44.531) imposed upon all taxable property of the District and (ii) once the District’s debt to assessed ratio is 50% or less, an ad valorem mill levy imposed upon all taxable property of the District without limitation of rate.

Additional Debt: No additional debt on parity with or senior to the Loan without the prior written consent of the Lender. The District shall be permitted to issue subordinate debt subject to the following provisions:

- (i) at the time of issuance, no default under the Loan Agreement shall have occurred and be continuing;
- (ii) such additional debt shall be payable as to principal and interest only once per year on or after December 5th, and only after all amounts to be paid or accumulated in connection with the Loan in such year have been paid or accumulated;

- (iii) the District shall not be obligated to impose ad valorem property taxes for the payment of such debt in excess of 40.000 mills (subject to adjustment), less the Required Mill Levy;
- (iv) the documentation pursuant to which such additional debt is authorized and incurred shall contain provisions to the effect that the payment thereof is fully subordinate and junior to the payment of the Loan; and
- (v) acceleration of such additional debt shall not be an available remedy or right under any circumstance, including without limitation a default under such additional debt.

Loan Payment Account:

Prior to the Closing Date, the District shall be required to establish an account with the Bank (the "Loan Payment Account") into which shall be deposited each year, immediately upon receipt thereof by the District, all Pledged Revenue. The Loan Payment Account shall be held, invested, and maintained with the Lender for so long as the Loan remains outstanding.

Events of Default:

Events of default shall include those that are deemed standard and customary for transactions of this nature, all of which shall be subject to satisfactory review by the Lender and its counsel.

Default Rate:

The interest rate then in effect on the Loan plus 4.00% (if elected by the Lender).

Determination of Taxability:

If interest on the Loan is determined not to be exempt from taxation as a result of any action or omission of action on the part of the District, the interest rate on the Loan, if elected by the Lender, shall be at a rate per annum equal to the interest rate otherwise then borne by the Loan *divided by* 79%.

Reporting Requirements:

The District shall provide, or cause to be provided, the following each year:

- (i) by August 1, audited financial statements of the District;
- (ii) by February 1, a copy of the District's budget including the Required Mill Levy certified in the immediately preceding year;
- (iii) by September 10, a preliminary assessed value certification of the District for such year;
- (iv) by January 15, a final assessed value certification of the District for such year; and
- (v) promptly upon request of the Lender such other reports or information regarding the Pledged Revenue, financial condition, business or operations of the District, as the Lender may reasonably request.

Representations/Warranties and Covenants:

The Loan Agreement shall include those representations and warranties, affirmative and negative covenants, events of default and remedies and other provisions that the Lender and its counsel considers customary, reasonable, and appropriate for the proposed Loan.

Conditions Precedent: Closing of the Loan shall be subject to certain conditions precedent deemed standard and customary for transactions of this nature, all of which shall be in form and substance satisfactory to the Lender and Lender's counsel.

Other Conditions: The Loan shall be subject to the following additional conditions:

- (i) the Loan shall not be registered or otherwise qualified for sale under the "Blue Sky" laws;
- (ii) no CUSIP numbers will be obtained for the Loan, pursuant to Municipal Rulemaking Board Rule G-34(a)(i)(F);
- (iii) no official statement or similar offering document shall be prepared in connection with the private placement of the Loan; and
- (iv) Lender will sign letter of representations in form acceptable to Lender's counsel.

Closing Costs: The District shall be responsible for all legal costs of Lender incurred in connection with the documentation and issuance of the Loan, which fees shall be payable on the Closing Date.

Commitment Letter
Leyden Ranch Metropolitan District
October 23, 2023

Please sign the enclosed copy of this commitment letter and forward to us via e-mail or regular mail. On behalf of the Western Alliance Bank, I sincerely appreciate the opportunity to work with the District on this financing.

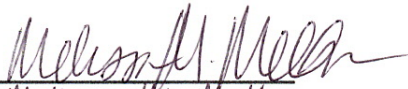
Respectfully submitted,



Matthew Chorske
Managing Director
Western Alliance Bank
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Denver, Colorado 80202
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Email: matthew.chorske@westernalliancebank.com

Agreed and Accepted:

LEYDEN RANCH METROPOLITAN DISTRICT

By: 
Name: Melissa M. Melton
Title: Board President
Date: 10/24/2023