



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

March 29, 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 **5.05% per annum** for the “Lump Sum” borrowing of Eight Hundred and Fifty Thousand Dollars (\$850,000) over a five (5) year repayment term as per the attached note summary and amortization schedule.

We propose a closing date of July 15, 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 120 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 April 28, 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,



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.

\_\_\_\_\_ Date: \_\_\_\_\_  
Name & Title

---

**Note Model Statement**


---

Date Quoted: Mar 29, 2023  
 Product: Product Not Defined  
 Interest Method: [1] 365/365 Payments P&I

Note Date: Jul 15, 2023  
 Maturity Date: Jul 15, 2028

Principal Advance: \$850,000.00

Amount Financed: \$850,000.00  
 Finance Charge: \$133,152.91  
 APR: 5.050000%

Total Principal: \$850,000.00  
 Total Interest: \$133,152.91  
 Total of Payments: \$983,152.91

---

**Payment Schedule**


---

<b>Description</b>	<b>Date</b>	<b>Frequency</b>	<b>Number</b>	<b>Amount</b>
Regular Payment	Jul 15, 2024	Annually	4	\$196,630.59
Regular Payment	Jul 15, 2028	Annually	1	\$196,630.55

<b>Amortization Schedule</b>						
<b>Date</b>	<b>Description</b>	<b>Total Payment</b>	<b>P&amp;I Payment</b>	<b>Principal Payment</b>	<b>Interest Payment</b>	<b>Principal Balance</b>
Jul 15, 2023	Beginning Balance					850,000.00
<b>+ 2023 Totals</b>						
<b>+ Jul 15, 2024</b>	Regular Payment	196,630.59	196,630.59	153,587.99	43,042.60	696,412.01
<b>+ 2024 Totals</b>		<b>196,630.59</b>	<b>196,630.59</b>	<b>153,587.99</b>	<b>43,042.60</b>	
<b>+ Jul 15, 2025</b>	Regular Payment	196,630.59	196,630.59	161,461.79	35,168.80	534,950.22
<b>+ 2025 Totals</b>		<b>196,630.59</b>	<b>196,630.59</b>	<b>161,461.79</b>	<b>35,168.80</b>	
<b>+ Jul 15, 2026</b>	Regular Payment	196,630.59	196,630.59	169,615.61	27,014.98	365,334.61
<b>+ 2026 Totals</b>		<b>196,630.59</b>	<b>196,630.59</b>	<b>169,615.61</b>	<b>27,014.98</b>	
<b>+ Jul 15, 2027</b>	Regular Payment	196,630.59	196,630.59	178,181.20	18,449.39	187,153.41
<b>+ 2027 Totals</b>		<b>196,630.59</b>	<b>196,630.59</b>	<b>178,181.20</b>	<b>18,449.39</b>	
<b>+ Jul 15, 2028</b>	Regular Payment	196,630.55	196,630.55	187,153.41	9,477.14	
<b>+ 2028 Totals</b>		<b>196,630.55</b>	<b>196,630.55</b>	<b>187,153.41</b>	<b>9,477.14</b>	
<b>+ Grand Total</b>		<b>983,152.91</b>	<b>983,152.91</b>	<b>850,000.00</b>	<b>133,152.91</b>	