



June 2, 2021

Linda M. Metcalf, MBA, Business Manager
Unified School District #36
Orange East Supervisory Union
64 Main Street
Bradford, VT 05033

Dear Ms. Metcalf:

Thank you for the opportunity to bid on your request for a Revenue Anticipation Note for Unified School District #36. We are pleased to provide you this preliminary Term Sheet, outlining the general terms and conditions under which Community Bank, N.A. may consider providing financing to Unified School District #36 per your May 26, 2021 request.

- *ISSUE DATE:* The Note will be issued on or about July 1, 2021.
- *MATURITY DATE:* All principal and interest on the loan will be repaid on or before June 30, 2022.
- *DENOMINATION OF NOTE:* There will be one Note issued in the amount of \$1,211,245 as validated by the cash flow certificate.

NON-REVOLVING LINE OF CREDIT:

- ❖ *LINE OF CREDIT RATE:* The rate of interest on the Note on an “as needed (line of credit)” basis based on an actual/365 day year will be **1.25%**.
 - This Note evidences a straight line of credit. Once the total amount of principal has been advanced, no additional funds will be available to the School District under the Note.
- *CONFIRMATIONS:* The District must confirm in writing that:
 - ❖ The total indebtedness issued by the District in calendar year 2021 will not exceed \$10,000,000;
 - ❖ The District will comply with all aspects of the Internal Revenue Code of 1986, as amended, including all provisions relating to arbitrage and rebate. This bid is subject to confirmation by the Bank that the Note represents a valid and binding general obligation of the issuer, and further that the Note is a “qualified Tax exempt obligation” for the purposes of Section 265(b)(3) of the Code;
 - ❖ All public bid, procurement and request for proposals statutes, ordinances and regulations have been complied with; and
 - ❖ All federal informational returns with respect to this borrowing will be filed in a timely manner.
- *SUBMISSION OF FINANCIAL STATEMENTS:* The District will submit its most recent past three years’ financial statements and a Cash Flow Statement for the term of the Note prior to closing. This bid is contingent upon sufficient time to analyze these financial statements so as to prepare for a closing, unless other arrangements are made with the Bank.

- *DOCUMENTATION*: The Bank will prepare the loan documents for execution by the School Board at a duly convened public meeting. At minimum five (5) business days shall be required to prepare for a closing, unless other arrangements are made with the Bank.
- *LEGAL OPINION*: This bid is subject to a legal opinion from bond counsel acceptable to the Bank, the cost of which will be borne by the Bank. The opinion must include a statement that the Note represents a valid and binding general obligation of the issuer, that it is lawfully authorized and issued, and that the interest paid thereon is exempt from federal income taxes.

This bid shall expire at 5:00 p.m. June 16, 2021, and is subject to withdrawal if any adverse information relating to the issuer's affairs is discovered prior to closing. This Term Sheet is intended to be a basis for discussion and should not be construed as a commitment to lend.

Sincerely,

Hope Crifo

Hope Crifo, CFA
Vice President, Municipal Loan Manager
(802) 476-1658 office
(802) 522-3011 cell

SEEN AND AGREED TO ON BEHALF OF THE SCHOOL DISTRICT:

By: _____
Its Duly Authorized Agent