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Androscogginbank.com

August 3, 2023

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

Re: General Obligation Bond

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. This rate option requires the Town to keep its primary banking relationship with Androscoggin Bank for the term of this loan. Additionally, in response to the extension of this offer, a loan processing fee of \$500 will be added to the first annual payment, which will be due and payable on the first anniversary of the closing.

We propose a closing date of September 28, 2023 with the first annual payment due on the first anniversary of closing. This closing date may be changed upon request from the Town. 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 August 24, 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