



April 8, 2024

Ms. Rachel Souders  
Town Manager, Town of Boonsboro  
21 N. Main Street  
Boonsboro, MD 21713

**RE:               \$2,000,000 Working Capital Line of Credit**

Dear Mr. Schumacher:

This Term Sheet represents the basic loan terms that First United Bank & Trust (Lender) would consider on the above referenced Project. Please note that the terms set forth herein are for discussion purposes only and do not constitute a commitment to lend, as the Lender must complete a full underwriting of this project and receive necessary approvals from the appropriate credit authority prior to issuing any commitment. The terms outlined herein may not be all-inclusive and may be amended or withdrawn upon further review by the Lender.

**BORROWER:**                   Mayor and Council of Boonsboro

**LOAN AMOUNT:**               Up to \$2,000,000 Working Capital Line of Credit

**TERM:**                         Line of credit will be on demand with an annual review

**PURPOSE:**                   The manage funding needs and timing differences of various projects the Mayor and Council of Boonsboro will have from time to time.

**INTEREST RATE:**           30-day SOFR (Secured Overnight Financing Rate) + 210 basis points.  
*(Currently SOFR is 4.33% and current effective rate of 7.38%)*

[Secured Overnight Financing Rate Data - FEDERAL RESERVE BANK of NEW YORK \(newyorkfed.org\)](https://www.newyorkfed.org/outlook/sofr)

**COMMITMENT FEE:**         No commitment fee associated with the transaction

**PAYMENTS:**                 Interest only, principal on demand

**COLLATERAL:** Unsecured

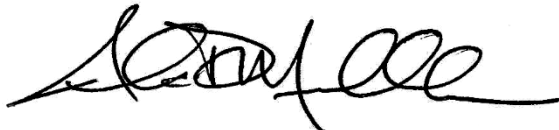
**OTHER CONDITIONS:** The pledge of the full faith and taxing authority of the Mayor and Council of Boonsboro.

**DEPOSITS:** Should the borrower be willing to maintain a deposit relationship with First United Bank & Trust during the term of the loan the Bank has provided additional information on those rates and products as an addendum to this proposal.

The terms on this proposal are for discussion purposes only and are not a commitment to lend. The Bank reserves the right to request additional information as needed. The loan request must receive formal approval from the appropriate authority. Should you have any questions, please feel free to contact me at 301-991-8678.

First United Bank and Trust appreciates the opportunity to provide this proposal.

Sincerely,



Alan D. Mullendore  
Managing Director, East Region

ACCEPTED BY MAYOR AND COUNCIL OR BOONSBORO

By: \_\_\_\_\_  
Authorized Signer, Mayor and Council of Boonsboro

\_\_\_\_\_  
Date