

UnionBank

Member FDIC  Equal Housing Lender

April 1, 2020

Connie Bona, Finance Director
Town of Richmond
P.O. Box 285
Richmond, VT 05477

Delivered Electronically

Dear Connie,

Union Bank is pleased to offer the following terms and conditions for the following five municipal notes to refinance existing highway and capital equipment loans. Please note that the rates and terms provided here are subject to the acceptance of all five proposals being refinanced with Union Bank.

BID 1-Grader

Borrower:	Town of Richmond
Loan Amount:	\$120,000.00
Loan Date:	10/01/2020 (estimated)
Maturity Date:	10/01/2024
Term:	4 years
Payment:	Annual principal payments of \$30,000 plus accrued interest
Interest Rate:	1.84%
Prepayment Penalty:	N/A
Tax Exemption:	Interest income is tax exempt to bank and "bank qualified" under Section 265(b) of the Internal Revenue Code.

BID 2- Dump Truck

Borrower:	Town of Richmond
Loan Amount:	\$103,500.00
Loan Date:	10/01/2020 (estimated)
Maturity Date:	10/01/2024
Term:	4 years
Payment:	Annual principal payments of \$26,500.00 plus accrued interest with the final principal payment in the amount of \$24,000 plus accrued interest
Interest Rate:	1.84%
Prepayment Penalty:	N/A
Tax Exemption:	Interest income is tax exempt to bank and "bank qualified" under Section 265(b) of the Internal Revenue Code.



BID 3- Dump Truck

Borrower: Town of Richmond
Loan Amount: \$134,602.00
Loan Date: 12/03/2020 (estimated)
Maturity Date: 12/03/2025
Term: 5 years
Payment: Annual principal payments of \$26,920.00 plus accrued interest
Interest Rate: 1.91%
Prepayment Penalty: N/A
Tax Exemption: Interest income is tax exempt to bank and "bank qualified" under Section 265(b) of the Internal Revenue Code.

BID 4-Water Tank Gap Funding

Borrower: Town of Richmond
Loan Amount: \$129,285.00
Loan Date: 11/05/2020 (estimated)
Maturity Date: 11/05/2025
Term: 5 years
Payment: Annual principal payments of \$25,857.00 plus accrued interest
Interest Rate: 1.91%
Prepayment Penalty: N/A
Tax Exemption: Interest income is tax exempt to bank and "bank qualified" under Section 265(b) of the Internal Revenue Code.

BID 5-Fire Truck

Borrower: Town of Richmond
Loan Amount: \$291,429.00
Loan Date: 04/14/2020 (estimated)
Maturity Date: 10/01/2026
Term: 6 years
Payment: Annual principal and interest payments of \$48,571.50
Interest Rate: 2.13%
Prepayment Penalty: N/A
Tax Exemption: Interest income is tax exempt to bank and "bank qualified" under Section 265(b) of the Internal Revenue Code.

If there is a change in the Federal Corporate Tax Rate applicable to Union Bank during the timeframe the note is outstanding, the bank reserves the right to adjust the interest rate in order to maintain the same yield on the note which was applicable immediately prior to such change in Federal Corporate Tax Rates.

Other payment options include monthly, quarterly or semi-annual and are at the discretion of the borrower.

In the event the Town accepts the terms of this proposal, the following loan documents will need to be executed by the Select Board:

- Note
- Resolution
- IRS Form 8038-GC (G)
- Tax Certificate w/Schedule D
- Registration Record (If term longer than one year)
- Signed Acceptance of Union Bank's Proposal Letter

We will also require copies of the following items:

- Copies of Select Board Minutes Awarding Bid to Union Bank
- Most recent Annual report

The borrower will be responsible for all legal fees associated with this loan, if applicable. Legal fees could include the preparation of an Opinion or Counsel and/or the necessary loan documents.

We reserve the right to cancel this commitment letter and to terminate our obligation hereunder if the loan fails to close on or before **June 1, 2020**.

Thank you for the opportunity to submit a bid. Please do not hesitate to call if you have any questions.

Sincerely,



Heather S. Campbell, Vice President
Municipal and Commercial Lender

Please indicate your acceptance of the terms and condition by signing below and returning to my attention.

By: _____
Duly Authorized Agent