



Town of Dewey Beach

www.townofdeweybeach.com

105 Rodney Avenue
Dewey Beach, DE 19971
P: (302)227-6363

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RESOLUTION NO.

WHEREAS, the Commissioners of the Town of Dewey Beach have approved the construction of a new Town Hall/Public Safety Building; and

WHEREAS, the proposed cost of the building requires that the Town secure financing to complete the project; and

WHEREAS, the Town utilized a bidding process to both present our needs to, and obtain offers from, various financial institutions for tax-exempt financing; and

WHEREAS, upon review of the bid submissions, Community Bank has offered the lowest true interest cost (TIC) for the requested loan; and

WHEREAS, at the April 25, 2025 monthly Town Council meeting, the Commissioners approved Resolution 233-2025 to secure financing for the new Town Hall/Public Safety Building through Community Bank, pending a formal decision on the terms of the loan agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE TOWN OF DEWEY BEACH THAT:

The Town of Dewey Beach shall secure financing in the amount of **\$[TBD]** from Community Bank to fund the development of the new Town Hall/Public Safety Building, with the following terms outlined below and attached hereto:

[OPTION TBD]

Option 1: 10 year term; 10 year amortization; tax free interest rate of 3.11% fixed (360 basis)

Option 2: 15 year term; 15 year amortization; tax free interest rate of 3.53% fixed (360 basis)

Option 3: 20 year term; 20 year amortization; tax free interest rate of 3.77% fixed (360 basis)

SO RESOLVED, this 16th day of May, 2025.

Mayor, William Stevens

Town Manager, Bill Zolper



Wm. Jack Riddle
President
P. O. Box 742
16982 Kings Highway
Lewes, DE 19958

Jack.Riddle@communitybankdelaware.com

April 29, 2025

Mr. Bill Zolper, Town Manager
Town Council
Town of Dewey Beach
105 Rodney Avenue
Dewey Beach, DE 19971

Dear Mr. Zolper & Commissioners,

We know that you have many choices for your financing needs and appreciate that you have chosen Community Bank Delaware for your business loan. I'm happy to inform you that we have approved your loan in the amounts and under the terms and conditions stipulated in the attached "Outline of Terms." This letter, as well as the attached "Outline of Terms" contains important information regarding your approved loan.

Below are some important conditions for the proposed loan(s) which require your attention:

- **We need your signature.** Your acceptance and our commitment will be effective only upon our receipt of the signed documents. So, if our offer is acceptable, please indicate your acceptance by signing and returning the enclosed copy of this letter and the attachments. We cannot begin the actual loan process until we receive the signed documents.
- **This offer has an expiration date.** These offers will expire on May 30, 2025 unless formally accepted as noted above before that date. Please note that if you accept the offers contained in the accompanying "Outline of Terms" and initial funds are not disbursed by July 31, 2025, *Community Bank's commitment to you may expire.*
- **We will ask you to reimburse us for fees and costs incurred.** As part of this transaction, we will require you to reimburse the Bank for the reasonable fees and expenses incurred whether or not the transaction is actually consummated. Additionally, you will also be expected to pay for all legal fees incurred to close this transaction not to exceed \$3,000. Please acknowledge your acceptance of this by initialing here:
- **Specific documentation needs will be coordinated between your attorney's office and the Bank.** Once we receive your written acceptance of our offer, we will provide your attorney with Community Bank Delaware information to assist in meeting our documentation requirements.

Initials of Borrower: Town of Dewey Beach

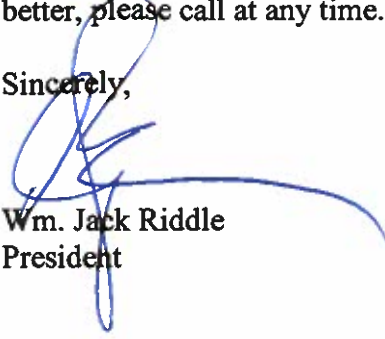
C. W. Z.	W. J. S.	J. S. D.	P. J. B.

Please don't hesitate to contact us if you have any questions regarding either the technical or settlement portion of your loan.

Ms. Helen Johnson-Ray coordinates the legal, documentation, and settlement activities for Community Bank and would be happy to speak with you. She may be reached at 302-348-8605 (302-644-1756 FAX).

Again, we sincerely appreciate the opportunity you have given us to assist you with your banking needs. If there is anything we can do to make your Community Bank Delaware experience better, please call at any time. I can be reached at 302-348-8604, or on my cell at 302-249-9900.

Sincerely,



Wm. Jack Riddle
President

For Commitment letter from Community Bank Delaware to Town of Dewey Beach as detailed on Pages 1-4.

Accepted and agreed to this _____ day of _____, 2025.

Borrower: Town of Dewey Beach

Authorized Signer: Town Manager

Authorized Signer: Mayor

Authorized Signer: Commissioner

Authorized Signer: Asst. Town Manager

OUTLINE OF TERMS: For Commitment letter from Community Bank Delaware to Town of Dewey Beach, dated April 29, 2025

Loan(s): Commercial Term Loan(s)

Loan Amount: Up to \$3,000,000.00 (Three Million Dollars)

Loan Purpose: To fund both the development of a new Town Hall/Public Safety Building and transaction-related costs of approximately \$11.0 million

Interest rate: Option #1---Tax Free Interest rate of 3.11% fixed (360 basis)
Option #2--- Tax Free Interest rate of 3.53% fixed (360 basis)
Option #3--- Tax Free Interest rate of 3.77% fixed (360 basis)

Float Down at Full Draw: If rates materially change between settlement and beginning of Principal and Interest repayment (approximately 4/1/2026), bank agrees to reduce rate to the market conditions at that time

Term/Maturity: Option #1---10 year term; 10 year amortization
Option #2---15 year term; 15 year amortization
Option #3---20 year term; 20 year amortization

Options: We will need to determine Rate and Term /Maturity options prior to closing

Repayment: Quarterly Interest Payments for 12 months based upon outstanding draws. Then: Monthly or Quarterly Principal & Interest Payments based upon Option chosen above so as to fully amortize the debt within the maturity selected.

Please contact us for variations in monthly payments.

Fees: Bank Documentation fee and Origination fees WAIVED

Prepayment: None

Late Charge: In the event that any installment or part of an installment of interest, principal or principal and interest shall become overdue for a period in excess of 10 days, a late charge in the amount of 5% of the payment or \$15.00 (whichever is greater) shall be paid by the Borrower to Bank.

Security: Unsecured / Full Faith & Credit of The Town of Dewey Beach
Covenant-Negative Pledge of Town Hall Real estate

Advances: Multi Advances, upon the request of Borrower to CBD checking account

Initials of Borrower: Town of Dewey Beach

   
C. W. Z. W. J. S. J. S. D. P. J. B.

OUTLINE OF TERMS: For Commitment letter from Community Bank Delaware to Town of Dewey Beach, dated April 29, 2025

Terms: Please provide the following for our files:
Analysis of Funds Needed for Project Completion
Copy of Construction Contract

Tax Opinion To be provided by Town Attorney establishing Tax Free Qualification

Information: Meeting minutes authorizing Town to borrow from the bank.

Financials: Going forward on an Annual Basis, we will need:
Annual Audited Financial Statement.
Approved Budget

Other: Bank reserves the right to impose such additional reasonable requirements and to require such other instruments, documents, and opinions as the Bank shall reasonably require evidencing and securing the loan.

Bank Counsel: Per our Agreement our legal fees (charged to Town) will not exceed \$3,000.00

Cc: Thomas P. Carney, Attorney
302-567-2727
tcarney@tcarneylaw.com
18979 Coastal Highway, Suite 203
Rehoboth Beach, DE 19971
<http://www.tcarneysussexlaw.com>

Initials of Borrower: Town of Dewey Beach

   
C. W. Z. W. J. S. J. S. D. P. J. B.