

# UnionBank

Member FDIC  Equal Housing Lender

November 13, 2019

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 Highway Equipment Note to finance the purchase of an International Dump Truck.

## OPTION # 1

Borrower:	Town of Richmond
Loan Amount:	\$134,602
Loan Date:	December 2, 2019
Maturity Date:	December 2, 2022
Term:	3 years
Payment:	Annual principal and interest payments of \$47,293.52. Other options include monthly, quarterly and semi-annual payments.
Interest Rate:	2.68%
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 # 2

Borrower:	Town of Richmond
Loan Amount:	\$134,602
Loan Date:	December 2, 2019
Maturity Date:	December 2, 2024
Term:	3 years
Payment:	Annual principal and interest payments of \$29,181.55. Other options include monthly, quarterly and semi-annual payments.
Interest Rate:	2.75%
Prepayment Penalty:	No



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.

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
- 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.

Attached with our bid are amortization schedules for both of the options.

We reserve the right to cancel this commitment letter and to terminate our obligation hereunder if the loan fails to close on or before **January 13, 2020.**



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

Sincerely,

*Rhonda L. Bennett*

Rhonda L. Bennett  
Vice President

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

By: \_\_\_\_\_  
Duly Authorized Agent

