



Middletown
Valley Bank.

August 9, 2024

Boonsboro Mayor and Council
21 N Main St
Boonsboro, MD 21713

RE: Revolving Line of Credit

Dear Mayor and Council,

Middletown Valley Bank is pleased to offer this proposal for providing the Town of Boonsboro with a revolving line of credit up to \$10,000,000 which will be used as gap financing for capital improvement projects that are identified on the Town’s Capital Improvement Program or any other short-term funding needs that the Town may have. The terms and conditions are as follows:

- BORROWER:** Town of Boonsboro
- LOAN AMOUNT:** Up to \$10,000,000 revolving line of credit
- INTEREST RATE:**
 - Option 1:** Floating at WSJP minus 1.25% with a floor of 4.00% (current rate 7.25%)
 - Option 2:** Floating at 30-day SOFR plus 1.91% with a floor of 4.00% (current rate 7.25%)
- TERM:** Demand, renewed annually
- PAYMENT:** Monthly interest only payments, principal due on demand
- COLLATERAL:** Unsecured
- BANK FEE:** \$10,000 commitment fee
- OTHER:**
 - 1. All third-party closing costs to be paid by the Borrower.
 - 2. Annual financial reporting for the Borrower
 - 3. The Town of Boonsboro is to maintain all deposit accounts with MVB for term of loan.
 - 4. Ability to fix a portion of the revolving debt into an amortizing loan up to 20-years. Rate would be fixed at the current floating rate for a period of 5-years.
 - 5. Rate Option 1 floating with any Prime rate changes. Rate Option 2 to change every 30-days with SOFR changes.
 - 6. Loan documents to be prepared by an attorney.
 - 7. Pricing may assume tax exempt structure.

The Bank sincerely appreciates the opportunity to submit this proposal and looks forward to expanding our relationship with the Town and Council, to promote economic prosperity for our community and citizens.

Sincerely,

Sam Buhrman
Vice President
Middletown Valley Bank