

## NON-BINDING DISCUSSION SHEET



This Non-Binding Discussion Sheet (this “*Discussion Sheet*”) has been prepared by Fulton Bank (the “*Bank*”) for discussion purposes only. **Please note that this Discussion Sheet is not binding on the Bank and is not an offer of financing or a commitment to lend.** This Discussion Sheet is provided only as a basis for the discussion of financing needs that might lead to an offer of financing by the Bank. Without limiting the foregoing, this Discussion Sheet does not include a comprehensive list of all terms and conditions of any offer of financing that might be made by the Bank.

**Date:** June 22, 2022

**Borrower:** Board of Public Works City of Lewes

<b>Proposed Loan #1:</b>	\$3,000,000
<b>Purpose:</b>	Working Capital line to be used in the event of a natural disaster to provide utility services
<b>Term:</b>	On Demand
<b>Payment:</b>	Interest only monthly as billed
<b>Rate:</b>	Variable rate at SOFR + 2.00%, with a floor of 0.15%; Indicative rate as of 6/17/22 3.51%
<b>Collateral:</b>	Board of Public Works General Obligation Pledge (unsecured)
<b>Guarantees:</b>	N/A
<b>Bank Fees:</b>	\$3,000
<b>Prepayment Charge:</b>	Prepayment in part or in whole throughout life of loan with no penalty.

<b>Proposed Loan #2:</b>	Up to \$7,000,000
<b>Purpose:</b>	Working Capital line to be used in the event of a natural disaster to provide utility services
<b>Term:</b>	On Demand
<b>Payment:</b>	Interest only monthly as billed
<b>Rate:</b>	Variable rate at Wall Street Journal Prime – (1.25%); Indicative rate as of 6/22/22 3.50%
<b>Collateral:</b>	Board of Public Works investment account to be held with Fulton Financial Advisors with a maximum Loan to Value of 65%
<b>Guarantees:</b>	N/A
<b>Bank Fees:</b>	None
<b>Prepayment Charge:</b>	Prepayment in part or in whole throughout life of loan with no penalty.

<b>Proposed Loan #3:</b>	Up to \$2,500,000
<b>Purpose:</b>	Equipment Line of credit
<b>Term:</b>	3,5 or 7 year terms will be provided for equipment drawn under the LOC. Term will be decided at the time of the draw based on the type of equipment
<b>Payment:</b>	Principal and interest monthly as billed.

<b>Fixed Rate:</b>	3 yr. Bloomberg +2.00% , then converted to tax exempt rate 5 Yr. Bloomberg +2.00%, then converted to tax exempt rate 7 Yr. Bloomberg +2.00%, then converted to tax exempt rate *Pricing is based on investment account being held with Fulton Financial. **Pricing is set 5 days prior to settlement
<b>Collateral:</b>	First lien against equipment being purchased.
<b>Guarantees:</b>	N/A
<b>Bank Fees:</b>	0.10% per draw request
<b>Prepayment Charge:</b>	Prepayment in part or in whole throughout life of loan with no penalty.

**Financial Covenants:**

1. N/A

**Financial Reporting Requirements:**

1. Board of Public Works to provide annual audited financial statements.
2. Board of Public Works to provide annual budget.

**Loan Documentation Fees:**

1. Attorney prepared documents with the cost to be incurred by the Borrower.

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: when you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents. The results of all searches and/or verifications must be satisfactory to the Bank.