



30 Lisbon Street  
PO Box 1407  
Lewiston, Maine 04243  
1.800.966.9172  
Androscogginbank.com

February 13, 2023

Town of Gray  
Attn: Nate Rudy, Town Manager  
24 Main Street  
Gray, Maine 04039

Re: General Obligation Bond  
for Land Purchase

Dear Mr. Rudy:

In response to the financing inquiry recently received from your office, we are pleased to offer the following rate and terms for your review and consideration.

We offer a fixed tax-exempt interest rate of **5.25% per annum** for the “Lump Sum” borrowing of One Million Dollars (\$1,000,000) over a ten (10) year repayment term as per the attached note summary and amortization schedule.

We propose a closing date of March 1, 2023 with the first annual payment due on the first anniversary of closing. Interest will be calculated on an actual / 365 day basis on the note, which will be issued without prepayment penalty.

Public sector interest rates are volatile and time sensitive. If the borrowing contemplated by this proposal does not close within 30 days of the proposal date specified in this letter, the bank reserves the right to adjust the rate we have offered in this proposal.

Our borrowing proposal is predicated on receipt of an unqualified legal opinion from bond counsel acceptable to the bank attesting to the validity and non-arbitrage nature of this borrowing and designating the note as a qualified “tax exempt” obligation under existing tax laws. We understand that the Town will engage bond attorney Alyssa Tibbetts of Jensen Baird to provide the necessary legal opinion, related note documentation, and all legal work for this borrowing, and that the cost of these services will be borne by the Town. We will be pleased to work with attorney Tibbetts to assist in the timely note closing.

Our proposal is conditioned upon our satisfactory review of the Town of Gray’s financial audits and is subject to change if it is not accepted by the close of business on March 7, 2023. Further, our proposal is subject to withdrawal if there is discovered prior to note disbursement any material adverse information pertaining to the Town’s financial affairs.

On behalf of Androscoggin Bank, I would like to thank you for providing us with the opportunity to submit a proposal for the Town’s financing needs. We look forward to continuing the good working relationship we enjoy with you and other Gray officials. If we can be of further assistance to the Town in any facet of its financial activities, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Simko".

John Simko, Vice President  
Government Finance

Cc: Alyssa Tibbets, Esq.

Enclosure

**ACKNOWLEDGEMENT / AWARD (please sign and return via email):**

This proposal is accepted and this financing is awarded to Androscoggin Bank.

\_\_\_\_\_  
Name & Title

Date: \_\_\_\_\_

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**Note Model Statement**

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Date Quoted: Feb 13, 2023  
Product: Product Not Defined  
Interest Method: [1] 365/365 Payments P&I

Note Date: Mar 01, 2023  
Maturity Date: Mar 01, 2033

Principal Advance: \$1,000,000.00

Amount Financed: \$1,000,000.00  
Finance Charge: \$311,119.52  
APR: 5.250000%























Total Principal: \$1,000,000.00  
Total Interest: \$311,119.52  
Total of Payments: \$1,311,119.52

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**Payment Schedule**

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Description	Date	Frequency	Number	Amount
Regular Payment	Mar 01, 2024	Annually	9	\$131,111.96
Regular Payment	Mar 01, 2033	Annually	1	\$131,111.88

Amortization Schedule						
Date	Description	Total Payment	P&I Payment	Principal Payment	Interest Payment	Principal Balance
Mar 01, 2023	Beginning Balance					1,000,000.00
	<b>2023 Totals</b>					
	Mar 01, 2024 Regular Payment	131,111.96	131,111.96	78,468.13	52,643.83	921,531.87
	<b>2024 Totals</b>	<b>131,111.96</b>	<b>131,111.96</b>	<b>78,468.13</b>	<b>52,643.83</b>	
	Mar 01, 2025 Regular Payment	131,111.96	131,111.96	82,731.54	48,380.42	838,800.33
	<b>2025 Totals</b>	<b>131,111.96</b>	<b>131,111.96</b>	<b>82,731.54</b>	<b>48,380.42</b>	
	Mar 01, 2026 Regular Payment	131,111.96	131,111.96	87,074.95	44,037.01	751,725.38
	<b>2026 Totals</b>	<b>131,111.96</b>	<b>131,111.96</b>	<b>87,074.95</b>	<b>44,037.01</b>	
	Mar 01, 2027 Regular Payment	131,111.96	131,111.96	91,646.38	39,465.58	660,079.00
	<b>2027 Totals</b>	<b>131,111.96</b>	<b>131,111.96</b>	<b>91,646.38</b>	<b>39,465.58</b>	
	Mar 01, 2028 Regular Payment	131,111.96	131,111.96	96,362.87	34,749.09	563,716.13
	<b>2028 Totals</b>	<b>131,111.96</b>	<b>131,111.96</b>	<b>96,362.87</b>	<b>34,749.09</b>	
	Mar 01, 2029 Regular Payment	131,111.96	131,111.96	101,516.87	29,595.09	462,199.26
	<b>2029 Totals</b>	<b>131,111.96</b>	<b>131,111.96</b>	<b>101,516.87</b>	<b>29,595.09</b>	
	Mar 01, 2030 Regular Payment	131,111.96	131,111.96	106,846.50	24,265.46	355,352.76
	<b>2030 Totals</b>	<b>131,111.96</b>	<b>131,111.96</b>	<b>106,846.50</b>	<b>24,265.46</b>	
	Mar 01, 2031 Regular Payment	131,111.96	131,111.96	112,455.95	18,656.01	242,896.81
	<b>2031 Totals</b>	<b>131,111.96</b>	<b>131,111.96</b>	<b>112,455.95</b>	<b>18,656.01</b>	
	Mar 01, 2032 Regular Payment	131,111.96	131,111.96	118,324.95	12,787.01	124,571.86
	<b>2032 Totals</b>	<b>131,111.96</b>	<b>131,111.96</b>	<b>118,324.95</b>	<b>12,787.01</b>	
	Mar 01, 2033 Regular Payment	131,111.88	131,111.88	124,571.86	6,540.02	
	<b>2033 Totals</b>	<b>131,111.88</b>	<b>131,111.88</b>	<b>124,571.86</b>	<b>6,540.02</b>	
	<b>Grand Total</b>	<b>1,311,119.52</b>	<b>1,311,119.52</b>	<b>1,000,000.00</b>	<b>311,119.52</b>	