


UnionBank

Member FDIC  Equal Housing Lender

February 5, 2020

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

Dear Connie,

Union Bank is pleased to offer the following terms for a Bond Anticipation Loan to finance the water infrastructure project on Bridge Street.

| | |
|---------------------|--|
| Borrower: | Town of Richmond |
| Loan Amount: | \$500,000.00 |
| Loan Date: | March 3, 2020 |
| Maturity Date: | One year from the date of the loan |
| Term: | 1 year |
| Payment: | Principal plus interest due at maturity |
| Prepayment Penalty: | No |
| Tax Exemption: | Interest income is tax exempt to bank and "bank qualified" under Section 265(b) of the Internal Revenue Code |

Option #1

Interest Rate: 2.08% fixed for 1 Year Bond Anticipation Note **OR**
One Year Short Term Note

Option #2

Interest Rate: 2.19% fixed for non-revolving line of credit*

*Advances under this Note may be requested in person, by phone, by mail or Internet banking and can be made by an authorized representative of the borrower. The bank shall have no obligation to advance the full amount of the loan if and when in its judgment further advances would not be justified.

In the event the Town accepts the terms of this bid, 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
- Signed Acceptance of Union Bank's Proposal Letter

We will also require copies of the following items:

- Copy of original Warning
- Publication Posting and Vote Certificate
- Copy of Ballot
- Copies of Select Board Minutes Awarding Bid to Union Bank
- Most recent Annual report
- Copy of Bond Award Letter

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 **April 5th, 2020**.

Thank you for the opportunity to respond to your request for proposals. Please do not hesitate to call if you have any questions.

Sincerely,



Heather S. Campbell, Vice President
Municipal & Commercial Lender

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

By: _____