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September 18, 2025

Via E-Mail vsanidist@vassalboro.com

Becky Goodrich
Vassalboro Sanitary District
PO Box 183
North Vassalboro, Maine 04962

Re: Potential Bond Bank Default

Dear Becky,

You have inquired regarding the legal implications of the District potentially defaulting on its loan with the Maine Municipal Bond Bank. I understand there is a payment due to the District on October 1st and the lack of a board of trustees and insufficient funds may result in the District being unable to make the October 1st payment to the Bond Bank.

The loan agreement with the Bond Bank sets forth various remedies available to the Bond Bank if the District defaults, including taking legal action against the District. In addition, State law provides that "if a governmental unit defaults in the payment of interest on or principal of any municipal securities owned or held by the bank when due and payable by the governmental unit, the bank shall proceed to enforce payment under applicable provisions of law of the interest or principal or other amounts then due and payable." (See 30-A M.R.S.A. §6017). One applicable provision of state law that could be invoked by the Bond Bank states that the personal property of the residents and the real estate within the boundaries the District may be taken to pay any debt due from the District. (See 30-A M.R.S.A. §5701). Essentially, every piece of property within the District has been pledged as collateral for the repayment of the loans.

Please let me know if you have any questions or need additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Costigan".

Mary E. Costigan

cc: Town of Vassalboro