



# Northfield

SAVINGS BANK

February 10, 2020

Town of Richmond, Vermont  
c/o Connie Bona, Finance Director  
203 Bridge Street  
PO Box 285  
Richmond, VT 05477

Re: \$500,000.00 Commercial Loan Request.

Dear Connie:

Thank you for allowing Northfield Savings Bank the opportunity to review your financing request. We are pleased to provide you with this Term Sheet outlining our thoughts for the Town of Richmond's credit request.

Please note that the terms and conditions outlined in this Term Sheet are intended for discussion only and do not represent an offer, agreement or commitment to lend. The actual terms and conditions under which the Bank might extend credit are subject to satisfactory completion of due diligence, credit approval, and satisfactory approval of documentation and other terms and conditions as determined by the Bank. The terms and conditions outlined in this letter are in addition to all other terms, conditions, covenants, required representations and / or defaults that would be included in the loan documentation evidencing the contemplated transaction (if such transaction is approved and closed by the Bank).

### Confidential Outline of Principal Terms and Conditions:

- Borrower:** Town of Richmond, Vermont
- Purpose:** The proceeds of the loan will be used to finance the Bridge Street water infrastructure project.
- Amount of Loan:** Five Hundred Thousand Dollars.
- Term Options:** A) One-year revolving line of credit  
OR,  
B) One-year term loan.
- Interest Rate:** A) Revolving Line of Credit: The subject rate will be indexed to 82% of the Wall Street Journal Prime Rate less 50 basis points (4.75% - 0.50% @ 82% = 3.485%). The subject rate is variable and subject to daily changes in the Wall Street Journal Prime Rate.  
OR,  
B) One-year term loan: Fixed rate of 3.48% for the one-year term.

**Commitment Fee:** \$500.00

**Quarterly Payments:** Borrower shall pay interest quarterly on the outstanding principal balance.

**Collateral:** Waived

**Prepayment Penalty:** Waived

**Guarantors:** Waived

**Legal Opinions:** Borrower shall provide Bank with legal opinions from counsel satisfactory to the Bank; including but not limited to the following:

A legal opinion in form and substance acceptable to the Bank verifying the subject obligation is backed by the full faith of the Town of Richmond.

**Expenses:** The legal fees including, but not limited to, document preparation will be borne by the Borrower. Whether or not this loan is closed, the Borrower will be responsible for all expenses associated with the transaction.

**Financial Statement:** The Borrower will provide the Bank with its Annual Report. The Bank may require additional information at its sole discretion.

**Other:**

All documentation, including, but not limited to a loan agreement, and note will be in form and substance satisfactory to the Bank and its counsel.

All other documentation as Lender or its counsel may reasonably request.

Once again, the above proposal is for discussion purposes only and not intended as an approved commitment to lend. In addition, the above Term Sheet does not define all of the terms, conditions and documentation which may be utilized to document the discussed structure. Approval of the actual credit facility shall be subject to due diligence of the borrower, proper credit approval by Bank management as well as the delivery and execution of documentation in form and substance satisfactory to Lender's legal counsel. In addition, all obligations must be within compliance with their respective loan documents.

Once again, thank you for providing Northfield Savings Bank with the opportunity to discuss the above credit facility for your business venture. If you have any questions concerning the above Term Sheet, please do not hesitate to contact me at 802-872-7190.

Sincerely,



John P. Ravaschiere, Vice President  
Commercial Banking  
Northfield Savings Bank