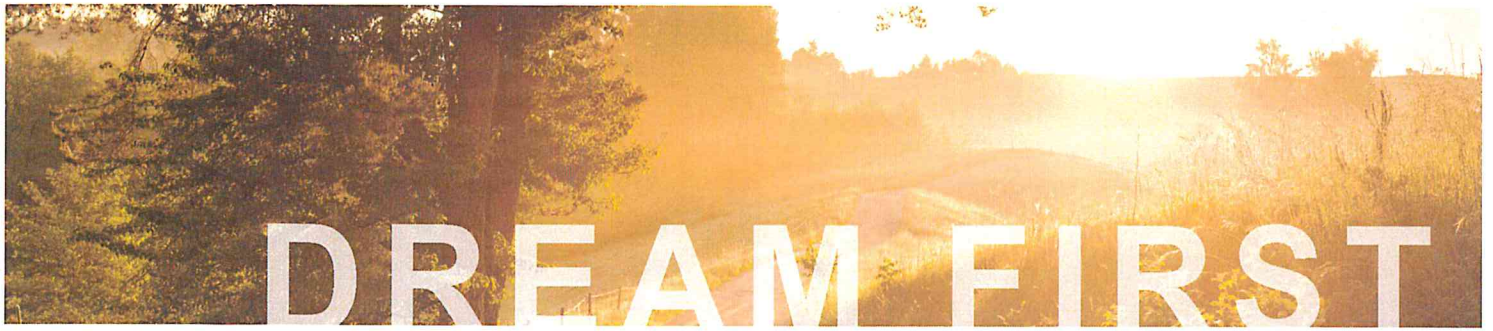




First
National Bank



First National Bank - Dream First

Our best days are ahead. At First National Bank we are optimistic about the future of Maine and about your future plans. You have dreams, and we want to help you fulfill those dreams. It might be buying a house, running a business, or starting a family. We get it. Having someone all in for you as you follow your spark can make all the difference.

First National Bank is a Maine community bank committed to serving individuals, families, municipalities, non-profits and businesses throughout our region.

Operating in eighteen branch offices from Wiscasset to Calais along the coast, and inland in Bangor and Brewer, we offer a wide variety of traditional bank products, along with a full suite of digital banking products for your convenience. Through First National Wealth Management we also offer trust and investment advisory services.

We are not like other banks. When you do business with First National Bank, we go all in for you. You get our passion, our time and our optimism. Your dreams are our dreams. Let's work together to make them happen.

Our History

1852

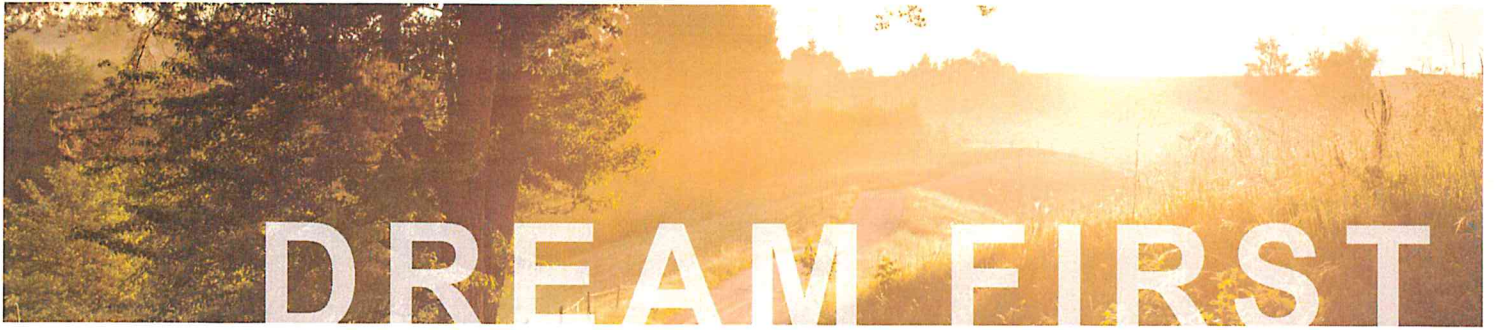
Initially incorporated as The People's Bank in 1852, our institution was established by several prominent business owners in the twin villages of Damariscotta and Newcastle. On May 30, 1864, the Bank was chartered by the US Treasury as The First National Bank of Damariscotta. By 2004, the Bank had seven branches in Lincoln and Knox Counties.

1888

The First National Bank of Bar Harbor was organized in 1888, also by a group of notable business leaders. By 1991, the bank recorded nearly \$96,000,000 in total assets; and by 2004, First National had seven branches, from Blue Hill to Calais.

2005

On January 14, 2005, The First National Bank of Damariscotta and First National Bank of Bar Harbor combined their strong deposit and lending forces into one financial institution, becoming the third largest bank headquartered in Maine, with combined assets of more than \$675 million.



Today, First National Bank has assets exceeding \$3.0 billion. We are an independent community bank committed to our core values of customer service and community involvement.

We are also a publicly traded company, through our holding company The First Bancorp (Nasdaq: FNLC).

We welcome you to visit any of our 18 branch locations, meet some of our 270 employees, and discover all the ways First National Bank can help you to Dream First.

Community Relationships and Philanthropic Impact

First National Bank is a full-service bank that provides services to individuals, businesses, non-profits, municipalities and trust clients.

General Giving

In 2024, our organization contributed over \$660,000 to non-profit organizations in our market area. For 2025, our giving budget is \$725,000. These contributions can range from large capital campaign donations to upgrade or build a facility, to smaller more targeted contributions. For example, in 2022 the Bank committed \$25,000 to the Northern Light Auxiliary Capital Campaign to purchase and Angel 2 Ambulance and also helped send the Ellsworth High School Marching Band to Washington, D.C.

Food Insecurity

For the last three years, the Bank has committed \$50,000 annually to fighting food insecurity in our state. Through this program we donate to food pantries, food bank farms, school backpack programs and programs that assist cancer patients with nutrition, among others.

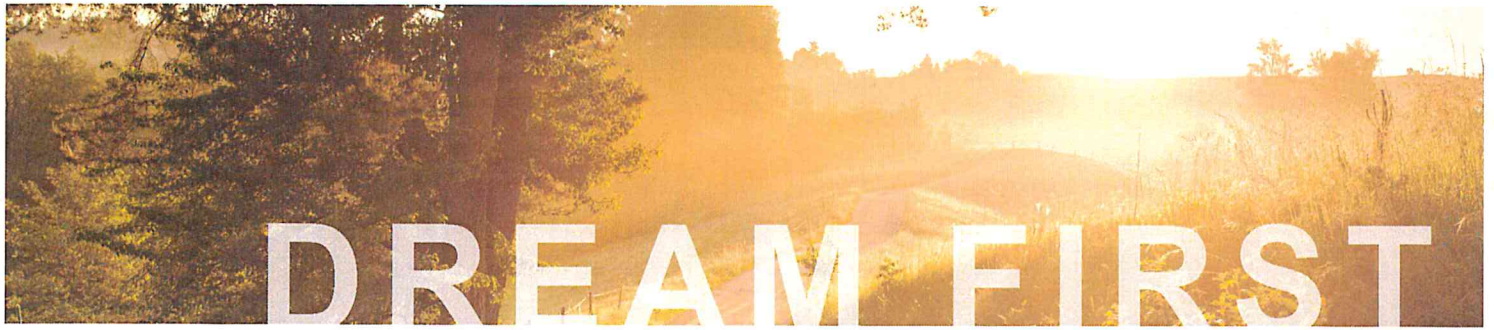
First Hoop Program

Outside of our general donations budget, we also sponsor the very popular First Hoop program at the high schools in our market area. Each high school receives a donation between \$2,500 and \$3,000 for participating in this fun, interactive program. Since 2005, we have donated \$344,000 to local schools.

Employee Volunteerism

In addition to our monetary contributions, in 2024, our employees volunteered over 11,000 hours to community organizations. In our employee ranks you will find youth sports' coaches, classroom volunteers, town officials and non-profit board members all working together with our customers to make our communities better places to live and work.

For additional information you will find our Environmental, Social & Governance Report and our Corporate Giving Philosophy on our website. ****Please see the attached document outlining our support of the greater Damariscotta community.**



PO Box 729
132 Park Street
Phone: 207-563-3195 Ext. 2514
Email: sarah.tolman@thefirst.com

February 6, 2025

Town of Damariscotta, Maine
Attention: Ms. Cheryl Pinkham, Treasurer

Re: Banking Services Proposal

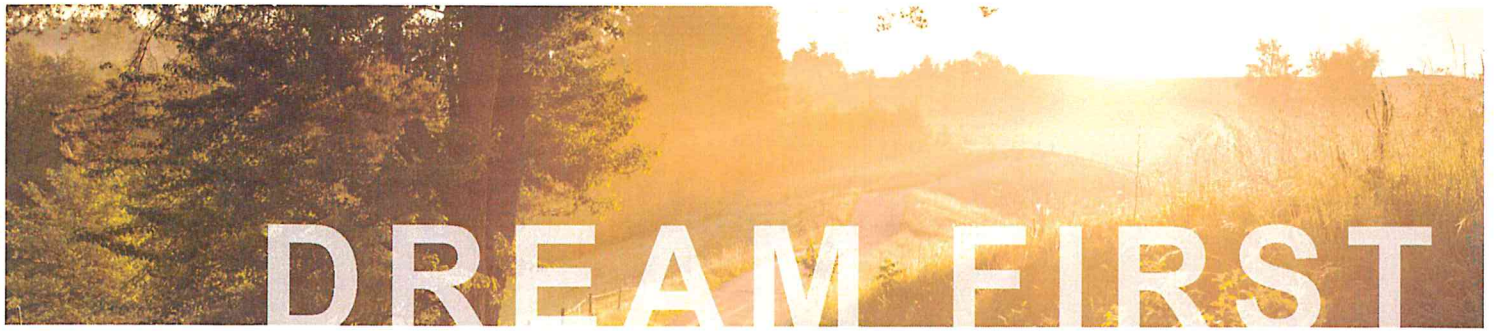
Greetings Ms. Pinkham,

Thank you for the opportunity to respond to your request for proposal for municipal banking services. At First National Bank, we pride ourselves on our consistent ability to work with customers to build solid relationships, and to help them achieve their financial goals. You will find our responses brief and direct, as our experience tells us that our clients want information quickly and they want our opinion of the best product/service we can provide.

In times of consolidation, increased regulation, and heightened cost awareness, you need a partner who can navigate the financial waters making your professional duties easier and more productive. We believe we are that partner. Our hope is that based on our responses, you will agree.

General Information

- A.** First National Bank is a nationally chartered bank, a member of the FDIC, and in compliance with all the laws, rules, regulations, and ordinances of the United States, the state of Maine, and the communities in which we serve.
- B.** First National Bank will assign Jake Miller as the primary contact for your relationship. He is well versed in all banking products and services and will stand ready to assist in any way possible. He currently manages 27 municipal relationships in Maine, many of which he has managed for over 10 years. References are provided below. Jake is available to assist with any municipal banking needs on demand and is happy to meet with employees or members of the Selectboard or Finance Committee as often as needed. He is an active member of the Midcoast Municipal Association and is regular participant and attendee at Maine Municipal Association events.



- C. First National Bank will also be prepared to offer onsite demonstrations of any of our products/services at your request.
- D. Our closest branch is located at **223 Main Street Damariscotta, ME 04543.**

Banking Services

We would propose that the Town of Damariscotta use our Municipal NOW Checking Account for any operating accounts or reserve funds that the Town wants to keep liquid. Using our Muni NOW Checking account in combination with an Insured Cash Sweep (ICS) account is an excellent choice for what we believe you are seeking to accomplish with the Town's funds.

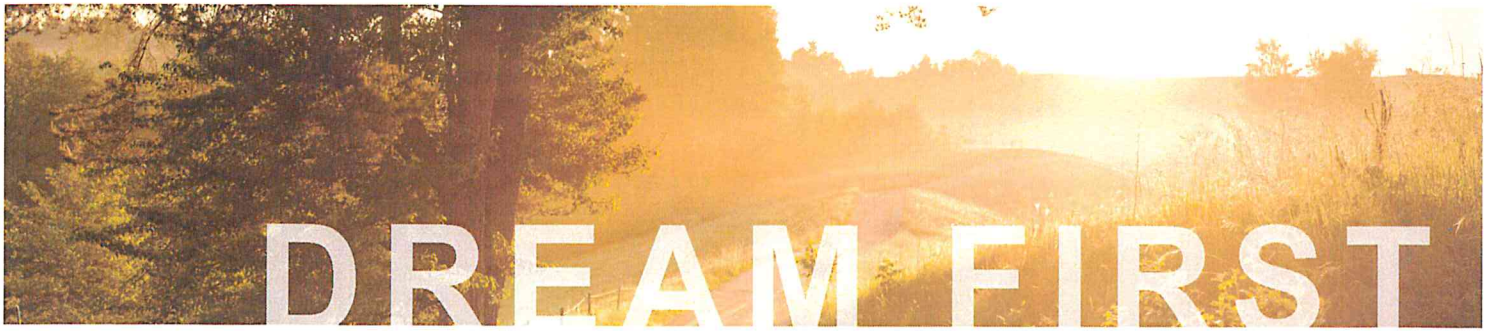
The benefits of using the Muni NOW Checking Account with ICS Sweep are as follows:

- No minimum or target balance to be concerned about. The full balance in your account earns interest.
- The statement is clear, concise, and exceptionally easy to reconcile.
- Deposits would be fully insured via CDARS/Insured Cash Sweep (ICS) on all balances over the \$250,000 FDIC limit at **no charge** to the Town of Damariscotta.
- **No monthly maintenance fees or service fees on any of the accounts, this includes check order fees.**
- The current rate for the Town of Damariscotta is **3.68%**, based on an index of **85% of Effective Fed Funds Rate (as of 2/6/2025 at 9am)** on all liquid deposit accounts including the **Town General Fund, all Enterprise accounts, and any cash management Sweep Accounts.** The **3.68%** rate would apply to each deposit account and their corresponding **ICS Sweep account.**
- **Night Deposit** is available at each of our 18 branch locations.

For your reserve funds we recommend using a 6-month CD at 4.25%/**4.35% APY**, 12-month CD at 3.92%/**4.00% APY**, 18-month CD at 3.73%/**3.80% APY**. We can provide additional FDIC insurance on these CD using CDARS at no cost to the Town. **APY is Annual Percentage Yield**

Online Banking

First Online offers twenty-four-hour access to your accounts. This level of access allows you to move funds and pay bills with ease and convenience. This service is free of charge. Our online banking and ACH services will meet all the needs specified in the RFP. We will also provide an onsite demonstration and training of these services.



ACH Services

First Online ACH allows any business customer to create electronic payments and deposits. Transactions can be either debits or credits. Examples of debit transactions include utility payments, account drafts, membership fees, dues, insurance premiums, etc. Credit transactions are usually for Direct Deposit of payroll, electronically crediting a deposit account for the net payroll amount. First Online ACH is accessed through your commercial online banking. We will offer this service **free of charge**, which includes **free** ACH Filter/Block for the Town of Damariscotta.

Remote Check Deposit

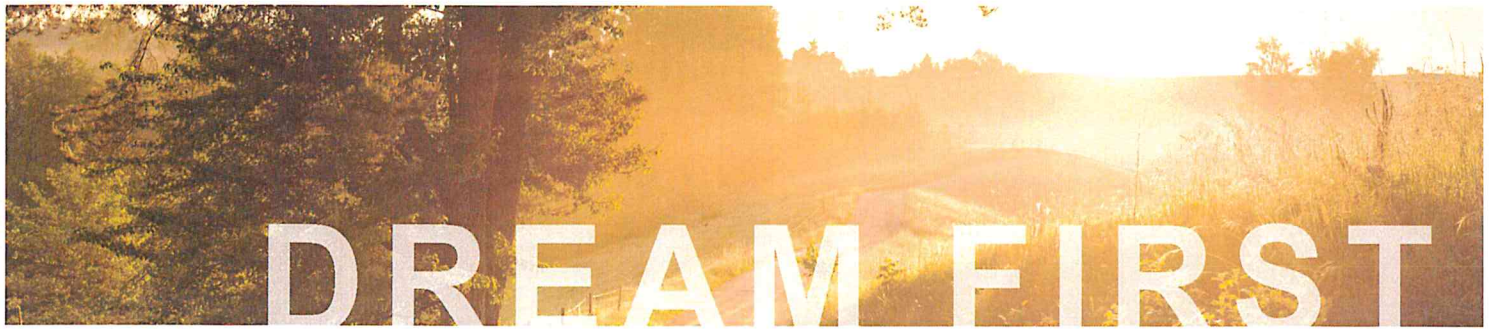
This product allows you to scan your checks right at the office. It automatically creates an electronic deposit file to send to the bank and upon sending to the bank, is credited to the appropriate account. Improved efficiency, increased availability in your cash balances, and saving time out of the office are all advantages of this product. We will offer the equipment, service, and installation all **free of charge** to the Town of Damariscotta.

Municipal Lending

First National bank is happy to assist with financing any of the Town of Damariscotta's lending needs including TAN's, TRAN's, BAN's, vehicles such as fire trucks, school buses, snowplows, or other loans or lines of credit as needed. All municipal credit decisions are made by our Bank President, Tony McKim. We do not require bond counsel on loans that are under the amount of \$250,000. Currently, we only offer financing options as we do not offer any leasing options presently.

Revolving Line of Credits are available to towns with one-year maturities when the line may be renewed and repriced at current interest rates. The interest rate is fixed for the one-year period and is based on the current one-year market rate plus a margin. Interest on the line accrues daily on the outstanding balance based on a 360-day year. Funds may be drawn or paid down at any time. No fees apply to municipal lines of credits. Interest payments may be due monthly, quarterly, semi-annually, or annually at the discretion of the town.

Tax Anticipation Notes are available to towns with a maturity range from 3 months to 20 years. The interest rate is fixed based on the current market rate of the corresponding maturity length plus a margin. Interest is calculated based on a 360-day year. No fees apply to municipal tax anticipation notes. Payments may be due monthly, quarterly, semi-annually, or annually at the discretion of the town. External bond counsel may be required depending on the amount of the TAN. Bond counsel will determine if the note is considered tax-exempt which will impact the offered interest rate. Funds may be



made available on an as-needed basis or fully disbursed at the time of the note.

Additional Services:

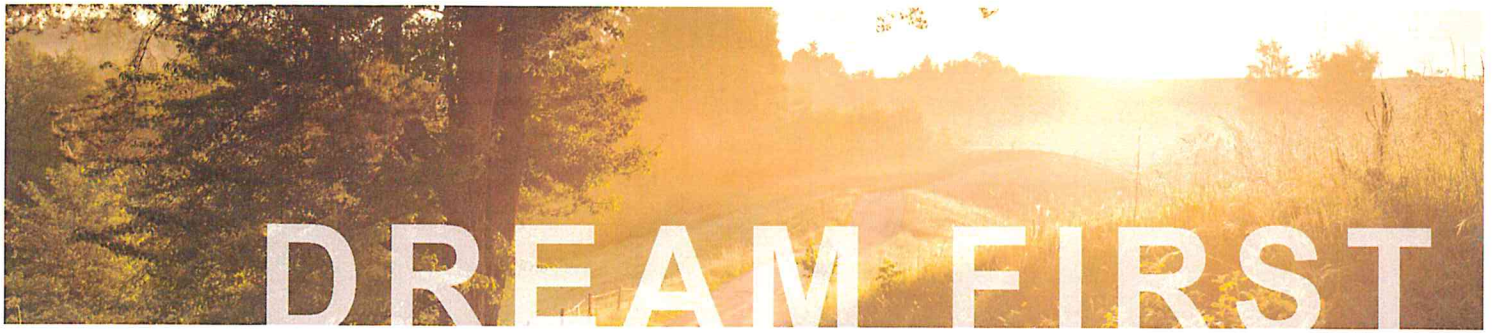
1. Positive pay services – Here are the four options available in ARP/Positive Pay:

- Positive Pay – customer sends us an “Issued” file, and as items are cleared, they are validated against that file. If there are exceptions, there will be up-front fraud detection so that an item presented at the teller line would give the teller a message through polices defined in our teller system. Customer would work exceptions in our on-line banking product, meaning they determine if it should be paid or returned. Items that match the issued file would not be presented as exceptions.
- Full Recon – basically the same as Positive Pay except there would be no up-front fraud detection and the customer could not work their exceptions. They would just be notified of them.
- Partial Recon – No issued file sent by the customer. Only thing they can do is download the cleared items file in our on-line banking product.
- Deposit Recon – limited usage. Basically, a way for a customer with multiple locations with deposits all into the same account to identify which location the deposit came from.
- Reverse Positive Pay – limited usage. Each item would be an exception that the town would need to decision.

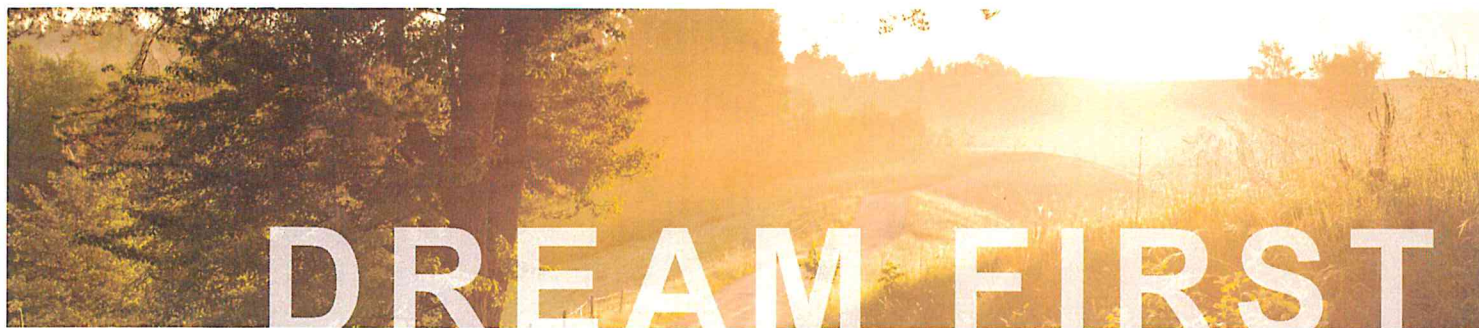
2. Community Credit Card – First National Bank partners with **ELAN** to make credit cards available to our clients. Town of Damariscotta would be subject to **ELAN** underwriting and fees. There is no personal guarantor required for this type of credit card.

3. Special or Other Services for Checking Accounts and Specifications:

- a.) **Deposit Slips** – The Bank will provide deposit slips, imprinted with the Town’s account name and number for all accounts, **at no charge** to the Town.
- b.) **Deposit Only Stamps** -The Bank will provide the Town “Deposit Only Stamps, for each of the interest-bearing accounts. This will be **at no charge** to the Town.
- c.) **Various Supplies** – The bank will also provide various supplies, such as, coin wrappers, coin envelopes, deposit bags, and night deposit bags to the Town **free of charge**.
- d.) **Non-sufficient Funds (NSF) Re-deposit** – The Bank will automatically redeposit returned checks a second time, if the instruments are initially dishonored due to “NSF”notations. The Town shall **not be charged** for “non-sufficient fees”.
- e.) **Bank Branch Location** – **We are headquartered at 223 Main Street Damariscotta, ME.**



- Funds Availability** – Funds are available the day after the day of deposit.
- f.) **Monthly Statements** – The bank will provide monthly checking account statements with images of cleared checks provided via online banking no later than the second day of each month. Separate statements for each account will be provided.
- g.) **Electronic Data Transmissions** – All electronic data transmissions noted in the request will be available on the next day by 8:00 a.m. This will include the following:
- Previous days ending ledger balance
 - Previous days ending collected balance
 - Zero-balance account transfer amounts
 - Interest Earned monthly
- h.) **Target Balance** – No minimum or target balance to be concerned about. The full balance in the account earns interest. **The Town will not be charged any fees on the accounts.**
- i.) **Wire Transfer** – The bank maintains wire transfer facilities through the Federal Reserve Bank System. The proposers will also facilitate the Maine Automated Clearing House Transactions. Incoming/Outgoing wire transfer fees will be **waived**.
- j.) **Deposit Bags**– The bank will provide single use secure deposit bags and night depository keys for the daily deposits to the Town at **no cost**.
- k.) **Additional Accounts** – If the Town has a need for any additional accounts or services during the term of the agreement, those new accounts and services shall be provided with the same conditions that apply to the interest-bearing accounts.
- l.) **Use of Town PC's for Online Banking** – The Bank understands all of the Town's needs for online banking, ACH, Wire, Transfer, Inquiry, Balance, etc. capabilities. It is understood by the bank that only authorized Town personnel will have access to online banking service.
- **Remote check deposit** – This product allows you to scan your checks right at the office. It automatically creates an electronic deposit file to send to the bank and upon sending to the bank, is credited to the appropriate account. Improved efficiency, increased availability in your cash balances, and saving time out of the office are all advantages of this product. We would make this service and corresponding equipment available to the Town of Damariscotta **free of charge**.
- m.) **Direct Deposit** – All accounts at First National Bank can accept direct deposits from other institutions. We do have Direct Deposit forms to assist in this process. Our well-trained Banking Associates can also assist with set up. We also can generate direct deposits and this would be done through ACH. There are **no fees or costs** for this service. Please refer to the ACH section for a full explanation.
- n.) **Funds Availability** – Funds are available the day after the day of deposit.
- o.) **Merchant Services** – In addition to a credit card First National Bank would also like to propose a merchant account to allow the town to utilize credit cards from its patrons in order to increase the efficiency of payment and reduce any fees related to NSF's. Our partner FiServ would need to do an analysis of projected average sales and gross sales to price a discount rate.

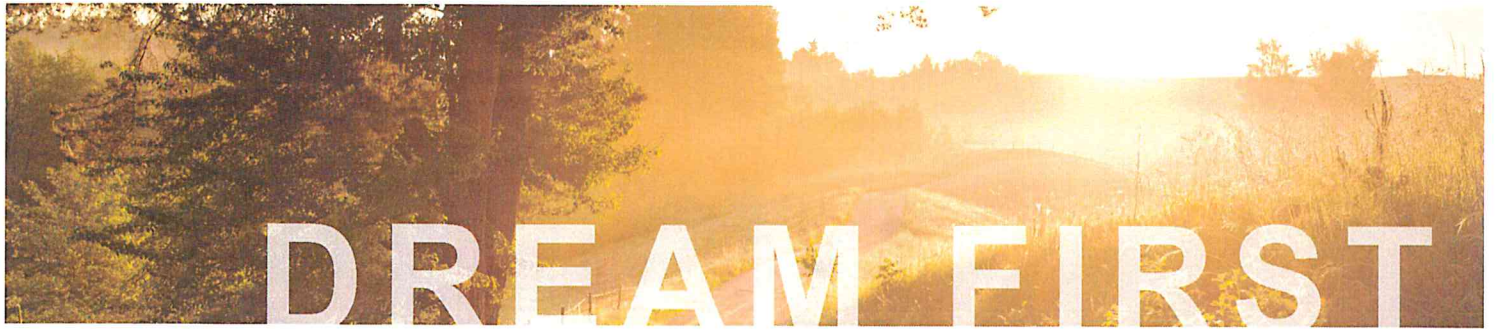


- p.) **Town Employee Benefits** – First National Bank is prepared to offer our full suite of personal account products and services to employees of the Town of Damariscotta. Since Town employees are paid with direct deposit, we would recommend our **#E-Chieve Checking** account product as we feel it would be a perfect fit. The account comes with free Online Banking and I-Statements with no minimum balance requirement. As an added benefit, we would make the account opening process quick and seamless to the employees of the Town by providing the ability open the accounts easily via DocuSign.
- q.) **Overdraft Services** – The primary bank officer will be responsible for reviewing any overdraft activity on the Town of Damariscotta's accounts daily. First National Bank **will not charge any overdraft fees** on any checks that are written from the Town's account which may force the account to overdraw. As an added measure, the primary bank officer will reach out to an authorized signer on the account to explain the account status and verify that fraud has not occurred on the account.
- r.) **Sub Accounting** – First National Bank can assist with the Town's sub accounting needs and will work with the authorized personnel to customize this to meet the Town's needs.
- s.) **Onboarding** – If selected, your primary Banker would be Jake Miller. Jake would work with the Town to customize an optimal onboarding experience. In most cases, the recommended approach is to open all the accounts, order checks and supplies, obtain online banking and cash management access and gradually transition the banking over within 60 days. This can be tailored to the needs of the Town. Jake and his business partners will ensure you have the access, service and training to make this transition process as smooth as possible.

Cybercrime Security Procedures

First National Bank has developed a comprehensive program to protect the security, integrity, and confidentiality of our customers' information, and to protect against unauthorized use of that information which could result in harm or inconvenience to you. Our program is reviewed and updated as technology changes, and the staff of the Bank is trained to respect and comply with our security procedures. Keeping our systems and your financial information secure is of paramount importance to us, and we will be diligent in achieving this end.

In addition, we can provide a handout and DVD to assist businesses in making sure they are taking the appropriate measures.



Disaster Recovery

It is the policy of First National Bank to maintain a comprehensive Disaster Response, Recovery and Business Continuity Plan for all critical and high priority business functions.

The Disaster Response and Business Continuity Plan in its entirety has been authorized and adopted by First National Bank Board of Directors. It is the responsibility of the board of directors to ensure that contingency plans have been established and to annually review and approve the adequacy of these plans.

This policy was adopted for the purpose of delineating viable guidelines and procedures to be followed in the event of an emergency or a disaster and for the purpose of providing a plan of action to protect company personnel, customers, and others, as well as company and customer information. The plan of action would also enable the financial institution to continue to operate as closely as possible to a "business as usual" manner following an emergency or disaster.

References

Town of Rockport

Megan A. Brackett

mbrackett@rockportmaine.gov

Town of Warren

Sherry Howard

manager@warrenmaine.org

Town of Newcastle

Michelle Cameron/ Kevin Sutherland

treasurer@newcastlemaine.us (Michelle)

townmanager@newcastlemaine.us (Kevin)

Town of Union

Stacey Parra

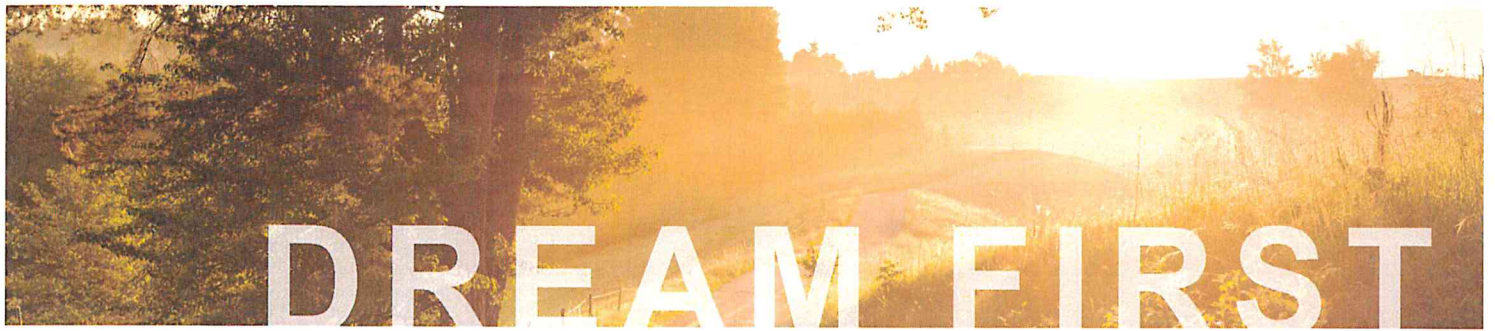
treasurer@union.maine.gov

Primary Contact:

Senior Vice President, Government Banking Officer - Jake Miller

207-593-1014 (Office) 207-322-8880 (Cell)

Jake.Miller@thefirst.com



Your assigned banking officer will proactively review all accounts to ensure the Town of Damariscotta is fully aware of available products and services as well as interest rate fluctuations. We recommend account review meetings a minimum of once annually, however we are happy to be available to meet with anyone from the Town employees, Selectboard, or Finance Committee anytime.

First National Bank is a full-service bank that offers investment products through First National Investment Services, as well as trust and wealth services through First National Wealth Management. We are happy to refer you to our professional group of investment bankers and financial planners should there be a desire to explore investments for the town or help with simple IRA's or investment options/retirement planning for Town employees.

If selected, our team at First National Bank is prepared to make this account opening process as seamless as possible for the town and look forward to doing business together. Please feel free to reach out to me directly, should you have any questions regarding this proposal.

Sincerely,

Sarah Tolman
Executive Vice President
Office Contact – 207-563-3195 ext. 2514 Cell- 207-691-3509
E-mail – sarah.tolman@thefirst.com



A Division of The First Bancorp

800.564.3195

TheFirst.com

Member FDIC

Equal Housing Lender

PART II – PROPOSAL FORM

Form must be completed entirely. If requested information is not applicable, enter "N/A".

All rates and fees quoted are those in effect as of 9:00 A.M. on Thursday, February 6, 2025.

Institution Name: First National Bank

Address: 223 Main St. Damariscotta, ME 04543

Contact Person: Jake Miller Tel: 207-593-1014 ext.

E-mail: jake.miller@thefirst.com

Member FDIC or NCUA: FDIC: X NCUA:

Accounts:

General Fund: Transaction/Processing Fees? Yes X No

If yes, explain in a separate attachment.

Town Payroll and Electronic Funds Transfer ZBA Accounts:

Transaction/Processing Fees? Yes X No

If yes, explain in a separate attachment.

Sweep Investment Account:

Fee Structure: No fees
Expected Return: 3.68% Index: 85% of Effective Fed Fund Rate

Activity/Club Accounts:

Fee Structure: No fees
Expected Return: 3.68% Index: 85% Effective Fed Fund Rate

Based on average balance of \$5,505,000 @ 3.68% interest earned in one year would be \$202,584.00

Certificate of Deposit:

Fee Structure: No fees
Expected Return (6 mos): \$21,518.43 Rate: 4.25% APY: 4.35%
Expected Return (12 mos): \$40,000 Rate: 3.92% APY: 4.00%
Expected Return (18 mos): \$57,538.12 Rate: 3.73% APY: 3.80%

(All using \$1.0M as a benchmark)

Deposits: Transaction/Processing Fees? Yes X No
 If yes, explain in a separate attachment.

Electronic Deposit Capture X Yes No (Free of Charge)
 Equipment/Software Free X Yes No (Free of Charge)
 Evening cut-off time 3 : 00 P.M.

On-Line Banking:

Transaction/Processing Fees? Yes X No
 If yes, explain in a separate attachment.

Installation/Programming Fee Yes X No
 If yes, explain in a separate attachment.

Equipment/Software Free X Yes No
 Multiple Security Levels X Yes No

Electronic Banking Services:

Installation/Programming Fee Yes X No
 If yes, explain in a separate attachment.

Transaction Processing Fee Yes X No
 If yes, explain in a separate attachment.

Daily Cut-off time: 3:00 P.M.

Other Required Services: (Check all that are provided at no charge)

 X Fraud Prevention
 X ACH Block
 X Electronic Debit Block
 X Stop payments
 X Re-deposit returned items
 X Overdraft Protection
 X Wire Transfers
 X Bounced Checks
 X Downloadable Check Reconciliation File

Supplies Provided (Check all that are provided at no charge)

 X Deposit tickets
 X Coin wrappers

- ☒ Bill bands
- ☒ Coin bag seals
- ☒ Rubber deposit stamps
- ☒ Deposit bags
- ☒ Other (please itemize on separate attachment)

Free ACH Services: ☒ Yes ☐ No

Night Deposit: ☒ Yes ☐ No

Maximum Federal Insurance: \$ 250,000, Free & Unlimited FDIC insurance via ICS
(Insured Cash Sweep)

Additional Deposit Insurance Purchased at no cost: ☒ Yes ☐ No

Community Support See attached

References

Town of Newcastle
Michelle Cameron / Kevin Sutherland
treasurer@newcastlemaine.us (Michelle)
townmanager@newcastlemaine.us (Kevin)

Town of Rockport
Megan A Brackett
mbrackett@rockportmaine.gov

Town of Warren
Sherry Howard
manager@warrenmaine.org

Town of Union
Stacey Parra
treasurer@union.maine.gov

Donations & Sponsorships

Damariscotta Region 2019-2024

Organizations Supported

CHIP Inc	Lincoln Academy Alumni
CLC Ambulance	Lincoln County Board of Realtors
CLC YMCA	Lincoln County Little League
Coastal Kids Preschool	Lincoln County Spark
Coastal Rivers Conservation Trust	Lincoln Health/Maine Health
Community Energy Fund	Lincoln Home
Damariscotta Historical Society	Lincoln Little League Challenger Team
Damariscotta Mills Fish Ladder	Lincoln Theater
Damariscotta Oyster Celebration	Making Strides Walk
Damariscotta Pumpkinfest	Miles Memorial Hospital League
Damariscotta Region Chamber of Commerce	Mobius
Damariscotta/ Newcastle Lions/Rotary	Mountains to Shore Realtors
ElderCare Network	Newcastle Ecumenical Food Pantry
Frances Perkins Center	OceansWide
Friends of Great Salt Bay	Salt Bay Chamberfest
Great Salt Bay School	Salt Bay LEGS Rotary
Healthy Kids	Schooner Landing Fundraiser
Healthy Lincoln County	Skidompha Library
Hearts Ever Young	Stepping Stone Housing
Heartwood Theater	The Peace Gallery
Hearty Roots	Twin Village of Light
Inn Along the Way	Twin Villages Downtown Alliance
LCTV	Twin Villages Foodbank Farm
Lincoln Academy	Veggies to Table

Total support given: \$609,350.00





Town of Damariscotta Employee Banking Services

- Free E-Chieve Checking Account[§]
 - No minimum balance requirement
 - **\$25.00** opening deposit courtesy of First National Bank
 - No monthly service charges
 - Direct deposit required
 - Free First Online Banking and Bill Payment
 - Free i-Statements
 - Free First Mobile Banking and Mobile Deposit
 - Free Apple Pay and Android™ Pay
- Free Safe Deposit Box rental fee for one year*
- .10% Interest rate increase on any new CD's
- Direct Deposit and Automatic Payments
- Free Visa® Credit Card**
- Service Charge Free Health Savings Account

*Subject to inventory and availability ** Subject to credit approval ***Up to \$2,500

[§] Other fees, such as overdrafts, may apply. See our fee schedule for details. Customer purchases checks. Bank rules and regulations apply. For current interest rates and more details on our deposit accounts, visit TheFirst.com, call First Phone Banking at 800.564.3195, or stop by one of our branch offices.