

Request for Proposals for
Clean Water and Drinking Water State Revolving Loan Fund
Lender's Counsel



Vermont
Bond Bank

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INTRODUCTION

The Vermont Municipal Bond Bank (“Bond Bank”) in consultation with the Vermont Department of Environmental Conservation (“DEC”) is seeking proposals from qualified lenders counsels (“Counsel”) to provide services related to the creation, review, and negotiation of municipal loan agreements within the State of Vermont’s Drinking Water and Clean Water State Revolving Loan Funds (collectively “SRF” or the “SRF Program”)

All proposals submitted become the property of the Bond Bank. The Bond Bank is a public instrumentality and is subject to Vermont public records laws. Proprietary information, if any, should be identified in each proposal.

BACKGROUND

The Bond Bank was created by the Vermont General Assembly in 1969 to assist eligible governmental units access public financing markets.

The Bond Bank provides municipal loans for local infrastructure projects through the Pooled Loan Program under its General Bond Resolution adopted in 1988 (the “1988 Resolution”). Loans are primarily financed through the Bond Bank’s issuance of publicly offered tax-exempt bonds. On an on-going basis, the Bond Bank services its loans and provides outreach and planning assistance to potential borrowers.

The Bond Bank also co-manages the State of Vermont’s (the “State’s”) SRF Program with DEC. Loans are issued for the planning and construction of municipal drinking water and clean water projects. The program is currently unleveraged, although significant wastewater and stormwater investments are required across the state. In the future, loans may need to be assigned for use under a trust structure in support of debt issuance.

Please visit vtbondbank.org for more information.

Vermont State Revolving Loan Fund

The Vermont SRF Program uniquely services an overwhelmingly rural population with a median size community served of approximately 1,300 residents. Historically, the program provided loans to municipal systems as small as 40 users.

Under 24 VSA 120 the Bond Bank provides fiscal administration to the SRF, which includes the investment of unused programmatic funds, underwriting, and servicing of all municipal loans in the program. The Bond Bank serves as the counterparty to loan agreements with municipalities. Loans to private entities are serviced and documented through the Vermont Economic Development Authority (“VEDA”)

In calendar year 2021, the Bond Bank provided credit review and financial underwriting on 87 loan agreements or amendments with a total value of \$58 million. As of December 31, 2021, the municipal loans within the program had a total outstanding balance of \$240 million.

RFP OBJECTIVES

The Bond Bank seeks to add legal capacity to its current SRF activities through the on-going review of loan agreements and consultation on programmatic considerations. This activity is separate from the Bond Bank’s legal engagements for bond counsel and general counsel.

To date, universal legal review of loan agreements was avoided given the widespread use of relatively homogenous security structures via general obligation pledges, lack of debt leverage in the program, and overriding desire to keep costs low for borrowers.

As background, many SRF programs use tax-exempt debt leverage, in addition to grant funds, which are repaid from loan payments. This additional capacity was not historically needed in the State of Vermont’s SRF program.

Congressional changes to the national SRF program as well as DEC initiatives led a significant expansion of eligible uses in the program over the last several years alongside an increase in requests to use alternative securities pledges. Moreover, an expected influx of funding from the Infrastructure Investment and Jobs Act is likely to require additional changes to the program over the next several years.

The above changes necessitate the engagement of Counsel to assist the Bond Bank in meeting program objectives while mitigating risk and conforming with best practices.

The purpose of this RFP is to solicit bids for Counsel that can meet the above objectives in a cost-effective and comprehensive manner.

Familiarity and commitment to the unique infrastructure environment and municipal landscape of Vermont is highly desired.

SCOPE OF SERVICES

- Periodic review of standard loan agreements for conformance with any programmatic and statutory changes.
- Review of documents to ensure they are adequate for assignment to a trustee in the event the program is leveraged.
- Review and comment on standardized legal diligence processes currently used by the program.
- On-going review of draft loan agreements for selected transactions.
- As required, coordination with Bond Bank staff, the borrower's bond counsel on all aspects of the loan transaction including the issuance of the borrower's bond.
- Assist in the further development of revenue bond structures for program users by providing advice on the documentation of security, covenants, and other unique transaction features.
- Prepare or review resolutions, notices and other documents required for completing transactions.
- Provide on-going advice and assistance with respect to matters relating to the SRF program and operations to ensure compliance with all requirements of the financing documents.

SUBMISSION QUESTIONS

1. *Primary Contact and Assigned Personnel.* Give the name, title, firm, address, telephone number, and email address of the one individual who would be primarily responsible for this engagement. Identify the individuals who would perform the work in this engagement and describe how their responsibilities will be assigned and managed. As an appendix, provide resumes for each person, including background and experience relevant to this engagement, and each person's capacity to provide advice as quickly as needed if the primary contact for the engagement is not available.
2. *Familiarly with Vermont Law.* Briefly describe understanding or experience with Vermont statutes as it relates to municipal debt issuance, the SRF Program, and the Bond Bank. List client engagements as relevant.
3. *Familiarity with SRF Programmatic Requirements.* Briefly describe your understanding of relevant considerations for the Bond Bank as it relates to federal and state rules concerning the SRF Program. List client engagements as relevant.

4. *General Familiarity with Public Finance / Lending Contracts.* Briefly describe your understanding of considerations for the Bond Bank as it relates to its role as a lender. List client engagements as relevant.
5. *References.* Provide three references alongside contact information for three similar engagements to the scope of services provided above.
6. *Conflicts.* Describe your policy for addressing any potential conflicts that may arise in the program.
7. *Professional Liability Coverage.* Describe your professional liability coverage for work of this type, including limits of coverage and the expiration date. Attach a copy of the cover page of your policy.
8. *Pricing.* Please provide a proposed fee structure on an hourly, annual retainer, or project basis. As previously described, the program has operated at low costs through its history and is sensitive to costs given the size of the program users. Affordability is important but sound advice is essential.
9. Please share any other relevant information that may be useful to the Bond Bank in evaluating the services of your firm.

EVALUATION

The RFP will be awarded to the firm that gives Bond Bank the most effective combination of qualifications, services, experience, key personnel, and costs. Firms will be notified after formal approval.

If applicable, the Executive Director or their designee will conduct negotiations with firms whose proposal, when considered with all other proposals submitted in response to this solicitation, best meet the needs of the Bond Bank at its sole discretion.

SUBMISSION DETAILS AND DEADLINE

Please limit response to no more than 15 pages. All responses must include a signed copy of the Proposer Warranties included in Attachment A.

Responses to this RFP are due via email to the contact below any time prior to 5:00 pm ET on Friday, August 5, 2022. Please submit questions in writing to the contact below prior to Monday, July 29, 2022.

Submission Contact
Michael Gaughan Vermont Bond Bank michael@vtbondagency.org

Proposers will be contacted in the event of interviews, which are expected to occur the week of August 15, 2022. Selected firms will be notified in advance.

The Bond Bank reserves the right to delay, postpone, or not select lender's counsel. Selection is expected to occur prior to September 2, 2022.

ATTACHMENT A: PROPOSER WARRANTIES

PROPOSER WARRANTIES

- A. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

- B. Proposer warrants that it holds all required licenses and authorizations to undertake the services described in this RFP.

- C. Proposer warrants that there are no existing or potential conflicts of interest that would prevent the proposer from fully performing the tasks described in the RFP. Should a conflict of interest be discovered, the proposer shall make immediate disclosure to the Bond Bank. Pre-existing conflict of interests should be disclosed in a letter accompanying your firm’s response to this RFP. Describe the nature and parties involved in the conflict.

Signature of Representative
Authorized to Commit Firm: _____

Name: _____

Title: _____

Firm Name: _____

Date: _____

ATTACHMENT B: FORM OF LOAN AGREEMENT

LOAN AGREEMENT

Vermont State Revolving Fund

Loan «Project_Identifier»

Loan Amount: «ContractAmount»

1. «Borrower Name», the Municipality, hereby certifies to the Vermont Municipal Bond Bank (“Bond Bank”) that:

(a) It will secure all state and federal permits, licenses and approvals necessary to construct and operate the improvements to be financed by the Loan (the “Project”), if any, as described in Exhibit A;

(b) It has elected to participate in the Water Infrastructure Sponsorship Program (WISPr). Participation in the program will result in the voter approved Municipal Bond/Note amount of \$XXXXXX increasing to \$XXXXXX as allowed under 24 V.S.A 4752(19) and 4755(a)(4)(C) and as described in Exhibit A. **DELETE IF NOT PARTICIPATING IN WISPR.**

(c) It has established, or covenants with the Bond Bank to establish, by ordinance, rule or regulation, a rate charge or assessment schedule which will generate annually sufficient revenue to pay:

(i) Principal, administrative fees and interest of the Municipal Bond/Note, as the same becomes due; and

(ii) reasonably anticipated cost of operating and maintaining the improvements to be financed by the Loan, if any, and the system of which is a part;

(d) It has duly established a fund under Title 24 of the Vermont Statutes Annotated, or by other means permitted by law which, for so long as the Municipal Bond/Note shall remain outstanding, shall be maintained and replenished from time to time, and used solely to repair, replace, improve and enlarge the improvement to be financed by the Loan, if any.

2. The Municipality shall make funds sufficient to pay the principal, administrative fees and interest as the same matures (based upon the Maturity Schedule appended hereto as Exhibit C) available to the Bond Bank at least five business days prior to each principal payment date.

3. The Bond Bank and Municipality agree that Loan proceeds will be paid to the Municipality as Project costs are incurred and paid by the Municipality over the course of the Project, but in no event shall payments be made more often than monthly, and only on Municipality’s certification, through its authorized representative, that such costs have been paid.

4. The Municipality is obligated to make the principal, administrative fee and interest portion of the **Municipal Bond/Note** payments scheduled by the Bond Bank on an annual basis. The Municipality may prepay the Loan at its option without penalty.

5. Simultaneously with the delivery of the Municipal Bond and Certificate of Registration (Exhibit C) to the Bond Bank, the Municipality shall furnish to the Bond Bank an opinion of bond counsel satisfactory to the Bond Bank which shall set forth among other things the unqualified approval of said Bond(s) then being delivered to the Bond Bank and that said Bond(s) will constitute valid and binding obligations of the Municipality.

6. The Municipality shall be obligated to inform in writing to the Bond Bank, or such agent designated by the Bond Bank, at least thirty days prior to each principal payment date of any changes to the name of the official or address to whom invoices for the payment of principal, administrative fees and interest should be sent.

7. The period of performance for this agreement begins upon execution and ends five years after execution.

8. Notwithstanding **paragraph 14 (IF ABOVE DELETED)/15** hereof, prior to payment of the amount of the Loan, or any portion thereof, the Bond Bank shall have the right to cancel all or any part of its obligations hereunder and after payment of any portion thereof to require a refund of amounts paid if:

(a) Any representation made by the Municipality to the Bond Bank in connection with its application for a loan or additional loans shall be incorrect or incomplete in any material respect; or

(b) The Municipality has violated commitments made by it in its application and supporting documents or has violated any of the terms of this Loan Agreement.

9. The Municipality shall at all times comply with all applicable federal and state requirements pertaining to the Project, including but not limited to requirements of Federal Clean Water Act, Title 24 of the Vermont Statutes Annotated, and the list of Federal Laws and Authorities included as Exhibit B. The enumeration of the Federal Laws and Authorities in Exhibit B shall not be construed as a waiver by the Municipality of any exemption or exception, jurisdictional or otherwise.

10. If any provisions of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

11. This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument.

Each party agrees that it will execute any and all documents or other instruments, and take such other actions as are necessary, to give effect to the terms of this Loan Agreement.

12. No waiver by either party of any term or condition of the Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase, or other provision of this Loan Agreement. Any delay in exercising rights or requirements of the Loan Agreement does not constitute a waiver of such rights or requirements.

13. The Municipality agrees to indemnify and hold the Bond Bank, the state, its officials, agents, and employees harmless from and against any and all claims, suits, actions, costs, and damages resulting from the negligent performance or non-performance by the Municipality or any of its officials, agents, or employees of the Municipality's obligations under this Agreement, as it may be amended or supplemented from time to time. It is further understood that such indemnity shall not be limited by an insurance coverage.

14. The Municipality agrees that the Loan will be adjusted upon final audit to an amount equal to or less than the project costs determined eligible by the Department of Environmental Conservation and recommended to the Bond Bank for loan participation.

15. The Municipality agrees that if actual final eligible costs are less than the amount paid under the Loan Agreement, repayment of the excess funds will be made within sixty days of the request made by the Department of Environmental Conservation.

16. Increases, amendments, or modifications to the project during construction will be processed for record keeping purposes only, except for the addition of major approved Project Elements, Exhibit A. The Loan Agreement will also be amended upon completion of the project based upon final audited eligible costs, and any increases in the Loan will be made contingent upon availability of funds. All Project records will be retained by the Municipality and made available for state inspection upon request for three years after Project completion or until any audit questions have been resolved, whichever is later.

17. The Municipality will obtain flood insurance for any insurable portion of the Project.

18. The Municipality agrees to use the loan proceeds solely for the project for which the loan is made and any approved amendments thereto. The Municipality further agrees to make prompt payment to the contractors and to apply any interest received to the Project. Once payment has been made to contractors, the applicant shall submit a payment request to the Department of Environmental Conservation (DEC). Funds will be disbursed from Federal Award ID Number CS500001## (## equals last two digits of award year). Upon disbursement, DEC will notify the Municipality of the standard terms and conditions applicable based on the exact amount of federal funds disbursed and relevant capitalization grant being drawn down. Please see <https://dec.vermont.gov/water-investment/water-financing/srf/reimbursement-help> for the standard terms and conditions. If the foregoing link is not accessible, contact DEC for assistance.

19. The terms of this Loan Agreement shall be controlling over those of any prior Agreement with respect to this Loan Agreement. However, this Loan Agreement shall not otherwise supersede the terms of any other agreements between the Municipality and the State.

20. The Municipality agrees to furnish to the Bond Bank such financial statements as the Bond Bank may reasonably request, which statements and supporting records shall be prepared and maintained in accordance with Generally Accepted Accounting Principles (GAAP).

21. This agreement will be funded by approximately 80 percent federal funds. These funds are being awarded in accord with the Federal Clean Water State Revolving Fund, CFDA number 66.458, under the authority of the Environmental Protection Agency. This is not a research and development award. For any accounting year in which the Municipality expends Loan proceeds and other Federal funds of \$750,000.00 or more from all Federal sources, the Municipality shall have an audit performed in accord with the Federal Single Audit Act and furnish a copy to the Vermont Department of Environmental Conservation within 9 months of the end of Municipality's accounting period.

22. By acceptance of this Agreement, the Municipality agrees to complete a Subrecipient Annual Report as provided by the Department of Finance. Prior to submitting the Subrecipient Annual Report, the Municipality must review previous fiscal year disbursements from the Facilities Engineering Division to determine the actual amount of federal funds disbursed from the loan proceeds. The Subrecipient Annual Report must then be submitted to the State of Vermont Department of Finance within 45 days after its fiscal year end, informing the State whether or not a single audit is required for the prior fiscal year. If a single audit is required, the Municipality will submit a copy of the audit report to the Vermont Department of Environmental Conservation within 9 months of its fiscal year end. If a single audit is not required, only the Subrecipient Annual Report to the State Department of Finance is required.

23. The Municipality understands that the provisions of the Davis-Bacon Act, which is codified at Subchapter IV of Chapter 31 of Title 40 of the United States Code and U.S. Department of Labor Memorandum No. 208 ("Memorandum 208"), may apply to the Project, and the Municipality certifies and agrees that with respect to the Project, it has complied and will continue to comply with the requirements of the Davis-Bacon Act and Memorandum 208, as applicable.

24. The effective date of the Loan Agreement is the execution date of the General Obligation Bond/Note.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

Attest:

VERMONT MUNICIPAL BOND BANK

By: _____

Secretary

Executive Director

Attest:

«Borrower Name»

Clerk

By: _____
Chair of the Governing Body

And by:

Treasurer

Date _____

List of Loan Exhibits

- EXHIBIT A: Project description and conditions
- EXHIBIT B: List of Federal Laws and Authorities
- EXHIBIT C: General Obligation **Bond/Note**
- EXHIBIT D: Resolution and Certificate

EXHIBIT A

PROJECT DESCRIPTION AND CONDITIONS FOR THIS AGREEMENT

Description:

«Project Description»

Conditions:

- 1) **If this is a Step III Loan, DELETE this:** Repayment of this loan shall commence no later than five (5) years after the execution of the loan.
- 2) **If this is a Step I/II loan, DELETE this:** Repayment of this loan shall commence one (1) year after completion of the project.
- 3) **If this is a Step III Loan, DELETE this:** If the project funded with this loan proceeds to construction within five (5) years of loan execution and the construction project is funded with a SRF loan, the planning loan will be consolidated with the construction loan.
- 4) **If this is a Step I/II Loan, DELETE this:** The CWSRF program has determined that the expected weighted average useful life of the funded assets equals or exceeds the loan term.
- 5) **If this is a Step III loan, DELETE this:** The engineer will meet with the Water Investment Division (WID) to present work summaries at 30% work completion, 60% work completion, and 90% work completion, or as otherwise directed by the WID engineer. Disbursements will not be made without each required meeting and disbursements above 90% of the loan amount will not be made until the final documents have been received, reviewed, and approved by WID.
- 6) **If this is a Step III loan, DELETE this:** If this project is funded by USDA/Rural Development or any other non-CWSRF funding, the applicant shall, within sixty (60) days of receiving the non-CWSRF funding, repay the entire portion of the CWSRF planning loan(s).
- 7) **Delete if not participating in WISPr.** This project is participating in Sponsorship (WISPr) pursuant to 24 V.S.A 4752(19) and 4755(a)(4)(C) and as further described in this Exhibit.
- 8) The Applicant shall, as a condition of the loan, provide the Department with a digitally formatted copy of any plan or surveys developed with funds awarded under the loan, if the Applicant or any subcontractor develops plans or surveys in digital format. By acceptance of the loan, the Applicant agrees to pass through this requirement to any subcontracts awarded and funded by the loan. This condition is included pursuant to Section 56 of Act 233 of 1994. Such digital formats are subject to the Federal Freedom of Information Act and the State Access to Public Records and Document Statute and, unless otherwise restricted, the Department will release copies of such information to the general public upon request. It shall be acceptable to submit read only copies or copies marked archival copies only. The Applicant, by acceptance of this loan agrees not to copyright any plans or surveys developed

pursuant to this action. Acceptable electronic formats include pdf and pdf/A.

- 9) **ONLY APPLIES TO STEP III LOANS THAT DON'T HAVE AN FSP.** If this Agreement is funded in whole or in part by federal funds, the loan recipient will complete the Fiscal Sustainability Plan Certification as required by Section 603(d)(1)(E) of the Federal Water Pollution Control Act (FWPCA). By acceptance of this Agreement, the loan recipient agrees to complete the Fiscal Sustainability Plan Certification on or before 90% disbursement of project funds and send to the Vermont Facilities Engineering Division.

EXHIBIT B

LIST OF FEDERAL LAWS AND AUTHORITIES WHERE APPLICABLE

ENVIRONMENTAL:

- “American Iron and Steel” requirements of P.L. 113-76 the Consolidated Appropriations Act of 2014
- Archeological and Historic Preservation 16 USC §469a-1
- Bald and Golden Eagle Protection Act, 16 USC §668-668c
- Clean Air Act, 42 USC §7401
- Coastal Barrier Resources Act, 16 USC §3501
- Coastal Zone Management 16 USC §1451
- Davis-Bacon Act (40 CFR '31.36(i)(5))
- Davis Bacon and Related Acts Wage Rate Requirements (29 CFR 5.5)
- Endangered Species Act, 16 USC §1531
- Floodplain Management, Executive Order 11988, as amended by Executive Order 12148
- Protection of Wetlands, Executive Order 11990 (1977) as amended by Executive Order 12608 (1997)
- Environmental Justice, Executive Order 12898
- Protection and Enhancement of the Cultural Environment, Executive Order 11990 (1977), as amended by Executive Order
- Farmland Protection Policy Act, 7 USC §4201
- Fish and Wildlife Coordination Act, 16 USC §661
- Magnuson-Stevens Fishery Conservation and Management Act, 16 USC §1801 *et seq.*
- Marine Mammal Protection Act, 16 USC §7703 *et seq.*
- Migratory Bird Act 16 USC Chapter 7, Subchapter II: Migratory Bird Treaty
- National Historic Preservation Act 54 USC § 300101 *et seq.*
- Rivers and Harbors Act, 33 USC §403
- Safe Drinking Water Act, 42 USC §300f
- Wild and Scenic Rivers Act 16 USC §1271

ECONOMIC:

- Demonstration Cities and Metropolitan Development Act of 1966, PL 89-754 as amended
- Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans

SOCIAL LEGISLATION:

- Age Discrimination Act, PL 94-135
- Civil Rights Act of 1964, PL 88-352
- Disadvantaged Business Enterprise, 49 USC § 47113 - Minority and disadvantaged business participation

- Equal Employment Opportunity, Executive Order 11264
- Women's and Minority Business Enterprise, Executive Orders 11625 and 12138
- Section 13 of PL 92-500; Prohibition against sex discrimination under the Federal Water Pollution Control Act
- Rehabilitation Act of 1973, PL 93-112 (including Executive Orders 11914 and 11250)

MISCELLANEOUS AUTHORITY:

- Executive Order 12549 - Debarment and Suspension
- Trafficking and Violence Protection Act of 2000 (P.L. 106-386)
- Uniform Relocation and Real Property Acquisition Policies Act of 1970, PL 91-646
- Signage requirements per 2015 EPA guidance
- 2 CFR 200.216 and section 889 of Public Law 115-232, Prohibition of certain telecommunication and video surveillance services or equipment
- Build America, Buy America (BABA) provisions of the Federal Infrastructure Investment and Jobs Act (IIJA)

EXHIBIT C

«ContractAmount»

UNITED STATES OF AMERICA
STATE OF VERMONT
«Borrower_Name»

GENERAL OBLIGATION BOND/NOTE

The «Borrower_Name» (hereinafter called the “Municipality”), a body corporate and a political subdivision of the State of Vermont, promises to pay to the Vermont Municipal Bond Bank, or registered assigns, the not-to-exceed sum of «ContractAmount» with a preliminary interest at the rate of «Loan_Interest_Rate» per annum and with a preliminary administrative fee of «AdminRate», subject to change based on final disbursed value, beginning on «Date_First Prin Pay» as follows:

INSERT LOAN REPAYMENT SCHEDULE HERE

EXHIBIT C

This **Bond/Note** is payable in lawful money of the United States at People’s United Bank in the City of Burlington, State of Vermont. Repayment terms shall comply with 24 V.S.A. Chapter 120, §4755 which prohibits deferral of payment. Final payment of this Bond shall be made upon surrender of this Bond for cancellation.

This **Bond/Note** is issued by the Municipality for the purpose of financing **planning and design of** infrastructure improvements under and by virtue of Title 24, Vermont Statutes Annotated, **and a vote of the legal voters/governing body of the Municipality duly passed on «Bond Ord Date».**

This **Bond/Note** is transferable only upon presentation to the Treasurer of the Municipality with a written assignment duly acknowledged or proved. No transfer hereof shall be effectual unless made on the books of the Municipality kept by the Treasurer as transfer agent and noted hereon by the Treasurer with a record of payments as provided hereon.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuing of this **Bond/Note** have been done, have happened, and have been performed in regular and due form, as required by such law and vote, and for the assessment, collection and payment hereon of a tax to pay the same when due the full faith and credit of the Municipality are hereby irrevocably pledged.

IN TESTIMONY WHEREOF, the Municipality has caused this **Bond/Note** to be signed by its Treasurer, and a majority of its Selectboard and its seal to be affixed hereto.

«Borrower Name»

By: _____

Majority of its Governing Body

Date _____

Treasurer

«Borrower Name»

GENERAL OBLIGATION BOND/NOTE

CERTIFICATE OF REGISTRATION

It is hereby certified that this Bond/Note is a fully registered Bond/Note, payable only to the holder of record as appears of record in the office of the Treasurer of the issuing Municipality. This Bond/Note may be transferred by presentation of the same with an assignment in writing signed by the registered holder. Presentation shall be made to the Treasurer of the Municipality at his office and he shall record such transfer in his records and on the Bond/Note. The name and address of the original registered owner of this Bond/Note is Vermont Bond Bank, 100 Bank St, Suite 401, Burlington, VT 05402.

Treasurer

EXHIBIT D

RESOLUTION AND CERTIFICATE
(General Obligation)
(Vermont Clean Water State Revolving Fund)

WHEREAS, at meetings of the municipal legislative body of the «Borrower Name» (herein called the “Municipality”) at each of which all or a majority of the members were present and voting, which meetings were duly noticed, called and held as appears of record, it was found and determined that the public interest and necessity required certain public wastewater/stormwater system /non-point source pollution reduction improvements described in Exhibit A, and it was further found and determined that the cost of making such public improvements would be too great to be paid out of ordinary annual income and revenue, and that a proposal for providing such improvements and the issuance of bonds of the Municipality to pay for its share of the cost of the same shall be/was submitted to the legal voters at meetings thereof, and it will be/was ordered, all of which action will be/is hereby ratified and confirmed; and

DELETE IF STEP I/II WHEREAS, pursuant to the foregoing action, at a meeting of the Municipality which was warned and held at the place and time appointed therefor, there was submitted a proposition to be voted upon by ballot between the hours stated in the Warning, all as appears by reference; and

DELETE IF STEP I/III WHEREAS, the said Warning was duly recorded, published and posted, and said meeting was duly convened and conducted, all as appears of record, and which proceedings are hereby ratified and confirmed in all respects; and

DELETE IF STEP I/II WHEREAS, immediately upon closing of the polls and after counting of the ballots cast, the results as set forth were declared by the moderator, all as appears of record, and pursuant to which the Municipality is carrying forward the authorized improvements and pursuing the same diligently to completion; and

WHEREAS, the Municipality has applied for financial assistance in planning for/making the authorized improvements which application has been approved by the Department of Environmental Conservation and the Vermont Municipal Bond Bank, as evidenced by the Funding Application Approval, the terms and conditions of which are found in Exhibit A; and

WHEREAS, pursuant to powers vested in them by law the said governing board is about to enter into a Loan Agreement on behalf of the Municipality with the Vermont Municipal Bond Bank respecting a Loan from said Bank in the amount of «ContractAmount» to be discounted by the amount of up to \$[subsidy], repayable with interest at the rate of «Loan Interest Rate» per annum, together with an administrative fee of «AdminRate».

AND WHEREAS, the Bond/Note to be given by the Municipality to the Vermont Municipal Bond Bank at the time of receiving the proceeds of said Loan shall be substantially in the form found in Exhibit C;

THEREFORE, be it resolved that the Governing Body proceed forthwith to cause said Bond/Note to be executed and delivered to the Vermont Municipal Bond Bank upon the price and terms stated, and be registered as the law provides; and

EXHIBIT D

BE IT FURTHER RESOLVED, that the **Bond/Note** when issued and delivered pursuant to law and this Resolution shall be the valid and binding obligation of the said Municipality, payable according to law and the terms and tenor thereof from unlimited ad valorem taxes on the grand list of taxable property of said Municipality as established, assessed, apportioned and provided by law; and

BE IT FURTHER RESOLVED, that in addition to all other taxes, there shall annually be assessed and collected in the manner provided by law each year until the **Bond/Note**, or any bond or bonds issued to refund or replace the same, is fully paid, a tax, charge or assessment sufficient to pay the note and bond or bonds as the same shall become due; and

BE IT FURTHER RESOLVED, that execution of the above-referenced Loan Agreement between the Municipality and the Vermont Municipal Bond Bank is hereby authorized, the presiding officer of the legislative body and Treasurer of the borrower being directed to execute said Loan Agreement on behalf of the Municipality and the legislative branch thereof; and

BE IT FURTHER RESOLVED, that the Municipality expressly incorporates into this Resolution each and every term, provision, covenant and representation set forth at length in Exhibit A to be delivered in connection with the issuance and sale of the **Bond/Note**, execution and delivery of each of which is hereby authorized, ratified and confirmed in all respects, and the covenants, representations and undertakings set forth at length in said Loan Agreement are incorporated herein by reference; and

BE IT FURTHER RESOLVED, that all acts and things heretofore done by the lawfully constituted officers of the Municipality, and any and all acts or proceedings of the Municipality and of its Governing Body, in, about or concerning the improvements hereinabove described and of the issuance of evidence of debt in connection therewith, are hereby ratified and confirmed.

BE IT FURTHER RESOLVED, that in connection with the pending sale of the **Bond/Note** in the face amount of «ContractAmount» to the Vermont Municipal Bond Bank, execution and delivery of the **Bond/Note**, this Resolution Certificate, Loan Agreement and incidental documents, all attached hereto, are authorized; and

BE IT FURTHER RESOLVED, that People's United Bank in the City of Burlington, Vermont, is hereby designated the Municipality's paying agent with respect to the **Bond/Note** and the Loan Agreement.

And we, the undersigned officers, as indicated, hereby certify that we as such officers have signed the **Bond/Note** payable as aforesaid, and reciting that it is issued under and pursuant to the vote herein above mentioned, and we also certify that the **Bond/Note** is duly registered in the office of the Treasurer of the Municipality as prescribed by law.

And we, the said officers of the Municipality, hereby certify that we are the duly chosen, qualified and acting officers of the Municipality as undersigned; that the **Bond/Note** is issued pursuant to said authority; that no other proceedings relating thereto have been taken; and that no such authority or proceeding has been repealed or amended.

EXHIBIT D

We further certify that no litigation is pending or threatened affecting the validity of the **Bond/Note** nor the levy and collection of taxes, charges or assessments to pay it, nor the works of improvement financed by the proceeds of the **Bond/Note**, and that neither the corporate existence of the Municipality nor the title of any of us to our respective offices is being questioned.

ATTEST:

«Borrower Name»

Clerk

By: _____

Majority of its Governing Body

And By:

Its Treasurer