



*Confidential*

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December 14, 2022

Michael Lund  
Piper Sandler & Co.  
1200 17<sup>th</sup> St., Suite 1250  
Denver, CO 80202

Sydney Burnett  
Piper Sandler & Co.  
1200 17<sup>th</sup> St., Suite 1250  
Denver, CO 80202

RE: Lowell Metropolitan District

Dear Mr. Lund and Ms. Burnett,

On behalf of NBH Bank ("NBH"), I am pleased to present you with the following Summary of Indicative Terms and Conditions. This Summary has been provided for the sole use of the Borrower and Borrower's paid advisors. The information contained in this document is confidential and proprietary to NBH Bank and its affiliates, and cannot be disclosed to any third party without prior written consent of the Bank.

The terms and general conditions of the proposed facility are detailed below. Please note that this proposal is for discussion purposes and has not been formally approved nor is it intended to imply that a formal commitment will be approved. We look forward to discussing this proposal after you have had adequate time to review.

Please do not hesitate to contact us with any questions or comments about our proposal. We look forward to speaking with you soon.

Sincerely,

A handwritten signature in blue ink that reads "Clint Woodman".

Clint Woodman, Director  
NBH Bank - Government & Nonprofit Finance  
(303) 784-5929  
[Clint.Woodman@nbhbank.com](mailto:Clint.Woodman@nbhbank.com)

**SUMMARY OF INDICATIVE TERMS AND CONDITIONS**

- Borrower:** Lowell Metropolitan District (the “District” or the “Borrower”).
- Lender:** NBH Bank (the “Bank”).
- Credit Facilities:** Series 2023A Senior Limited General Obligation Refunding Term Loan.
- Facility Amounts:** An amount not to exceed \$5,100,000.
- Purpose:** The loan will be used to partially refund the existing Series 2004 bonds, establish a Debt Service Reserve Fund and pay for the costs of issuance.
- Security:** Senior pledge of the District’s limited (49.11 mills) debt service mill levy, specific ownership tax, and any other legally available funds. The Bank is not agreeable to any structure that includes any additional parity senior debtholders.
- Maturity:** December 1, 2042.
- Amortization:** The Bank is proposing a 30-year amortization with a balloon payment due at maturity, December 1, 2042.
- The Bank is seeking relatively level annual debt service payments. The principal schedule in Exhibit A is an example of a schedule that is acceptable to the Bank.
- Principal will be due annually on December 1, beginning December 1, 2023. Interest is due semiannually and in arrears on June 1 and December 1, beginning June 1, 2023.
- Interest Rate:** The tax-exempt, bank-qualified rate will be fixed at 81% of the then (12YR LIBOR Swap Rate + 1.80%), currently **4.27%** as of December 14, 2022.
- The District may lock the rate within 15 days of closing at no cost and within 30 days of closing for a fee of 10bps. Prior to the rate lock, the rate will be *subject to change based on fluctuations in the index*.
- Interest shall be computed as twelve 30-day months and a 360-day year.
- Callability:** Non-callable through November 30, 2027. Beginning December 1, 2027, the bonds are callable at par and without penalty.
- Default Rate:** None.
- Debt Service Reserve Fund:** A reserve fund based on the three-prong test will be required.

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**Banking**

**Relationship:** The Debt Service Reserve Fund is required to be held at Community Banks of Colorado, a subsidiary of NBH Bank.

**Covenants:** No additional parity debt without written approval from the Bank.

**Reporting:**

1. The District to make available Audited Annual Financial Statements on the earlier of either 2 weeks following audit completion or 270 days after fiscal year-end;
2. The District to make available Annual Budgets by February 28<sup>th</sup> of each year;
3. The District to make available Annual Certification of Assessed Value and Mill Levy due by February 28<sup>th</sup> of the following year;
4. Other financial information upon request.

**Fees & Expenses:** Whether or not the financing agreements are executed and the Bank has provided a commitment to lend, the District will pay all fees and expenses relating to preparation of the loan documents, including bank counsel fees not to exceed \$30,000.

AGREED AND ACCEPTED:

\_\_\_\_\_  
Authorized Signer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

***All preliminary terms and conditions outlined herein are confidential and may not be shared with any financial institution without the prior consent of NBH Bank. This information is intended for discussion purposes only, and is offered by NBH Bank as a preliminary indication of interest.***

***This indication of interest does not represent a commitment to lend monies, nor is it an indication that a formal lending commitment may be forthcoming. Any formal lending commitment that may be issued by NBH Bank will be subject to the satisfactory conclusion of the Bank's due diligence, completion of the Bank's credit underwriting process, and requisite approval by the Bank's credit authorities.***

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**EXHIBIT A**

Proposed Principal Schedule:

<b>Payment Date</b>	<b>Principal Amount</b>	<b>Payment Date</b>	<b>Principal Amount</b>
12/1/2023	65,000	12/1/2033	125,000
12/1/2024	80,000	12/1/2034	130,000
12/1/2025	85,000	12/1/2035	135,000
12/1/2026	90,000	12/1/2036	140,000
12/1/2027	95,000	12/1/2037	145,000
12/1/2028	100,000	12/1/2038	155,000
12/1/2029	105,000	12/1/2039	160,000
12/1/2030	110,000	12/1/2040	170,000
12/1/2031	115,000	12/1/2041	175,000
12/1/2032	115,000	12/1/2042	2,805,000
		<b>Total</b>	<b>\$ 5,100,000</b>