

October 18, 2021

Newcastle Fire Protection District
9211 Cypress Street
Newcastle, California 95658

Re: Newcastle Fire Protection District Loan Anticipation Note (Drawdown Construction Loan - In Anticipation of USDA Direct Loan) (the "Construction Loan")

Ladies and Gentlemen:

Western Alliance Business Trust is pleased to provide the following commitment letter for the Construction Loan which has received credit approval, pending final due diligence, receipt of a concurrence letter from the USDA, document review and normal "out provisions".

Borrower: Newcastle Fire Protection District (the "Borrower" or the "District")

Permanent Lender: United States Department of Agriculture ("USDA")

Permanent Financing: USDA Direct Loans – Not to exceed \$ 3,775,800 ("USDA Direct Loan")

Borrower Cash Contribution: Up to \$978,357

Commitment Amount: Up to \$4,000,000

Original Purchaser: Western Alliance Business Trust, a Delaware statutory trust (the "Original Purchaser").

Purpose: Proceeds from the Construction Loan are to be used (a) to fund the construction of a new fire station (the "Project") and (b) to pay fees and expenses related to execution and delivery of the Construction Loan.

Tax Treatment: Interest payments on the Construction Loan shall be excluded from gross income for federal income tax purposes and exempt from California personal income taxes.

Final Maturity: January 1, 2023 (the "Final Maturity"). The Borrower may request an extension of the Construction Loan up to three (3) months prior to the Final Maturity.

Interest Payments: Semi-annual interest payments on July 1 and January 1, commencing on July 1, 2022.

Principal Payments: Principal will be paid on or prior to maturity.

Interest Rate Pricing: A fixed rate of interest based on the following formula:

77% of the sum of the 1-Year USD Semi-Annual Interest Rate Swap plus 2.75% (tax-exempt fixed rate), calculated on a 30/360-day basis.

The interest rate is **2.30%**. The interest rate will be held through Friday, November 19, 2021. See Exhibit A – Interest Rate Lock herein.

Draw Down Advances

Up to and including December 31, 2022, the Borrower may request disbursements from the Construction Loan on the last business day of the month pursuant to a projected draw schedule delivered at closing. Advances, including all applicable documentation and backup, must be provided to the Lender within 10 days prior to the disbursement.

Advances will be made to the Borrower upon review and approval of Project costs by the USDA. Advances will be deposited and requested from the Construction Fund.

In the event of a federal shut down or other event causing a delay in USDA operations that prevents the USDA's timely approval of any draw request that is otherwise approved by the Lender, the Lender shall proceed with the deposit of such funds into the Construction Fund, with the general understanding that USDA has agreed to provide its approval of such draw request after operations recommence and to reimburse the Lender for any additional costs directly attributable to such delay.

Prepayment Provisions:

The Construction Loan is subject to optional prepayment on any interest payment date on or after July 1, 2022, at the option of the Borrower, in whole or in part, at the principal amount thereof, without premium, together with the interest due thereon to the date fixed for prepayment.

Security:

The Construction Loan shall be issued pursuant to Article 7.7 of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California. The Permanent Loan will be committed, appropriated and payable to the District for the full payment of the Construction Loan and to extent interest and principal is not paid from proceeds of the Construction Loan, interest and principal shall be payable from any taxes, income, revenue, cash receipts or other moneys of the District lawfully available therefor.

Covenant to Obtain Take-Out Funds:

The Borrower will covenant to take all actions required to obtain financing from the USDA, and/or any other financing source to provide funds to refund all or a portion of the Construction Loan prior to maturity and apply all such funds upon receipt to prepay the Construction Loan. In the event that all or any portion of the Construction Loan remains outstanding after the Final Maturity without an extension, the applicable interest rate due on such outstanding amount shall increase by 5% per annum until paid in full.

Reserve Requirement:

Not required for the Construction Loan.

Bancontrol Accounts:

In connection with the financing of the Construction Loan, there shall be established with Western Alliance Bank the following Bancontrol Accounts:

- 1) Construction Fund;
- 2) Interest Fund; and
- 3) Costs of Issuance Fund.

Legal Opinion(s):

Opinion of Bond Counsel, among other things, as to:

- 1) treatment of interest payments under the Construction Loan as tax-exempt obligations under the IRS Code and treatment of interest payments under the Construction Loan as exempt from State of California personal income taxes;
- 2) validity and enforceability of the Construction Loan;
- 3) the Construction Loan shall be exempt from registration pursuant to the Securities Act of 1933, as amended; and
- 4) such other opinions as the Lender may require.

An opinion of the District Counsel shall also be provided in form and substance satisfactory to the Lender and the Lender's Counsel.

Documentation:

Bond Counsel will prepare all of the legal documentation, which will contain customary affirmative and negative covenants as well as usual representations and warranties for like situated borrowers acceptable to the Lender. 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.

Conditions Precedent:

Prior to the funding of the Construction Loan, the following conditions precedent shall have occurred, all of which shall be in form and substance satisfactory to the Lender and the Lender's Counsel:

- 1) satisfactory review by the Lender's Counsel of any outstanding agreements entered into by the Borrower which may impact the security for the Construction Loan or the obligations of the Borrower with respect to repayment of the Construction Loan;
- 2) any authorizing resolution of the Borrower as required for the execution, delivery and repayment of the Construction Loan;
- 3) opinions as required by the Lender and the Lender's Counsel;
- 4) properly executed documents in form and substance satisfactory to the Lender and the Lender's counsel evidencing or supporting the repayment of the Construction Loan;
- 5) at least \$50,001 shall be disbursed at closing of the Construction Loan; and
- 6) additional conditions precedent that the Lender and the Lender's Counsel consider customary and reasonably appropriate for the funding of the Construction Loan.

Loan Treatment:	<p>The Lender will book the Construction Loan as a loan, and, therefore, the Construction Loan will be made under the following conditions:</p> <ol style="list-style-type: none">1) the Construction Loan shall not be registered or otherwise qualified for sale under the “Blue Sky” laws;2) the Lender will satisfy the requirements of Municipal Securities Rulemaking Board Rule G-34(a)(i)(F), such that no CUSIP numbers will be obtained for the Construction Loan (See “Assignment and Participation” herein);3) no official statement or similar offering document has been prepared in connection with the private placement of the Construction Loan;4) the Construction Loan will not settle through the DTC or any similar repository and will not be in book entry form; and5) the Lender will sign a letter of representations in a form acceptable to Lender’s Counsel and Bond Counsel.
Expenses:	<p>The Borrower shall be obligated to pay all delivery costs, including an origination fee of 25 basis point of the Commitment Amount, legal fees of the Lender’s Counsel and a CDIAC reporting fee. The Lender’s Counsel fee shall not exceed \$8,500.</p>
Bond Counsel:	<p>Kronick Moskowitz Tiedemann & Girard / Sacramento, California</p>
Lender’s Counsel:	<p>Stradling Yocca Carlson & Rauth / Newport Beach, California</p>
Placement Agent:	<p>Municipal Capital Markets Group, Inc. / Greenwood Village, Colorado</p>
Pre-Construction Meeting:	<p>To be determined</p>
Pre-Closing Date:	<p>To be determined</p>
Closing Date:	<p>To be determined</p>

No Fiduciary Relationship:

Inasmuch as the Construction Loan represents a negotiated transaction, the District understands, and will confirm that the Lender is not acting as a fiduciary to the District, but rather is acting solely in its capacity as a Lender, for its own account.

The District will acknowledge and agree that:

- 1) the transaction contemplated herein is an arm's length commercial transaction between the District and the Lender and its affiliates;
- 2) in connection with such transaction, the Lender and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules");
- 3) the Lender and its affiliates are relying on the bank exemption in the Municipal Advisor Rules;
- 4) the Lender and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto;
- 5) the Lender and its affiliates have financial and other interests that differ from those of the District; and
- 6) the District has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

Reporting Requirements:

Annual Reporting Requirements.

The Borrower shall provide the Lender with the following documentation and information within nine (9) months of the Borrower's fiscal year end Audited financial statements of the Borrower for the preceding fiscal year.

The Borrower shall provide the Lender with its annual approved operating budget within one (1) month after its adoption.

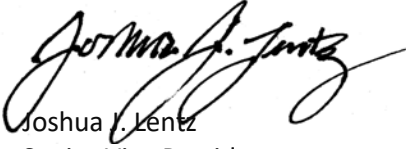
Monthly Reporting Requirements.

The Borrower will provide the Lender with monthly construction progress reports.

Other.

The Borrower shall furnish at the Lender's request such additional information that Lender may from time to time reasonably request.

Submitted on behalf of Western Alliance Bank and its affiliate, Western Alliance Business Trust.



Joshua J. Lenz
Senior Vice President

NEWCASTLE FIRE PROTECTION DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

**NEWCASTLE FIRE PROTECTION DISTRICT
 LOAN ANTICIPATION NOTE**

INTEREST RATE LOCK CALCULATION AS OF MONDAY, OCTOBER 18, 2021

Western Alliance Business Trust (the "Lender") is pleased to provide to the Newcastle Fire Protection District (the "Borrower") the following Interest Rate Lock for the above-mentioned note (the "Construction Loan"), subject to delivery of certain letters from the United States Department of Agriculture, Rural Development and the Lender's additional due diligence and receipt and approval of all relevant documentation, for the execution and delivery of the Construction Loan.

NOT TO EXCEED AGGREGATE COMMITMENT: \$4,000,000.00
 WEIGHTED AVERAGE MATURITY (ESTIMATED): 1 Years
 ESTIMATED FUNDING DATE: Friday, November 19, 2021

1 YEAR MID USD SEMI-ANNUAL INTEREST RATE SWAP RATE ⁽¹⁾	0.241%
BANK SPREAD	2.750%
TAXABLE INTEREST RATE ⁽¹⁾	2.99%
TAX-EXEMPT MULTIPLIER ⁽²⁾	77%
TAX-EXEMPT INTEREST RATE ⁽³⁾	2.30%

- (1) Bloomberg Finance L.P. - 1 Year Tenor USD Semi-Annual Interest Rate Swap Rate as of Monday, October 18, 2021, 11:20:40 EDT, rounded to the nearest one hundredth percentage. See below for Screen Shot.
- (2) Based on a federal corporate tax rate of 21% and a California income tax rate of 2%.
- (3) The interest rate is rounded to the nearest one hundredth and will expire if the Construction Bonds is not funded by Friday, November 19, 2021.

BLOOMBERG FINANCE L.P. SCREEN SHOT OF USD SEMI-ANNUAL 30/360 SWAP RATES AS OF MONDAY, OCTOBER 18, 2021, 11:20:40 EDT

