

Request for Proposals for Standby Letter of Credit



Date Issued:	June 16, 2026
Questions Due:	July 2, 2026 by 5:00 pm ET
Proposals Due:	July 10, 2026 by 5:00 pm ET

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This Request for Proposals (“RFP”) is issued by the Vermont Bond Bank (“Bond Bank”) to solicit proposals from qualified financial institutions to provide a standby letter of credit (“LOC”) or similar credit facility in support of a potential financing under the Bond Bank’s Energy Efficiency Program Resolution.

Nothing in this RFP obligates the Bond Bank to proceed with a transaction or to award an engagement based on the lowest cost. The Bond Bank may request additional information, interviews, or revised terms from one or more respondents.

ISSUER OVERVIEW

The Vermont Bond Bank (the “Bond Bank”) was created by the Vermont legislature in 1970 to assist eligible governmental units to access public financing markets.

The Bond Bank provides municipal loans for local infrastructure projects through the Pooled Loan Program. Loans are primarily financed through the Bond Bank’s issuance of publicly offered tax-exempt and taxable bonds and secured by general obligation or revenue bonds issued by the respective Borrowers. On an on-going basis, the Bond Bank services its loans and provides outreach and general technical assistance to potential borrowers.

The Bond Bank also co-manages the State of Vermont’s Clean Water and Drinking Water Revolving Loan Funds with the Department of Environmental Conservation. Loans are issued for the planning and construction of municipal drinking water and clean water projects. The program is unleveraged currently, but the Bond Bank may consider debt issuance to increase loan capacity in the future.

The Bond Bank additionally has programs to support housing infrastructure, energy efficiency, and climate recovery. Please visit vtbondbank.org for more information.

DIRECTORS & OFFICERS

The Bond Bank is governed by a five-member Board of Directors with four appointed by the Governor and the State Treasurer as an ex-officio member.

HISTORY

The Bond Bank was created by the Vermont legislature in 1970 to assist governmental units in accessing public financing markets. Loans are primarily capitalized with funds raised by tax-exempt bond issuances through the Pooled Loan Program. Over the last several years, the Bond Bank has added several new programs that are not capitalized by tax-exempt bonds.

These include:

- Municipal Climate Recovery Fund
- Energy Efficiency and Renewable Energy Program
- Housing Infrastructure Loan Program

Across all programs, the Bond Bank has \$758 million in loans outstanding as of June 1, 2026. The Bond Bank additionally manages over \$300 million in loans in partnership with the State of Vermont through the Clean Water and Drinking Water State Revolving Loan Fund.

WHO WE SERVE

The Bond Bank makes loans to governmental units throughout the state. Borrowers can include any county, municipality, school district, or other public body under statute.

BACKGROUND

In 2024, the Bond Bank secured a loan with zero percent interest from the U.S. Department of Agriculture through the Rural Utilities Service for up to \$40 million under the Rural Energy Savings Program (“RESP”). Funds from the loan are drawn down as needed. The subsequent loans to qualified borrowers are limited to 10 years and must show a minimum energy and/or cost savings of five percent under program rules.

The USDA RESP loan serves as the current source of capitalization for the Energy Efficiency Program Resolution (the “Resolution”). Amounts that can be drawn under the program are limited by the total amount of the LOC provided to USDA RUS—currently sized at \$20 million and provided through JP Morgan Chase. Wilmington Trust is the trustee for the Resolution. Loans are purchased at par from borrowers and funds from USDA are drawn as needed for new loan activity.

Under the Resolution, the letter of credit provider is exclusively secured by the loans originated under the program. The Bond Bank has \$3.5 million in loans outstanding under the Resolution, as shown below. The near-term pipeline for the program totals \$4.2 million.

Loan ID	Borrower	Type of Borrower	Use of Proceeds	Amount Outstanding	Closing Date
EEP_006	Mountain Views School District	LG	Energy Efficiency	285,000	6/24/2026
EEP_005	Charlotte Town	LG	Energy Efficiency & Renewable	345,000	6/11/2026
EEP_004	Windsor Town	LG	Energy Efficiency	481,500	10/13/2025
EEP_002	Chester Town	LG	Renewable Energy	1,062,400	6/25/2025
EEP_003	Mountain View Union Elementary School District	SD	Energy Efficiency	1,145,899	6/19/2025
EEP_001	Charlotte Town	LG	Renewable Energy	228,518	1/11/2024
Total				3,548,317	

In addition to loan draws, the Bond Bank was allowed to draw \$1.6 million as a “special advance” under RESP guidelines to help offset start-up costs of the program. This special advance does not begin amortizing until 10 years after the time of the draw in October 2024. The Bond Bank uses this special advance to capitalize direct and indirect program expenses. The Bond Bank has covenanted in the current Reimbursement Agreement not to use more than \$800 thousand of the special advance to offset costs.

The outstanding balance of the USDA loan is \$5.883 million as of June 15, 2026 (including pending draws). Repayments of principal occur monthly except for the draw associated with the special advance. Note that this amount is prior to the draws for the loans above that will close in June.

As described above, the security for the Resolution includes the assignment of loans and funds held by the Trustee, which consist of draws on the USDA loan and any retained earnings from loan repayments. The loans, and therefore the security for the Resolution, are credit enhanced through the Bond Bank’s state intercept program. Central to this rating is the Vermont State Intercept Program that carries a “Aa2” programmatic rating. This program allows state aid due to Bond Bank borrowers to be “intercepted” and

redirected in the event of nonpayment on Bond Bank loans. All programs, including the Energy Efficiency Program Resolution, benefit from this credit enhancement.

The Resolution and related loan origination are in their second full year of operation. Absorption of loans has been slowed by both the repeal of federal clean energy subsidies and the timeline for the implementation of state school construction aid.

This RFP asks for LOC amounts that are below the current level. The Bond Bank, however, values flexibility to potentially adapt any credit commitments as demand for the program grows.

Documentation related to the Bond Bank is available at the links below.

FY 2025 Audit	https://www.vtbondbank.org/sites/default/files/2026-05/VBB%20Signed%202025%20Financial%20Statements_0.pdf
Most Recent Moody's Report	https://www.vtbondbank.org/sites/default/files/2026-02/Credit_Opinion-Vermont-Bond-Bank-Update-2026_0.pdf
Most Recent S&P Report	https://www.vtbondbank.org/sites/default/files/2026-02/SPG%20Ratings%20Direct_VBB2026_Feb-25-2026%20vF_0.pdf
Last Bond Bank 1988 General Resolution Bond Offering	https://www.vtbondbank.org/sites/default/files/2026-06/2026%20Bonds.pdf

ENERGY EFFICIENCY PROGRAM RESOLUTION & REIMBURSEMENT AGREEMENT

The table below provides an overview of key provisions of the above agreements. Full copies of the agreements are included in Attachment B and Attachment C.

Resolution	Reimbursement Agreement
<ul style="list-style-type: none"> ▪ Bonds solely secured by assigned Municipal Bonds and payments, holdings, and investments under the Resolution ▪ Resolution includes revenue fund, debt service fund, operating reserve, and program account ▪ Revenues flow to the debt service fund when due ▪ Outstanding Bond Bank funds can be transferred into the Resolution to cover any shortfalls but are not required ▪ Annual audits and financial reporting are required ▪ Bond Bank must enforce borrower obligations and collect payments 	<ul style="list-style-type: none"> ▪ Bond Bank must reimburse all letters of credit draws immediately and pay the default rate if unpaid ▪ No senior liens permitted on pledged assets ▪ Audit and financial reporting are required as well as an annual compliance certificate within 270 days of the end of fiscal year ▪ Right to inspect or request rating agency reports and financial information on municipalities ▪ Covenant to maintain at least two bond ratings on the 1988 General Resolution (i.e. Pooled Loan Program) ▪ Approval of substantial changes to loan agreements

EVALUATION

Responses to this RFP will be evaluated based on experience, responsiveness, completeness, proposed economics, structural flexibility, and the respondent's demonstrated ability to support the Bond Bank's Energy Efficiency Program as it grows.

The Bond Bank may select one or more respondents for further negotiation, may request revised pricing, and may determine not to proceed with any facility if terms are not satisfactory or if an alternative financing approach is determined to be preferable.

All responses must include a signed copy of the Proposer Warranties included in Attachment C.

COMMUNICATION & TIMELINE

Written questions regarding this RFP will be accepted via email to the contacts provided below until 5:00 pm ET on Thursday, July 2, 2026. Responses to questions will be provided on a rolling basis, no later than 5:00 pm ET on Thursday, July 9, 2026.

Responses to this RFP are due via email to the contacts provided below by 5:00 pm ET on Friday, July 10, 2026.

Email Submission Distribution	
Michael Gaughan Vermont Bond Bank michael@vtbondagency.org	Elizabeth King Vermont Bond Bank elizabeth@vtbondagency.org

The Bond Bank expects to approve selection of the LOC provider at its July 23, 2026 board meeting.

SUBMISSION QUESTIONS

Submissions are limited to ten (10) pages exclusive of appendices.

1. Provide an organizational chart for the firm's primary contacts, including name, title, years of experience at your firm, and contact information for the Bond Bank's primary contact. Include resumes as an appendix.
2. If the firm is part of a bank holding company, indicate the bank's current Community Reinvestment Act rating and any related disciplinary actions over the past ten (10) years.
3. Describe your firm's commitment to Vermont.
4. Provide the proposed pricing for a standby letter of credit under the conditions below. In all cases, assume that the LOC can be replaced (or "called") six months prior to its maturity date without a make-whole. Note flexibility for an earlier replacement to the extent available.

LOC Amount	1 Year	2 Years	3 Years
\$10.0 million			
\$12.5 million			
\$15.0 million			

5. Identify and describe all other fees, expenses, legal costs, amendment fees, extension fees, draw fees, and other fees either incurred at closing or on an on-going basis.
6. The Bond Bank is working to expand the Energy Efficiency Program and has a total loan capacity of \$40 million with USDA. Please describe what would be needed from the Bond Bank, or what transaction structure would be required, for your institution to expand credit capacity beyond the LOC amounts described in Question 4.
7. Note any material changes that would be required from the existing reimbursement agreement.
8. Highlight anything your firm would like to communicate to the Bond Bank that was not previously covered and that is relevant to your response.

ATTACHMENT A: Energy Efficiency Program Resolution

Exhibit D

Energy Efficiency Program Resolution adopted September 26, 2024

VERMONT BOND BANK

ENERGY EFFICIENCY PROGRAM RESOLUTION
Adopted September 26, 2024

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ENERGY EFFICIENCY PROGRAM RESOLUTION

WHEREAS, the Vermont Bond Bank, a body corporate and politic and instrumentality of the State of Vermont (the “State”) exercising public and essential governmental functions, was created by the Vermont Bond Bank Law being Public Act No. 216 of the laws of Vermont (the “Act”) enacted by the General Assembly of the State of Vermont at the 1969 Adjourned Session, as amended.

WHEREAS, the Act empowers the Bond Bank to borrow money and to issue its negotiable bond and notes and to provide for and secure the payment thereof and to provide for the rights of the holders thereof.

WHEREAS, the Act empowers the Bond Bank to lend money to counties, municipalities, or public bodies in the State.

WHEREAS, to provide loans to counties, municipalities, or public bodies in the State for the purpose of implementing renewable energy and other energy efficiency projects (the “Energy Efficiency Program”), the Bond Bank is receiving a zero-interest loan in an amount not to exceed forty million dollars (\$40,000,000) (the “RESP Loan”) from the Rural Utilities Service (“RUS”) of the United States of America for financial assistance under the federal Rural Energy Savings Program (“RESP”).

WHEREAS, in addition to the RESP Loan, the Bond Bank may obtain other sources of funding for the Energy Efficiency Program and issue other Bonds in connection therewith or may expand the Energy Efficiency Program to include other projects related to clean energy, electrification, or other improvements.

NOW, THEREFORE, be it resolved by the Directors of the Vermont Bond Bank as follows:

ARTICLE I

Definitions and Interpretation

101. **Definitions.** The following terms shall, for all purposes of this Resolution, have the following meanings unless the context shall clearly indicate some other meaning:

“Act” shall have the meaning given such term in the Recitals.

“Agency Obligations” shall mean obligations issued or guaranteed by the Federal National Mortgage Association, Government National Mortgage Association, Federal Financing Bank, Federal Intermediate Credit Banks, Federal Farm Credit Bank, Banks for Cooperatives, Federal Land Banks, Federal Farm Credit Banks Funding Corporation, Farm Credit System Financial Assistance Corporation, Federal Home Loan Banks, Farmers Home Administration, Export-Import Bank of the United States, Resolution Funding Corporation, Student Loan Marketing Association, United States Postal Service, Tennessee Valley Authority, Federal Home Loan Mortgage Corporation or any other agency or corporation which has been or may hereafter

be created pursuant to an act of Congress as an agency or instrumentality of the United States of America.

“Amortized Value,” when used with respect to Investment Securities purchased at a premium above or a discount below par, shall mean the value as of any given time calculated by the Bond Bank and obtained by dividing the total premium or discount at which such Investment Security was purchased by the number of days remaining to maturity on such Investment Security at the date of such purchase and by multiplying the amount thus calculated by the number of days having passed since such purchase, and (1) in the case of an Investment Security purchased at a premium by deducting the product thus obtained from the purchase price, and (2) in the case of an Investment Security purchased at a discount by adding the product thus obtained to the purchased price.

“Authorized Officer” shall mean any member of the Bond Bank, its Chairman, its Executive Director, and any other officer or employee of the Bond Bank authorized by resolution of the Bond Bank to perform the act or sign the document in question.

“Bond” or “Bonds” shall mean any bond or note or the issue of bonds or notes, as the case may be, established and created by this Resolution and issued pursuant to a Series Resolution.

“Bond Bank” shall mean the Vermont Bond Bank, a body corporate and politic created by the Act, or any body, agency or instrumentality of the State which shall hereafter succeed to the powers, duties and functions of the Bond Bank.

“Bondholders” or “Holder of Bonds” or “Holder” (when used with reference to Bonds) or any similar term, shall mean the registered owner of any Outstanding Bond or Bonds.

“Counsel’s Opinion” shall mean an opinion signed by an attorney or firm of attorneys selected by or satisfactory to the Bond Bank (who may be counsel to the Bond Bank); provided, however, that for the purposes of Article II of this Resolution such term shall mean an opinion signed by an attorney or firm of attorneys of recognized standing in the field of law relating to municipal bonds (who may be counsel to the Bond Bank) selected by the Bond Bank.

“Credit Bank” shall mean the person providing a Credit Facility, as designated in the Series Resolution.

“Credit Facility” shall mean, with respect to a Series of Bonds, a letter of credit, a line of credit, a guaranty or another credit or liquidity enhancement facility with respect to such Bonds, as designated in the Series Resolution.

“Debt Service Fund” shall mean the fund by that name established by Section 602.

“Energy Efficiency Program” shall have the meaning given such term in the Recitals, as may be modified from time to time by the Bond Bank, including to add other types of projects such as clean energy, electrification or other improvements.

“Energy Efficiency Program Account” shall mean the account by that name established by Section 602.

“Equity-Funded Municipal Loan” shall have the meaning given such term in Section 913 of this Resolution.

“Fees and Charges” shall mean all fees and charges authorized to be charged by the Bond Bank pursuant to subsection (8) of section 4591 of the Act and charged by the Bond Bank to Municipalities pursuant to the terms and provisions of Municipal Loan Agreements.

“Fiduciary” or “Fiduciaries” shall mean the Trustee, any Paying Agent, or any or all of them, as may be appropriate.

“Fiscal Year” shall mean any twelve (12) consecutive calendar months commencing with the first day of January and ending on the last day of the following December.

“Government Obligations” shall mean (i) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, or (ii) evidences of ownership in direct obligations of, or obligations the principal of and interest on which is unconditionally guaranteed by, the United States of America, which obligations are held by a bank or trust company organized under the laws of the United States of America or any state thereof as custodian.

“Investment Securities” shall mean and include any of the following securities, if and to the extent the same are at the time legal for investment of Bond Bank funds:

- (i) Government Obligations;
- (ii) debt obligations which are (a) issued by any state or political subdivision thereof or any agency or instrumentality of such state or political subdivision, and (b) at the time of purchase, rated in one of the two highest Rating Categories assigned by any Rating Agency;
- (iii) general obligations of the State of Vermont or obligations unconditionally guaranteed by the State of Vermont;
- (iv) Agency Obligations;
- (v) U.S. denominated deposit account, certificates of deposit and banker’s acceptances of any bank, trust company, or savings and loan association, including the Trustee or its affiliates, which (i) have a rating on their short-term certificates of deposit on the date of purchase in the highest short-term Rating Category assigned by any Rating Agency, and which mature not more than 360 days after the date of purchase, or (ii) are fully and continuously insured by the Federal Deposit Insurance Corporation;
- (vi) commercial paper which is rated at the time of purchase in the highest short-term Rating Category assigned by any Rating Agency, and which matures not more than 270 days after the date of purchase;

(vii) bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by a corporation which are, at the time of purchase, rated by any Rating Agency in any of the two highest Rating Categories;

(viii) repurchase agreements with respect to and secured by Government Obligations, Agency Obligations, or by obligations described in clause (ii) and (iii) above, which agreements may be entered into with a bank (including without limitation the Trustee), a trust company, financial services firm, insurance company or a broker dealer which is a member of the Securities Investors Protection Corporation, provided that (a) the Trustee or a custodial agent of the Trustee has possession of the collateral and that the collateral is, to the knowledge of the Trustee, free and clear of third-party claims, (b) a master repurchase agreement or specific written repurchase agreement governs the transaction, (c) the collateral securities are valued no less frequently than monthly, (d) the fair market value of the collateral securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%, and (e) such obligations must be held in custody of the Trustee or Trustee's agent;

(ix) investments in a money market fund, which may be funds of the Trustee or an affiliate of the Trustee, rated (at the time of purchase) in the highest Rating Category for this type of investment by any Rating Agency; and

(x) any other investment in which moneys of the Bond Bank may be legally invested.

“Municipal Bonds” shall mean the bonds, notes, or other evidence of debt or financing arrangements issued by any Municipality and authorized pursuant to the Act and other laws of the State and which have heretofore or will hereafter be acquired by the Bond Bank as evidence of indebtedness or obligations of a Municipal Loan to the Municipality pursuant to the Act.

“Municipal Bonds Payments” shall mean the amounts paid or required to be paid, from time to time, for principal and interest by a Municipality to the Bond Bank on Municipal Bonds.

“Municipal Loan” shall mean a loan heretofore or hereafter made by the Bond Bank to a Municipality pursuant to the Act and more particularly described in the applicable Series Resolution.

“Municipal Loan Agreement” shall mean an agreement heretofore or hereafter entered into between the Bond Bank and a Municipality setting forth the terms and conditions of a Municipal Loan.

“Municipality” shall mean any governmental unit as defined by the Act.

“Operating Reserve Fund” shall mean the fund by that name established by Section 602.

“Outstanding,” when used with reference to Bonds, other than Bonds referred to in Section 1105 hereof, shall mean, as of any date, Bonds theretofore or then being delivered

under the provisions of this Resolution, except: (i) any Bonds cancelled by the Trustee or any Paying Agent at or prior to such date, (ii) any Bonds for the payment or redemption of which moneys equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held by the Trustee or the Paying Agents in trust (whether at or prior to the maturity or redemption date), provided that if such bonds are to be redeemed, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, (iii) any Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Article III or Section 406 or Section 1106, and (iv) Bonds deemed to have been paid as provided in Section 1401.

“Paying Agent” for the Bonds of any Series shall mean the Bond Bank or a bank or trust company and its successor or successors, appointed pursuant to the provisions of this Resolution and a Series Resolution or any other resolution of the Bond Bank adopted prior to authentication and delivery of the Series of Bonds for which such Paying Agent or Paying Agents shall be so appointed.

“Principal Account” shall mean the account by that name established by Section 602.

“Program Expense Fund” shall mean the fund by that name established by Section 602.

“Rating Agency” shall mean any of the following Nationally Recognized Statistical Rating Organizations: Fitch Ratings, Inc., Moody’s Investors Service, Inc., and/or S&P Global Ratings.

“Rating Category” shall mean (i) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier and (ii) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

“Redemption Price” shall mean, with respect to any Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to this Resolution and the Series Resolution pursuant to which the same was issued.

“Refunding Bonds” shall mean all Bonds constituting the whole or a part of a Series of Bonds delivered on original issuance pursuant to Section 204.

“Resolution” shall mean this Energy Efficiency Program Resolution as from time to time further amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions hereof.

“RESP” shall have the meaning given such term in the Recitals.

“RESP Loan” shall have the meaning given such term in the Recitals.

“Revenue Fund” shall mean the fund by that name established by Section 602.

“Revenues” shall mean (i) Municipal Bond Payments, (ii) investment earnings on amounts in funds and accounts established under this Resolution, and (iii) amounts transferred by the Bond Bank to the Revenue Fund in accordance with Section 606 of this Resolution.

“RUS” shall have the meaning given such term in the Recitals.

“Series of Bonds” or “Bonds of a Series” or words of similar meaning shall mean the Series of Bonds authorized by a Series Resolution.

“Series Resolution” shall mean a resolution of the Bond Bank authorizing the issuance of one or more Series of Bonds in accordance with the terms and provisions hereof adopted by the Bond Bank in accordance with Article X.

“State” shall have the meaning given such term in the Recitals.

“Supplemental Resolution” shall mean a resolution supplemental to or amendatory of this Resolution, adopted by the Bond Bank in accordance with Article X.

“Trustee” shall mean a bank or trust company appointed pursuant to Section 801 to act as trustee hereunder, and its successor or successors and any other bank or trust company at any time substituted in its place pursuant to this Resolution.

102. **Interpretation.** In this Resolution, unless the context otherwise requires:

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms, as used in this Resolution, refer to this Resolution.

ARTICLE II

Authorization and Issuance of Bonds

201. **Resolution Constitutes Contract.** In consideration of the purchase and acceptance of the Bonds by the owners thereof, this Resolution shall be deemed to be and shall constitute a contract between the Bond Bank and the Holders from time to time of the Bonds, and the pledge made in this Resolution and the covenants and agreements herein set forth to be performed by or on behalf of the Bond Bank shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds, all of which, without regard to the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by this

Resolution or in a Series Resolution. The Bond Bank may provide by Series Resolution for the issuance of subordinated Bonds.

202. **Authorization of Bonds.** There is hereby established and created an issue of Bonds of the Bond Bank to be known and designated as “Energy Efficiency Program Bonds,” which Bonds may be issued as hereinafter provided without limitation as to amount except as provided in this Resolution or as may be limited by law. There is hereby created by this Resolution, in the manner and to the extent provided herein, a continuing pledge and lien to secure the full and final payment of the principal, and Redemption Price, if any, of and interest, if any, on all of the Bonds issued pursuant to this Resolution. The Bonds shall be special obligations of the Bond Bank secured by this Resolution. The State shall not be liable on the Bonds, and the Bonds shall not be a debt of the State. The Bonds shall contain on the face thereof a statement to the effect that the Bond Bank is obligated to pay the principal of the Bonds and the interest thereon only from Revenues or funds of the Bond Bank and that the State is not obligated to pay the principal or interest and that neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal of or the interest on the Bonds.

203. **Provisions for Issuance of Bonds.** (1) The issuance of one or more Series of Bonds shall be authorized by one or more Series Resolutions of the Bond Bank adopted simultaneously herewith or subsequent hereto and the Bonds may be issued in one or more Series. The Bonds of each Series, including Refunding Bonds, shall, in addition to the title “Energy Efficiency Program Bonds,” contain an appropriate Series designation.

Each Series Resolution shall also specify:

(a) The authorized principal amount, or not to exceed principal amount, of each Series of Bonds authorized thereunder;

(b) The purposes for which each such Series of Bonds are being issued, which shall be one or more of the following: (i) the making or reimbursing of Municipal Loans to Municipalities through the purchase by the Bond Bank of Municipal Bonds issued by Municipalities, (ii) securing reimbursement obligations under a Credit Facility, (iii) the refunding of Bonds and related purposes, as provided in Section 204, or (iv) such other purposes set forth in a Series Resolution;

(c) The date or dates of issue, maturity date or dates and amounts of each maturity of the Bonds of each said Series;

(d) The interest rate or rates, or the manner of determining such rates or rates of the Bonds of each said Series, the maximum interest rate, if applicable, and the interest payment dates therefor;

(e) The denomination or denominations of, and the manner of numbering and lettering, the Bonds of each such Series, if applicable;

(f) The Paying Agent or Paying Agents and, subject to the provisions of Section 802, the place or places of payment of the principal, and Redemption Price, if any, of and interest on the Bonds of each such Series; provided, however, that such

Paying Agent or Paying Agents may be appointed by resolution of the Bond Bank adopted prior to authentication and delivery of each such Series of Bonds in accordance with the provision of Section 802;

(g) The Redemption Price or Redemption Prices, if any, and, subject to Article IV, the redemption terms, if any, for the Bonds of each such Series;

(h) The form or forms of the Bonds of each such series and of the Trustee's certificate of authentication;

(i) The officer or employee of the Bond Bank directed to attest manually or by facsimile signature the execution of the Bonds of each such Series;

(j) If so determined by the Bond Bank, additional security for the Bonds of each such Series; and

(k) Any other provisions deemed advisable by the Bond Bank, not in conflict with the provisions of the Resolution.

All Bonds of each such Series of like maturity shall be identical in all respects, except as to denominations, numbers and letters.

(2) All (but not less than all) the Bonds of each such Series shall be executed by the Bond Bank for issuance under the Resolution and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to the Bond Bank or upon its order, but only upon the receipt by the Trustee of:

(a) A Counsel's Opinion dated as of the date of such delivery by the Trustee to the effect that (i) the Bond Bank has the right and power under the Act to adopt the Resolution (with such approvals as may be required by the Act), and the Resolution has been duly and lawfully adopted by the Bond Bank, is in full force and effect and is valid and binding upon the Bond Bank and enforceable in accordance with its terms, and no other authorization for the Resolution is required; (ii) the Resolution creates the valid pledge which it purports to create of the Municipal Bonds and Municipal Bonds Payments, and the Revenues and other moneys, securities and funds held or set aside under the Resolution, subject to the application thereof to the purposes and the conditions permitted by the Resolution; and (iii) the Bonds of each such Series are valid, binding and direct obligations of the Bond Bank as provided in the Resolution, enforceable in accordance with their terms and the terms of the Resolution and entitled to the benefits of the Resolution and of the Act as amended to the date of such Counsel's Opinion, and such Bonds have been duly and validly authorized and issued in accordance with law, including the Act as amended to the date of such Counsel's Opinion, and in accordance with the Resolution.

(b) A certificate of an Authorized Officer demonstrating that upon issuance of such Series of Bonds, Revenues, together with any other amounts available under the Resolution to pay Outstanding Bonds, in each year in which such Series of Bonds will be Outstanding will be sufficient to pay Outstanding Bonds when due;

(c) A written order as to the delivery of such Bonds, signed by an Authorized Officer of the Bond Bank;

(d) A copy of the Resolution, as supplemented, authorizing such Bonds, certified by an Authorized Officer of the Bond Bank;

(e) Except in the case of Refunding Bonds, a certificate of an Authorized Officer of the Bond Bank stating that the Bond Bank is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Resolution; and

(f) Such further documents, moneys and securities as are required by the provisions of this Section 203, and Section 204, or Article X or any Series or Supplemental Resolution adopted pursuant to Article X.

204. Provisions for Refunding Bonds. (1) All or any part of one or more Series of Refunding Bonds may be authenticated and delivered upon original issuance to refund all Outstanding Bonds or any part of one or more Series of Outstanding Bonds. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits required by the provisions of the Act, this Section and of the Series Resolution authorizing said Series of Refunding Bonds.

(2) A Series of Refunding Bonds may be authenticated and delivered only upon receipt by the Trustee (in addition to the receipt by it of the documents required by Section 203) of:

(a) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds to be refunded on the redemption date specified in such instructions;

(b) Irrevocable instructions to the Trustee, satisfactory to it, to mail the notice provided for in Section 1401 to the Holders of the Bonds being refunded;

(c) Either (i) moneys in an amount sufficient to effect payment to the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the redemption date, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded, or (ii) Government Obligations in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of subsection (2) of Section 1401 and any moneys required pursuant to said subsection (2), which Government Obligations and moneys shall be held in trust and used only as provided in said subsection (2); and

(d) A certificate of an Authorized Officer containing such additional statements as may be reasonably necessary to show compliance with the requirements of this Section 204.

ARTICLE III

General Terms and Provisions of Bonds

301. **Medium of Payment; Form and Date.** The Bonds shall be payable, with respect to interest, principal and Redemption Price, if any, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

The Bonds of each Series shall be issued in the form provided in the applicable Series Resolution in the denominations set forth in the applicable Series Resolution.

For all purposes of the Act relating to or dealing with the date of the Bonds, Bonds of any Series shall be deemed to be dated as of the date specified for the Bonds of such Series in the Series Resolution authorizing the issuance thereof.

All Bonds of each Series shall mature and bear interest as set forth in the Series Resolution authorizing the issuance thereof.

302. **Legends.** The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Resolution as may be necessary or desirable to comply with custom, or otherwise, as may be determined by the Bond Bank prior to the delivery thereof.

303. **Execution and Authentication.** (1) The Bonds shall be executed in the name of the Bond Bank by the manual or facsimile signature of such officer or employee of the Bond Bank as shall be directed by the Series Resolution and its corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced, and attested by the manual or facsimile signature of an officer or employee of the Bond Bank as shall be directed by the Series Resolution authorizing the issuance thereof, or in such other manner as may be required by law. In case any one or more of the officers or employees who shall have signed or sealed or whose facsimile signature appears on any of the Bonds shall cease to be such officer or employee before such Bonds shall have been actually authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed or whose facsimile signature appears on such Bonds had not ceased to hold such offices or be so employed. Any Bond of a Series may be signed and sealed on behalf of the Bond Bank by such persons as at the actual time of the execution of such Bond shall be duly authorized or hold the proper office in or employment by the Bond Bank, although at the date of the Bonds of such Series such persons may not have been so authorized or have held such office or employment.

(2) The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in the Series Resolution authorizing such Bonds, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled

to any right or benefit under the Resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the Bond Bank shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under the Resolution and that the Holder thereof is entitled to the benefits of the Resolution.

304. **Interchangeability of Bonds.** Bonds, upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the Holder or their attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for Bonds of the same Series and maturity of any other authorized denominations.

305. **Negotiability, Transfer and Registry.** All the Bonds issued under this Resolution shall be negotiable as provided in the Act, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Bond Bank shall maintain and keep, at the corporate trust office of the Trustee, books for the registration and transfer of Bonds; and, upon presentation thereof for such purpose at said office, the Bond Bank shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Trustee may prescribe, any Bond entitled to registration or transfer. So long as any of the Bonds remain Outstanding, the Bond Bank shall make all necessary provisions to permit the exchange of Bonds at the corporate trust office of the Trustee.

306. **Transfer of Bonds.** Each Bond shall be transferable only upon the books of the Bond Bank, which shall be kept for the purpose at the corporate trust office of the Trustee, by the Holder thereof in person or by their attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Holder or their duly authorized attorney. Upon the transfer of any such Bond, the Bond Bank shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond.

The Bond Bank and the Trustee may deem and treat the person in whose name any Outstanding Bond shall be registered upon the books of the Bond Bank as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for all other purposes, and all such payments so made to any such Holder or upon their order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Bond Bank nor the Trustee shall be affected by any notice to the contrary. The Bond Bank agrees to indemnify and save the Trustee harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such Holder.

307. **Regulations with Respect to Exchanges and Transfers.** In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Bond Bank shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Trustee. For every such exchange or transfer of Bonds, whether temporary or

definitive, the Bond Bank or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision of this Resolution, the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Bank or the Trustee incurred in connection therewith (except any applicable tax, fee or other governmental charge) shall be paid by the Bond Bank. The Bond Bank shall not be obliged to make any such exchange or transfer of Bonds of any Series during the fifteen (15) days next preceding an interest payment date on the Bonds of such Series or, in the case of any proposed redemption of Bonds of such Series, if applicable, next preceding the date of the selection of Bonds to be redeemed.

308. **Bonds Mutilated, Destroyed, Stolen or Lost.** In case any Bond shall become mutilated or be destroyed, stolen or lost, the Bond Bank shall execute and the Trustee shall authenticate and deliver a new Bond of like Series, maturity, interest rate and principal amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Bond Bank evidence satisfactory to the Bond Bank and the Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Bond Bank and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Bond Bank and the Trustee may prescribe and paying such expenses as the Bond Bank and the Trustee may incur in connection therewith. All Bonds so surrendered to the Trustee shall be cancelled by it and evidence of such cancellation shall be given to the Bond Bank.

ARTICLE IV

Redemption of Bonds

401. **Privilege of Redemption and Redemption Price.** Bonds subject to redemption prior to maturity pursuant to the provisions of a Series Resolution shall be redeemable, upon notice as provided in this Article IV, at such times, at such Redemption Prices and upon such terms as may be specified in the Series Resolution authorizing such Series.

402. **Redemption at the Election or Direction of the Bond Bank.** In the case of any redemption of Bonds other than as provided in Section 403, the Bond Bank shall give written notice to the Trustee of its election or direction so to redeem, of the redemption date, of the Series, of the principal amounts of the Bonds of each maturity of such Series to be redeemed (which Series, maturities and principal amounts thereof to be redeemed shall be determined by the Bond Bank in its sole discretion, subject to any limitations with respect thereto contained in the Act or this Resolution and any Series Resolution) and of the moneys to be applied to the payment of the Redemption Price. Except as otherwise provided in a Series Resolution, such notice shall be given at least twenty (20) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee. The direction to the Trustee to provide notice of redemption may provide that such notice be conditioned, as set forth in Section 405, upon the occurrence or non-occurrence of a particular event, including, without limitation, the deposit with the Trustee of moneys sufficient to redeem all of the Bonds called for redemption. In the

event notice of redemption shall have been given as in Section 405 provided, the Trustee, if it holds the moneys to be applied to the payment of the Redemption Price, or otherwise the Bond Bank, shall, prior to the redemption date, pay to the Trustee and the appropriate Paying Agent or Paying Agents an amount in cash which, in addition to other moneys, if any, available therefor held by the Trustee and such Paying Agent or Paying Agents, will be sufficient to redeem, on the redemption date at the redemption Price thereof, together with interest accrued to the redemption date, all of the Bonds to be redeemed. The Bond Bank shall promptly notify the Trustee in writing of all such payments made by the Bond Bank to a Paying Agent.

403. **Redemption Other Than at Bank's Election or Direction.** Whenever by the terms of this Resolution the Trustee is required to redeem Bonds other than at the election or direction of the Bond Bank, the Trustee shall select the Bonds to be redeemed, give the notice of redemption and pay the Redemption Price thereof, together with interest accrued to the redemption date, to itself and the appropriate Paying Agents in accordance with the terms of this Article IV and, to the extent applicable, the provisions of the applicable Series Resolution.

404. **Selection of Bonds to be Redeemed.** In the event of redemption of less than all of the Outstanding Bonds of like Series, the Bonds to be redeemed shall be determined as set forth in the Series Resolution applicable to the Bonds to be redeemed.

405. **Notice of Redemption.** When the Trustee shall receive notice from the Bond Bank of its election or direction to redeem Bonds pursuant to Section 402, and when redemption of Bonds is required by this Resolution pursuant to Section 403, the Trustee shall give notice, in the name of the Bond Bank, of the redemption of such Bonds, which notice shall specify the Series and maturities of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Unless a different period is specified in the Series Resolution, the Trustee shall mail a copy of such notice, postage prepaid, not less than twenty (20) days before the redemption date, to the Holders of any Bonds or portions of Bonds which are to be redeemed at their last addresses, if any, appearing upon the registry books.

In the case of any conditional optional redemption, the corresponding notice of redemption shall state that: (a) it is conditioned upon the occurrence or non-occurrence of a particular event, briefly describing such event, or, if applicable, that it is conditioned on the deposit of moneys with the Trustee in an amount equal to the amount necessary to effect the redemption no later than the redemption date; and (b) the Bond Bank retains the right to rescind such notice on or prior to the scheduled redemption date, and such notice and conditional optional redemption shall be of no effect if the event described in clause (a) does not occur/occurs, as the case may be, or such moneys are not so deposited, as applicable, and the notice is rescinded as described in this subsection. Any such notice of conditional optional

redemption shall be captioned “Conditional Notice of Optional Redemption.” Any conditional optional redemption may be rescinded at any time prior to the redemption date if an Authorized Officer delivers a written direction to the Trustee directing the Trustee to rescind the redemption notice. The Trustee shall give prompt notice of such rescission to the affected Holders. Any Bonds subject to conditional optional redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the Bond Bank to make such funds available shall constitute an event of default under this Resolution.

406. **Payment of Redeemed Bonds.** Notice having been given in the manner provided in Section 405, and conditions satisfied in the case of conditional optional redemption, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the offices specified in such notice, together with, in the case of Bonds registered other than to bearer presented by other than the Holder, a written instrument of transfer duly executed by the Holder or their duly authorized attorney, such Bonds, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date. If there shall be drawn for redemption less than all of a Bond, the Bond Bank shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered at the option of the owner thereof Bonds of like Series and maturity in any authorized denomination. If on the redemption date moneys for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed together with interest to the redemption date shall be held by the Trustee and Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue. If said moneys shall not be so available on the redemption date such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

ARTICLE V

Municipal Loans

501. **Municipal Loans.** (1) A Municipal Loan to a Municipality shall be made from amounts on deposit in the Energy Efficiency Program Account. All such payments shall be subject to the provisions and restrictions of this Article V, and the Bond Bank covenants that it will not cause or permit to be paid from such portion of the proceeds derived from the sale of such Series of Bonds any sums except in accordance with such provisions and restrictions.

(2) The Bond Bank will direct the Trustee to pay to each Municipality the amount of the Municipal Loan or installments of the Municipal Loan upon receipt by the Trustee of:

(a) a written requisition of the Bond Bank signed by an Authorized Officer stating:

(i) the name of the Municipality to which the payment is to be made; and

(ii) the amount to be paid;

(b) a Counsel's Opinion stating that such Municipal Bonds are valid obligations of such Municipality and that the Municipal Loan Agreement has been duly authorized and executed by the Municipality and constitutes a valid and binding obligation of the Municipality enforceable in accordance with its terms, accompanied by copies of the resolution or other proceedings of the Municipality approving the Municipal Bonds; and

(c) Municipal Bonds of such Municipality in aggregate principal amount not less than the principal amount of the Municipal Loan, registered as to both principal and interest and accompanied by appropriate assignments delivered in accordance with Section 4654 of the Act.

Upon receipt of such requisition, accompanying certificate, Counsel's Opinion and Municipal Bonds, the Trustee shall pay such amount directly to the Municipality entitled thereto as named in such requisition.

502. **Retention and Inspection of Documents.** All requisitions and certificates, resolutions and Counsel's Opinions and Municipal Bonds received by the Trustee, as required in this Article V as conditions of payment may be relied upon by and shall be retained in the possession of the Trustee, subject at all times during normal business hours to the inspection of the Bond Bank and after written request received by the Trustee at least five business days (as such term is defined herein) prior to the date of inspection, by any Holder of at least five percent in principal amount of a Series of Outstanding Bonds. For purposes of the Resolution, "business day" means any day other than a Saturday, a Sunday or any day which is a federal holiday or any day on which banking institutions or trust companies are authorized or obligated by law, regulation or executive order to remain closed.

ARTICLE VI

Establishment of Funds and Application Thereof

601. **Pledge.** (1) There are hereby pledged for the payment of the principal and Redemption Price of and interest on the Bonds, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution, (a) the Revenues, and (b) all moneys and investments in all funds and accounts established by or pursuant to the Resolution. Subject to the provisions of Section 805 hereof, this pledge shall be valid and binding from and after the date of adoption of this Resolution.

(2) There shall at all times be Revenues, together with other amounts available under the Resolution to pay Outstanding Bonds, sufficient to pay Outstanding Bonds when due.

602. **Establishment of Funds and Accounts.** (1) The following funds and account shall be established and held by the Trustee:

- (a) Energy Efficiency Program Account
- (b) Program Expense Account
- (c) Operating Reserve Fund
- (d) Revenue Fund
- (e) Debt Service Fund, containing a
 - (i) Principal Account
 - (ii) Interest Account

(2) Additional funds and accounts may be established by Series Resolution or Supplemental Resolution.

603. **Energy Efficiency Program Account.** (1) There shall be deposited in the Energy Efficiency Program Account the amount, if any, provided in a Series Resolution to fund Municipal Loans pursuant to the Energy Efficiency Program.

(2) If at any time the amounts on deposit and available therefore in the Debt Service Fund are insufficient to pay the principal or Redemption Price of or interest on the Outstanding Bonds then due, following any transfers thereto from the Revenue Fund, the Operating Reserve Fund and the Program Expense Account, the Trustee shall withdraw from the Energy Efficiency Program Account and deposit to the Debt Service Fund the amount necessary to meet the deficiency.

(3) The Trustee may transfer amounts from the Energy Efficiency Program Account to the Revenue Fund, as directed by the Bond Bank.

(4) Earnings on amounts held in the Energy Efficiency Program Account may remain on deposit in the Energy Efficiency Program Account until applied as set forth in this Section 603 or transferred to the Program Expense Fund, the Debt Service Fund, or the Operating Reserve Fund, as directed by the Bond Bank.

604. **Program Expense Account.** (1) There shall be deposited in the Program Expense Account the amount, if any, provided in a Series Resolution to funds expenses of the Energy Efficiency Program, as directed by the Bond Bank.

(2) The Trustee may transfer amounts from the Program Expense Account to the Revenue Fund, as directed by the Bond Bank.

(3) If at any time the amounts on deposit and available therefore in the Debt Service Fund are insufficient to pay the principal or Redemption Price of or interest on the Bonds then due, following any transfers thereto from the Revenue Fund and the Operating Reserve Fund, the Trustee shall withdraw from the Program Expense Account and deposit to the Debt Service Fund the amount necessary to meet the deficiency.

(4) Earnings on amounts held in the Program Expense Account shall remain on deposit in the Program Expense Account until applied as set forth in this Section 604.

605. Operating Reserve Fund. (1) Amounts on deposit in the Operating Reserve Fund may be applied from time to time as directed by the Bond Bank.

(2) The Trustee may transfer amounts from the Operating Reserve Fund to the Revenue Fund or the Energy Efficiency Program Account, as directed by the Bond Bank.

(3) If at any time the amounts on deposit and available therefore in the Debt Service Fund are insufficient to pay the principal or Redemption Price of or interest on the Bonds then due, following any transfers thereto from the Revenue Fund, the Trustee shall withdraw from the Operating Reserve Fund and deposit to the Debt Service Fund the amount necessary to meet the deficiency.

(4) Earnings on amounts held in the Operating Reserve Fund shall remain on deposit in the Operating Reserve Fund, until applied as set forth in this Section 605.

606. Revenue Fund. (1) All moneys received as Municipal Bonds Payments shall be deposited upon receipt by the Trustee or the Bond Bank in the Revenue Fund in the manner provided in this Resolution.

(2) The Bond Bank may transfer to the Trustee for deposit to the Revenue Fund other moneys and investments from time to time, as directed by the Bond Bank.

(3) On or before each payment date of the Bonds, the Trustee shall withdraw from the Revenue Fund and deposit to the Debt Service Fund an amount equal to the principal or Redemption Price of or interest due on the Bonds on such payment date.

(4) Any balance remaining in the Revenue Fund not needed to pay principal or Redemption Price of or interest on the Bonds may be transferred to the Program Expense Fund, the Energy Efficiency Program Account, or the Operating Reserve Fund, as directed by the Bond Bank.

(5) Earnings on amounts held in the Revenue Fund shall remain on deposit in the Revenue Fund, until applied as set forth in this Section 606.

607. Debt Service Fund. (1) Amounts on deposit in the Debt Service Fund shall be used solely for the purpose of paying the principal and Redemption Price of and interest on the Bonds in the manner provided herein and in any Series Resolution. All moneys deposited in the Debt Service Fund shall be disbursed and applied by the Trustee at the times and in the manner provided in this Section 607 or in any Series Resolution.

(2) The Trustee shall, on or before each interest payment date of the Bonds, pay, out of the moneys then held in the Debt Service Fund, to itself and the Paying Agents, the amounts required for the payment by it and such Paying Agents of the interest becoming due on the Bonds on such interest payment date, and such amounts so withdrawn are hereby irrevocably pledged for and shall be applied to the payment of such interest.

(3) The Trustee shall, on, or before each principal payment date of the Bonds, pay, out of the moneys then held in the Debt Service Fund, to itself and the Paying Agents, the amounts required for the payment by it and such Paying Agents of the principal becoming due on the Bonds on such principal payment date, and such amounts so withdrawn are hereby irrevocably pledged for and shall be applied to the payment of such principal.

(4) The Trustee shall, on, or before each redemption date of the Bonds, pay, out of the moneys then held in the Debt Service Fund, to itself and the Paying Agents, the amounts required for the payment by it and such Paying Agents of the Redemption Price of the Bonds to be redeemed on such redemption date, and such amounts so withdrawn are hereby irrevocably pledged for and shall be applied to the payment of such Redemption Price.

(5) The Debt Service Fund shall be drawn upon for the sole purpose of paying the principal and Redemption Price of and interest on the Bonds. Moneys set aside from time to time with the Trustee and Paying Agents for the payment of such principal, Redemption Price and interest shall be held in trust for the Holders of the Bonds in respect of which the same shall have been so set aside. Until so set aside for the payment of principal, Redemption Price or interest, as aforesaid, all moneys in such accounts shall be held in trust for the benefit of the Holders of all Bonds at the time outstanding equally and ratably and without any preference or distinction as between Bonds of different Series.

608. **Disposition of Bonds Upon Payment.** Except as may otherwise be provided in a Series Resolution, all Bonds paid and redeemed, or purchased by the Trustee, under the provisions of this Resolution, either at or before maturity, shall be cancelled when such payment, redemption or purchase is made, and such Bonds, unless then held by the Trustee, shall be delivered to the Trustee. All cancelled Bonds shall from time to time, upon direction of the Bond Bank, be cremated or otherwise destroyed by the Trustee. The Trustee shall execute a certificate of cremation or other destruction in duplicate describing the Bonds so cremated or otherwise destroyed, and one executed certificate shall be filed with the Bond Bank and the other executed certificate shall be retained by the Trustee.

609. **Trustee's Maintenance of Records on Payment of Bonds.** In connection with the payment, redemption or purchase of all Bonds under the provisions of this Resolution, the Trustee shall keep accurate records of the source of the moneys used to pay, redeem or purchase such Bonds.

ARTICLE VII

Investment of Funds

701. **Investment of Funds and Accounts Held by the Trustee.** Except as otherwise limited in a Supplemental Resolution or Series Resolution:

(1) Moneys in the Funds and Accounts established under this Resolution shall, as nearly as may be practicable, be invested, or held uninvested, by the Trustee upon direction of the Bond Bank in writing, signed by an Authorized Officer (which direction shall specify the amount thereof to be so invested and the Bond Bank in issuing such direction shall take into

consideration the dates and times when moneys in such Account will be required for the purposes of this Resolution), in Investment Securities.

(2) Obligations purchased as an investment of moneys in any fund or account held by the Trustee under the provisions of this Resolution shall be deemed at all times to be part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof shall be retained in, credited or charged, as the case may be, to such fund or account,.

(3) In computing the amount on deposit in any fund or account held by the Trustee under the provisions of this Resolution, investments shall be valued at par, or if purchased at other than par, shall be valued at Amortized Value.

(4) Except as otherwise provided in the Resolution, the Trustee shall sell, at the direction of the Bond Bank, at the best price obtainable, or present for redemption or exchange, any obligation purchased by it as an investment pursuant to this Resolution whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the fund or account for which such investment was made. The Trustee shall advise the Bond Bank in writing, on or before the twentieth day of each calendar month, of the details of all investments held for the credit of each fund and account in its custody under the provisions of this Resolution as of the end of the preceding month.

702. **Liability of Trustee for Investments.** The Trustee shall not be liable or responsible for the making of any investment authorized by the provisions of this Article, in the manner provided in this Article, or for any loss resulting from any such investment so made. The Trustee is hereby authorized, in making or disposing of any investment permitted by the Resolution, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or any such affiliate is acting as agent of the Trustee or for any third person or dealing as principal for its own account. The parties hereto acknowledge that the Trustee is not providing investment supervision, recommendations, or advice.

ARTICLE VIII

The Trustee and the Paying Agents

801. **Appointment and Acceptance of Duties of Trustee.** Wilmington Trust is hereby appointed as Trustee.

802. **Appointment and Acceptance of Duties of Paying Agents.** The Bond Bank shall appoint one or more Paying Agents for the Bonds of any Series in the Series Resolution authorizing such Bonds or shall appoint such Paying Agent or Paying Agents by resolution of the Bond Bank adopted prior to the authentication and delivery of such Bonds, and may at any time or from time to time appoint one or more other Paying Agents in the manner and subject to the conditions set forth in Section 812 for the appointment of a successor Paying Agent. The Trustee may be appointed to act as Paying Agent notwithstanding that it may then be acting in the capacity of Trustee.

Each Paying Agent shall signify its acceptance of the duties and obligations upon it by this Resolution by written instrument of acceptance deposited with the Bond Bank and the Trustee.

The corporate trust offices of the Paying Agents are hereby designated as the respective agencies of the Bond Bank for the payment of the interest on and principal or Redemption Price of the Bonds, except that interest on all Bonds and the principal and Redemption Price of all registered Bonds shall be payable at the corporate trust office of the Trustee.

803. Responsibilities of Trustee and Paying Agents. The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Bond Bank and neither the Trustee nor any Paying Agent assumes any responsibility for the correctness of the same. Neither the Trustee nor any Paying Agent shall be deemed to make any representations as to the validity or sufficiency of this Resolution or of any Bonds issued hereunder or in respect of the security afforded by this Resolution, and neither the Trustee nor any Paying Agent shall incur any responsibility in respect thereof. Neither the Trustee nor any Paying Agent shall be under any responsibility or duty with respect to the issuance of the Bonds for value or the application of the proceeds thereof or the application of any moneys paid to the Bond Bank. Neither the Trustee nor any Paying Agent shall be under any obligation to exercise any of the rights or powers vested in it by this Resolution at the request or direction of the Bond Bank, pursuant to the provisions of this Resolution, unless the Bond Bank shall have offered to the Trustee or the Paying Agent, as applicable, security or indemnity (satisfactory to the Trustee or the Paying Agent, as applicable, in its sole and absolute discretion) against the costs, expenses and liabilities which may be incurred by it in compliance with such request or direction. Nothing in this Resolution shall require the Trustee or the Paying Agent, as applicable, to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder. The permissive rights of the Trustee or the Paying Agent, as applicable, to do things enumerated in this Resolution shall not be construed as a duty and, with respect to such permissive rights, the Trustee or the Paying Agent, as applicable, shall not be answerable for other than its negligence or willful misconduct. Neither the Trustee nor any Paying Agent shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. Neither the Trustee nor any Paying Agent shall be under any responsibility or duty with respect to the application of any moneys paid to any one of the others. The Trustee or the Paying Agent, as applicable, undertakes to perform such duties and only such duties as are specifically and expressly set forth in this Resolution. These duties shall be deemed purely ministerial in nature, and the Trustee or the Paying Agent, as applicable, shall not be liable except for the performance of such duties, and no implied covenants or obligations shall be read into this Resolution against the Trustee or the Paying Agent. In no event shall the Trustee or the Paying Agent be responsible or liable for special, indirect, punitive, incidental or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee or the Paying Agent, as applicable, has been advised of the likelihood of such loss or damage and regardless of the form of action. The Trustee or the Paying Agent, as applicable, shall not be responsible or liable for any failure or delay in the performance of its obligations under this Resolution arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of

God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility. Neither the Trustee nor the Paying Agents nor any of their respective directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the parties, or any of their directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee or Paying Agent, as applicable, may act through attorneys or agents and shall not be responsible for the acts or omissions of any such attorney or agent appointed with due care. The Trustee or Paying Agent, as applicable, shall have no liability for any action taken, or errors in judgment made, in good faith by it or any of its officers, employees or agents, unless it shall have been negligent in ascertaining the pertinent facts.

804. Evidence on Which Fiduciaries May Act. The Trustee and any Paying Agent shall be protected in acting upon any notice, direction, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee and any Paying Agent may consult with counsel, who may or may not be of counsel to the Bond Bank, and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or omitted to be taken or suffered by it under this Resolution in good faith and in accordance therewith.

Whenever the Trustee or any Paying Agent shall deem it necessary or desirable that a matter be provided or established prior to taking or suffering any action under this Resolution, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Resolution upon the faith thereof, but in its discretion the Trustee or any Paying Agent may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

Except as otherwise expressly provided in this Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the Bond Bank to the Trustee or any Paying Agent shall be sufficiently executed in the name of the Bond Bank by an Authorized Officer.

The Trustee and any Paying Agent shall have the right to accept and act upon any notice, instruction, or other communication, including any funds transfer instruction, (each, a "Notice") received pursuant to this Resolution by electronic transmission (including by e-mail, facsimile transmission, web portal or other electronic methods) and shall not have any duty to confirm that the person sending such Notice is, in fact, a person authorized to do so. Electronic signatures believed by the Trustee or any Paying Agent to comply with the ESIGN Act of 2000 or other applicable law (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other digital signature provider identified by any other party hereto and acceptable to the Trustee or any Paying Agent) shall be

deemed original signatures for all purposes. The Bond Bank assumes all risks arising out of the use of electronic signatures and electronic methods to send Notices to the Trustee or any Paying Agent, including without limitation the risk of the Trustee acting on an unauthorized Notice and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Trustee and any Paying Agent may in any instance and in its sole discretion require that a Notice in the form of an original document bearing a manual signature be delivered to the Trustee in lieu of, or in addition to, any such electronic Notice.

805. **Compensation.** The Bond Bank shall pay to the Trustee and to each Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution, and the Trustee and each Paying Agent shall have a lien therefor on any and all funds at any time held by it under this Resolution except for any funds credited to Energy Efficiency Program Account pursuant to Section 602 hereof. The Bond Bank further agrees to defend, release, and indemnify the Trustee and each Paying Agent and their respective directors, officers, employees and agents (collectively, the “Indemnified Parties”), and hold the Indemnified Parties harmless from any and against all liabilities, losses, actions, suits or proceedings at law or in equity, and any other expenses, fees or charges of any character or nature, (including, without limitation, attorney’s fees and expenses and the costs of enforcement of this Resolution or any provision thereof), which an Indemnified Party may incur or with which it may be threatened by reason of acting as or on behalf of the Trustee or the Paying Agent under this Resolution, except to the extent the same shall be caused by the Trustee or the Paying Agent’s own negligence or willful misconduct. The terms of this indemnity shall survive the termination of this Resolution or the earlier resignation or removal of the Trustee or the Paying Agent.

806. **Permitted Acts and Functions.** The Trustee and any Paying Agent may become the owners of any Bonds with the same rights it would have if it were not such Trustee or Paying Agent. The Trustee and any Paying Agent may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

807. **Resignation of Trustee.** The Trustee may at any time resign and be discharged of the duties and obligations created by this Resolution by giving not less than [sixty (60)] days’ written notice to the Bond Bank, mailing notice thereof to the Bondholders, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed, as provided in Section 809, in which event such resignation shall take effect immediately on the appointment of such successor.

808. **Removal of Trustee.** The Trustee shall be removed by the Bond Bank at any time or, without cause, upon thirty (30) days’ written notice by an instrument or concurrent instruments in writing, filed with the Trustee and the Bond Bank, and signed by the Holders of a

majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Bond Bank.

809. Appointment of Successor Trustee. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the Bond Bank covenants and agrees that it will thereupon appoint a successor Trustee. The Bond Bank shall mail notice of any such appointment made by it to the Bondholders, such mailing to be made within twenty (20) days after such appointment.

If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Trustee shall have given to the Bond Bank written notice, as provided in Section 807, or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any Trustee appointed under the provisions of this Section 809 in succession to the Trustee shall be a bank or trust company organized under the laws of any state of the United States or the District of Columbia or a national banking association, having a capital and surplus aggregating at least Fifty Million Dollars (\$50,000,000) and authorized by law to perform all the duties imposed upon it by this Resolution.

810. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Bond Bank, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall be become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Bond Bank, or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Bond Bank be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request and so far as may be authorized by law, be executed, acknowledged and delivered by the Bond Bank. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

811. Merger, Conversion or Consolidation. Any company into which the Trustee or any Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a

party or any company to which the Trustee or any Paying Agent may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Trustee or Paying Agent without the execution or filing of any paper or the performance of any further act, provided with respect to the Trustee that such company shall be a bank or trust company organized under the laws of any state of the United States or the District of Columbia or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Resolution.

812. Resignation or Removal of the Paying Agents and Appointment of Successors. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least [sixty (60)] days' written notice to the Bond Bank and Trustee. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer of the Bond Bank. Any successor Paying Agent shall be appointed by the Bond Bank and willing and able to accept the office of Paying Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution.

In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it to its successor, or if there be no successor then appointed, to this Trustee until such successor be appointed.

ARTICLE IX

Covenants of the Bond Bank

The Bond Bank covenants and agrees with the Holders of the Bonds as follows:

901. Payment of Bonds. The Bond Bank shall duly and punctually pay or cause to be paid the principal and Redemption Price, if any, of every Bond and the interest thereon, if any, at the dates and places and in the manner provided in the Bonds according to the true intent and meaning thereof.

902. Extension of Payment of Bonds. The Bond Bank shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of claims for interest by the purchase or funding of such Bonds or by any other arrangement and in case the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds, or claims for interest shall not be entitled in case of any default under this Resolution to the benefit of this Resolution or to any payment out of any assets of the Bond Bank or the funds (except funds held in trust for the payment of particular Bonds or claims for interest pursuant to this Resolution) held by the Trustee or any Paying Agent, except subject to the prior payment of the principal of all Bonds issued and Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such claims for interest. Nothing herein shall be deemed to limit the right of the Bond Bank to issue Refunding Bonds as provided in Section 204 and such issuance shall not be deemed to constitute an extension of maturity of Bonds or the time of payment of the claims for interest.

903. **Offices for Payment and Registration of Bonds.** The Bond Bank shall at all times maintain an office or agency in the State of Vermont, where Bonds may be presented for payment. The Bond Bank may by a Series Resolution or by resolution adopted in accordance with Section 802 designate an additional Paying Agent or Paying Agents where Bonds of the Series authorized thereby or referred to therein may be presented for payment. The Bond Bank shall at all times maintain an office or agency in the State, where Bonds may be presented for registration, transfer or exchange.

904. **Further Assurances.** At any and all times the Bond Bank shall, so far as it may be authorized or permitted by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning, confirming and effecting all and singular the rights, Municipal Bonds Payments, the Municipal Bonds and other moneys, securities, funds and property hereby pledged or assigned, or intended so to be, or which the Bond Bank may hereafter become bound to pledge or assign.

905. **Power to Issue Bonds and Make Pledges.** The Bond Bank is duly authorized pursuant to law to create and issue the Bonds and to adopt this Resolution and to pledge the Municipal Bonds Payments, the Municipal Bonds, the Revenues and other moneys, securities, funds and property purported to be pledged by this Resolution in the manner and to the extent provided this Resolution. The Municipal Bonds Payments, the Municipal Bonds, and other moneys, securities, funds and property so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with the pledge created by this Resolution, except for the liens in favor of the Trustee and Paying Agents provided in Section 805 hereof, and all corporate action on the part of the Bond Bank to that end has been duly and validly taken. The Bonds and the provisions of this Resolution are and will be the valid and legally enforceable obligations of the Bond Bank in accordance with their terms and the terms of this Resolution. The Bond Bank shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Municipal Bonds Payments, the Municipal Bonds and other moneys, securities, funds and property pledged under this Resolution and all the rights of the Bondholders under this Resolution against all claims and demands of all persons whomsoever.

906. **Agreement of the State.** In accordance with the provisions of Section 4621 of the Act, the Bond Bank does hereby pledge to and agree with the Holders of the Bonds that it will not cause the State to limit or alter the rights vested by the Act in the Bond Bank to fulfill the terms of any agreements made with Bondholders; or in any way impair the rights and remedies of such Holders until the Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully met and discharged.

907. **Accounts and Reports.** (1) The Bond Bank shall keep, or cause to be kept, proper books of record and account in which complete and correct entries shall be made of its transactions relating to all Municipal Bonds Payments, Municipal Bonds, the Fees and Charges and all funds and accounts established by this Resolution, which shall at all reasonable times be subject to the inspection of the Trustee and the Holders of an aggregate of not less than

twenty-five percent (25%) in principal amount of Bonds then Outstanding or their representatives duly authorized in writing.

(2) The Bond Bank shall cause such books and accounts to be audited annually after the end of its Fiscal Year by an independent public accountant selected by the Bond Bank and shall furnish to the Trustee a copy of the report of such audit. Such audit report shall include at least: (a) a statement of all funds (including investments thereof) held by such Trustee and the Bond Bank pursuant to the provisions hereof; (b) the Bond Bank's receipts and expenditures during such Fiscal Year in accordance with the categories or classifications established by the Bond Bank for its operating and capital outlay purposes; (c) its assets and liabilities at the end of such Fiscal Year, including a schedule of its Municipal Bonds Payments, Municipal Bonds, Fees and Charges and the status of reserve, special or other funds and the funds and accounts established by this Resolution; and (d) a schedule of its Bonds Outstanding and other obligations outstanding at the end of such Fiscal Year, together with a statement of the amounts paid, redeemed and issued during such Fiscal Year.

908. **Waiver of Laws.** The Bond Bank shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of any stay or extension law now or at any time hereafter in force which may affect the covenants and agreements contained in this Resolution or in any Series Resolution or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Bond Bank.

909. **Fees and Charges.** The Bond Bank shall establish, make, maintain and charge such Fees and Charges to each Municipality to which a loan is made, and shall from time to time revise such Fees and Charges whenever necessary, so that such Fees and Charges actually collected from each such Municipality will at all times produce moneys which, together with other moneys available under the provisions of this Resolution and other moneys available therefor, including any grants made by the United States of America or any agency or instrumentality thereof or by the State or any agency or instrumentality thereof, will be at least sufficient:

(a) To pay, as the same become due, expenses of the Bond Bank;
and

(b) To pay, as the same become due, the fees and expenses of the Trustee and Paying Agents.

The Bond Bank shall provide the Trustee with a schedule of the Fees and Charges to be paid by each Municipality, and of each revision thereof, and shall require each Municipality to make payment of the Fees and Charges required to be paid by it directly to the Trustee for deposit to the Program Expense Account, unless otherwise directed by the Bond Bank. The Trustee shall promptly advise the Bond Bank of each and every failure of a Municipality to make payment of Fees and Charges when due in accordance with the applicable schedule.

910. **Issuance of Additional Obligations.** The Bond Bank expressly reserves the right to adopt one or more other general bond resolutions and reserves the right to issue

Bonds and any other obligations so long as the same are not a charge or lien on the Municipal Bonds, the Municipal Bonds Payments and the Fees and Charges or payable from the Revenue Fund created pursuant to this Resolution.

911. **Municipal Loan Agreement Provisions.** Municipal Loans shall comply with the following terms, conditions, provisions and limitations:

(a) The Municipality which is a party to such Municipal Loan Agreement must be a “governmental unit” as defined by the Act and the Municipal Loan Agreement must be duly authorized and executed by the Municipality and constitute a valid and binding obligation of the Municipality enforceable in accordance with its terms;

(b) The Municipality shall issue Municipal Bonds which are valid obligations of the municipality to secure the Municipal Loan Agreement;

(c) The Municipality shall be obligated to pay the Bond Bank at the times and in the amounts which will enable the Bond Bank to comply with the provisions of the Resolution;

(d) The Bond Bank shall maintain a record of cashflow sufficiency for inspection at the direction of Trustee on behalf of more than 25% of Bondholders.

912. **Modification of Municipal Loan Agreement Terms.** The Bond Bank shall not consent to the modification of, or modify, the rate or rates of interest or method of determining such rates, or the amount or time of payment of any installment of principal or interest of any Municipal Bonds evidencing a Municipal Loan, or the amount or time of payment of any Fees and Charges payable with respect to such Municipal Loan, or the security for or any terms or provisions of such Municipal Loan or the Municipal Bonds evidencing the same, unless (i) following such modification, the Bond Bank would be in compliance with Section 601(2) of this Resolution, or (ii) such modification does not adversely affect or diminish the rights of the Bondholders.

913. **Municipal Loans from Other Funds; Substitution of Municipal Bonds.** Nothing in this Resolution shall limit the Bond Bank from making one or more Municipal Loans under the Act from sources of funds other than proceeds of Bonds or draws on the RESP Loan (each such loan, an “Equity-Funded Municipal Loan”). The payments received from the local body receiving such Equity-Funded Municipal Loan are not pledged under this Resolution, nor does any bond issued to secure the Equity-Funded Municipal Loan constitute a Municipal Bonds or the payments received with respect thereto constitute Municipal Bonds Payments. Notwithstanding the foregoing and anything else in this Resolution to the contrary, the Bond Bank may substitute an Equity-Funded Municipal Loan for an existing Municipal Loan, provided (i) the loan agreement governing the Equity-Funded Municipal Loan meets the applicable requirements set forth in Section 911 of this Resolution, (ii) the bond security the Equity-Funded Municipal Loan meets the applicable requirements set forth in the Act, and (iii) following such substitution, (a) the Bond Bank would be in compliance with Section 601(2) of

this Resolution and (b) such substitution would not adversely affect or diminish the rights of the Bondholders. Following such substitution, the Equity-Funded Municipal Loan would become the Municipal Loan and the bonds securing such Equity-Funded Municipal Loan and the payment made thereunder constitute a Municipal Bond and Municipal Bonds Payments, respectively, associated with the Bonds which has been issued to fund the Municipal Loan being substituted.

914. **Sale of Municipal Bonds by Bank.** The Bond Bank shall not sell any Municipal Bonds or other obligations issued as evidence of a Municipal Loan made by the Bond Bank prior to the date on which a sufficient amount of Outstanding Bonds secured by such Municipal Loan are cancellable or redeemable, and shall not after such date sell any such Municipal Bonds or other obligations issued as evidence of a Municipal Loan made by the Bond Bank, unless the sales price thereof received by the Bond Bank shall not be less than the aggregate of (i) the principal amount, interest to accrue to the redemption date and redemption premium, if any, needed to redeem a sufficient amount of Bonds to assure Bond Bank compliance with Section 601(2), and (ii) the costs and expenses of the Bond Bank in effecting the redemption of the Outstanding Bonds so to be redeemed.

915. **Disposition of the Proceeds of Sale or Redemption of Municipal Bonds.** In the event Municipal Bonds or other obligations securing a Municipal Loan shall be sold by the Bond Bank in accordance with terms of the applicable Municipal Loan Agreement, or redeemed by the Municipality, the Bond Bank shall apply the same to the payment, retirement or redemption of the appropriate Bonds in accordance with the provisions of this Resolution. The balance of such proceeds of sale or redemption of Municipal Bonds shall be deposited in the Revenue Fund and applied by the Bond Bank to the purposes for which the same have been allocated as aforesaid.

916. **Enforcement of Municipal Bonds.** The Bond Bank shall diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of, all terms, covenants and conditions of all Municipal Loan Agreements and the Municipal Bonds evidencing Municipal Loans made by the Bond Bank, including the prompt collection, and the giving of notice to the State Treasurer of any failure or default of any Municipality in the payment, of its Municipal Bonds or of its Fees and Charges.

917. **Pledge of Municipal Bonds and Municipal Bonds Payments.** To secure the payment of the principal or Redemption Price of and interest on the Bonds, the Bond Bank does hereby pledge and assign to the Trustee for the benefit of the Holders of the Bonds all Municipal Bonds and Municipal Bonds Payments. The pledge of such Municipal Bonds and Municipal Bonds Payments for the benefit of the Holders of the Bonds shall be valid and binding from and after the date of adoption of this Resolution, and such Municipal Bonds and Municipal Bonds Payments shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Bond Bank, irrespective of whether such parties have notice thereof.

ARTICLE X

Series Resolutions and Supplemental Resolutions

1001. Modification and Amendment Without Consent. Notwithstanding any other provisions of this Article X, or Article XI, the Bond Bank may adopt at any time or from time to time Series Resolutions or Supplemental Resolutions for any one or more of the following purposes, and any such Series Resolution or Supplemental Resolution shall become effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by an Authorized Officer:

(1) To provide for the issuance of a Series of Bonds pursuant to the provisions of this Resolution and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed;

(2) To add additional covenants and agreements of the Bond Bank for the purposes of further securing the payment of the Bonds, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Bond Bank contained in this Resolution;

(3) To prescribe further limitations and restrictions upon issuance of Bonds and the incurring of indebtedness by the Bond Bank which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(4) To surrender any right, power or privilege reserved to or conferred upon the Bond Bank by the terms of this Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Bond Bank contained in this Resolution;

(5) To confirm as further assurance any pledge under and the subjection to any lien, claim or pledge created or to be created by the provisions of this Resolution of the Municipal Bonds and Municipal Bonds Payments or of any other moneys, securities or funds;

(6) To modify any of the provisions of this Resolution or any previously adopted Series Resolution in any other respects, provided that such modifications shall not be effective until after all Bonds of any Series of Bonds Outstanding as of the date of adoption of such Series Resolution or Supplemental Resolution shall cease to be Outstanding, and all Bonds issued under such resolutions shall contain a specific reference to the modifications contained in such subsequent resolutions;

(7) To cure any ambiguity or defect or inconsistent provision in this Resolution or to insert such provisions clarifying matters or questions arising under this Resolution as are necessary or desirable in the event any such modifications are not contrary to or inconsistent with this Resolution as theretofore in effect;

(8) To grant to or confer upon the Trustee for the benefit of the Holders of any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holders or the Trustee, including, but not limited to, the obtaining of municipal bond guaranty insurance of the payment of principal of and interest on the Bonds; or

(9) To provide for the issuance of bonds subordinate to the Bonds.

1002. Supplemental Resolutions Effective With Consent of Bondholders.

The provisions of this Resolution may also be modified or amended at any time or from time to time by a Supplemental Resolution, subject to the consent of Bondholders in accordance with and subject to the provisions of Article XI hereof, such Supplemental Resolution to become effective upon the filing with the Trustee of a copy thereof certified by an Authorized Officer.

1003. General Provisions Relating to Series Resolutions and Supplemental Resolutions. This Resolution shall not be modified or amended in any respect except in accordance with and subject to the provisions of this Article X and Article XI. Nothing contained in this Article X or Article XI shall affect or limit the rights or obligations of the Bond Bank to adopt, make, do, execute or deliver any resolution, act or other instrument pursuant to the provisions of Section 904 or the right or obligation of the Bond Bank to execute and deliver to the Trustee or any Paying Agent any instrument elsewhere in this Resolution provided or permitted to be delivered to the Trustee or any Paying Agent.

A copy of every Series Resolution and Supplemental Resolution adopted by the Bond Bank when filed with the Trustee shall be accompanied by a Counsel's Opinion stating that such Series Resolution or Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of this Resolution, is authorized or permitted by this Resolution and is valid and binding upon the Bond Bank and enforceable in accordance with its terms.

The Trustee is hereby authorized to accept delivery of a certified copy of any Series Resolution or Supplemental Resolution permitted or authorized pursuant to the provisions of this Resolution and to make all further agreements and stipulations which may be contained therein, and, in taking such action, the Trustee shall be fully protected in relying on Counsel's Opinion that such Series Resolution or Supplemental Resolution is authorized or permitted by the provisions of this Resolution.

No Series Resolution or Supplemental Resolution changing, amending or modifying any of the rights or obligations of the Trustee or of any Paying Agent may be adopted by the Bond Bank without the written consent of the Trustee or Paying Agent affected thereby.

ARTICLE XI

Amendments of Resolutions

1101. Powers of Amendment. Any modification or amendment of this Resolution and of the rights and obligations of the Bond Bank and of the Holders of the Bonds hereunder, in any particular, may be made by a Supplemental Resolution, with the written consent given as hereinafter provided in Section 1102, (a) of the Holders of a majority in principal amount of the Bonds Outstanding at the time such consent is given, and (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of at least a majority in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of

any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of this Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series. The Trustee may receive an opinion of counsel, including a Counsel's Opinion, as conclusive evidence as to whether Bonds of any particular Series or maturity would be so affected by any such modification or amendment of this Resolution.

1102. Consent of Bondholders. The Bond Bank may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 1101 to take effect when and as provided in this Section. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall promptly after adoption be mailed by the Bond Bank to Bondholders. Such Supplemental Resolution shall not be effective unless and until (a) there shall have been filed with the Trustee (i) the written consents of Holders of the percentages of Outstanding Bonds specified in Section 1101 and (ii) a Counsel's Opinion stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Bond Bank in accordance with the provisions of this Resolution, is authorized or permitted by this Resolution, and is valid and binding upon the Bond Bank and enforceable in accordance with its terms, and (b) a notice shall have been given as hereinafter in this Section 1102 provided. Each such consent shall be effective only if accompanied by proof of the holding at the date of such consent, of the Bonds with respect to which such consent is given which proof shall be such as is permitted by Section 1301. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with Section 1301 shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the Holder of the Bonds giving such consent and, anything in Section 1301 to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Trustee prior to the time when the written statement of the Trustee hereinafter in this Section 1102 provided for is filed, such revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer of such revocation in the manner permitted by Section 1301. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Bond Bank and the Trustee a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Bond Bank on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required

percentages of Bonds and will be effective as provided in this Section 1102, shall be given to Bondholders by the Bond Bank by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section 1102 provided). The Bond Bank shall file with the Trustee proof of mailing of such notice. A transcript, consisting of the papers required or permitted by this Section 1102 to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Bond Bank, the Trustee, each Paying Agent and the Holders of all Bonds at the expiration of thirty (30) days after the filing with the Trustee of the proof of the giving of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such thirty (30) day period; provided, however, that the Bond Bank, the Trustee and any Paying Agent during such thirty (30) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

1103. **Modifications by Unanimous Consent.** The terms and provisions of this Resolution and the rights and obligations of the Bond Bank and of the Holders of the Bonds thereunder may be modified or amended in any respect upon the adoption and filing with the trustee by the Bond Bank of a copy of a Supplemental Resolution certified by an Authorized Officer and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in Section 1102, except that no notice to Bondholders shall be required.

1104. **Mailing.** Any provision in this Article for the mailing of a notice or other document to Bondholders shall be fully complied with if it is mailed postage prepaid to each Holder of Bonds then Outstanding at their address, if any, appearing upon the registry books of the Bond Bank and to the Trustee.

1105. **Exclusion of Bonds.** Bonds owned or held by or for the account of the Bond Bank shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Resolution, and the Bond Bank shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Resolution. At the time of any consent or other action taken under this Resolution, the Bond Bank shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, describing all Bonds so to be excluded.

1106. **Notation on Bonds.** Bonds delivered after the effective date of any action taken as in Article X or this Article XI provided may, and if the Trustee so determines, shall, bear a notation by endorsement or otherwise in form approved by the Bond Bank and the Trustee as to such action, and in that case upon demand of the Holder of any Bond Outstanding at such effective date and upon presentation of their Bond for such purpose at the corporate trust office of the Trustee suitable notation shall be made on such Bond by the Trustee as to any such action. If the Bond Bank or the Trustee shall so determine, new Bonds so modified and in the opinion of the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Bond Bank to conform to such action shall be prepared and delivered, and upon demand of the

Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds.

ARTICLE XII

Defaults and Remedies

1201. **Trustee to Exercise Powers of Statutory Trustee.** The Trustee shall be and hereby is vested with all of the rights, powers and duties of a trustee appointed by Bondholders pursuant to Section 4702 of the Act and the right of Bondholders to appoint a trustee pursuant to Section 4702 of the Act is hereby abrogated in accordance with the provision of subdivision 18 of Section 4648 of the Act.

1202. **Events of Default.** Each of the following events is hereby declared an “event of default,” that is to say; if

(a) the Bond Bank shall default in the payment of the principal or Redemption Price of or interest, if any, on any Bond when and as the same shall become due, whether at maturity or upon call for redemption, and such default shall continue for a period of thirty (30) days; or

(b) the Bond Bank shall fail or refuse to comply with the provisions of the Act, other than as provided in (b) above, or shall default in the performance or observance of any other of the covenants, agreements or conditions on its part in this Resolution, any Series Resolution, any Supplemental Resolution, or in the Bonds contained, and such failure, refusal or default shall continue for a period of forty-five (45) days after written notice thereof by the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds;

provided, however, that an event of default shall not be deemed to exist under the provisions of clause (b) above upon the failure of the Bond Bank to make and collect Fees and Charges required to be made and collected by the provisions of this Resolution or upon the failure of the Bond Bank to enforce any obligation undertaken by a Municipality pursuant to a Municipal Loan Agreement including the making of the stipulated Municipal Bonds Payments so long as the Bond Bank may be otherwise directed by law and so long as the Bond Bank shall be provided with moneys from the State or otherwise sufficient in amount to pay the principal of and interest on all Bonds as the same shall become due during the period for which the Bond Bank shall be directed by law to abstain from making and collecting such Fees and Charges and from enforcing the obligations of a Municipality under the applicable Municipal Loan Agreement. The Trustee shall not be charged with knowledge of (A) any events or other information, or (B) any default under the Resolution or any other agreement unless a responsible officer of the Trustee shall have actual knowledge thereof. If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by the Resolution, and shall use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

1203. **Remedies.** (1) Upon the happening and continuance of any event of default specified in paragraph (a) of Section 1202, the Trustee shall proceed, or upon the happening and continuance of any event of default specified in paragraph (b) of Section 1202, the Trustee may proceed, and upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds shall proceed, in its own name, to protect and enforce its rights and the rights of the Bondholders by such of the following remedies, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:

(a) by mandamus or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, including the right to require the Bond Bank to make and collect Fees and Charges and Municipal Bonds Payments adequate to carry out the covenants and agreements as to, and pledge of, such Fees and Charges and Municipal Bonds Payments, and other properties and to require the Bond Bank to carry out any other covenant or agreement with Bondholders and to perform its duties under the Act;

(b) by bringing suit upon the Bonds;

(c) by action or suit in equity, to require the Bond Bank to account as if it were the Trustee of an express trust for the Holders of the Bonds;

(d) by action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds; and

(e) in accordance with the provisions of the Act, declare all Bonds due and payable, and if all defaults shall be made good, then, with the written consent of the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds, to annul such declaration and its consequences.

(2) In the enforcement of any remedy under this Resolution, the Trustee shall be entitled to sue for and shall be entitled to rely upon any order of a court of competent jurisdiction, enforce payment on and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Bond Bank for principal, Redemption Price, interest or otherwise, under any provision of this Resolution or a Series Resolution or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce a judgment or decree against the Bond Bank for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any moneys available for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable.

1204. **Priority of Payments After Default.** In the event that the funds held by the Trustee and Paying Agents shall be insufficient for the payment of interest and principal or Redemption Price then due on the Bonds, such funds (other than funds held for the payment or redemption of particular Bonds which have theretofore become due at maturity or by call for

redemption) and any other moneys received or collected by the Trustee acting pursuant to the Act and this Article XII, after making provision for the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Holders of the Bonds, and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee or any Paying Agents in the performance of their respective duties under this Resolution, shall be applied as follows:

(a) Unless the principal of all of the Bonds shall have become or have been declared due and payable,

First: To the payment to the persons entitled thereto of all installments of interest then due on the Bonds in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

(b) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

The provisions of this Section 1204 are in all respects subject to the provisions of Section 902.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section 1204, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional money becoming available for such application in the future; the deposit of such moneys with the Paying Agents, or otherwise setting aside such moneys in trust for the proper purpose, shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Bond Bank, to any Bondholder or to any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and

ultimately applies the same in accordance with such provisions of this Resolution as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate for the fixing of any such date. The Trustee shall not be required to make payment to the Holder of any Bond unless such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

1205. **Termination of Proceedings.** In case any proceeding taken by the Trustee on account of any event of default shall have been discontinued or abandoned for any reason, then in every such case the Bond Bank, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

1206. **Bondholders' Direction of Proceedings.** Anything in this Resolution to the contrary notwithstanding, the Holders of the majority in principal amount of the Bonds then Outstanding shall have the right by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with the law or the provisions of this Resolution, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

1207. **Limitation on Rights of Bondholders.** No Holder of any Bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law hereunder, or for the protection or enforcement of any right under this Resolution or any right under law unless such Holder shall have given to the Trustee written notice of the event of default or breach of duty on account of which such suit, action or proceeding is to be taken, and unless the Holders of not less than twenty-five percent (25%) in principal amount of the Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have occurred, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted under the law or to institute such action, suit or proceeding in its name and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers under this Resolution or for any other remedy hereunder or under law. It is understood and intended that no one or more Holders of the Bonds hereby secured shall have any right in any manner whatever by their or their action to affect, disturb or prejudice the security of this Resolution, or to enforce any right hereunder or under law with respect to the Bonds or this Resolution, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Holders of the Outstanding Bonds. Notwithstanding the foregoing provisions of this Section 1207 or any other provisions of this Article XII, the

obligation of the Bond Bank shall be absolute and unconditional to pay the principal and Redemption Price of and interest on the Bonds to the respective Holders thereof at the respective due dates thereof, and nothing herein shall affect or impair the right of action, which is absolute and unconditional, of such Holders to enforce such payment.

Anything to the contrary notwithstanding contained in this Section 1207, or any other provision of this Resolution, each Holder of any Bonds by their acceptance thereof shall be deemed to have agreed that any court in its discretion may require, in any suit for the enforcement of any right or remedy under this Resolution or any Series Resolution, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the reasonable costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in any such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this paragraph shall not apply to any suit instituted by the Trustee, to any suit instituted by any Bondholder, or group of Bondholders, holding at least twenty-five percent (25%) in principal amount of the Bonds Outstanding, or to any suit instituted by any Bondholder for the enforcement of the payment of the principal or Redemption Price of or interest on any Bond on or after the respective due date thereof expressed in such Bond.

1208. Possession of Bonds by Trustee Not Required. All rights of action under this Resolution or under any of the Bonds, enforceable by the Trustee, may be enforced by it without the possession of any of the Bonds or the production thereof on the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the Holders of such Bonds, subject to the provisions of this Resolution.

1209. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Holders of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

1210. No Waiver of Default. No delay or omission of the trustee or of any Holder of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Resolution to the Trustee and the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

1211. Notice of Event of Default. The Trustee shall give to the Bondholders notice of each event of default hereunder known to the Trustee within ninety (90) days after knowledge of the occurrence thereof, unless such event of default shall have been remedied or cured before the giving of such notice; provided that, except in the case of default in the payment of the principal or Redemption Price of or interest on any of the Bonds, or in the making of any payment required to be made into the Revenue Fund, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors or responsible officers of the Trustee in good faith determines that

the withholding of such notice is in the interests of the Bondholders. Each such notice of event of default shall be given by the Trustee by mailing written notice thereof: (1) to all registered Holders of Bonds, as the names and addresses of such Holders appear upon the books for registration and transfer of Bonds as kept by the Trustee; (2) to such Bondholders as have filed their names and addresses with the Trustee for that purpose; and (3) to such other persons as is required by law.

ARTICLE XIII

Execution of Instruments by Bondholders and Proofs of Ownership of Bonds

1301. **Evidence of Signatures of Bondholders and Ownership of Bonds.** Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Resolution to be signed or executed by Bondholders may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Bondholders in person or by their attorneys or agents appointed by an instrument in writing for that purpose. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the holding and ownership of Bonds shall be sufficient for any purpose of this: Resolution (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Bondholders of their attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by delivery of a certificate, which need not be acknowledged or verified, of an officer of any bank, trust company, or other depository, or of any notary public, or other officer authorized to take acknowledgments. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of their authority.

(b) The ownership of Bonds shall be proved by the registry books kept by the Trustee under the provisions of this Resolution.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which may seem sufficient. Any request or consent of the Holder of any Bond shall bind every future Holder of the same Bond in respect of anything done or suffered to be done by the Bond Bank, the Trustee or any Paying Agent in pursuance of such request or consent.

ARTICLE XIV

Defeasance

1401. **Defeasance.** (1) If the Bond Bank shall pay or cause to be paid to the Holders of all Bonds then Outstanding, the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the Resolution, then, at the option of the Bond Bank, expressed in an instrument in writing signed by an

Authorized Officer and delivered to the Trustee, the covenants, agreements and other obligations of the Bond Bank to the Bondholders shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Bond Bank, execute and deliver to the Bond Bank all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciaries shall pay over or deliver to the Bond Bank all money, securities and funds held by them pursuant to the Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

(2) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Fiduciaries (through deposit by the Bond Bank of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (1) of this Section 1401. All Outstanding Bonds of any Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (1) of this Section 1401 if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Bond Bank shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail notice of redemption on said date of such Bonds to the Holders of such Bonds, (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Government Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Bond Bank shall have given the Trustee in form satisfactory to it irrevocable instructions to mail a notice to the Holders of such Bonds that the deposit required by (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 1401 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds. Failure to mail any notice shall not affect the ability of the Bond Bank to defease any of the Bonds hereunder. Neither Government Obligations or moneys deposited with the Trustee pursuant to this Section 1401 or principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Government Obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestment shall be paid over to the Bond Bank, as received by the Trustee, free and clear of any trust, lien or pledge.

(3) Anything in the Resolution to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for six (6) years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for six (6) years after the date of deposit of such moneys if deposited

with the Fiduciary after the said date when such Bonds became due and payable, shall, at the written request of the Bond Bank, be repaid by the Fiduciary to the Bond Bank, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Bond Bank for the payment of such Bonds.

ARTICLE XV

Miscellaneous

1501. **Preservation and Inspection of Documents.** All documents received by the Trustee or any Paying Agent under the provisions of this Resolution or any Series Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Bond Bank, the Trustee or any Paying Agent and, or after written request received by the Trustee at least five business days prior to the date of inspection, by any Holder of twenty-five percent (25%) in principal amount of the Series of Outstanding Bonds and their agents and representatives, any of whom may make copies thereof.

1502. **Parties of Interest.** Nothing in this Resolution or in any Series Resolution adopted pursuant to the provisions hereof, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or party other than the Bond Bank, the Trustee, any Paying Agent and the Holders of the Bonds any rights, remedies or claims under or by reason of this Resolution or any Series Resolution or any covenants, condition or stipulation thereof; and all covenants, stipulations, promises and agreements in this Resolution and any Series Resolution contained by or on behalf of the Bond Bank shall be for the sole and exclusive benefit of the Bond Bank, the Trustee, any Paying Agents and the Holders from time to time of the Bonds.

1503. **No Recourse Under Resolution or on Bonds.** All covenants, stipulations, promises, agreements and obligations of the Bond Bank contained in this Resolution shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Bond Bank and not of any member, officer or employee of the Bond Bank in their individual capacity, and no recourse shall be had for the payment of the principal or Redemption Price of or interest on the Bonds or for any claim based thereon or on this Resolution against any member, officer or employee of the Bond Bank or any natural person executing the Bonds.

1504. **Severability.** If any one or more of the covenants, stipulations, promises, agreements or obligations provided in this Resolution on the part of the Bond Bank, the Trustee or any Paying Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, stipulation or stipulations, promise or promises, agreement or agreements, obligation or obligations shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations herein contained and shall in no way affect the validity of the other provisions of this Resolution.

1505. **Headings.** Any heading preceding the texts of the several Articles and Sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be

solely for convenience of reference and shall not constitute a part of this Resolution, nor shall they affect its meaning, construction or effect.

1506. **Conflict.** All resolutions or parts of resolutions or other proceedings of the Bond Bank in conflict herewith be and the same are repealed insofar as such conflict exists.

1507. **Governing Law.** The validity and interpretation of the Resolution and the Bonds shall be governed by the laws of the State.

1508. **Effective Date.** This Resolution shall take effect immediately upon its adoption.

ATTACHMENT B: Reimbursement Agreement

REIMBURSEMENT AGREEMENT

between

VERMONT BOND BANK,
as Bond Bank

and

[REDACTED]

as Bank

Dated as of October 1, 2024

[REDACTED]

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REIMBURSEMENT AGREEMENT

THIS REIMBURSEMENT AGREEMENT is dated as of October 1, 2024, by and between **VERMONT BOND BANK**, a body corporate and politic and constituted as an instrumentality of the State of Vermont, as Bond Bank, and [REDACTED] as Bank. All capitalized terms used herein and not otherwise defined shall have the meanings assigned in Section 1.01 or as otherwise provided in Section 1.02.

RECITALS

WHEREAS, the Bond Bank and the U.S. Government have entered into the RESP Loan Contract, pursuant to which the U.S. Government has agreed to make the RESP Loan to the Bond Bank in one or more Advances pursuant to the federal Rural Energy Savings Program (“RESP”);

WHEREAS, the Bond Bank will use the proceeds of the Advances of the RESP Loan to make Municipal Loans to Municipalities under its Energy Efficiency Program though the purchase by the Bond Bank of Municipal Bonds issued by such Municipalities;

WHEREAS, as a condition to making the RESP Loan, the U.S. Government has required that the Bond Bank deliver a standby letter of credit to the U.S. Government securing an amount not less than one hundred percent (100%) of the outstanding principal balance of all Advances owed by the Bond Bank to the U.S. Government under the RESP Loan (the “Standby LOC Requirement”);

WHEREAS, in order to satisfy the Standby LOC Requirement, the Bond Bank has requested that the Bank issue the Standby Letter of Credit for the benefit of the U.S. Government in the original stated amount of Twenty Million and 00/100 Dollars [REDACTED] and

WHEREAS, the Bank has agreed to issue the Standby Letter of Credit, and as a condition to such issuance, the Bank has required the Bond Bank to enter into this Agreement.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, including the covenants, terms and conditions hereinafter contained, and to induce the Bank to issue the Standby Letter of Credit, the Bank and the Bond Bank agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. In addition to terms defined at other places in this Agreement, the following defined terms are used throughout this Agreement with the following meanings:

“Act” means the Vermont Bond Bank Law, being Public Act No. 216 of the laws of Vermont enacted by the General Assembly of the State of Vermont at the 1969 Adjourned Session, as amended.

“Advances” shall have the meaning assigned to such term in the RESP Loan Contract.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the specified Person.

“Agreement” means this Reimbursement Agreement.

“Alternate Credit Facility” means any Credit Facility delivered by the Bond Bank in substitution for the Standby Letter of Credit in accordance with the Resolution.

“Amended and Restated Pooled Loan Program General Resolution” means, upon receipt by the Bond Bank of the requisite consents of the registered owners of two-thirds of the outstanding principal amount of Pooled Loan Program Bonds, the Pooled Loan Program General Resolution as amended by the modifications described in the Official Statement of the Bond Bank dated August 1, 2024, with respect to its 2024 Series 2 Bonds under the headings “PROPOSED MODIFICATIONS TO THE GENERAL RESOLUTION” and in Appendix A to such Official Statement under the heading “SUMMARY OF AMENDED AND RESTATED GENERAL RESOLUTION.”

“Ancillary Document” shall have the meaning assigned to such term in Section 10.05(b).

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the Bond Bank from time to time concerning or relating to bribery or corruption.

“Applicable Bond Rating” means (a) prior to the effectiveness of the Amended and Restated Pooled Loan Program General Resolution, the long-term debt rating assigned by any Rating Agency to any Pooled Loan Program Bonds which are not guaranteed by any other Person or subject to any third-party credit enhancement provided by a “Credit Bank” or “Insurer” (as such terms are defined in the Pooled Loan Program General Resolution) and (b) following the effectiveness of the Amended and Restated Pooled Loan Program General Resolution and the issuance of any Pooled Loan Program Community Revenue Bonds which have been assigned long-term debt ratings by at least two Rating Agencies, the long-term debt rating assigned by any Rating Agency to any Pooled Loan Program Community Revenue Bonds which are not guaranteed by any other Person or subject to any third party credit enhancement provided by a “Credit Bank” or “Insurer” (as such terms are defined in the Amended and Restated Pooled Loan Program General Resolution). Notwithstanding the foregoing, if at any time long-term debt ratings have been assigned by at least two Rating Agencies to any Energy Efficiency Program Bonds which are not guaranteed by any other Person or subject to any third party credit enhancement provided by a Credit Bank, then the Applicable Bond Rating shall instead mean the long-term debt rating assigned by any Rating Agency to such Energy Efficiency Program Bonds.

“*Authorized Officer*” shall mean any member of the Bond Bank, its Chair and any other officer or employee of the Bond Bank authorized by resolution of the Bond Bank to perform the act or sign the document in question.

“*Bank*” means [REDACTED] a national banking association, as issuer of the Standby Letter of Credit, and its successors and assigns.

“*Base Rate*” means, for any day, a fluctuating rate of interest per annum equal to the higher of (a) the Prime Rate or (b) [REDACTED]

“*Bond*” or “*Bonds*” shall have the meaning assigned to such term in the Resolution.

“*Bond Bank*” means Vermont Bond Bank, a body corporate and politic and constituted as an instrumentality of the State of Vermont, and its successors and assigns permitted hereunder.

“*Bondholders*” shall have the meaning assigned to such term in the Resolution.

“*Business Day*” shall have the meaning assigned to such term in the Standby Letter of Credit.

“*Capital Lease Obligations*” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases or financing leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“*Change in Law*” means the occurrence, after the Closing Date, of any of the following: (a) the adoption of or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) compliance by the Bank (or, for purposes of Section 3.01(b), by any lending office of the Bank or by the Bank’s holding company, if any) with any request, guideline, requirement or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements or directives thereunder or issued in connection therewith or in the implementation thereof, and (y) all requests, rules, guidelines, requirements or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the U.S. or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted, issued or implemented.

“*Closing Date*” means October 9, 2024, subject to the satisfaction of the conditions precedent set forth in Article IV.

“*Code*” means the Internal Revenue Code of 1986, as amended from time to time.

“*Connection Income Taxes*” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“*Control*” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “*Controlling*” and “*Controlled*” have meanings correlative thereto.

“*Costs*” shall have the meaning assigned to such term in Section 9.03.

“*Credit Bank*” shall have the meaning assigned to such term in the Program Resolution.

“*Credit Facility*” shall have the meaning assigned to such term in the Program Resolution.

“*Default*” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“*Default Rate*” means, for any day, a rate of interest per annum equal to the sum of the Base Rate in effect on such day plus four percent (4.00%).

“*Dollars*”, “*dollars*” or “*\$*” refers to lawful money of the U.S.

“*Drawing*” means a drawing under the Standby Letter of Credit resulting from a presentation of a certificate by the U.S. Government to the Bank in the form of Annex A to the Standby Letter of Credit.

“*Electronic Signature*” means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

“*Electronic System*” means any electronic system, including e-mail, e-fax, web portal access for the Bond Bank, and any other Internet or extranet-based site, whether such electronic system is owned, operated or hosted by the Bank or any Related Party of the Bank or any other Person, providing for access to data protected by passcodes or other security system.

“*EMMA*” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System or any service or services established by the Municipal Securities Rulemaking Board (or any of its successors) as a successor to the Electronic Municipal Market Access System.

“*Energy Efficiency Program*” shall have the meaning assigned to such term in the Program Resolution.

“*Energy Efficiency Program Bonds*” shall have the meaning assigned to the term “*Bonds*” in the Program Resolution.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

“*Event of Default*”, in relation to this Agreement, shall have the meaning assigned to such term in Section 8.01, and in relation to any Related Document, shall have the meaning set forth therein.

“*Excess Interest Amount*” shall have the meaning assigned to such term in Section 2.12(b).

“*Excluded Taxes*” means any of the following Taxes imposed on or with respect to the Bank or required to be withheld or deducted from a payment to the Bank: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of the Bank being organized under the laws of, or having its principal office or its applicable lending office located in the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) U.S. federal withholding Taxes imposed on amounts payable to or for the account of the Bank with respect to an applicable interest in the Series 2024 Bond or the Standby Letter of Credit pursuant to a law in effect on the date on which (i) the Bank acquires such interest in the Series 2024 Bond or the Standby Letter of Credit or (ii) the Bank changes its lending office, except in each case to the extent that, pursuant to Section 3.02, amounts with respect to such Taxes were payable either to the Bank’s assignor immediately before the Bank acquired the applicable interest in the Series 2024 Bond or the Standby Letter of Credit or to the Bank immediately before it changed its lending office, and (c) any withholding Taxes imposed under FATCA.

“*Expiration Date*” has the meaning set forth in the Standby Letter of Credit.

“*FATCA*” means Sections 1471 through 1474 of the Code as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

“*Federal Reserve Board*” means the Board of Governors of the Federal Reserve System of the United States of America.

“*Fee Letter*” means that certain Fee Letter dated as of October 1, 2024, between the Bank and the Bond Bank.

“*Financial Officer*” means the chief financial officer, principal accounting officer, treasurer or controller of the Bond Bank.

“*Fiscal Year*” shall mean any twelve (12) consecutive calendar months commencing with the first day of January and ending on the last day of the following December.

“*Fitch*” means Fitch, Inc., and any successor rating agency.

“GAAP” means generally accepted accounting principles in the U.S.

“Governmental Authority” means the government of the U.S., any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (j) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances, (k) obligations under any earn-out (which for all purposes of this Agreement shall be valued at the maximum potential amount payable with respect to each such earn-out), (l) any other Off-Balance Sheet Liability and (m) obligations, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (i) any and all Swap Agreements, and (ii) any and all cancellations, buy backs, reversals, terminations or assignments of any Swap Agreement transaction. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

“Indemnified Person” shall have the meaning assigned to such term in Section 9.03(a).

“*Indemnified Taxes*” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Bond Bank under this Agreement, the Standby Letter of Credit or any other Related Document and (b) to the extent not otherwise described in the foregoing clause (a), Other Taxes.

“*Instruction*” shall have the meaning assigned to such term in Section 9.03(a).

“*IRS*” means the United States Internal Revenue Service.

“*ISP*” or “*ISP98*” means, International Standby Practices 1998 (International Chamber of Commerce Publication No. 590).

“*Liabilities*” mean all claims (including intraparty claims), actions, suits, judgments, damages, losses, liability, obligations, responsibilities, fines, penalties, sanctions, costs, fees, Taxes, commissions, charges, disbursements and expenses (including those incurred upon any appeal or in connection with the preparation for and/or response to any subpoena or request for document production relating thereto), in each case of any kind or nature (including interest accrued thereon or as a result thereto and fees, charges and disbursements of financial, legal and other advisors and consultants), whether joint or several, whether or not indirect, contingent, consequential, actual, punitive, treble or otherwise.

“*Lien*” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

“*Margin Stock*” means margin stock within the meaning of Regulation T, Regulation U and Regulation X, as applicable.

“*Material Adverse Effect*” means: (a) a material adverse change in, or a material adverse effect upon, the State Intercept as it relates to the Energy Efficiency Program; (b) a material impairment of the ability of the Bond Bank to perform its obligations under any Related Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Bond Bank of any Related Document to which it is a party or the rights, security, interests or remedies of the Bank hereunder or under any Related Document.

“*Material Indebtedness*” means (a) any Indebtedness owed to the Bank or any Affiliate of the Bank; (b) the Series 2024 Bond; and (c) any other Energy Efficiency Program Bonds. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of the Bond Bank in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Bond Bank would be required to pay if such Swap Agreement were terminated at such time.

“*Maximum Lawful Rate*” means the maximum, non-usurious, lawful rate of interest that may be contracted for, charged, taken or received in connection with the relevant obligation

under applicable law without regard to any filing made by a lender with respect to notice of rates in excess of any statutory or regulatory threshold interest rate.

“*Moody’s*” means Moody’s Investors Service, Inc., and any successor rating agency.

“*Municipal Bonds*” means the bonds, notes, or other evidence of debt issued by any Municipality and authorized pursuant to the Act and other laws of the State and which have heretofore or will hereafter be acquired by the Bond Bank as evidence of indebtedness of a Municipal Loan to the Municipality pursuant to the Act.

“*Municipal Bonds Payments*” means shall mean the amounts paid or required to be paid, from time to time, for principal and interest by a Municipality to the Bond Bank on Municipal Bonds.

“*Municipal Loan*” shall mean a loan heretofore or hereafter made by the Bond Bank to a Municipality pursuant to the Act and more particularly described in the applicable Series Resolution.

“*Municipal Loan Agreement*” shall mean an agreement heretofore or hereafter entered into between the Bond Bank and a Municipality setting forth the terms and conditions of a Municipal Loan.

“*Municipality*” shall mean any governmental unit as defined by the Act.

“*Obligations*” means the Series 2024 Bond, the Reimbursement Obligations, the Standby Letter of Credit Fees and all other obligations of the Bond Bank to the Bank arising under or in relation to this Agreement, the Fee Letter or any other Related Document.

“*Off-Balance Sheet Liability*” of a Person means (a) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (b) any indebtedness, liability or obligation under any so-called “synthetic lease” transaction entered into by such Person, or (c) any indebtedness, liability or obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheet of such Person (other than operating leases).

“*Other Connection Taxes*” means, with respect to the Bank, Taxes imposed as a result of a present or former connection between the Bank and the jurisdiction imposing such Taxes (other than a connection arising from the Bank having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to, or enforced, any Related Document), or sold or assigned an interest in this Agreement, the Standby Letter of Credit, the Series 2024 Bond or any other Related Document.

“*Other Taxes*” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement, the Standby Letter of Credit, the

Series 2024 Bond or any other Related Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

“*Participant(s)*” means any bank(s) or other financial institution(s) which may purchase a participation interest from the Bank in this Agreement, the Standby Letter of Credit and certain of the Related Documents pursuant to a participation agreement between the Bank and the Participant(s).

“*PATRIOT Act*” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001.

“*Paying Agent*” shall have the meaning assigned to such term in the Resolution.

“*Payment Document*” shall have the meaning assigned to such term in Section 9.01(b).

“*Pension Plan*” means any “employee pension benefit plan” which is (a) maintained by the Bond Bank or (b) maintained by any other Person and to which the Bond Bank contributes (or permits any other Person to contribute) or has an obligation to contribute, or has made contributions at any time during the immediately preceding six (6) plan years.

“*Person*” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“*Pledged Assets*” shall have the meaning assigned to such term in Section 5.19.

“*Pooled Loan Program Bonds*” shall have the meaning assigned to the term “Bonds” in the Pooled Loan Program General Resolution.

“*Pooled Loan Program Community Revenue Bonds*” shall have the meaning assigned to the term “Community Revenue Bonds” in the Amended and Restated Pooled Loan Program General Resolution.

“*Pooled Loan Program General Resolution*” means the General Bond Resolution adopted by the Bond Bank on May 3, 1988, as amended; provided, however, upon receipt by the Bond Bank of the requisite consents of the registered owners of two-thirds of the outstanding principal amount of Pooled Loan Program Bonds, the term Pooled Loan Program General Resolution shall instead mean the Amended and Restated Pooled Loan Program General Resolution.

“*Prime Rate*” means the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Bank) or any similar release by the Federal Reserve Board (as determined by the Bank). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

“*Program Resolution*” means that Energy Efficiency Program Resolution adopted by the Directors of the Bond Bank on September 26, 2024.

“*Rating Agency*” means S&P, Moody’s, Fitch or any additional rating agency provides the Applicable Bond Rating at the written request of the Bond Bank.

“*Rating Documentation*” shall have the meaning assigned to such term in Section 4.01(e).

“*Regulation D*” means Regulation D of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“*Regulation T*” means Regulation T of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“*Regulation U*” means Regulation U of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“*Regulation X*” means Regulation X of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“*Reimbursement Obligations*” means, collectively, any and all obligations of the Bond Bank to reimburse the Bank for any Drawings under the Standby Letter of Credit, including all interest accrued thereon.

“*Related Documents*” means, collectively, this Agreement, the Resolution, the Series 2024 Bond, the Standby Letter of Credit, the Fee Letter, the RESP Loan Documents and any exhibits, schedules, instruments or agreements relating thereto.

“*Related Parties*” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, partners, members, trustees, employees, agents, administrators, managers, representatives and advisors of such Person and such Person’s Affiliates.

“*Requirement of Law*” means, with respect to any Person, (a) the charter, articles or certificate of organization or incorporation, bylaws, or operating, management or partnership agreement, or other organizational or governing documents of such Person and (b) any statute, law (including common law), treaty, rule, regulation, code, ordinance, order, decree, writ, judgment, injunction or determination of any arbitrator or court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“*Resolution*” means, collectively, the Program Resolution and the Series 2024 Series Resolution.

“*RESP*” has the meaning assigned to such term in the Recitals hereto.

“*RESP Loan*” means the zero-interest RESP loan to be made by the U.S. Government to the Bond Bank pursuant to the RESP Loan Contract.

“*RESP Loan Commitment Letter*” means the Loan Commitment Letter dated July 26, 2023, with respect to the RESP Loan.

“*RESP Loan Contract*” means that Loan Contract dated as of October 1, 2024, between the Bond Bank and the U.S. Government.

“*RESP Loan Documents*” means, collectively, the RESP Loan Contract, the RESP Note, the RESP Loan Commitment Letter and the RESP Multi-Tier Agreement.

“*RESP Multi-Tier Agreement*” shall have the meaning assigned to the term “Multi-Tier Agreement” in the RESP Loan Contract.

“*RESP Note*” means the promissory note dated October 1, 2024, made by the Bond Bank to the U.S. Government, securing the obligation of the Bond Bank to repay the RESP Loan in the principal amount not to exceed [REDACTED]

“*Revenues*” has the meaning set forth in the Program Resolution.

“*RUS*” means the Rural Utilities Service of the U.S. Department of Agriculture, together with any agency succeeding to the power and rights of the Rural Utilities Service with respect to the RESP Loan Contract.

“*S&P*” means S&P Global Ratings, and any successor rating agency.

“*Sanctioned Country*” means, at any time, a country, region or territory which is the subject or target of any Sanctions (at the time of this Agreement, the so-called Donetsk People’s Republic, the so-called Luhansk People’s Republic, the Crimea, Zaporizhzhia and Kherson Regions of Ukraine, Cuba, Iran, North Korea and Syria).

“*Sanctioned Person*” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b), or (d) any Person otherwise the subject of any Sanctions.

“*Sanctions*” means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State.

“*Securities Act*” means the Securities Act of 1933, as amended from time to time, or any successor statute thereto.

“*Series Resolution*” shall have the meaning assigned to such term in the Program Resolution.

“*Series 2024 Bond*” means the Bond Bank’s Energy Efficiency Program Bond, Series 2024, issued in an aggregate principal amount up to [REDACTED]

“*Series 2024 Series Resolution*” means that “Series Resolution Authorizing the Issuance of Up to [REDACTED] Vermont Bond Bank Energy Efficiency Program Bonds, Series 2024” adopted by the Directors of the Bond Bank on September 26, 2024.

“*Special Advance*” shall have the meaning assigned to such term in the RESP Loan Contract.

“*Standard Letter of Credit Practice*” means, for the Bank, any domestic or foreign law or letter of credit practices applicable in the city in which the Bank issued the Standby Letter of Credit. Such practices shall be (i) of banks that regularly issue letters of credit in the particular city and (ii) required or permitted under the ISP.

“*Standby Letter of Credit*” means the irrevocable standby letter of credit issued by the Bank for the account of the Bond Bank in favor of the U.S. Government pursuant to this Agreement, in the form of Appendix I hereto with appropriate insertions. The Bond Bank and the Bank agree that the Standby Letter of Credit shall constitute a Credit Facility and the Bank a Credit Bank for all purposes of the Resolution.

“*Standby Letter of Credit Fees*” has the meaning set forth in the Fee Letter.

“*Standby LOC Requirement*” has the meaning assigned to such term in the Recitals hereto.

“*State*” means the State of Vermont.

“*State Intercept*” shall mean the intercept of State funding to Municipalities that are in default on their Municipal Bonds Payments to the Bond Bank pursuant to Section 4555(c) of the Act and described in Exhibit B.

“*Stated Amount*” has the meaning set forth in the Standby Letter of Credit.

“*Swap Agreement*” means any agreement with respect to any swap, forward, spot, future, credit default or derivative transaction or any option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; *provided* that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Bond Bank shall be a Swap Agreement.

“*Taxes*” means any and all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), value added taxes, or any other goods and services, use or sales taxes, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“*Trustee*” means Wilmington Trust, or any successor trustee which may at any time be substituted in its place as provided in the Resolution.

“*U.S.*” means the United States of America.

“*U.S. Government*” means the United States of America, acting by and through RUS, or its permitted assignees under the RESP Loan Documents.

“*written*” or “*in writing*” means any form of written communication or a communication by means of a facsimile device.

Section 1.02. Incorporation of Certain Definitions by Reference. Each capitalized term used herein and not otherwise defined herein shall have the meaning provided therefor in the Resolution or the RESP Loan Documents, as applicable, unless the context otherwise requires.

Section 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “law” shall be construed as referring to all statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law or with which affected Persons customarily comply) and all judgments, orders and decrees of all Governmental Authorities. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (b) any definition of or reference to any statute, rule or regulation shall be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws), (c) any reference herein to any Person shall be construed to include such Person’s successors and assigns (subject to any restrictions on assignments set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof, (d) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision of this Agreement, (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (f) any reference in any definition to the phrase “at any time” or “for any period” shall refer to the same time or period for all calculations or determinations within such definition, and (g) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

Section 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if after the date hereof there occurs any

change in GAAP or in the application thereof on the operation of any provision hereof and the Bond Bank notifies the Bank that the Bond Bank requests an amendment to any provision hereof to eliminate the effect of such change in GAAP or in the application thereof (or if the Bank notifies the Bond Bank that the Bank requests an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

Section 1.05. Computation of Time Periods. In this Agreement, in the computation of a period of time from a specified date to a later specified date, unless otherwise specified herein, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding” and the word “through” means “to and including.”

Section 1.06. Relation to Other Documents; Incorporation by Reference.

(a) Nothing in this Agreement shall be deemed to amend, or relieve the Bond Bank of any of its obligations under, any Related Document to which it is a party. Conversely, to the extent that the provisions of any Related Document allow the Bond Bank to take or not take certain actions, the Bond Bank nevertheless shall be fully bound by the provisions of this Agreement.

(b) All provisions of this Agreement making reference to specific Sections of any Related Document shall be deemed to incorporate such Sections into this Agreement by reference as though specifically set forth herein (with such changes and modifications as may be herein provided) and shall continue in full force and effect with respect to this Agreement notwithstanding payment of all amounts due under or secured by the Related Documents, the termination or defeasance thereof or any modification thereto or any waiver given in connection therewith, so long as this Agreement is in effect and until all Obligations are paid in full. No amendment, modification, consent, waiver or termination with respect to any of such Sections shall be effective as to this Agreement until specifically agreed to in writing by the Bank with specific reference to this Agreement.

Section 1.07. Amount of Standby Letter of Credit. Unless otherwise specified herein, the amount of the Standby Letter of Credit at any time shall be deemed to be the amount of the Standby Letter of Credit available to be drawn at such time; provided that if the Standby Letter of Credit that, by its terms or the terms of this Agreement, provides for one or more automatic increases in the available amount thereof, the amount of the Standby Letter of Credit shall be deemed to be the maximum amount of the Standby Letter of Credit after giving effect to all such increases, whether or not such maximum amount is available to be drawn at such time. For all purposes of this Agreement, if on any date of determination the Standby Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of ISP98 (or such later version thereof as may be in effect at the applicable time) or similar terms of the Standby Letter of Credit itself, or if compliant documents have been presented but not yet honored, the Standby Letter of Credit shall be deemed to be “outstanding” and “undrawn” in the amount so remaining available to be paid, and the obligations of the Bond Bank shall remain in

full force and effect until the Bank shall have no further obligations to make any payments or disbursements under any circumstances with respect to the Standby Letter of Credit.

ARTICLE II

THE STANDBY LETTER OF CREDIT

Section 2.01. Issuance of the Standby Letter of Credit. Upon the terms, subject to the conditions and relying upon the representations and warranties set forth in this Agreement or incorporated herein by reference, the Bank agrees to issue the Standby Letter of Credit (substantially in the form of Appendix I hereto). The Standby Letter of Credit shall be in the original stated amount of Twenty Million and 00/100 Dollars [REDACTED]

Section 2.02. Standby Letter of Credit Drawings. The U.S. Government is authorized to make Drawings under the Standby Letter of Credit in accordance with the terms thereof. The Bond Bank hereby directs the Bank to make payments under the Standby Letter of Credit in the manner therein provided. The Bond Bank hereby irrevocably approves reductions of the Stated Amount as provided in the Standby Letter of Credit.

Section 2.03. Reimbursement of Drawings; Payment of Drawing Fees. The Bond Bank agrees to reimburse the Bank for the full amount of any Drawing and remit to the Bank the drawing fee pursuant to the Fee Letter immediately upon payment by the Bank of each such Drawing and on the date of each such payment. If the Bond Bank does not make such reimbursement on such date, such Reimbursement Obligation shall bear interest at the Default Rate and shall be payable on demand.

Section 2.04. Fees. The Bond Bank agrees to pay to the Bank the fees set forth in the Fee Letter at the times and in the amounts set forth therein. The terms of the Fee Letter are incorporated herein by reference as if fully set forth herein. Any reference herein or in any other document to fees and/or other amounts or obligations payable hereunder shall include, without limitation, all fees and other amounts or obligations payable pursuant to the Fee Letter.

Section 2.05. Method of Payment, Etc. All payments to be made by the Bond Bank under this Agreement shall be made to the Bank not later than 2:00 p.m. on the date when due at such account as the Bank may specify from time to time in writing to the Bond Bank and shall be made in lawful money of the United States of America and in immediately available funds.

Section 2.06. Termination of Standby Letter of Credit; Substitute Credit Facility. Notwithstanding any provisions of this Agreement to the contrary, the Bond Bank agrees not to terminate this Agreement or the Standby Letter of Credit or permanently reduce the Stated Amount, except upon (i) the payment by the Bond Bank to the Bank of any fees, if any, set forth in the Fee Letter, (ii) the payment to the Bank of all Obligations payable hereunder and (iii) the Bond Bank providing the Bank with five (5) Business Days prior written notice of its intent to terminate this Agreement and the Standby Letter of Credit or permanently reduce the Stated Amount. All payments to the Bank referred to in this Section 2.06 shall be made in immediately available funds on or before the date of termination. The Bond Bank agrees that any termination of the Standby Letter of Credit as a result of the provision of any Alternate Credit Facility will

require, as a condition thereto, that the Bond Bank or the issuer of any Alternate Credit Facility will provide funds on the date of such termination or provision, which funds will be sufficient to pay in full at the time of termination of such Standby Letter of Credit all Obligations due and owing to the Bank hereunder.

Section 2.07. Computation of Interest and Fees; Default Rate. All computations of interest and fees payable by the Bond Bank under this Agreement and the Fee Letter shall be made on the basis of a three hundred sixty (360) day year and actual days elapsed. Interest and fees shall accrue during each period during which interest or fees, as applicable, is computed from and including the first day thereof to but excluding the last day thereof. Each determination by the Bank of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error. All fees payable pursuant to this Agreement and the Fee Letter shall be deemed fully earned when due and non-returnable when paid.

Section 2.08. Payment Due on Non-Business Day to Be Made on Next Business Day. If any sum becomes payable pursuant to this Agreement on a day which is not a Business Day, the date for payment thereof shall be extended, without penalty, to the next succeeding Business Day, and such extended time shall be included in the computation of interest and fees.

Section 2.09. Late Payments. If any amount payable by the Bond Bank hereunder or under the Fee Letter is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall bear interest until paid in full at a rate per annum equal to the Default Rate, payable on demand.

Section 2.10. Source of Funds. All payments made by the Bank pursuant to the Standby Letter of Credit shall be made from funds of the Bank and not from any other Person.

Section 2.11. Extension of Expiration Date.

(a) The Expiration Date may be extended by the Bank, at its option and in its sole discretion, for an additional period acceptable to the Bank, upon the written request of the Bond Bank received by the Bank no later than ninety (90) days prior to the Expiration Date then in effect. If the Bank, in its sole discretion, elects to extend the Expiration Date, the Bank shall deliver to the U.S. Government a Notice of Extension Amendment in the form of Annex C to the Standby Letter of Credit (herein referred to as a "Notice of Extension") within thirty (30) days following the receipt of such written request designating the date to which the Expiration Date is being extended. In the event the Bank fails to definitively respond to such request within such period of time, the Bank shall be deemed to have refused to grant the extension requested. The Bank may, in its sole and absolute discretion, decide to accept or reject any such proposed extension. The consent of the Bank, if granted, shall be conditioned upon the preparation, execution and delivery of documentation in form and substance reasonably satisfactory to the Bank and consistent with this Agreement. If such an extension request is accepted by the Bank in its absolute discretion, the then current Expiration Date for the Standby Letter of Credit shall be extended for a period as agreed to by the parties hereto. Subject to the last sentence of this Section, such extension of the Expiration Date shall be effective, immediately upon receipt of such Notice of Extension and thereafter all references in this

Agreement to the Expiration Date shall be deemed to be references to the date designated as such in the most recent Notice of Extension delivered to the U.S. Government. Any date to which the Expiration Date has been extended in accordance with this Section may be further extended in like manner.

(b) Upon any extension of the Expiration Date, the Bank and the Bond Bank each reserves the right to renegotiate any provision hereof.

Section 2.12. Maximum Lawful Rate.

(a) If the amount of interest payable for any period in accordance with the terms of this Agreement or the other Related Documents exceeds the amount of interest that would be payable for such period had interest for such period been calculated at the Maximum Lawful Rate, then interest for such period shall be payable in an amount calculated at the Maximum Lawful Rate for such period.

(b) Any interest that would have been due and payable for any period but for the operation of subsection (a) above shall accrue and be payable as provided in this subsection (b) and shall, less interest actually paid to the Bank for such period, constitute the “*Excess Interest Amount*.” If there is any accrued and unpaid Excess Interest Amount as of any date then the principal amount with respect to which interest is payable shall bear interest at the Maximum Lawful Rate, until payment to the Bank of the entire Excess Interest Amount.

(c) Notwithstanding the foregoing, on the date on which no principal amount hereunder remains unpaid, to the extent possible without violating applicable law, the Bond Bank shall pay to the Bank a fee equal to any accrued and unpaid Excess Interest Amount.

ARTICLE III

TAXES AND YIELD PROTECTION

Section 3.01. Increased Costs.

(a) ***Increased Costs Generally.*** If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, the Bank, or

(ii) impose on the Bank any other condition, cost or expense (other than Taxes) affecting this Agreement, the Series 2024 Bond or the Standby Letter of Credit, or

(iii) subject the Bank to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes

and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to the Bank of maintaining this Agreement or the Series 2024 Bond or to increase the cost to the Bank of issuing or maintaining the Standby Letter of Credit or to reduce the amount of any sum received or receivable by the Bank hereunder (whether of principal, interest or otherwise), then the Bond Bank will pay to the Bank such additional amount or amounts as will compensate the Bank for such additional costs incurred or reduction suffered.

(b) **Capital Requirements.** If the Bank determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on the Bank's capital or on the capital of the Bank's holding company as a consequence of this Agreement or for maintaining the Standby Letter of Credit, to a level below that which the Bank or the Bank's holding company could have achieved but for such Change in Law (taking into consideration the Bank's policies and the policies of the Bank's holding company with respect to capital adequacy and liquidity), then from time to time the Bond Bank will pay to the Bank such additional amount or amounts as will compensate the Bank or the Bank's holding company for any such reduction suffered.

(c) **Certificates for Reimbursement.** A certificate of the Bank setting forth the amount or amounts necessary to compensate the Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Bond Bank and shall be conclusive absent manifest error. The Bond Bank shall pay the Bank the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) **Delay in Requests.** Failure or delay on the part of the Bank to demand compensation pursuant to this Section shall not constitute a waiver of the Bank's right to demand such compensation; provided that the Bond Bank shall not be required to compensate the Bank pursuant to this Section for any increased costs or reductions incurred more than 270 days prior to the date that the Bank notifies the Bond Bank of the Change in Law giving rise to such increased costs or reductions and of the Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

(e) **Survival.** The agreements and obligations of the Bond Bank contained in this Section shall survive the termination of this Agreement, the cancellation of the Standby Letter of Credit and the repayment, satisfaction or discharge of all other Obligations.

Section 3.02. Withholding of Taxes; Gross-Up.

(a) **Payments Free of Taxes.** Any and all payments by or on account of any obligation of the Bond Bank under this Agreement, the Series 2024 Bond or any other Related Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the Bond Bank shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section), the Bank receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) **Payment of Other Taxes by the Bond Bank.** The Bond Bank shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Bank, timely reimburse it for, Other Taxes.

(c) **Evidence of Payment.** As soon as practicable after any payment of Taxes by the Bond Bank to a Governmental Authority pursuant to this Section, the Bond Bank shall deliver to the Bank the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Bank.

(d) **Indemnification by the Bond Bank.** The Bond Bank shall indemnify the Bank, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by the Bank or required to be withheld or deducted from a payment to the Bank and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Bond Bank by the Bank shall be conclusive absent manifest error.

(e) **Treatment of Certain Refunds.** If the Bank determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the Bond Bank an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of the Bank and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). The Bond Bank, upon the request of the Bank, shall repay to the Bank the amount paid to the Bank (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event the Bank is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (e), in no event will the Bank be required to pay any amount to the Bond Bank pursuant to this paragraph (e), the

payment of which would place the Bank in a less favorable net after-Tax position than the Bank would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph (e) shall not be construed to require the Bank to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the Bond Bank or any other Person.

(f) **Survival.** The agreements and obligations of the Bond Bank contained in this Section shall survive the termination of this Agreement, the cancellation of the Standby Letter of Credit and the repayment, satisfaction or discharge of all other Obligations.

(g) **Defined Terms.** For purposes of this Section, the term “applicable law” includes FATCA.

Section 3.03. Returned Payments. If after receipt of any payment which is applied to the payment of all or any part of the Obligations (including a payment effected through exercise of a right of setoff), the Bank is for any reason compelled to surrender such payment or proceeds to any Person because such payment or application of proceeds is invalidated, declared fraudulent, set aside, determined to be void or voidable as a preference, impermissible setoff, or a diversion of trust funds, or for any other reason (including pursuant to any settlement entered into by the Bank in its discretion), then the Obligations or part thereof intended to be satisfied shall be revived and continued and this Agreement shall continue in full force as if such payment or proceeds had not been received by the Bank. The provisions of this Section shall be and remain effective notwithstanding any contrary action which may have been taken by the Bank in reliance upon such payment or application of proceeds. The agreements and obligations of the Bond Bank contained in this Section shall survive the termination of this Agreement, the cancellation of the Standby Letter of Credit and the repayment, satisfaction or discharge of all other Obligations.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.01. Conditions Precedent to Issuance of the Standby Letter of Credit. The obligation of the Bank to issue the Standby Letter of Credit is subject to the conditions precedent that the Bank shall have received, on or before the Closing Date, the items listed below in this Section, each dated and in form and substance as is satisfactory to the Bank. However, should the Bank issue the Standby Letter of Credit prior to its receipt and approval of any of the following items, such issuance shall not be deemed to be a waiver of any documentary requirement.

(a) The following Bond Bank documents:

(i) Copies of the resolutions of the Directors of the Bond Bank approving the execution and delivery of this Agreement and the other Related

Documents to which the Bond Bank is a party, approving the form of the Related Documents to which it is not a party and the other matters contemplated hereby and thereby, certified by an Authorized Officer of the Bond Bank as being true and complete and in full force and effect on the Closing Date; and

(ii) A certificate dated the Closing Date and executed by an Authorized Officer of the Bond Bank certifying the names and signatures of the persons authorized to sign, on behalf of the Bond Bank, this Agreement and the other Related Documents to which it is a party and the other documents to be delivered by it hereunder or thereunder.

(b) The following financing documents:

(i) An executed original or certified copy, as applicable, of this Agreement and each of the Related Documents; and

(ii) The original executed and authenticated Series 2024 Bond.

(c) A written opinion from counsel to the Bond Bank, addressed to the Bank or on which the Bank is otherwise expressly authorized to rely, in form and substance acceptable to the Bank.

(d) A certificate signed by a Authorized Officer of the Bond Bank certifying as to the incumbency and genuineness of the signature of each officer of the Bond Bank executing this Agreement and any Related Document to which it is a party and stating that on and as of the Closing Date (i) the Bond Bank is in compliance with all of the terms, provisions and conditions of each financial covenant and any other material provision of this Agreement and the other Related Documents; (ii) all requirements and preconditions to the issuance of the Standby Letter of Credit and the issuance, execution and delivery of the Series 2024 Bond shall have been satisfied; (iii) the Bond Bank has complied with all agreements and covenants and satisfied all conditions stated in this Agreement on its part to be performed or satisfied at or prior to the Closing Date; (iv) since December 31, 2023, there has been no event or occurrence which has caused or might reasonably be anticipated to cause a Material Adverse Effect or which may adversely affect the consummation of the transactions contemplated by this Agreement and the other Related Documents; (v) each representation and warranty on the part of the Bond Bank contained in this Agreement and the other Related Documents is true and correct as though made on and as of the Closing Date; (vi) no Default or Event of Default has occurred and is continuing or would result from the execution or performance of this Agreement or the Related Documents to which the Bond Bank is a party; (vii) since the date of the Rating Documentation, the Applicable Bond Rating has not been withdrawn, suspended or reduced; and (viii) no petition by or against the Bond Bank has at any time been filed under any federal, state or foreign bankruptcy, insolvency, receivership or similar law.

(e) Evidence that the Applicable Bond Rating shall be not less than “AA+” in the case of S&P and “Aa2” in the case of Moody’s (the “*Rating Documentation*”).

(f) Such other instruments, documents and opinions as the Bank shall reasonably require to evidence and secure the obligations of the Bond Bank under this Agreement and the other Related Documents and to comply with the provisions of this Agreement and the other Related Documents and the requirements of any Governmental Authority to which the Bank or the Bond Bank is subject.

(g) The Bank shall have received from the Bond Bank the fees payable pursuant to the Fee Letter.

(h) No law, regulation, ruling or other action of the United States, the State, the State of New York, the State of Illinois or any political subdivision or authority therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the Bank from fulfilling their respective obligations under this Agreement of the Standby Letter of Credit.

(i) All legal requirements provided herein incident to the execution, delivery and performance of the Related Documents and the transactions contemplated thereby, shall be reasonably satisfactory to the Bank and Bank's counsel.

Section 4.02. PATRIOT Act, Etc. The Bank shall have received, (a) at least five (5) days prior to the Closing Date, all documentation and other information regarding the Bond Bank requested in connection with applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act, to the extent requested in writing of the Bond Bank at least ten (10) days prior to the Closing Date, and (b) a properly completed and signed IRS Form W-8 or W-9, as applicable, for the Bond Bank.

Section 4.03. Conditions Precedent to Municipal Loans. In addition to the conditions precedent set forth in Section 501 of the Program Resolution, the Bond Bank shall not make any Municipal Loan (or purchase any Municipal Bond in connection therewith) unless the following conditions precedent are satisfied with respect to each such Municipal Loan:

(a) no event has occurred and is continuing, or would result from such payment, which constitutes a Default or Event of Default;

(b) the representations and warranties of the Bond Bank set forth in this Agreement are true and correct in all material respects on and as of such date;

(c) each Municipal Loan Agreement entered into with respect to such Municipal Loan shall be in the form attached as Exhibit C-1 or C-2 hereto unless otherwise agreed to by the Bank in writing; and

(d) the Municipal Bonds to be purchased by the Bond Bank in connection with such Municipal Loan are secured by the State Intercept.

Unless the Bond Bank shall have previously advised the Bank in writing that one or both of the above statements is no longer true, the Bond Bank shall be deemed to have represented and warranted on the date of such Municipal Loan that both of the above statements are true and correct.

ARTICLE V

REPRESENTATION AND WARRANTIES

The Bond Bank represents and warrants to the Bank as follows:

Section 5.01. Organization; Power. The Bond Bank is a body politic and corporate constituted as an instrumentality of the State duly organized, validly existing and in good standing under the laws of the State, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

Section 5.02. Authorization; Enforceability. The execution, delivery and performance by the Bond Bank of this Agreement and each of the Related Documents to which the Bond Bank is a party in accordance with their respective terms are within the Bond Bank's corporate or other organizational powers and have been duly authorized by all necessary corporate or other organizational actions. This Agreement and each of the Related Documents to which the Bond Bank is a party has been duly executed and delivered by the Bond Bank and constitutes a legal, valid and binding obligation of the Bond Bank, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Section 5.03. Governmental Approvals; No Conflict. The execution, delivery and performance of this Agreement and each of the Related Documents in accordance with their respective terms (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except for filings necessary to perfect Liens created pursuant to the Related Documents, (b) will not violate any Requirement of Law applicable to the Bond Bank, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Bond Bank or the assets of the Bond Bank, or give rise to a right thereunder to require any payment to be made by the Bond Bank, and (d) will not result in the creation or imposition of, or other requirement to create, any Lien on any asset of the Bond Bank, except Liens created pursuant to the Related Documents.

Section 5.04. Financial Condition; No Material Adverse Change.

(a) The Bond Bank has heretofore furnished to the Bank its balance sheet and statement of revenues and expenses and changes in financial position as of and for the Fiscal Year ended December 31, 2023, reported on by CliftonLarsonAllen LLP, independent public accountants, and certified by a Financial Officer of the Bond Bank. Such financial statements present fairly, in all material respects, the financial position and results of operations of the Bond Bank as of such dates and for such periods in accordance with GAAP.

(b) Since December 31, 2023, there has been no event, change or condition has occurred that has had, or could reasonably be expected to have, a Material Adverse Effect.

Section 5.05. Title to Asset. The Bond Bank has good and marketable title to its assets except where the failure to have good and marketable title to any of its assets would not have a Material Adverse Effect.

Section 5.06. Litigation. There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Bond Bank, threatened against or affecting the Bond Bank (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve this Agreement or any Related Document or the transactions contemplated hereby or thereby.

Section 5.07. Compliance with Laws and Agreements; No Default. Except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, the Bond Bank is in compliance with (a) each Requirement of Law applicable to it or its property and (b) all indentures, agreements and other instruments binding upon it or its property. No Default or Event of Default has occurred and is continuing.

Section 5.08. Investment Company Status. The Bond Bank is not an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940.

Section 5.09. Taxes. The Bond Bank has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Bond has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not be expected to result in a Material Adverse Effect. No tax liens have been filed and no claims are being asserted with respect to any such taxes.

Section 5.10. Pension Plans. (a) Each Pension Plan is in compliance in all material respects with the applicable provisions of the Code and other applicable law; (b) there are no pending or, to the best knowledge of the Bond Bank, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Pension Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect; (c) there has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Pension Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect; and (d) each Pension Plan is a governmental plan as defined in Section 3(32) of ERISA.

Section 5.11. Disclosure. The Bond Bank has disclosed to the Bank all agreements, instruments and corporate or other restrictions to which the Bond Bank is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. None of the reports, financial statements, certificates or other information furnished by or on behalf of the Bond Bank to the Bank in connection with the negotiation of this Agreement or any Related Document (as modified or supplemented by other

information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Bond Bank represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time delivered and, if such projected financial information was delivered prior to the Closing Date, as of the Closing Date.

Section 5.12. Insurance. The Bond Bank currently maintains insurance of such type and in such amounts or in excess of such amounts as are customarily carried by, and insures against such risks as are customarily insured against by, businesses of like type, size and character to the Bond Bank and as and as required by Section 6.09.

Section 5.13. Employment Matters. As of the Closing Date, there are no strikes, lockouts or slowdowns against the Bond Bank pending or, to the knowledge of the Bond Bank, threatened. The hours worked by, and payments made to, employees of the Bond Bank have not been in violation of the Fair Labor Standards Act or any other applicable federal, state, local or foreign law dealing with such matters. All payments due from the Bond Bank, or for which any claim may be made against the Bond Bank, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of the Bond Bank.

Section 5.14. Margin Regulations. The Bond Bank is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock, or extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds of the Standby Letter of Credit has or will be used to purchase or carry any Margin Stock.

Section 5.15. Anti-Corruption Laws; Sanctions. The Bond Bank has implemented and maintains in effect policies and procedures designed to ensure compliance by the Bond Bank and its directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions. The Bond Bank and its respective officers and directors and, to the knowledge of the Bond Bank, its employees and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. Neither the Bond Bank, nor, to the knowledge of the Bond Bank, any of its directors, officers or employees is a Sanctioned Person. The Standby Letter of Credit, the use of proceed thereof and other transaction contemplated by this Agreement and the other Related Documents will not violate Anti-Corruption Laws or applicable Sanctions.

Section 5.16. Incorporation of Representations and Warranties. Except for those representations and warranties which due to the passage of time are no longer true, the Bond Bank hereby makes to the Bank the same representations and warranties made by the Bond Bank in each Related Document to which it is a party, which representations and warranties, together with the related definitions of terms contained therein, are incorporated herein by this reference with the same effect as if each and every such representation and warranty and definition were set forth herein in its entirety. No amendment to or waiver of such representations, warranties, covenants or definitions made pursuant to the relevant Related Document or incorporated by

reference shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Bank.

Section 5.17. No Usury.

(a) The terms of this Agreement and the other Related Documents regarding the calculation and payment of interest and fees do not violate any applicable usury laws.

(b) The Series 2024 Bond is not subject to any applicable law prescribing a maximum rate of interest.

Section 5.18. Bond. The Series 2024 Bond has been or will be duly and validly issued under the Resolution and entitled to the benefits thereof.

Section 5.19. Security.

(a) The Resolution and the irrevocable pledge of the Municipal Bonds Payments, the Municipal Bonds, the Revenues and other moneys, securities, funds and property purported to be pledged by the Bond Bank under the Resolution (the “Pledged Assets”) create in favor of the Trustee for the benefit of the Bondholders (including the Bank) a legally valid and binding Lien upon and security interest in the Pledged Assets, subject to no Liens except for the Lien of the Resolution. The Bond Bank has taken any and all action necessary to perfect the first priority Lien upon and security interest in the Pledged Assets granted to the Trustee pursuant to the Resolution by the filing of appropriate financing statements (to the extent that perfection of the Lien and security interest in the Pledged Assets may be achieved by the filing of a financing statement). The Resolution does not permit any Lien on the Pledged Assets to rank senior to the Lien on the Pledged Assets securing the Series 2024 Bond.

(b) Each Municipal Bond purchased with the proceeds of Energy Efficiency Program Bonds (including the Series 2024 Bond) shall also be secured under the Act by the State Intercept pursuant to which the State Treasurer of the State shall intercept funding to any Municipality issuing a Municipal Bond that is default on its Municipal Bond Payments. The description of the State Intercept set forth in Exhibit B is true and correct in all material respects.

(c) All amounts payable under this Agreement are payable through the Series 2024 Bond.

Section 5.20. Pending Legislation and Decisions. There is no amendment, or to the best knowledge of the Bond Bank, proposed amendment to the Constitution of the State or any State law or any published administrative interpretation of the Constitution of the State or any State law, or any proposition or referendum (or proposed proposition or referendum) or other ballot initiative or any legislation that has passed either house of the legislature of the State, or any published judicial decision interpreting any of the foregoing, the effect of which could reasonably be expected to adversely affect (a) the issuance of, or security for, the Series 2024 Bond, (b) the rights or remedies of the Bank, or (c) the power or ability of the Bond Bank to

perform its obligations hereunder or under any of the Related Documents including, without limitation, the Bond Bank's ability to repay when due its obligations under this Agreement, any other Related Document.

Section 5.21. Swap Agreements. The Bond Bank has not entered into any Swap Agreement (a) wherein any termination payment thereunder is senior to or on a parity with the payment of the Series 2024 Bond or the other Obligations or (b) which requires the Bond Bank to post cash collateral to secure its obligations thereunder.

Section 5.22. Public Utility Holding Company. The Bond Bank is not a "holding company," or a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended.

ARTICLE VI

AFFIRMATIVE COVENANTS

The Bond Bank covenants and agrees that it will comply with the following affirmative covenants so long as any amounts may be drawn under the Standby Letter of Credit, and thereafter, until the full and final payment and satisfaction of all of the Obligations, unless the Bank shall otherwise consent in writing:

Section 6.01. Reporting Requirements. The Bond Bank shall furnish to the Bank each of the following:

(a) **Annual Financial Statements.** As soon as available, and in any event within 270 days after the close of each Fiscal Year of the Bond Bank, the financial statements of the Bond Bank which shall be audited and reported on without qualification by independent public accountants of recognized national standing and shall be certified to the Bond Bank by such accountants as (i) having been prepared in accordance with GAAP (applied on a basis consistent with that of the preceding Fiscal Year) and (ii) fairly presenting the financial condition of the Bond Bank as of the end of such Fiscal Year and reflecting its operations during such Fiscal Year and (iii) showing all material liabilities, direct or contingent, and shall include, without limitation, balance sheets, profit and loss statements and statements of cash flows, together with notes and supporting schedules, all on a consolidated and consolidating basis and in reasonable detail and including a copy of any management letter or audit report provided to the Bond Bank by such accountants.

(b) **Certificate of Compliance.** Simultaneously with the delivery of each set of financial statements referred to in subsections (a) and (b) of this Section, a certificate substantially in the form of Exhibit A signed by a Financial Officer of the Bond Bank, (i) stating that such officer has made a review of activities during the preceding period for the purpose of determining whether the Bond Bank has complied with all of the terms, provisions and conditions of this Agreement and the other Related Documents, and (ii) attesting that, to the best of his/her knowledge, the Bond

Bank has kept, observed, performed and fulfilled each and every such covenant, provision and condition on its part to be performed and no Event of Default or Default has occurred, or if an Event of Default or Default has occurred such certificate shall specify such event or condition, the nature and status thereof and any remedial steps taken or proposed to correct such event or condition, certified by such officer to be accurate and complete and made in accordance with this Agreement.

(c) **Budget.** As soon as available and in any event within 60 days of the beginning of each Fiscal Year, the annual operating budget of the Bond Bank for such upcoming Fiscal Year.

(d) **Amendments.** Promptly after the adoption or execution thereof, as applicable, copies of any amendments to the Act or to any of the Related Documents.

(e) **Rating Agency Reports.** Promptly upon request by the Bank, copies of all filings, reports, notices and other information provided to, or received from, any Rating Agency promptly after such information is provided to, or received from, such Rating Agency.

(f) **Regulatory Compliance Information.** Promptly upon request by the Bank, information and documentation reasonably requested by the Bank for purposes of compliance with applicable “know your customer” and anti-money laundering rules and regulations, including the PATRIOT Act.

(g) **Financial Information on Municipalities.** Promptly upon request by the Bank, copies of the most recent annual audit for any Municipality or, if an annual audit is not available for such Municipality, such other financial information with respect to such Municipality as reasonably acceptable to the Bank.

(h) **Other Information.** Promptly upon request by the Bank, such other information respecting the business, properties or the condition or operations, financial or otherwise, of the Bond Bank as the Bank may from time to time reasonably request, including without limitation, reports of any governmental audits and inspections.

Section 6.02. Notices. The Bond Bank will furnish to the Bank prompt (but in any event within any time period that may be specified below) written notice of the following:

(a) **Notice of Default or Event of Default.** The occurrence of any Default or Event of Default (immediately by telephone and promptly confirmed in writing).

(b) **Litigation.** As promptly as practicable, written notice to the Bank of all actions, suits or proceedings pending or threatened against the Bond Bank before any arbitrator of any kind or before any court or any other Governmental Authority which could reasonably be expected to result in a Material Adverse Effect.

(c) **Notice of Material Adverse Change.** Any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

(d) **Notice of Accounting Changes.** Any material change in accounting or financial reporting practices by the Bond Bank.

(e) **Notice of Rating Changes.** Any change in the Applicable Bond Rating from any Rating Agency, or the placement by a Rating Agency of the Applicable Bond Rating on a “Credit Watch” or “WatchList” or any similar list, in each case with negative implications, or the cessation by a Rating Agency of, or its intent to cease, publishing the Applicable Bond Rating.

(f) **Certain Related Document Notices.** A copy of any notice, certification, demand or other writing or communication given by the Trustee to the Bond Bank or by the Bond Bank to the Trustee under or in connection with any of the Related Documents.

(g) **Notice of Dispute.** Any material dispute which may exist between the Bond Bank and the Trustee or any dispute in connection with any transaction contemplated under any of the Related Documents.

Section 6.03. Preservation of Existence, Etc. The Bond Bank (a) shall maintain its existence pursuant to its authorizing legislation and the Laws of the State and (b) shall not liquidate or dissolve, or sell or lease or otherwise transfer or dispose of all or any substantial part of its property, assets or business, or combine, merge or consolidate with or into any other entity.

Section 6.04. Payment of Obligations. The Bond Bank will pay or discharge all Material Indebtedness and all other material liabilities and obligations, including Taxes, before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Bond Bank has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect; provided, however, that the Bond Bank will remit withholding taxes and other payroll taxes to appropriate Governmental Authorities as and when claimed to be due, notwithstanding the foregoing exceptions.

Section 6.05. Maintenance of Properties. The Bond Bank will keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, except to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

Section 6.06. Books and Records; Inspection Rights. The Bond Bank will (a) keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities, (b) permit any representatives designated by the Bank (including employees of the Bank or any consultants, accountants, lawyers, agents and appraisers retained by the Bank), upon at least seven (7) days’ notice, to (i) visit and inspect its properties and conduct at its premises field examinations of its assets, liabilities, books and records, including examining and making extracts from its books and records, and (ii) discuss its affairs, finances and condition with its officers and independent accountants (and hereby authorizes the Bank to contact its independent accountants directly).

The Bond Bank acknowledges that the Bank, after exercising its rights of inspection, may prepare certain reports pertaining to the assets of the Bond Bank for internal use by the Bank.

Section 6.07. Compliance with Laws. The Bond Bank will comply with each Requirement of Law applicable to it or its property (including, without limitation, all Anti-Corruption Laws and applicable Sanctions), except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Bond Bank will maintain in effect and enforce policies and procedures designed to ensure compliance by the Bond Bank and its respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

Section 6.08. Accuracy of Information. The Bond Bank will ensure that any information, including financial statements or other documents, furnished to the Bank in connection with this Agreement or any other Related Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder contains no material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and the furnishing of such information shall be deemed to be a representation and warranty by the Bond Bank on the date thereof as to the matters specified in this Section.

Section 6.09. Insurance. The Bond Bank shall maintain insurance with reputable insurance companies or associations believed by the Bond Bank at the time of purchase of such insurance to be financially sound and in such amounts and covering such risks as are usually carried by organizations engaged in the same or a similar business and similarly situated, which insurance may provide for reasonable deductibles from coverage. The Bond Bank shall upon request of the Bank furnish a certificate setting forth in summary form the nature and extent of the insurance maintained pursuant to this Section.

Section 6.10. Further Assurances. The Bond Bank shall, upon the request of the Bank, from time to time, execute and deliver and, if necessary, file, register and record such further financing statements, amendments, continuation statements and other documents and instruments and take such further action as may be reasonably necessary to effect the provisions of this Agreement and the other Related Documents. Except to the extent it is exempt therefrom, the Bond Bank will pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Agreement, the other Related Documents and such instruments of further assurance.

Section 6.11. Related Obligations and Incorporation of Covenants. The covenants of the Bond Bank set forth in the Related Documents to which it is a party, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety for the benefit of the Bank and shall be enforceable by the Bank against the Bond Bank. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the

express covenants contained herein. To the extent that any such incorporated provision permits any Person to waive compliance with or consent to such provision or requires that a document, opinion, report or other instrument or any event or condition be acceptable or satisfactory to any Person, for purposes of this Agreement, such compliance shall be waived, or such provision shall be consented to, only if it is waived or consented to, as the case may be, by the Bank and such document, opinion, report or other instrument shall be acceptable or satisfactory only if acceptable or satisfactory to the Bank. No amendment to such covenants (or the defined terms relating thereto) made pursuant to the Related Documents shall be effective to amend such incorporated covenants without the written consent of the Bank. Notwithstanding the termination or expiration of any Related Document, the Bond Bank shall, unless such Related Document has terminated or expired in accordance with its terms and has been replaced by a new Related Document, continue to observe the covenants therein contained for the benefit of the Bank until the termination of this Agreement and the payment in full of all Obligations.

Section 6.12. Disclosure to Participants. The Bond Bank agrees to permit the Bank to disclose any information received by the Bank in connection herewith, including without limitation the financial information described in Section 6.01, to any assignees or Participants of the Bank without notice to or further consent from the Bond Bank.

Section 6.13. Lien on Pledged Assets. The Bond Bank shall do or cause the Trustee to do all things necessary, if any, (including, without limitation, the timely filing of continuation statements if required by law) to maintain the validity, perfection and priority of the Trustee's Lien on the Pledged Assets.

Section 6.14. Most Favored Covenant. In the event that the Bond Bank has previously entered into or shall hereafter enter into or otherwise consent to any agreement or instrument (or any amendment, supplement or modification thereto) (each a "*Relevant Agreement*") under which any Person undertakes to make loans, to refinance or restructure existing Indebtedness issued under the Resolution or to extend credit or liquidity to the Bond Bank or pursuant to which the Bond Bank and a Person agree to a Swap Agreement or other similar arrangement related to the Energy Efficiency Program, which Relevant Agreement is secured by the Pledged Assets and (a) provides such Person with a covenant, provision or agreement which is more restrictive, as to the Bond Bank, or (b) gives or grants greater rights or remedies to such Person whether as to timing of payment, priority of payment or Lien or otherwise (each, a "*Favored Covenant*") than, in the case of (a), are undertaken by the Bond Bank herein or, in the case of (b), are given or granted to the Bank herein, then each such Favored Covenant shall automatically be deemed to be incorporated into this Agreement and the Bank shall have the benefits of each such Favored Covenant as if specifically set forth in this Agreement for the duration of such Relevant Agreement. If necessary, the Bond Bank shall promptly enter into an amendment to this Agreement to include the Favored Covenant; provided that the Bank shall maintain the benefit of such Favored Covenant even if the Bond Bank fails to provide such amendment.

Section 6.15. Filing of Agreement. In the event the Bond Bank delivers or permits, authorizes or consents to the delivery of this Agreement to any Person for delivery to the Municipal Securities Rulemaking Board, prior to such delivery the Bond Bank agrees that it shall redact such information contained herein as may be requested by the Bank and which is consistent with MSRB Notice 2011-17 (February 23, 2011). Only such copy of this Agreement

reflecting such redacted material shall be delivered to the Municipal Securities Rulemaking Board.

Section 6.16. Rating Maintenance. The Bond Bank shall at all times cause at least two Rating Agencies to assign the Applicable Bond Rating. Additionally, no such rating shall be terminated by the Bond Bank due to a reduction or suspension by any Rating Agency of such rating.

ARTICLE VII

NEGATIVE COVENANTS

The Bond Bank covenants and agrees that it will comply with the following negative covenants so long as any amounts may be drawn under the Standby Letter of Credit, and thereafter, until the full and final payment and satisfaction of all of the Obligations, unless the Bank shall otherwise consent in writing:

Section 7.01. Amendments. The Bond Bank shall not amend, modify or supplement, nor agree to any amendment or modification of, deviation from, or supplement to, any of the Related Documents or its articles of incorporation, by-laws or other organizational documents; provided, however, that this Section shall not prohibit any issuance of additional Energy Efficiency Program Bonds under the Resolution so long as (a) no Default or Event of Default has occurred and is continuing and (b) the conditions precedent or other conditions applicable to the issuance of such additional Energy Efficiency Program Bonds (whether under this Agreement or under the Resolution or otherwise) have been satisfied.

Section 7.02. Certain Information. The Bond Bank shall not include in any offering document any information concerning the Bank that is not supplied in writing, or otherwise approved, by it expressly for inclusion therein.

Section 7.03. Trustee; Paying Agent; Etc. The Bond Bank shall provide the Bank written notice of any change in the identity of the Trustee or the Paying Agent upon becoming aware of the same. Upon written notice from the Bank that the Trustee or the Paying Agent is failing to perform its respective duties in the manner contemplated by the Related Documents, the Bond Bank shall replace, or cause to be replaced, the Trustee or the Paying Agent, as the case may be, with a successor acceptable to the Bank (which consent shall be deemed given with respect to any Affiliate of the Bank). If the position of the Trustee or Paying Agent becomes vacant, the Bond Bank shall promptly appoint a successor which is reasonably acceptable to the Bank (which consent shall be deemed given with respect to any Affiliate of the Bank). The Bond Bank shall not appoint a co-trustee, tender agent, authenticating agent or remarketing agent under the Resolution.

Section 7.04. Accounting Methods and Fiscal Year. The Bond Bank will not adopt, permit or consent to any change in accounting practices other than as required by GAAP or adopt, permit or consent to any change in its Fiscal Year.

Section 7.05. Limitation on Swap Agreements. Without the prior written consent of the Bank, the Bond Bank will not enter into any Swap Agreement with respect to any Energy

Efficiency Program Bonds (i) wherein any termination payments thereunder are senior to or on parity with the payment of the Series 2024 Bond or the other Obligations or (ii) which requires the Bond Bank to post cash collateral to secure its obligations thereunder.

Section 7.06. Liens. The Bond Bank will not create, incur, assume or permit to exist any Lien on the Pledged Assets except for the Lien of the Resolution.

Section 7.07. Indebtedness. The Bond Bank shall not issue any additional Energy Efficiency Program Bonds except in accordance with Section 203 or 204 of the Resolution.

Section 7.08. Sovereign Immunity. To the extent that the Bond Bank has or hereafter may acquire under any applicable law any right to immunity from set off or legal proceedings on the grounds of sovereignty or otherwise, the Bond Bank hereby irrevocably waives such right to immunity for itself, to the extent permitted by law, and agrees not to invoke any defense of immunity in respect of its obligations arising under or related to this Agreement or any of the other Related Documents.

Section 7.09. Use of Proceeds.

(a) The proceeds of the Standby Letter of Credit will be used only to make payments of the principal of the RESP Loan.

(b) The Bond Bank shall not use or allow to be used, and shall procure that its directors, officers, employees and agents shall not use or allow to be used, the proceeds of the Standby Letter of Credit (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, except to the extent permitted for a Person required to comply with Sanctions, or (iii) in any manner that would result in the violation of any applicable Sanctions applicable to any party hereto.

Section 7.10. Restriction on Use of the Special Advance. Notwithstanding Section 401 of the Series 2024 Series Resolution and Section 604 of the Program Resolution, the Bond Bank hereby covenants and agrees that it shall not use more than 50% of the Special Advance deposited to the Program Expense Account (as defined in the Program Resolution) to fund expenses of the Energy Efficiency Program. The remaining 50% of the Special Advance shall be retained as a reserve in the Program Expense Account and, unless otherwise agreed to by the Bank, only used to make necessary transfers to the Debt Service Fund in accordance with Section 604(3) of the Program Resolution.

ARTICLE VIII

EVENTS OF DEFAULT

Section 8.01. Events of Default. The occurrence of any of the following events (including the expiration of any specified time) shall constitute an “*Event of Default*,” unless waived by the Bank in writing:

(a) **Bond Payments.** The Bond Bank shall fail to pay the principal of or interest on any Reimbursement Obligation or the Series 2024 Bond when due (whether by scheduled maturity, required prepayment, redemption or otherwise);

(b) **Other Payments.** The Bond Bank shall fail to pay any other Obligation (other than those set forth in Section 8.01(a)) when due and such failure shall continue for three (3) Business Days;

(c) **Covenants.** The Bond Bank shall fail to observe or perform any covenant, condition or agreement contained in Sections 6.02(a), 6.02(b), 6.02(c), 6.03, 6.06(b), 6.09, 6.16 and Article VII;

(d) **Other Covenants.** The Bond Bank shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any of the other Related Documents (other than as specified in any other Sections 8.01(a), (b) and (c)), and such failure shall continue unremedied for a period of ten (10) days after the earlier of the Bond Bank's knowledge of such breach or notice thereof from the Bank;

(e) **Representations.** Any representation or warranty made or deemed made by or on behalf of the Bond Bank in or in connection with this Agreement or any Related Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any Related Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, shall prove to have been materially incorrect when made or deemed made;

(f) **Cross-Default.** The occurrence of any "default" or "event of default" as defined in any Related Document (other than this Agreement), or the breach of any of the terms or provisions of any Related Document (other than this Agreement), which default or breach continues beyond any period of grace therein provided;

(g) **Default on other Energy Efficiency Program Bonds.** The Bond Bank shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Bond (other than the Series 2024 Bond), when and as the same shall become due and payable; or any event or condition occurs that results in any Bond becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Bond or any trustee or agent on its or their behalf to cause any Bond to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity;

(h) **Default on Other Material Indebtedness.** Except as provided in Sections 8.01(a) and (g), the Bond Bank shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable; or any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or

holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity;

(i) ***Contest of Validity; Invalidity.***

(i) The Bond Bank shall in writing claim, or repudiate its obligations under, or initiate any legal proceedings to seek an adjudication that, any of the provisions that provide for the payment of principal of or interest on the Energy Efficiency Program Bonds or that establish the pledge of the Pledged Assets in the Resolution is not valid or binding on the Bond Bank;

(ii) Any court of competent jurisdiction or other Governmental Authority with jurisdiction to rule on the validity of this Agreement or the other Related Documents shall find or rule that any of the provisions that provide for the payment of principal of or interest on the Energy Efficiency Program Bonds or that establish the pledge of the Pledged Assets in the Resolution is not valid or binding on the Bond Bank; or

(iii) Except as provided in clauses (i) and (ii) above, any provision of this Agreement or any of the other Related Documents shall cease to be valid and binding or shall be declared null and void; or the Bond Bank or any Governmental Authority shall contest any such provision; or the Bond Bank or any agent or trustee on behalf of the Bond Bank shall deny that it has any further liability under any provision of this Agreement or any of the other Related Documents; or the Bond Bank shall (A) claim that this Agreement or any of the other Related Documents is not valid or binding on it, (B) repudiate its obligations under this Agreement or any of the other Related Documents, and/or (C) initiate any legal proceedings to seek an adjudication that this Agreement or any of the other Related Documents is not valid or binding on it;

(j) ***Judgments.*** One or more judgments for the payment of money in an aggregate amount in excess of \$1,000,000 shall be rendered against the Bond Bank and the same shall remain undischarged for a period of thirty (30) consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Bond Bank to enforce any such judgment or the Bond Bank shall fail within thirty (30) days to discharge one or more non-monetary judgments or orders which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, which judgments or orders, in any such case, are not stayed on appeal or otherwise being appropriately contested in good faith by proper proceedings diligently pursued;

(k) ***Events of Insolvency.***

(i) An involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (A) liquidation, reorganization or other relief in respect of the Bond Bank or its debts, or of a substantial part of its assets, under

any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (B) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Bond Bank or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(ii) The Bond Bank shall (A) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (B) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (j) of this Article, (C) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Bond Bank or for a substantial part of its assets, (D) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (E) make a general assignment for the benefit of creditors or (F) take any action for the purpose of effecting any of the foregoing; or

(iii) The Bond Bank shall become unable, admit in writing its inability, or publicly declare its intention not to, or fail generally, to pay its debts as they become due;

(l) ***Validity and Perfection of Liens.*** Any Lien created by this Agreement or any of the other Related Documents in favor of the Trustee or the Bank, at any time and for any reason (except as expressly permitted to be released by the terms of such governing document) shall not constitute a valid and perfected Lien or shall fail to have the priority required by this Agreement and the other Related Documents, or the Bond Bank shall so assert in writing;

(m) ***Downgrade.*** The Applicable Bond Rating shall be withdrawn, suspended or reduced below “Baa2” by Moody’s or “BBB” by S&P;

(n) ***Material Adverse Change.*** The occurrence of any event, change or condition has occurred that has had, or could reasonably be expected to have, a Material Adverse Effect; or

(o) ***Authorization of Default.*** The adoption of any resolution of the Bond Bank to authorize any action or event that would constitute an Event of Default.

Section 8.02. Consequences of an Event of Default. If an Event of Default specified in Section 8.01 shall occur, then in addition to any other rights or remedies available to the Trustee or the Bank under any of the Related Documents or under applicable law, the Bank may exercise any one or more of the following rights and remedies:

(a) by notice to the Bond Bank and subject to the terms of the Act, accelerate all of the Obligations of the Bond Bank under this Agreement whereupon such obligations shall become immediately due and payable without presentment,

demand for payment, protest or notice of nonpayment or dishonor, or other notice of any kind or character, all of which are hereby expressly waived, and an action therefor shall immediately accrue; provided that, if any Event of Default described in Section 8.01(k) shall occur, all of the obligations of the Bond Bank under this Agreement shall automatically mature and be due and payable on the date of the occurrence of such Event of Default without presentment, demand for payment, protest or notice of any kind to the Bond Bank or any other Person, all of which are hereby expressly waived;

(b) deliver a notice to the Trustee and the Bond Bank that an Event of Default has occurred and is continuing and directing the Trustee to accelerate the Series 2024 Bond or take such other remedial action as is provided for in the Resolution;

(c) cure any Default, Event of Default or event of nonperformance under this Agreement or the other Related Documents; provided, however, that the Bank shall have no obligation to effect such a cure; and/or

(d) exercise, or cause to be exercised, any and all remedies as it may have under this Agreement or the other Related Documents (other than as provided in subsection (b) above) and as otherwise available at law and at equity.

Section 8.03. No Waiver; Remedies. No failure on the part of the Bank to exercise, and no delay in exercising, any right, power or privilege under this Agreement shall operate as a waiver of such right, power or privilege; nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other further exercise of such right, power or privilege or the exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law or which the Bank would otherwise have. The rights and remedies of the Bank are for the sole and exclusive benefit, use and protection of the Bank, and the Bank is entitled, but shall have no duty or obligation to the Bond Bank, the Trustee or any other Person or otherwise, (i) to exercise or to refrain from exercising any right or remedy reserved to the Bank hereunder or under any other Related Document, or (ii) to cause the Trustee or any other Person to exercise or to refrain from exercising any right or remedy available to it under any of the Related Documents.

Section 8.04. Injunctive Relief. The Bond Bank recognizes that in the event an Event of Default occurs, any remedy of law may prove to be inadequate relief to the Bank; therefore, the Bond Bank agrees that the Bank, if the Bank so requests, shall be entitled to temporary and permanent relief in any such case.

ARTICLE IX

NATURE OF OBLIGATIONS; INDEMNIFICATION

Section 9.01. Obligations Absolute. The obligations of the Bond Bank under this Agreement shall be absolute, unconditional and irrevocable, without setoff or counterclaim, and shall be paid and performed strictly in accordance with the terms of this Agreement under all circumstances whatsoever, including, without limitation, the following circumstances:

(a) any lack of validity or enforceability of any of the Related Documents or any other agreement or instrument delivered in connection herewith or therewith (other than with respect to the Bank);

(b) payment against presentation of any draft, demand or claim for payment under the Standby Letter of Credit or other document presented for purposes of drawing under the Standby Letter of Credit (a "Payment Document") that does not comply in whole or in part with the terms of the Standby Letter of Credit or which proves to be fraudulent, forged or invalid in any respect or any statement therein being untrue or inaccurate in any respect, or which is signed, issued or presented by a Person (or a transferee of such Person) purporting to be a successor or transferee of the beneficiary of the Standby Letter of Credit;

(c) the Bank or any of its branches or affiliates being the beneficiary of the Standby Letter of Credit;

(d) the Bank or any correspondent honoring a drawing against a Payment Document up to the amount available under the Standby Letter of Credit even if such Payment Document claims an amount in excess of the amount available under the Standby Letter of Credit;

(e) the existence of any claim, set-off, defense or other right that the Bond Bank or any other Person may have at any time against any beneficiary, any assignee of proceeds, the Bank or any other Person;

(f) the Bank or any correspondent having previously paid against fraudulently signed or presented Payment Documents (whether or not the Bond Bank shall have reimbursed the Bank for such drawing); and

(g) any other event, circumstance or conduct whatsoever, whether or not similar to any of the foregoing, that might, but for this paragraph, constitute a legal or equitable defense to or discharge of, or provide a right of set-off against, the Bond Bank's obligations hereunder (whether against the Bank, the beneficiary or any other Person);

provided, however, that subject to Section 9.02 hereof, the foregoing shall not exculpate the Bank from such liability to the Bond Bank as may, be finally, judicially determined in an independent action or proceeding brought by the Bond Bank against the Bank following payment of the Bond Bank's obligations under this Agreement.

Section 9.02. Liability of the Bank.

(a) The liability of the Bank (or any other Indemnified Person) under, in connection with and/or arising out of this Agreement, any Related Document or the Standby Letter of Credit (or any pre-advice), regardless of the form or legal grounds of the action or proceeding, shall be limited to any actual or direct damages (including reasonable costs and expenses) suffered by the Bond Bank that are caused directly by the Bank's gross negligence or willful misconduct in (i) honoring a presentation that does not

at least substantially comply with the Standby Letter of Credit, (ii) failing to honor a presentation that strictly complies with the Standby Letter of Credit or (iii) retaining Payment Documents presented under the Standby Letter of Credit. In no event shall the Bank be deemed to have failed to act with due diligence or reasonable care if the Bank's conduct is in accordance with Standard Letter of Credit Practice or in accordance with this Agreement. The Bond Bank's aggregate remedies against the Bank and any Indemnified Person for wrongfully honoring a presentation under the Standby Letter of Credit or wrongfully retaining honored Payment Documents shall in no event exceed the aggregate amount paid by the Bond Bank to the Bank in respect of an honored presentation under the Standby Letter of Credit, plus interest and reasonable costs and expenses. Notwithstanding anything to the contrary herein, the Bank and the other Indemnified Persons shall not, under any circumstances whatsoever, be liable for any punitive, consequential, indirect or special damages or losses regardless of whether the Bank or any Indemnified Person shall have been advised of the possibility thereof or of the form of action in which such damages or losses may be claimed. The Bond Bank shall take action to avoid and mitigate the amount of any damages claimed against the Bank or any Indemnified Person, including by enforcing its rights in the underlying transaction. Any claim by the Bond Bank for damages under or in connection with this Agreement, any Related Document or the Standby Letter of Credit shall be reduced by an amount equal to the sum of (i) the amount saved by the Bond Bank as a result of the breach or alleged wrongful conduct and (ii) the amount of the loss that would have been avoided had the Bond Bank mitigated damages.

(b) Without limiting any other provision of this Agreement, the Bank and each other Indemnified Person (if applicable), shall not be responsible to the Bond Bank for, and the Bank's rights and remedies against the Bond Bank and the Bond Bank's obligation to reimburse and indemnify the Bank shall not be impaired by: (i) honor of a presentation under the Standby Letter of Credit which on its face substantially complies with the terms of the Standby Letter of Credit; (ii) honor of a presentation of any Payment Documents which appear on their face to have been signed, presented or issued (X) by any purported successor or transferee of any beneficiary or other party required to sign, present or issue the Payment Documents or (Y) under a new name of the beneficiary; (iii) acceptance as a draft of any written or electronic demand or request for payment under the Standby Letter of Credit, even if nonnegotiable or not in the form of a draft, and may disregard any requirement that such draft, demand or request bear any or adequate reference to the Standby Letter of Credit; (iv) the identity or authority of any presenter or signer of any Payment Document or the form, accuracy, genuineness, or legal effect of any presentation under the Standby Letter of Credit or of any Payment Documents; (v) disregard of any non-documentary conditions stated in the Standby Letter of Credit; (vi) acting upon any Instruction which it, in Good Faith, believes to have been given by a Person or entity authorized to give such Instruction; (vii) any errors, omissions, interruptions or delays in transmission or delivery of any message, advice or document (regardless of how sent or transmitted) or for errors in interpretation of technical terms or in translation; (viii) any delay in giving or failing to give any notice; (ix) any acts, omissions or fraud by, or the solvency of, any beneficiary, any nominated Person or any other Person; (x) any breach of contract between the beneficiary and the Bond Bank or any of the parties to the underlying transaction; (xi) assertion or waiver of

any provision of the ISP which primarily benefits an issuer of a letter of credit, including, any requirement that any Payment Document be presented to it at a particular hour or place; (xii) payment to any paying or negotiating bank (designated or permitted by the terms of the Standby Letter of Credit) claiming that it rightfully honored or is entitled to reimbursement or indemnity under Standard Letter of Credit Practice; (xiii) dishonor by the Bank of any presentation for which the Bond Bank is unable or unwilling to reimburse or indemnify the Bank (provided that the Bond Bank acknowledges that if the Bank shall later be required to honor the presentation, the Bond Bank shall be liable therefore in accordance with Article II hereof); and (xiv) acting or failing to act as required or permitted under Standard Letter of Credit Practice. For purposes of this Section 9.02(b), “Good Faith” means honesty in fact in the conduct of the transaction concerned.

(c) The Bond Bank shall notify the Bank of (i) any noncompliance with any Instruction, any other irregularity with respect to the text of the Standby Letter of Credit or any amendment thereto or any claim of an unauthorized, fraudulent or otherwise improper Instruction, within three (3) Business Day of the Bond Bank’s receipt of a copy of the Standby Letter of Credit or amendment and (ii) any objection the Bond Bank may have to the Bank’s honor or dishonor of any presentation under the Standby Letter of Credit or any other action or inaction taken or proposed to be taken by the Bank under or in connection with this Agreement or the Standby Letter of Credit, within five (5) Business Days after the Bond Bank receives notice of the objectionable action or inaction. The failure to so notify the Bank within said times shall discharge the Bank from any loss or liability that the Bank could have avoided or mitigated had it received such notice, to the extent that the Bank could be held liable for damages hereunder; provided, that, if the Bond Bank shall not provide such notice to the Bank within five (5) Business Days of the date of receipt in the case of clause (i) or ten (10) Business Days from the date of receipt in the case of clause (ii), the Bank shall have no liability whatsoever for such noncompliance, irregularity, action or inaction and the Bond Bank shall be precluded from raising such noncompliance, irregularity or objection as a defense or claim against the Bank.

Section 9.03. Indemnification.

(a) To the extent permitted by applicable law, the Bond Bank shall indemnify and hold harmless the Bank, its parent, and correspondents and each of their respective directors, officers, employees and agents (each, including the Bank, an “Indemnified Person”) from and against any and all claims, suits, judgments, costs, losses, fines, penalties, damages, liabilities, and expenses, including expert witness fees and legal fees, charges and disbursements of any counsel (including in-house counsel fees and allocated costs) for any Indemnified Person (“Costs”), arising out of, in connection with, or as a result of: (i) the Standby Letter of Credit or any pre-advice of its issuance; (ii) any transfer, sale, delivery, surrender, or endorsement of any Payment Document at any time(s) held by any Indemnified Person in connection with the Standby Letter of Credit; (iii) any action or proceeding arising out of or in connection with the Standby Letter of Credit, this Agreement or any Related Document (whether administrative, judicial or in connection with arbitration), including any action or proceeding to compel or restrain any

presentation or payment under the Standby Letter of Credit, or for the wrongful dishonor of or honoring a presentation under the Standby Letter of Credit; (iv) any independent undertakings issued by the beneficiary of the Standby Letter of Credit; (v) any unauthorized communication or instruction (whether oral, telephonic, written, telegraphic, facsimile or electronic) (each an "Instruction") regarding the Standby Letter of Credit or error in computer transmission; (vi) an adviser, confirmer or other nominated person seeking to be reimbursed, indemnified or compensated; (vii) any third party seeking to enforce the rights of an applicant, beneficiary, nominated person, transferee, assignee of proceeds of the Standby Letter of Credit; (viii) the fraud, forgery or illegal action of parties other than the Indemnified Person; (ix) the enforcement of this Agreement or any rights or remedies under or in connection with this Agreement, a Related Document or the Standby Letter of Credit; (x) the acts or omissions, whether rightful or wrongful, of any present or future de jure or de facto governmental or regulatory authority or cause or event beyond the control of such Indemnified Person; in each case, including that resulting from the Bank's own negligence, provided, however, that such indemnity shall not be available to any Person claiming indemnification under (i) through (x) above to the extent that such Costs are found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted directly from the gross negligence or willful misconduct of the Indemnified Person claiming indemnity. If and to the extent that the obligations of the Bond Bank under this paragraph are unenforceable for any reason, the Bond Bank shall make the maximum contribution to the Costs permissible under applicable law.

(b) The agreements and obligations of the Bond Bank contained in this Section shall survive the termination of this Agreement, the cancellation of the Standby Letter of Credit and the repayment, satisfaction or discharge of all other Obligations.

ARTICLE X

MISCELLANEOUS

Section 10.01. Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax, as follows:

if to the Bond Bank, addressed to it at:

Vermont Bond Bank



or if to the Bank, addressed to if at:

[REDACTED]

With a copy to:

[REDACTED]

With an additional copy to:

[REDACTED]

or if to the Trustee, addressed to it at:

Wilmington Trust

[REDACTED]

All such notices and other communications (i) sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received, (ii) sent by fax shall be deemed to have been given when sent, provided that if not given during normal business hours for the recipient, such notice or communication shall be deemed to have been given at the opening of business on the next Business Day of the recipient, or (iii) delivered through Electronic Systems to the extent provided in paragraph (b) below shall be effective as provided in such paragraph.

(b) Notices and other communications to the Bank or the Bond Bank hereunder may be delivered or furnished by using Electronic Systems pursuant to procedures approved by the Bank. Each of the Bank and the Bond Bank may, in its discretion, agree to accept notices and other communications to it hereunder by using Electronic Systems pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. All such notices and other communications (i) sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if given outside of normal business hours of the recipient, such notice or communication shall be deemed to have been given at the opening of business on the next Business Day for the recipient, and (ii) posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, e-mail or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day of the recipient.

(c) Any party hereto may change its address, facsimile number or e-mail address for notices and other communications hereunder by notice to the other parties hereto.

Section 10.02. Waivers; Amendments.

(a) No failure or delay by the Bank in exercising any right or power hereunder or under any Related Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Bank hereunder and under any Related Document are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Related Document or consent to any departure by the Bond Bank therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

(b) Neither this Agreement nor any Related Document nor any provision hereof or thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Bank and the Bond Bank.

Section 10.03. Successors and Assigns.

(a) *Generally.* The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns

permitted hereby, except that the Bond Bank may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Bank.

(b) ***Certain Pledges.*** The Bank may at any time pledge or grant a security interest in all or any portion of its rights under this Agreement, the Series 2024 Bond and the other Related Documents to secure obligations of the Bank, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release the Bank from any of its obligations hereunder or substitute any such pledgee or assignee for the Bank as a party hereto.

(c) ***Participations.*** The Bank shall have the right to grant participations in all or a portion of the Bank's interest in this Agreement, the Series 2024 Bond, the Standby Letter of Credit and the other Related Documents to one or more other banking institutions, and such participants shall, except as set forth in the clause (ii) of this subsection, be entitled to the benefits of this Agreement and the other Related Documents to the same extent as if they were a direct party to this Agreement; provided, however, that (i) no such participation by any such Participant shall in any way affect the obligations of the Bank under the Standby Letter of Credit and (ii) the Bond Bank and the U.S. Government shall be required to deal only with the Bank with respect to any matters under this Agreement, the Standby Letter of Credit and the Related Documents and no such Participant shall be entitled to enforce against the Bond Bank any provision hereunder.

Section 10.04. Survival. All covenants, agreements, representations and warranties made by the Bond Bank in this Agreement and the other Related Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any Related Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the other Related Documents and the issuance of the Standby Letter of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Bank may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the Standby Letter of Credit is outstanding or any Obligations shall be outstanding and unpaid.

Section 10.05. Counterparts; Integration; Effectiveness; Electronic Execution.

(a) This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Related Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Bank and when the Bank shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(b) Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any Related Document and/or (z) any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 10.01), certificate, request, statement, disclosure or authorization related to this Agreement, any Related Document and/or the transactions contemplated hereby and/or thereby (each an “*Ancillary Document*”) that is an Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such Related Document or such Ancillary Document, as applicable. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Agreement, any Related Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; provided that nothing herein shall require the Bank to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; provided, further, without limiting the foregoing, (i) to the extent the Bank has agreed to accept any Electronic Signature, the Bank shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of the Bond Bank without further verification thereof and without any obligation to review the appearance or form of any such Electronic Signature and (ii) upon the request of the Bank, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, the Bond Bank hereby (A) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation between the Bank and the Bond Bank, Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Related Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (B) the Bank may, at its option, create one or more copies of this Agreement, any Related Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person’s business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (C) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any Related Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such Related Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (D) waives any claim against the Bank and each Related Party to the Bank for any Liabilities arising solely from the Bank’s reliance on or use of Electronic Signatures and/or transmissions by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page, including any Liabilities arising as a result of the failure of the Bond Bank to use any

available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

Section 10.06. Severability. Any provision of this Agreement or any Related Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 10.07. Right of Setoff.

(a) If an Event of Default shall have occurred and be continuing, the Bank, and each Affiliate of the Bank, is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held, solely under or in connection with the Related Documents, and other obligations at any time owing by the Bank, or any Affiliate of the Bank, to or for the credit or the account of the Bond Bank against any and all of the Obligations of the Bond Bank to the Bank, or any Affiliate of the Bank, irrespective of whether or not the Bank shall have made any demand under this Agreement or any Related Document and although such obligations of the Bond Bank may be contingent or unmatured or are owed to a branch office or Affiliate of the Bank different from the branch office or Affiliate holding such deposit or obligated on such indebtedness. The rights of the Bank under this Section are in addition to other rights and remedies (including other rights of setoff) which the Bank may have.

(b) The Bank agrees promptly to notify the Bond Bank after any such set-off and application referred to in subsection (a) above, provided that the failure to give such notice shall not affect the validity of such set-off and application. Subject to the provisions of subsection (a) above, the rights of the Bank under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Bank may have.

Section 10.08. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, but giving effect to federal laws applicable to national banks; PROVIDED THAT THE OBLIGATIONS OF THE BOND BANK HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE.

Section 10.09. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE OR OTHER AGENT (INCLUDING ANY ATTORNEY) OF ANY OTHER PARTY HAS REPRESENTED,

EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 10.10. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 10.11. Nonreliance; Violation of Law. The Bank hereby represents that it is not relying on or looking to any Margin Stock for the repayment of any of the Obligations. Anything contained in this Agreement to the contrary notwithstanding, the Bank shall not be obligated to extend credit to the Bond Bank in violation of any Requirement of Law.

Section 10.12. PATRIOT Act. The Bank is subject to the requirements of the PATRIOT Act and hereby notifies the Bond Bank that pursuant to the requirements of the PATRIOT Act, it is required to obtain, verify and record information that identifies the Bond Bank, which information includes the name and address of the Bond Bank and other information that will allow the Bank to identify the Bond Bank in accordance with the PATRIOT Act.

Section 10.13. No Third-Party Rights. Nothing in this Agreement, expressed or implied shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, the Bank, Participants and, to the extent expressly contemplated hereby, the Related Parties of the Bank) any legal or equitable right, remedy or claim under or in respect of this Agreement.

Section 10.14. No Fiduciary Duty, Etc.

(a) The Bond Bank acknowledges and agrees that the Bank will not have any obligations except those obligations expressly set forth herein and in the Related Documents and that the Bank is acting solely in the capacity of an arm's length contractual counterparty to the Bond Bank with respect to the Related Documents and the transactions contemplated herein and therein and not as a financial advisor or a fiduciary to, or an agent of, the Bond Bank or any other person. The Bond Bank agrees that it will not assert any claim against the Bank based on an alleged breach of fiduciary duty by the Bank in connection with this Agreement and the transactions contemplated hereby. Additionally, the Bond Bank acknowledges and agrees that the Bank is not advising the Bond Bank as to any legal, tax, investment, accounting, regulatory or any other matters in any jurisdiction. The Bond Bank shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated herein or in the Related Documents, and the Bank shall have no responsibility or liability to the Bond Bank with respect thereto.

(b) The Bond Bank further acknowledges and agrees that the Bank, together with its Affiliates, is a full service securities or banking firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial

services. In the ordinary course of business, the Bank may provide investment banking and other financial services to, and/or acquire, hold or sell, for its own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of, the Bond Bank and other companies with which the Bond Bank may have commercial or other relationships. With respect to any securities and/or financial instruments so held by the Bank or any of its customers, all rights in respect of such securities and financial instruments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion.

(c) In addition, the Bond Bank acknowledges and agrees that the Bank and its Affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which the Bond Bank may have conflicting interests regarding the transactions described herein and otherwise. The Bank will not use confidential information obtained from the Bond Bank by virtue of the transactions contemplated by the Related Documents or its other relationships with the Bond Bank in connection with the performance by the Bank of services for other companies, and the Bank will not furnish any such information to other companies. The Bond Bank also acknowledges that the Bank has no obligation to use in connection with the transactions contemplated by the Related Documents, or to furnish to the Bond Bank, confidential information obtained from other companies.

Section 10.15. Contractual Interpretation. The parties acknowledge that they have read and fully understand the terms of this Agreement, have consulted with such attorneys, accountants, advisors, or other professionals as they have deemed appropriate prior to executing this Agreement with adequate opportunity and time for review thereof, and are fully aware of its contents and of its legal effect. Accordingly, neither this Agreement nor any ambiguity herein shall be construed against any party on the grounds that such party drafted this Agreement and instead, this Agreement shall be interpreted as though drafted equally by all parties.

Section 10.16. EMMA Posting. In the event the Bond Bank files with EMMA, this Agreement, any Related Documents or any description of the material terms thereof or notice of any agreement to covenants, events of default, remedies, priority rights or other similar terms, either voluntarily or as required pursuant to a continuing disclosure agreement or Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the “Rule”) (each such posting, an “EMMA Posting”), the Bond Bank shall (i) provide the Bank with a copy of each EMMA Posting prior to submitting or posting on EMMA and (ii) shall not file or permit the filing of any EMMA Posting that includes address and account information, e mail addresses, telephone numbers, facsimile numbers, names and signatures of officers, employees and signatories. The Bond Bank acknowledges and agrees that although the Bank may request review, edits or redactions of such materials prior to filing, the Bank is not responsible for the Bond Bank’s or any other entity’s (including, but not limited to, any broker-dealer’s) compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with any continuing disclosure agreement or any applicable securities or other laws, including, but not limited to, those relating to the Rule.

IN WITNESS WHEREOF, the parties hereto have caused this Reimbursement Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

VERMONT BOND BANK

By _____
Name _____
Title _____



[Signatures continued on following page]



[Signature page to Reimbursement Agreement]



APPENDIX I
FORM OF
IRREVOCABLE STANDBY LETTER OF CREDIT



IRREVOCABLE STANDBY LETTER OF CREDIT NO. CTCS-[_____]

October 9, 2024

**U.S. [REDACTED]

Rural Utilities Service
U.S. Department of Agriculture
Washington, D.C. 20250
Attention: Administrator

Ladies and Gentlemen:

At the request and for the account of the Vermont Bond Bank, a body politic and corporate constituted as an instrumentality of the State of Vermont (together with its permitted successors and assigns, the "*Applicant*"), the undersigned, [REDACTED] (the "*Bank*" or "*we*"), hereby establish in favor of the United States of America, acting by and through the Administrator of the Rural Utilities Service of the U.S. Department of Agriculture (the "*Beneficiary*" or "*you*") our Irrevocable Standby Letter of Credit No. CTCS-[_____] (this "*Letter of Credit*") pursuant to that Reimbursement Agreement dated October 1, 2024, between the Bank and the Applicant (the "*Reimbursement Agreement*"). This Letter of Credit shall expire at the Bank's close of business on October 9, 2026, or on such later date as agreed to by the Bank in writing as provided below (the "*Expiration Date*").

We hereby irrevocably authorize you to draw on us from time to time, prior to the expiration hereof, and in the manner provided herein, a maximum aggregate amount not to exceed Twenty Million and 00/100 United States Dollars (U.S. [REDACTED]) (the "*Stated Amount*") to pay, when due and to the extent not otherwise paid by or on behalf of the Applicant, the principal of the zero-interest Rural Energy Savings Program loan(s) (the "*Loan*") to be made from time to time by Beneficiary to the Applicant pursuant to that Loan Contract dated as of October 1, 2024 (the "*Loan Contract*"), between the Applicant and the Beneficiary.

A drawing under this Letter of Credit shall be available by presentation of your certificate signed by one who purports to be your duly authorized signatory in the form attached as Annex A hereto (the "*Payment Document*"). Multiple and partial drawings are permitted under this Letter of Credit. On the Business Day (as defined below) any drawing is paid by us, the Stated Amount shall be automatically reduced by the amount of such drawing.

A drawing shall be made by presentation of each Payment Document by facsimile (at facsimile number (312) 954-6163 or alternately to (312) 244-3039), Attention: Standby Service Unit, without further need of documentation, including the original of this Letter of Credit, it being understood that the Payment Document so submitted is to be the sole operative instrument of drawing.

[REDACTED]

Payment of a drawing presented under this Letter of Credit prior to 11:00 a.m. (Eastern Time) on a Business Day shall be made by the Bank at or before 2:00 p.m. (Eastern Time) on the next Business Day after presentation. Payment of a drawing presented under this Letter of Credit after 11:00 a.m. (Eastern Time) on a Business Day shall be made at or before 2:00 p.m. (Eastern Time) on the second next Business Day after presentation. “*Business Day*” means any day other than a day on which banking institutions in Washington, D.C. or the city where the office of the Bank where drawings are made hereunder is located, are required or authorized by law to remain closed, or other than a day on which the New York Stock Exchange is closed.

If requested by you, payment against a drawing made under this Letter of Credit shall be made by wire transfer of immediately available funds to an account specified by you. The Bank’s honoring of a drawing under this Letter of Credit does not constitute the Bank’s confirmation or representation as to the accuracy or correctness of the amount demanded or of your calculations and representations contained in the drawing.

This Letter of Credit shall terminate on the earlier to occur (the earliest to occur of such dates being referred to as the “*Termination Date*”) of: (i) 5:00 p.m. prevailing Eastern time on the Expiration Date; or (ii) the date specified in a certificate signed by an officer of the Beneficiary and delivered to us in the form of Annex B hereto.

Prior to the Termination Date, we may extend the Expiration Date from time to time at the request of the Applicant by delivering to you an amendment to this Letter of Credit in the form of Annex C hereto designating the date to which the Expiration Date is being extended. Each such extension of the Expiration Date shall become effective on the Business Day following the delivery of such notice to you and thereafter all references in this Letter of Credit to the Expiration Date shall be deemed references to the date designated as such in such notice. Any date to which the Expiration Date has been extended as herein provided may be extended in a like manner.

Upon the Termination Date this Letter of Credit shall automatically terminate and be delivered to the Bank for cancellation. Failure to deliver said Letter of Credit will have no effect on the Termination Date, and this Letter of Credit will still be considered terminated.

Notices and other written communication with respect to this Letter of Credit shall be addressed to us at _____, Attention Standby Letter of Credit Unit (or at such other address which we shall notify you in writing), and shall contain a reference to this Letter of Credit No. CTCS-[_____]. Notices with respect to you shall either be sent by prepaid first class mail, registered or certified, or by express courier service, properly addressed and prepaid, or physically delivered to the address set forth at the top of the first page of this Letter of Credit. For telephone assistance, please contact the Standby Client Service Unit at 1-800-634-1969 or 1-813-432-1210 and have this Letter of Credit number available.

EXCEPT AS EXPRESSLY STATED HEREIN, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNATIONAL STANDBY PRACTICES (1998), INTERNATIONAL CHAMBER OF COMMERCE

PUBLICATION NO. 590 (“ISP98”). AS TO MATTERS NOT COVERED BY THE ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, INCLUDING TO THE EXTENT NOT INCONSISTENT WITH THE ISP98, THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.

We agree to honor your drawing, presented in compliance with the terms and conditions of this Letter of Credit, and agree that the obligation to honor such drawing upon the proper presentation thereof: (a) is irrevocable; (b) constitutes an undertaking of the Bank to you which is independent of any agreement between the Bank and the Applicant; and (c) shall not be affected by our ability or inability to obtain payment or reimbursement for a drawing (i) from the Applicant or (ii) from any collateral provided by the Applicant to the Bank.

Drawings under this Letter of Credit shall be paid from our own funds and not from any moneys provided to the Bank by the Applicant or any party related to the Applicant.

This Letter of Credit sets forth in full the undertaking of the Bank, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein, or in which this Letter of Credit is referred to, or to which this Letter of Credit relates, and any such reference shall not be deemed to incorporate herein by reference any such document, instrument or agreement.

(Signature Page Follows)

[Signature Page to Irrevocable Standby Letter of Credit CTCS-[_____]]

Very truly yours,

[REDACTED]

By: _____
Name:
Title:

[REDACTED]

ANNEX A

FORM OF DRAWING CERTIFICATE

[REDACTED]
Attention: Standby Service Unit
By Facsimile at (312) 954-6163 or (312) 244-3039

The undersigned, a duly authorized signatory of the United States of America, acting by and through the Administrator of the Rural Utilities Service of the U.S. Department of Agriculture (the “Beneficiary”), hereby certifies on behalf of the Beneficiary as follows with respect to (i) that certain Irrevocable Standby Letter of Credit No. CTCS-[REDACTED] dated October 9, 2024 (the “Letter of Credit”), issued by [REDACTED] (the “Bank”) in favor of the Beneficiary; and (ii) that Loan Contract dated as of October 1, 2024 (the “Loan Contract”), between the Vermont Bond Bank (the “Applicant”) and the Beneficiary:

1. The Beneficiary is the beneficiary under the Letter of Credit.
2. A principal payment in the amount of [Insert Total Payment Amount Due: U.S. \$REDACTED] (the “Required Payment Amount”) was due and payable by the Applicant to the Beneficiary under the terms of the Loan Contract on [Insert Due Date: REDACTED] (the “Principal Payment Due Date”).
3. As of the date of this Certificate, the Beneficiary has received [Insert the Amount Received, if any: U.S. \$REDACTED] of the Required Payment Amount and [Insert Remaining Amount Owed: U.S. \$REDACTED] (the “Delinquent Payment Amount”) remains due and payable.
4. The Beneficiary has made a written demand to the Applicant for payment of the Delinquent Payment Amount (a copy of which is attached to this Certificate) and the Applicant has not made such payment for a period of at least five days following the Applicant’s receipt of such demand.
5. The Beneficiary is entitled to make this drawing in the amount of U.S. \$REDACTED under the Letter of Credit with respect to the payment of Delinquent Payment Amount and the Beneficiary hereby makes demand that payment be made to the Beneficiary in such amount in accordance with the terms of the Letter of Credit.
6. The amount of the drawing made by this Certificate does not exceed the Delinquent Payment Amount and, when added to the amount of any other drawing under the Letter of Credit made simultaneously herewith, does not exceed the Stated Amount (as defined in the Letter of Credit).

TO: [REDACTED]
LETTER OF CREDIT No. CTCS-[REDACTED]
(CONTINUED)

7. Payment by the Bank pursuant to this drawing shall be made to _____, ABA Number _____, Account Number _____, Attention: _____, Re: _____.

IN WITNESS WHEREOF, this Certificate has been executed this _____ day of _____, 20____.

UNITED STATES OF AMERICA,
acting by and through the Administrator of the Rural
Utilities Service of the U.S. Department of
Agriculture

By: _____
Name:
Title:

ANNEX B

FORM OF NOTICE OF TERMINATION

[REDACTED]

Attention: Standby Service Unit
By Facsimile at (312) 954-6163 or (312) 244-3039

Reference is hereby made to that certain Irrevocable Standby Letter of Credit No. CTCS-[REDACTED] dated October 9, 2024 (the "*Letter of Credit*") issued by [REDACTED] (the "*Bank*"). The undersigned, a duly authorized signature of United States of America, acting by and through the Administrator of the Rural Utilities Service of the U.S. Department of Agriculture (the "*Beneficiary*"), hereby certifies to the Bank that:

- (1) The Beneficiary is the beneficiary under the Letter of Credit.
- (2) The Beneficiary hereby notifies the Bank that the Termination Date of the Letter of Credit shall be _____, 20__, on which date the Letter of Credit shall terminate.

All defined terms used herein which are not otherwise defined shall have the same meaning as in the Letter of Credit.

IN WITNESS WHEREOF, this Certificate has been executed this _____ day of _____, 20__.

UNITED STATES OF AMERICA,
acting by and through the Administrator of the Rural
Utilities Service of the U.S. Department of
Agriculture

By: _____
Name:
Title:

[REDACTED]

ANNEX C

FORM OF NOTICE OF EXTENSION AMENDMENT

[Date]

Rural Utilities Service
U.S. Department of Agriculture
Washington, D.C. 20250
Attention: Administrator

Ladies and Gentlemen:

Reference is hereby made to that certain Irrevocable Standby Letter of Credit No. CTCS-[REDACTED] dated October 9, 2024 (the “*Letter of Credit*”), which has been established by us in your favor as Beneficiary relating to that Loan Contract dated as of October 1, 2024, between the Vermont Bond Bank (the “*Applicant*”) and the United States of America, acting by and through the Administrator of the Rural Utilities Service of the U.S. Department of Agriculture (the “*Beneficiary*”). We hereby notify you that, in accordance with the terms of the Letter of Credit and that certain Reimbursement Agreement dated as of October 1, 2024, between the Applicant and us, the Expiration Date (as defined in the Letter of Credit) has been extended to _____, 20__.

This amendment shall be attached to the Letter of Credit and made a part thereof.

[REDACTED]

By: _____
Name:
Title:

The foregoing certifications, together with the financial statements delivered with this Certificate in support hereof, are made and delivered this ____ day of _____, 20__.

VERMONT BOND BANK

By _____
Name _____
Title _____

EXHIBIT A

FORM OF COMPLIANCE CERTIFICATE

To: [REDACTED]

This Compliance Certificate (“*Certificate*”), for the period ended _____, 20__, is furnished pursuant to that certain Reimbursement Agreement dated as of October 1, 2024 (as amended, restated, modified, renewed or extended from time to time, the “*Agreement*”) by and between **VERMONT BOND BANK**, as Bond Bank, and [REDACTED] as Bank. Unless otherwise defined herein, capitalized terms used in this Certificate have the meanings ascribed thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the _____ of the Bond Bank and I am a Financial Officer authorized to deliver this Certificate on behalf of the Bond Bank;
2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the compliance of the Bond Bank with the Agreement during the accounting period covered by the attached financial statements (the “*Relevant Period*”);
3. The attached financial statements of the Bond Bank for the Relevant Period have been prepared on an accounting basis (the “*Accounting Method*”) consistent with the requirements of the Agreement and, except as may have been otherwise expressly agreed to in the Agreement, in accordance with GAAP consistently applied;
4. The examinations described in paragraph 2 did not disclose and I have no knowledge of, except as set forth below, (a) the existence of any condition or event which constitutes a Default or an Event of Default under the Agreement or any Related Document during or at the end of the Relevant Period or as of the date of this Certificate or (b) any change in the Accounting Method or in the application thereof that has occurred since the date of the annual financial statements delivered to the Bank in connection with the closing of the Agreement or subsequently delivered as required in the Agreement;
5. The representations and warranties of the Bond Bank set forth in the Agreement are true and correct in all material respects as of the date hereof, except to the extent that any such representation or warranty specifically refers to an earlier date, in which case it is true and correct in all material respects only as of such earlier date; and

Described below are the exceptions, if any, referred to in paragraph 4 hereof by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Bond Bank has taken, is taking, or proposes to take with respect to each such condition or event:

[REDACTED]

EXHIBIT B

DESCRIPTION OF STATE INTERCEPT

Intercept of State Funds

The Act provides that upon receipt by the State Treasurer of written notice from the Bond Bank (or the Trustee) that a Municipality is in default on the payment of principal or interest on a Municipal Bond acquired or held by the Bond Bank, the State Treasurer will immediately withhold all further payment to the Municipality of any or all funds appropriated and payable by the State to the Municipality, until the default is cured. During the default period, the State Treasurer will make direct payment of all, or as much as is necessary, of the withheld amounts to the Bond Bank, or at the Bond Bank's direction, to the trustee or paying agent for the bonds, so as to cure, or cure insofar as possible, the default as to the bond or the interest on the bond.

On January 26, 2017, the State Treasurer, the Bond Bank and the Commissioner of the Vermont Department of Finance and Management (the "Commissioner") entered into a State Intercept Memorandum of Agreement (the "Intercept MOA") to establish procedures with respect to the intercept of State funds described above. Under the Intercept MOA, upon any failure of a Municipality to pay a Municipal Bonds Payment in full on the due date thereof (which due date is the first day of the month prior to the principal and interest payment dates on the Bonds), within ten business days the Bond Bank shall notify the State Treasurer of the amount not paid by such Municipality. No later than six business days following the receipt of such notice, the State Treasurer will determine an estimate of the amount of State funds due to such Municipality for the remainder of the fiscal year and work with the Commissioner to intercept and remit such funds to the Trustee. The Intercept MOA further provides that to the extent there remains any unpaid Municipal Bonds Payments with respect to such Municipality as of the end of a fiscal year of the State, State funds available in the next fiscal year with respect to such Municipality would be intercepted.

The payments described in the paragraph above made by the State Treasurer to the Bond Bank (or the Trustee or paying agent for the bonds) will be credited as if made directly by the Municipality. The payment will be offset against any appropriation otherwise payable to the Municipality by the State during each fiscal year. Upon receipt of the payment, the Bond Bank, or the Bond Bank's trustee or paying agent, will provide written notice of the payment to the Municipality. The Act, as so amended, further provides that no provision thereof shall be construed: (1) to limit, impair, or impede the rights or remedies granted to the holders of bonds issued by the Bond Bank and the Municipalities; (2) to require the State to continue the payment of State aid or assistance to any Municipality; (3) to limit or prohibit the State from repealing or amending any law relating to State aid or assistance, including the manner and time of payment or apportionment, or the amount of aid or assistance; (4) to create any obligation on the part of the State Treasurer or the State to make any payment on behalf of a defaulting Municipality other than from funds appropriated and payable to a defaulting Municipality by the State.

The Act provides that on the sale and issuance of any Municipal Bonds to the Bond Bank by any Municipality, that Municipality is deemed to agree that on the failure of that Municipality

to pay interest or principal on any of the Municipal Bonds owned or held by the Bond Bank when payable, all defenses to nonpayment are waived. If an execution is issued on that Municipality for payment of such Municipality's general obligation bonds and if funds are not available in its treasury to make payment, the governing body of that Municipality shall forthwith assess a tax on the grand list of the Municipality, sufficient to make payment with twelve percent interest thereon, and cause the tax to be collected within sixty days; and further, with respect to revenue bonds of a Municipality, upon nonpayment and demand on that Municipality for payment, such Municipalities shall make payment together with twelve percent interest thereon as provided for by the Act, which shall be due and payable within sixty days. Notwithstanding any other law, including any law under which the Municipal Bonds were issued by that Municipality, the Bond Bank upon nonpayment is constituted a holder or owner of the Municipal Bonds as being in default.

EXHIBIT C-1

MUNICIPAL LOAN AGREEMENT- GENERAL OBLIGATION



LOAN AGREEMENT
(Energy Efficiency Program Loan)

This LOAN AGREEMENT, dated _____ (the “**Closing Date**”), is between the VERMONT BOND BANK (the “**Bond Bank**”), a body corporate and politic constituted as an instrumentality of the State of Vermont (the “**State**”) exercising public and essential governmental functions and created pursuant to the provisions of Chapter 119 of Title 24 of the Vermont Statutes Annotated (the “**Act**”), having its principal place of business at Burlington, Vermont, and the _____ (the “**Borrower**”).

WHEREAS, pursuant to the Act, the Bond Bank is authorized to make loans of money to Governmental Units (as defined in the Act) and to purchase Municipal bonds (as defined in the Act) evidencing such loans; and

WHEREAS, the Borrower is a Governmental Unit and, pursuant to the Act, is authorized to accept a loan from the Bond Bank to be evidenced by a bond, note, other evidence of debt or financing arrangement duly issued by it and purchased by the Bond Bank.

WHEREAS, the Borrower wishes to implement structural improvements and investments in cost-effective, commercial technologies to increase energy efficiency (including cost-effective on- or off-grid renewable energy or energy storage systems) (the “**Energy Efficiency Measures**”);

WHEREAS, the Borrower has requested three-months during which to draw down loan proceeds (the “**Draw Down Period**”) to complete the capital improvements described in **Exhibit A** (the “**Project**”);

WHEREAS, the Borrower has applied to the Bond Bank for, and requested that the Bond Bank make, a loan (the “**Loan**”), in the aggregate principal amount of _____ Dollars (\$ _____), subject to change based on the final disbursed value (the “**Loan Amount**”), maturing in installments on the dates, in the estimated amounts and bearing interest at the rates, all as set forth in **Exhibit A**;

WHEREAS, the Borrower will apply the proceeds of the Loan to pay the costs (the “**Project Costs**”) of the Project, and the Borrower has duly authorized the issuance of a [note/bond/other] (the “**Borrower Obligation**”), to be purchased by the Bond Bank to evidence the Loan in accordance with this Agreement, which Borrower Obligation shall be substantially in the form appended hereto as **Exhibit B**; and

NOW, THEREFORE, the parties agree as follows:

Section 1. Representations and Warranties. The Borrower hereby represents and warrants to the Bond Bank as follows:

(a) The Borrower is a Governmental Unit within the meaning of the Act, with full legal right and authority under the general laws of the State of Vermont applicable to it to authorize, execute and deliver this Loan Agreement and the Borrower Obligation, to undertake the Project, and to carry out and consummate all transactions contemplated by the foregoing.

(b) The Borrower has duly and validly authorized the execution, delivery and adoption, as applicable, of this Loan Agreement and the Borrower Obligation, and all approvals, consents, and other governmental or corporate proceedings necessary to make them the legally binding obligations of the Borrower that they purport to be, in accordance with their respective terms, have been obtained or made.

(c) No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, other than as disclosed to the Bond Bank in writing, is pending or, to the knowledge of the authorized officer(s) of the Borrower executing this Loan Agreement, threatened (1) seeking to restrain or enjoin the execution, delivery and adoption, as applicable, of this Loan Agreement or the Borrower Obligation, or the construction or operation of the Project or (2) contesting or affecting the validity of this Loan Agreement or the Borrower Obligation, or the power of the Borrower to assess and collect taxes to repay the Loan and all other costs and expenses of any Project, if any; and neither the corporate existence of the Borrower nor the title to office of the authorized officer(s) of the Borrower executing this Loan Agreement or the Borrower Obligation is being contested.

(d) The authorization, execution, delivery and adoption, as applicable, of this Loan Agreement and the Borrower Obligation, and performance of each thereof, will not constitute a breach of, or a default under, any law, ordinance, resolution, agreement, indenture or other instrument to which the Borrower is a party or by which it or any of its properties is bound.

(e) This Loan Agreement and, when executed and delivered, the Borrower Obligation will be valid general obligations of the Borrower, for the payment of which its full faith and credit are and will be pledged, enforceable in accordance with their respective terms and the terms of the Act and Title 24, Chapter 53 of Vermont Statutes Annotated (the “**Municipal Finance Law**”), and payable as to principal, premium, if any, and interest (to the extent not paid from other sources) from taxes which may be levied upon all taxable property within the territorial boundaries of the Borrower.

(f) The Borrower represents that all information it has provided in connection with the Loan, the Loan application, the Borrower Obligation, this Loan Agreement and all certifications, statements, representations and records identified or referred to therein are true, accurate and complete to the best knowledge of the Borrower and its officers. The Borrower further represents that it has disclosed to the Bond Bank all information material to the Loan.

(g) The undersigned officer(s) of the Borrower is/are duly charged and responsible for issuing the Borrower Obligation.

Section 2. The Loan

(a) On the terms and conditions provided herein, the Bond Bank hereby agrees to make the Loan to the Borrower and the Borrower agrees to accept the Loan and, to evidence the Loan, the Bank agrees to purchase the Borrower Obligation from the Borrower at the price set forth in **Exhibit A** and the Borrower agrees to issue and sell the Borrower Obligation to the Bond Bank at such price, in each case in an aggregate amount equal to the Loan Amount.

(b) The Borrower Obligation shall mature and be payable on the dates and in the principal amounts, and shall bear interest from the date of delivery thereof to the Bond Bank at the rates, all as set forth in the estimated schedule shown in **Exhibit A**. The final schedule to **Exhibit A** will be delivered upon receipt of the Project Completion Certificate.

(c) Each Payment made by or for the account of the Borrower under the Loan Agreement shall satisfy the corresponding obligation of the Borrower to pay the principal and interest, if any, then due on the Borrower Obligation, as the same becomes due on the applicable payment dates therefore, and each payment of principal and interest made by the Borrower on the Borrower Obligation, shall satisfy the obligation of the Borrower to pay the corresponding payment then due hereunder.

Section 3. Disbursements

(a) No more three times per month, excluding the initial draw at closing, and in no event after the Draw Down Period, the Borrower shall requisition from the Bond Bank portions of the Loan proceeds necessary to pay Project Costs. Such requisitions shall be made in the form attached hereto as **Exhibit C**. The Borrower shall certify to the Bond Bank the name(s) and the title(s) of the person(s) authorized to execute and submit such requisitions. The Borrower shall proceed with due diligence to complete the Project. Completion of the Project shall be evidenced by a Project Completion Certificate in the form set forth in **Exhibit D** signed by the Borrower and delivered to the Bond Bank.

(b) The Bond Bank will provide an updated **Exhibit A** alongside invoices during the Draw Down Period.

(c) Upon receipt by the Bond Bank of the Project Completion Certificate with respect to the Project, the Bond Bank shall amend the schedule of payments set forth in **Exhibit A** to reflect the final dollar amount of draws under the Loan Agreement and the resulting interest and principal payments due thereon.

(d) Notwithstanding anything to the contrary herein, the Bond Bank shall not be required to make disbursements while an Event of Default shall be continuing hereunder.

Section 4. Payments

(a) The Borrower shall make funds sufficient to pay interest as the same becomes due available to the Bond Bank on the 1st of each month as set forth in **Exhibit A** or an amended schedule. The Borrower shall make funds sufficient to pay the principal as the same matures on the 1st of each month as set forth in **Exhibit A**.

(b) The Borrower is obligated to pay fees and charges to the Bond Bank within thirty (30) days of demand by the Bond Bank, as provided in the Act.

(c) All payments shall be made by Automated Clearing House (ACH) unless otherwise approved in writing by the Bond Bank.

(d) Except as otherwise provided in Section 8(d) hereof, all such payments made by the Borrower hereunder shall be applied, first, to the interest, if any, on the Loan then due and payable, second, to the principal amount of the Loan then due and payable, and, third, to the fees and charges of the Bond Bank, if any. Any portion of a payment not paid in full when due shall bear interest hereunder until paid at twelve percent (12%) per annum as provided in the Act.

(e) The Borrower shall provide to the Bond Bank, at least sixty (60) days prior to each interest payment date or principal payment date for the Loan, the name(s) and the title(s) of the person(s) at the Borrower to whom invoices for the payment of interest and principal should be addressed.

Section 5. Prepayments

(a) The Loan are subject to prepayment at the option of the Borrower prior to maturity with the prior written consent of the Bond Bank.

(b) Unless the Bond Bank shall otherwise agree, any prepayment hereunder of less than all of the principal amount of the Loan and the Borrower Obligation, shall be applied to reduce the principal balance of the Loan and the Borrower Obligation without amendment to the regular combined payment amount. Upon any prepayment of the Loan and the Borrower Obligation in part, the Bond Bank shall amend the schedule of payments set forth in **Exhibit A** to reflect such prepayment.

(c) [Notwithstanding Section 5(b), the Bond Bank shall modify the combined payment and amend **Exhibit A** in the event the partial prepayment is because of the Borrower's receipt of an Elective Pay tax credit.]

Section 6. Closing

(a) The obligation of the Bond Bank to make and fund the Loan is expressly conditioned upon the receipt by the Bond Bank simultaneously with the delivery of this Loan Agreement of the following, each in form and substance satisfactory to the Bond Bank:

- (i) the Borrower Obligation;
- (ii) signed construction contract or purchase agreement for the implementation via the Project of Energy Efficiency Measures that includes **Exhibit H** and requirement to provide racial and ethnic data in the form of the table in **Exhibit G**;
- (iii) an unqualified opinion of bond counsel to the Borrower satisfactory to the Bond Bank in the form of **Exhibit E**;
- (iv) a receipt in the form of **Exhibit F**,
- (v) a certificate regarding ongoing reporting in the form of **Exhibit G**,
- (vi) completion of the Bond Bank's environmental review,

- (vii) an historic property certificate in the form of **Exhibit I**,
- (viii) a completed Appointment of Authorized Representatives in the form of **Exhibit J**, and
- (ix) copies of such resolutions and certificates and related information, prepared by bond counsel to the Borrower evidencing the valid authorization, execution and delivery of the Borrower Obligation.

Section 7. Particular Covenants of the Borrower

- (a) The Borrower shall apply the proceeds of the Loan solely to the payment or reimbursement of costs of the Project.
- (b) The Borrower shall comply with all terms and conditions of this Loan Agreement including, without limitation, all additional terms, conditions or other provisions, if any, contained in **Exhibit H**.
- (c) The Borrower shall provide to the Bond Bank annually upon publication a copy of the annual report on the finances and administrative activities of the Borrower generated and distributed in accordance with 24 V.S.A. § 1173 and any independent auditor's report on the financial statements of the Borrower. In addition, within thirty (30) days following a request by the Bond Bank, the Borrower agrees to furnish the Bond Bank with its most recent financial statements, explanatory notes and other financial and operating information as the Bond Bank may request.
- (d) In addition, the Borrower agrees to notify the Bond Bank within ten (10) days of the occurrence of any notice event which has or may have a material adverse effect upon its financial condition or its ability to perform fully and timely any covenant, obligation or undertaking set forth in this Loan Agreement or the Borrower Obligation.

Section 8. Events of Default and Remedies

- (a) The occurrence of any of any one or more of the following events shall constitute, and is defined to be, an “**Event of Default**” hereunder and the Borrower Obligation:
 - (i) if the Borrower shall fail to pay when due all or any part of any installment of principal or interest payable hereunder and the Borrower Obligation;
 - (ii) if the Borrower shall fail to perform and observe any other covenant, agreement or condition on its part provided in this Loan Agreement and such failure shall continue for a period of thirty (30) days after written notice thereof shall be given to the Borrower by the Bond Bank; provided if such failure cannot be remedied within such thirty (30) day period, it shall not constitute an Event of Default hereunder if (1) corrective action satisfactory to the Bond Bank is instituted by the Borrower within such period (2) such corrective action is diligently pursued until the failure is remedied and (3) the Borrower delivers a written update as to the status of such corrective action at least once every 30 days until the failure is remedied;

(iii) if any representation or warranty made by or on behalf of the Borrower in the Loan Agreement or in any loan application shall prove to have been incorrect or to be misleading in any material respect as and when made;

(iv) if (x) an order, judgment or decree is entered by a court of competent jurisdiction (a) appointing a receiver, trustee, or liquidator for the Borrower, (b) granting relief in involuntary proceedings with respect to the Borrower under the federal bankruptcy act, or (c) assuming custody or control of the Borrower, under the provision of any law for the relief of debtors, and the order, judgment or decree is not set aside or stayed within sixty (60) days from the date of entry of the order, judgment or decree or (y) the Borrower (a) admits in writing its inability to pay its debts generally as they become due, (b) commences voluntary proceedings in bankruptcy or seeking a composition of indebtedness, (c) makes an assignment for the benefit of its creditors, or (d) consents to the assumption by any court of competent jurisdiction under any law for the relief of debtors of custody or control of the Borrower, or (y) legislation shall be enacted by the State of Vermont (a) appointing a receiver or trustee for the Borrower or (b) assuming custody or control of the Borrower, or (c) providing for a moratorium upon the payment of the principal of or interest on the Loan or the Borrower Obligation; and

(v) if the Borrower shall fail to pay when due (whether at maturity or upon redemption or otherwise) any principal of or interest on any indebtedness of the Borrower for borrowed money, other than the Loan and the Borrower Obligation; and

(b) In addition to its other remedies provided herein, if an Event of Default specified in clause (i) or clause (v) of subsection (a) hereof shall occur and be continuing, the Bond Bank may proceed to enforce its rights under the Loan Agreement and under the Borrower Obligation, by exercise of the following remedies in such order of priority as the Bond Bank shall determine in its discretion:

(i) if any payments of principal of or interest on the Borrower Obligation shall be due and unpaid, pursuant to the Act, the State Treasurer may intercept State funding to the Borrower;

(ii) by notice to the Borrower the Bond Bank may declare the principal of the Loan and all payments payable thereon, and the corresponding principal amount of the Borrower Obligation, to be immediately due and payable and, upon such declaration, the principal of and all interest, if any, accrued thereon shall be and become immediately due and payable, anything herein or in the Borrower Obligation to the contrary notwithstanding.

(c) Notwithstanding anything herein to the contrary, if any Event of Default hereunder shall occur and be continuing, the Bond Bank may proceed to protect its rights hereunder, and may seek to compel compliance by the Borrower with the terms and provisions hereof and of the Borrower Obligation, by suit or suits in equity or at law, for the specific performance of any covenant, term or condition hereof or of the Borrower Obligation, or in aid of the execution of any power herein granted, and, except as herein limited, may exercise any other right or remedy upon such default as may be granted to the Bond Bank under the Act, the Municipal Finance Law or under any other applicable provision of law.

(d) During the continuance of an Event of Default, the Bond Bank shall apply all amounts received upon the exercise of its rights and remedies hereunder as follows and in the following order:

(i) to the payment of the reasonable and proper charges (including attorneys' fees) of the Bond Bank incurred in the exercise of any right or remedy hereunder;

(ii) to the payment and satisfaction of all interest then due and unpaid hereunder upon any defaulted payments;

(iii) to the payment and satisfaction of all payments then due and unpaid hereunder and, if the amount available is not sufficient to pay all payments then due and payable hereunder, first to the payment of the portion of the payments due and unpaid representing interest on the Loan or the Borrower Obligations and second to the portion of the payments due and unpaid representing the principal of the Loan or Borrower Obligation and, in either case, ratably in order of the due dates thereof;

(e) No remedy conferred upon or reserved to the Bond Bank is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy or power accruing upon any Event of Default shall impair any such right, remedy or power or shall be construed to be a waiver thereof, but any such right, remedy or power may be exercised from time to time and as often as may be deemed expedient.

Section 9. Miscellaneous.

(a) If any provision 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.

(b) 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.

(c) 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.

(d) This Loan Agreement merges and supersedes all prior negotiations, representations, and agreements between the parties hereto relating to the subject matter hereof and constitutes the entire agreement between the parties hereto in respect thereof.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Loan Agreement as of the day and year first above written.

Attest:

VERMONT BOND BANK

[title]

By: _____
Authorized Officer

(SEAL)

Attest:

[Borrower]

[Clerk]

By: _____
[title[s]]

(SEAL)

EXHIBIT A

Preliminary Schedule of Payments

Borrower: [Borrower]

Project:

Loan Amount: \$_____, subject to change based on final disbursed value

Price: 100.00

Principal and Interest:

EXHIBIT B

[FORM OF BORROWER OBLIGATION]

No. R-1

UNITED STATES OF AMERICA
STATE OF VERMONT



GENERAL OBLIGATION [NOTE/BOND/OTHER]

REGISTERED OWNER: Vermont Bond Bank

DATED DATE: January 11, 2024

The [Name of Borrower] (hereinafter called the “**Borrower**”), a body corporate and a political subdivision of the State of Vermont, promises to pay to the Vermont Bond Bank (the “**Bond Bank**”), or registered assigns, the sum of _____ DOLLARS (\$_____) in installments on the 1st of each month as set forth in Exhibit A (“**Exhibit A**”) to the Loan Agreement dated the Dated Date set forth above (the “**Loan Agreement**”), by and between in the Borrower and the Bond Bank, with interest on each installment at the rate per annum set forth in Exhibit A opposite the year in which the installment becomes due. Interest shall be calculated on the basis of 30-day months and a 360-day year.

Interest on each installment of principal shall accrue at the applicable interest rate and shall accrue from the Dated Date until such principal installment is paid. Interest and principal shall be payable to the Registered Owner monthly in the amounts set forth in Exhibit A lawful money of the United States. All payments shall be made by Automated Clearing House (ACH) unless otherwise approved in writing by the Bond Bank. Final payment of the interest and principal of this [note/bond/other] shall be made upon surrender of this [note/bond/other] for cancellation with the Registered Owner.

This [note/bond/other] is issued by the Borrower for the purpose of financing the Project defined in the Loan Agreement under and by virtue of Title 24, Chapter 53 of Vermont Statutes Annotated, the vote of its legal voters duly passed on _____ [and related resolutions duly adopted by its Selectboard.]

This [note/bond/other] is transferable only upon presentation to the [Treasurer] of the Borrower with a written assignment duly acknowledged or proved. No transfer hereof shall be effectual unless made on the books of the Borrower 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 [note/bond/other] 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 Borrower are hereby irrevocably pledged.

IN WITNESS WHEREOF, the Borrower has caused this [note/bond/other] to be signed by its _____ and its _____ and its seal (if it has a seal) to be affixed hereto as of Dated Date.

[BORROWER]

[Signature Blocks to be added]

[BORROWER]
\$_____ GENERAL OBLIGATION [NOTE/BOND/OTHER]

CERTIFICATE OF REGISTRATION

It is hereby certified that this [note/bond/other] is a registered [note/bond/other], the principal and interest due thereon payable only to the holder of record as appears in the office of the [Treasurer] of the issuing Borrower. This [note/bond/other] 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 Borrower at the office of the Treasurer of the Borrower who shall record such transfer in the records of the Borrower and on the [note/bond/other]. The name and address of the original registered owner of this [note/bond/other] is Vermont Bond Bank, [REDACTED].

EXHIBIT C

FORM OF REQUISITION

Vermont Bond Bank

Requisition and Certificate for Payment: _____
(Name of Borrower)

Requisition Number: _____

Requisition Amount: \$ _____

Requisitioned Items:

Attached is a list of certain obligations totaling \$ _____ requisitioned for reimbursement. Copies of invoices and other disbursement documentation are attached hereto.

Representations:

The terms used herein shall have the same meaning ascribed to them in the Loan Agreement.

In making this request for disbursement, the Governmental Unit hereby certifies that:

- i. The payment or reimbursement requested by this Requisition will be used solely to pay or reimburse Project Costs, which costs have not been the basis for any prior requisition (other than a requisition which has been cancelled prior to payment);
- ii. No Event of Default and no event or condition which, after notice or lapse of time or both, would become an Event of Default under the Loan Agreement exists and the representations and warranties of the Borrower contained in the Loan Agreement are true and correct as of the date of this Requisition;
- iii. The payment or reimbursement requested by this Requisition is due for work actually performed or materials or property actually supplied to the Project prior to the date of this Requisition, or for deposits on equipment not yet supplied to the Project;
- iv. All contractors, subcontractors and suppliers of materials, property or labor for the Project have been paid for their share of work, materials or property through the date of any prior Requisition;
- v. The payment or reimbursement requested by this Requisition will be disbursed in payment of, or is reimbursement for the Borrower's prior payment of, work performed or completed on, or materials or property supplied for the Project by the contractors, subcontractors or suppliers listed in this Requisition;
- vi. All amounts previously requisitioned and disbursed from the Loan proceeds for payment of contractors, subcontractors and suppliers of materials and labor have been so applied; and

- vii. All work and all materials, equipment or other property included in this Requisition have been performed or supplied in accordance with the terms of the Loan Agreement.
- viii. Borrower has or will provide payment instructions to the Bond Bank via secure means and the Authorized Representative will verify payment instruction with the Bond Bank prior to disbursement.
- ix. Contractors and subcontractors are engaged through a contract that includes Exhibit H to the Loan Agreement or are otherwise in compliance with the requirements of Exhibit H to the Loan Agreement.

Date:

BORROWER:

By: _____
Name:
Title:

[attach supporting materials]

EXHIBIT D

PROJECT COMPLETION CERTIFICATE

Pursuant to Section 3 of the Loan Agreement dated [Closing Date] (the “Loan Agreement”) between [Name of Borrower] (the “Borrower”) and the Vermont Bond Bank, the undersigned, on behalf of the Borrower, hereby certifies that the Project (as defined in the Loan Agreement) was substantially complete on _____. Attached to this Project Completion Certificate is a certificate provided by the counterparty to the construction contract and/or purchase agreement further certifying that the improvements were installed as described.

Dated _____

[BORROWER]

By: _____
Duly Authorized

EXHIBIT E

FORM OF LOCAL BOND COUNSEL OPINION

[Bond Closing Date]

Vermont Bond Bank
100 Bank Street, Suite 401
Burlington, Vermont 05401

Re: \$_____ [Name of Borrower] General Obligation [note/bond/other] dated [insert Closing Date]

We have acted as bond counsel to [Name of Borrower] (the “**Borrower**”) in connection with the issuance by the Borrower of the above-referenced [note/bond/other] (the “**Obligation**”). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion, including the Loan Agreement dated the date hereof between the Vermont Bond Bank (the “**Bond Bank**”) and the Borrower (the “**Loan Agreement**”).

As to questions of fact material to our opinion, we have relied upon representations and covenants of the Borrower contained in the Loan Agreement and in the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Loan Agreement has been duly authorized, executed and delivered by the Borrower in accordance with Title 24 of Chapter 53 of the Vermont Statutes Annotated [revise, as applicable], and, assuming that the Loan Agreement has been duly authorized, executed and delivered by the Bond Bank, constitutes a valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms.
2. The Obligation has been duly authorized, executed and delivered by the Borrower in accordance with the Loan Agreement and applicable law and is a valid and binding general obligation of the Borrower enforceable against the Borrower in accordance with its terms [and, except to the extent they are paid from other sources, the principal of and interest on the Obligation are payable from unlimited ad valorem taxes on the grand list of all taxable property within the Borrower as established, assessed and apportioned by law]. The Obligation is a “Municipal bond” within the meaning of Section 4155(7) of Chapter 24 of the Vermont Statutes Annotated.

The rights of owners of the Obligation and the enforceability of the Obligation are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors’ rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

EXHIBIT F

FORM OF RECEIPT

Received of the Vermont Bond Bank the sum of \$_____ being in full payment for the Borrower [note/bond/other] of the below-referenced Borrower dated the date hereof and sold and delivered to said Bond Bank.

Dated [Date]

[BORROWER]

By: _____
Duly Authorized

EXHIBIT G

TREASURER'S CERTIFICATE

The undersigned Treasurer of [Name of Borrower] (the “**Borrower**”) hereby certifies, on behalf of the Borrower, that the Borrower is obligated under the Loan Agreement, dated as of [insert Closing Date] between the Borrower and the Vermont Bond Bank (the “**Bond Bank**”) to provide to the Bond Bank the requirements of Exhibit H and annually upon publication a copy of the annual report on the finances and administrative activities of the Borrower generated and distributed in accordance with 24 V.S.A. § 1173 and any independent auditor’s report on the financial statements of the Borrower.

[BORROWER]

Treasurer

Dated: _____

EXHIBIT H

EQUAL OPPORTUNITY CONTRACT PROVISIONS

During the performance of this contract, the contractor agrees as follows:

(a) The contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(b) The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants shall receive consideration for employment without regard to race, color, religion, sex or national origin.

(c) The contractor shall send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The contractor shall comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

(e) The contractor shall furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and shall permit access to his books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(f) In the event of the contractor's noncompliance with the non-discrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be canceled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

(g) The contractor shall include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246, dated September 24, 1965, so that such provisions shall be binding upon each subcontractor or vendor. The contractor shall take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

EXHIBIT I

HISTORICAL PROPERTY CERTIFICATE

EXHIBIT J

ENERGY EFFICIENCY PROGRAM REQUIREMENTS

The intention of the program is to provide affordable capital Energy Efficiency Measures. The Borrower provided the Bond Bank estimates of production or savings associated with the Energy Efficiency Measures in its application. The Borrower shall provide the Bond Bank with additional records related to the Project upon reasonable request.

On an on-going basis the Borrower will provide the Bond Bank with [performance measure (ex. electric bills sufficient to document the performance of the Project quarterly that should be submitted electronically on the tenth day of the month following the end of the quarter)].

The Borrower covenants that it shall undertake corrective actions in the event the performance of the Project materially underperforms the estimates provided in the application. A corrective plan will be submitted to the Bond Bank for approval no more than sixty (60) days following notice from the Bond Bank. Failure to provide a corrective plan within the above timeline will be considered an Event of Default under Section 8 of the Loan Agreement.

As available, borrower will provide racial and ethnic data in the form below for users of the Project and request the same information of the parties subject to the Project contract[s].

	Annual Facility Users / FTEs	Project / Installation FTEs	Project / Installation Hours
Gender			
Male			
Female			
Non binary			
Ethnicity			
Hispanic or Latino			
Race			
American Indian or Alaska Native			
Asian			
Black or African American			
Native Hawaiian or Other Pacific Islander			
White			

EXHIBIT K

APPOINTMENT OF AUTHORIZED REPRESENTATIVE(S)

I, _____, a duly authorized official of [Borrower]
(Name of Authorizing Official)

Do hereby certify that the following have been authorized representative(s), at the date hereof, and are authorized to act on behalf of the above Governmental Unit in matters relating to its loan from the Bond Bank that closed on _____, 2024.

I also certify that the following signatures opposite their names are the signatures of such individual(s).

Name	Title	Specimen Signature

Witness my signature on this _____ day of _____, 2024.

Signature

EXHIBIT C-2

MUNICIPAL LOAN AGREEMENT- APPROPRIATION OBLIGATION



LOAN AGREEMENT
(Energy Efficiency Program Loan)

This LOAN AGREEMENT, dated _____ (the “**Closing Date**”), is between the VERMONT BOND BANK (the “**Bond Bank**”), a body corporate and politic constituted as an instrumentality of the State of Vermont (the “**State**”) exercising public and essential governmental functions and created pursuant to the provisions of Chapter 119 of Title 24 of the Vermont Statutes Annotated (the “**Act**”), having its principal place of business at Burlington, Vermont, and the _____ (the “**Borrower**”).

WHEREAS, pursuant to the Act, the Bond Bank is authorized to make loans of money to Governmental Units (as defined in the Act) and to purchase Municipal bonds (as defined in the Act) evidencing such loans; and

WHEREAS, the Borrower is a Governmental Unit and, pursuant to the Act, is authorized to accept a loan from the Bond Bank to be evidenced by a bond, note, other evidence of debt or financing arrangement duly issued by it and purchased by the Bond Bank.

WHEREAS, the Borrower wishes to implement structural improvements and investments in cost-effective, commercial technologies to increase energy efficiency (including cost-effective on- or off-grid renewable energy or energy storage systems) (the “**Energy Efficiency Measures**”);

WHEREAS, the Borrower has requested three-months during which to draw down loan proceeds (the “**Draw Down Period**”) to complete the capital improvements described in **Exhibit A** (the “**Project**”);

WHEREAS, the Borrower has applied to the Bond Bank for, and requested that the Bond Bank make, a loan (the “**Loan**”), in the aggregate principal amount of _____ Dollars (\$ _____), subject to change based on the final disbursed value (the “**Loan Amount**”), maturing in installments on the dates, in the estimated amounts and bearing interest at the rates, all as set forth in **Exhibit A**;

WHEREAS, the Borrower will apply the proceeds of the Loan to pay the costs (the “**Project Costs**”) of the Project, and the Borrower has duly authorized the issuance of a [note/bond/other] (the “**Borrower Obligation**”), to be purchased by the Bond Bank to evidence the Loan in accordance with this Agreement, which Borrower Obligation shall be substantially in the form appended hereto as **Exhibit B**; and

NOW, THEREFORE, the parties agree as follows:

Section 1. Representations and Warranties. The Borrower hereby represents and warrants to the Bond Bank as follows:

(a) The Borrower is a Governmental Unit within the meaning of the Act, with full legal right and authority under the general laws of the State of Vermont applicable to it to

authorize, execute and deliver this Loan Agreement and the Borrower Obligation, to undertake the Project, and to carry out and consummate all transactions contemplated by the foregoing.

(b) The Borrower has duly and validly authorized the execution, delivery and adoption, as applicable, of this Loan Agreement and the Borrower Obligation, and all approvals, consents, and other governmental or corporate proceedings necessary to make them the legally binding obligations of the Borrower that they purport to be, in accordance with their respective terms, have been obtained or made.

(c) No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, other than as disclosed to the Bond Bank in writing, is pending or, to the knowledge of the authorized officer(s) of the Borrower executing this Loan Agreement, threatened (1) seeking to restrain or enjoin the execution, delivery and adoption, as applicable, of this Loan Agreement or the Borrower Obligation, or the construction or operation of the Project or (2) contesting or affecting the validity of this Loan Agreement or the Borrower Obligation, or the power of the Borrower to assess and collect taxes to repay the Loan and all other costs and expenses of any Project, if any; and neither the corporate existence of the Borrower nor the title to office of the authorized officer(s) of the Borrower executing this Loan Agreement or the Borrower Obligation is being contested.

(d) The authorization, execution, delivery and adoption, as applicable, of this Loan Agreement and the Borrower Obligation, and performance of each thereof, will not constitute a breach of, or a default under, any law, ordinance, resolution, agreement, indenture or other instrument to which the Borrower is a party or by which it or any of its properties is bound.

(e) This Loan Agreement and, when executed and delivered, the Borrower Obligation will be valid financing arrangements of the Borrower, enforceable in accordance with their respective terms and the terms of the Act and Title 24, Chapter 53 of Vermont Statutes Annotated (the “**Municipal Finance Law**”).

(f) The Borrower reasonably believes that sufficient funds can be obtained to make all payments required under the term of this this Loan Agreement and the Borrower Obligation. While payment and performance on the part of the Borrower is conditioned expressly upon the annual approval by the Borrower of an appropriation sufficient to pay when next due rents, charges, and other payments accruing under this Loan Agreement and the Borrower Obligation, the Borrower hereby states that it is its current intention to make sufficient annual appropriations during the term of this Loan Agreement and the Borrower Obligation to make such payments. Notwithstanding anything in this this Loan Agreement and the Borrower Obligation to the contrary, the Borrower’s obligations to pay the cost of performing its obligations under this Loan Agreement and the Borrower Obligation, including, without limitation, its obligations to make payments under this Loan Agreement and the Borrower Obligation, shall be subject to and dependent upon annual appropriations being made from time to time by the governing body of the Borrower and, subsequently, by the Borrower for such purpose.

(g) The Borrower represents that all information it has provided in connection with the Loan, the Loan application, the Borrower Note, this Loan Agreement and all certifications, statements, representations and records identified or referred to therein are true, accurate and

complete to the best knowledge of the Borrower and its officers. The Borrower further represents that it has disclosed to the Bond Bank all information material to the Loan.

(h) The undersigned officer(s) of the Borrower is/are duly charged and responsible for issuing the Borrower Obligation.

Section 2. The Loan

(a) On the terms and conditions provided herein, the Bond Bank hereby agrees to make the Loan to the Borrower and the Borrower agrees to accept the Loan and, to evidence the Loan, the Bank agrees to purchase the Borrower Obligation from the Borrower at the price set forth in **Exhibit A** and the Borrower agrees to issue and sell the Borrower Obligation to the Bond Bank at such price, in each case in an aggregate amount equal to the Loan Amount.

(b) The Borrower Obligation shall mature and be payable on the dates and in the principal amounts, and shall bear interest from the date of delivery thereof to the Bond Bank at the rates, all as set forth in the estimated schedule shown in **Exhibit A**. The final schedule to **Exhibit A** will be delivered upon receipt of the Project Completion Certificate.

(c) Each Payment made by or for the account of the Borrower under this Loan Agreement shall satisfy the corresponding obligation of the Borrower to pay the principal and interest, if any, then due on the Borrower Obligation, as the same becomes due on the applicable payment dates therefore, and each payment of principal and interest made by the Borrower on the Borrower Obligation, shall satisfy the obligation of the Borrower to pay the corresponding payment then due hereunder.

Section 3. Acquisition; Title; Security Interest; Personal Property

(a) In order to effectuate the purposes of this Loan Agreement, the Borrower shall make, execute, acknowledge and deliver, or cause to be made, executed, acknowledged and delivered, all vendor agreements in the name of the Borrower and, in general, to do or cause to be done all such other things as may be requisite or proper for the acquisition and installation of the Project and the fulfillment of the obligations of the Borrower under this Loan Agreement and the Borrower Obligation.

(a) As additional security for the payment and performance of all of the Borrower's obligations under this Loan Agreement and the Borrower Obligation, the Borrower hereby grants to the Bond Bank a first priority security interest constituting a first lien on (i) the Project and (ii) any and all proceeds of any of the foregoing, including, without limitation, insurance proceeds (collectively, the "Collateral"). The Borrower authorizes the Bond Bank or its agents, including without limitation the trustee under the Bond Bank's Energy Efficiency Program Resolution to file (and the Borrower agrees to execute, if applicable) such notices of assignment, chattel mortgages, financing statements and other documents, in form satisfactory to Bond Bank and the Trustee, which the Bond Bank or the Trustee deems necessary or appropriate to establish and maintain the Bond Bank's security interest in the Collateral, including, without limitation, such financing statements with respect to personal property and fixtures under Article 9 of the Uniform Commercial Code in effect in the State and treating such Article 9 as applicable to entities such as the Borrower.

(b) The Bond Bank agrees that all or a portion of the Project is deemed to be and will remain personal property, and will be affixed to or a part of the real estate on which it may be situated. The Borrower shall not create, incur, assume or permit to exist any mortgage, pledge, lien, security interest, charge or other encumbrance of any nature whatsoever on any of the real estate where the Project is or will be located or enter into any agreement to sell or assign or enter into any sale/leaseback arrangement of such real estate without the prior written consent of the Bond Bank.

Section 4. Disbursements

(a) No more three times per month, excluding the initial draw at closing, and in no event after the Draw Down Period, the Borrower shall requisition from the Bond Bank portions of the Loan proceeds necessary to pay Project Costs. Such requisitions shall be made in the form attached hereto as **Exhibit C**. The Borrower shall certify to the Bond Bank the name(s) and the title(s) of the person(s) authorized to execute and submit such requisitions. The Borrower shall proceed with due diligence to complete the Project. Completion of the Project shall be evidenced by a Project Completion Certificate in the form set forth in **Exhibit D** signed by the Borrower and delivered to the Bond Bank.

(b) The Bond Bank will provide an updated **Exhibit A** alongside invoices during the Draw Down Period.

(c) Upon receipt by the Bond Bank of the Project Completion Certificate with respect to the Project, the Bond Bank shall amend the schedule of payments set forth in **Exhibit A** to reflect the final dollar amount of draws under the Loan Agreement and the resulting interest and principal payments due thereon.

(d) Notwithstanding anything to the contrary herein, the Bond Bank shall not be required to make disbursements while an Event of Default shall be continuing hereunder.

Section 5. Payments

(a) The Borrower shall make funds sufficient to pay interest as the same becomes due available to the Bond Bank on the 1st of each month as set forth in **Exhibit A** or an amended schedule. The Borrower shall make funds sufficient to pay the principal as the same matures on the 1st of each month as set forth in **Exhibit A**.

(b) The Borrower is obligated to pay fees and charges to the Bond Bank within thirty (30) days of demand by the Bond Bank, as provided in the Act.

(c) All payments shall be made by Automated Clearing House (ACH) unless otherwise approved in writing by the Bond Bank.

(d) Except as otherwise provided in Section 8(d) hereof, all such payments made by the Borrower hereunder shall be applied, first, to the interest, if any, on the Loan then due and payable, second, to the principal amount of the Loan then due and payable, and, third, to the fees and charges of the Bond Bank, if any. Any portion of a payment not paid in full when due shall bear interest hereunder until paid at twelve percent (12%) per annum as provided in the Act.

(e) The Borrower shall provide to the Bond Bank, at least sixty (60) days prior to each interest payment date or principal payment date for the Loan, the name(s) and the title(s) of the person(s) at the Borrower to whom invoices for the payment of interest and principal should be addressed.

Section 6. Prepayments

(a) The Loan are subject to prepayment at the option of the Borrower prior to maturity with the prior written consent of the Bond Bank.

(b) Unless the Bond Bank shall otherwise agree, any prepayment hereunder of less than all of the principal amount of the Loan and the Borrower Obligation, shall be applied to reduce the principal balance of the Loan and the Borrower Obligation without amendment to the regular combined payment amount. Upon any prepayment of the Loan and the Borrower Obligation in part, the Bond Bank shall amend the schedule of payments set forth in **Exhibit A** to reflect such prepayment.

(c) [Notwithstanding Section 6(b), the Bond Bank shall modify the combined payment and amend **Exhibit A** in the event the partial prepayment is because of the Borrower's receipt of an Elective Pay tax credit.]

Section 7. Closing

(a) The obligation of the Bond Bank to make and fund the Loan is expressly conditioned upon the receipt by the Bond Bank simultaneously with the delivery of this Loan Agreement of the following, each in form and substance satisfactory to the Bond Bank:

- (i) the Borrower Obligation;
- (ii) signed construction contract or purchase agreement for the implementation via the Project of Energy Efficiency Measures that includes Exhibit H and requirement to provide racial and ethnic data in the form of the table in Exhibit G;
- (iii) an unqualified opinion of bond counsel to the Borrower satisfactory to the Bond Bank in the form of **Exhibit E**;
- (iv) a receipt in the form of **Exhibit F**,
- (v) a certificate regarding ongoing reporting in the form of **Exhibit G**,
- (vi) completion of the Bond Bank's environmental review,
- (vii) an historic property certificate in the form of **Exhibit I**,
- (viii) evidence of a first priority security interest the Project and insurance proceeds under Article 9 of the Uniform Commercial Code,

(ix) a completed Appointment of Authorized Representatives in the form of **Exhibit J**, and

(x) copies of such resolutions and certificates and related information, prepared by bond counsel to the Borrower evidencing the valid authorization, execution and delivery of the Borrower Note.

Section 8. Particular Covenants of the Borrower

(a) The Borrower shall apply the proceeds of the Loan solely to the payment or reimbursement of costs of the Project.

(b) The Borrower shall comply with all terms and conditions of this Loan Agreement including, without limitation, all additional terms, conditions or other provisions, if any, contained in **Exhibit H**.

(c) The Borrower shall provide to the Bond Bank annually upon publication a copy of the annual report on the finances and administrative activities of the Borrower generated and distributed in accordance with 24 V.S.A. § 1173 and any independent auditor's report on the financial statements of the Borrower. In addition, within thirty (30) days following a request by the Bond Bank, the Borrower agrees to furnish the Bond Bank with its most recent financial statements, explanatory notes and other financial and operating information as the Bond Bank may request.

(d) In addition, the Borrower agrees to notify the Bond Bank within ten (10) days of the occurrence of any notice event which has or may have a material adverse effect upon its financial condition or its ability to perform fully and timely any covenant, obligation or undertaking set forth in this Loan Agreement or the Borrower Obligation.

Section 9. Events of Default and Remedies

(a) The occurrence of any of any one or more of the following events shall constitute, and is defined to be, an "**Event of Default**" hereunder and the Borrower Obligation:

(i) if the Borrower shall fail to pay when due all or any part of any installment of principal or interest payable hereunder and the Borrower Obligation;

(ii) if the Borrower shall fail to perform and observe any other covenant, agreement or condition on its part provided in this Loan Agreement and such failure shall continue for a period of thirty (30) days after written notice thereof shall be given to the Borrower by the Bond Bank; provided if such failure cannot be remedied within such thirty (30) day period, it shall not constitute an Event of Default hereunder if (1) corrective action satisfactory to the Bond Bank is instituted by the Borrower within such period (2) such corrective action is diligently pursued until the failure is remedied and (3) the Borrower delivers a written update as to the status of such corrective action at least once every 30 days until the failure is remedied;

(iii) if any representation or warranty made by or on behalf of the Borrower in the Loan Agreement or in any loan application shall prove to have been incorrect or to be misleading in any material respect as and when made;

(iv) if (x) an order, judgment or decree is entered by a court of competent jurisdiction (a) appointing a receiver, trustee, or liquidator for the Borrower, (b) granting relief in involuntary proceedings with respect to the Borrower under the federal bankruptcy act, or (c) assuming custody or control of the Borrower, under the provision of any law for the relief of debtors, and the order, judgment or decree is not set aside or stayed within sixty (60) days from the date of entry of the order, judgment or decree or (y) the Borrower (a) admits in writing its inability to pay its debts generally as they become due, (b) commences voluntary proceedings in bankruptcy or seeking a composition of indebtedness, (c) makes an assignment for the benefit of its creditors, or (d) consents to the assumption by any court of competent jurisdiction under any law for the relief of debtors of custody or control of the Borrower, or (y) legislation shall be enacted by the State of Vermont (a) appointing a receiver or trustee for the Borrower or (b) assuming custody or control of the Borrower, or (c) providing for a moratorium upon the payment of the principal of or interest on the Loan or the Borrower Obligation; and

(v) if the Borrower shall fail to pay when due (whether at maturity or upon redemption or otherwise) any principal of or interest on any indebtedness of the Borrower for borrowed money, other than the Loan and the Borrower Obligation; and

(b) In addition to its other remedies provided herein, if an Event of Default specified in clause (i) or clause (v) of subsection (a) hereof shall occur and be continuing, the Bond Bank may proceed to enforce its rights under the Loan Agreement and under the Borrower Obligation, by exercise of the following remedies in such order of priority as the Bond Bank shall determine in its discretion:

(i) if any payments of principal of or interest on the Borrower Obligation shall be due and unpaid, pursuant to the Act, the State Treasurer may intercept State funding to the Borrower;

(ii) by notice to the Borrower the Bond Bank may declare the principal of the Loan and all payments payable thereon, and the corresponding principal amount of the Borrower Obligation, to be immediately due and payable and, upon such declaration, the principal of and all interest, if any, accrued thereon shall be and become immediately due and payable, anything herein or in the Borrower Obligation to the contrary notwithstanding.

(c) Notwithstanding anything herein to the contrary, if any Event of Default hereunder shall occur and be continuing, the Bond Bank may proceed to protect its rights hereunder, and may seek to compel compliance by the Borrower with the terms and provisions hereof and of the Borrower Obligation, by suit or suits in equity or at law, for the specific performance of any covenant, term or condition hereof or of the Borrower Obligation, or in aid of the execution of any power herein granted, and, except as herein limited, may exercise any other right or remedy upon such default as may be granted to the Bond Bank under the Act, the Municipal Finance Law or under any other applicable provision of law.

(d) During the continuance of an Event of Default, the Bond Bank shall apply all amounts received upon the exercise of its rights and remedies hereunder as follows and in the following order:

(i) to the payment of the reasonable and proper charges (including attorneys' fees) of the Bond Bank incurred in the exercise of any right or remedy hereunder;

(ii) to the payment and satisfaction of all interest then due and unpaid hereunder upon any defaulted payments;

(iii) to the payment and satisfaction of all payments then due and unpaid hereunder and, if the amount available is not sufficient to pay all payments then due and payable hereunder, first to the payment of the portion of the payments due and unpaid representing interest on the Loan or the Borrower Obligations and second to the portion of the payments due and unpaid representing the principal of the Loan or Borrower Obligation and, in either case, ratably in order of the due dates thereof;

(e) No remedy conferred upon or reserved to the Bond Bank is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy or power accruing upon any Event of Default shall impair any such right, remedy or power or shall be construed to be a waiver thereof, but any such right, remedy or power may be exercised from time to time and as often as may be deemed expedient.

Section 10. Miscellaneous.

(a) If any provision 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.

(b) 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.

(c) 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.

(d) This Loan Agreement merges and supersedes all prior negotiations, representations, and agreements between the parties hereto relating to the subject matter hereof and constitutes the entire agreement between the parties hereto in respect thereof.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Loan Agreement as of the day and year first above written.

Attest:

VERMONT BOND BANK

Executive Director

By: _____
[Chair]

(SEAL)

Attest:

[Borrower]

[Clerk]

By: _____
[title[s]]

(SEAL)

EXHIBIT A

Preliminary Schedule of Payments

Borrower: [Borrower]

Project:

Loan Amount: \$_____, subject to change based on final disbursed value

Price: 100.00

Principal and Interest:

[BORROWER]

[Signature Blocks to be added]

[BORROWER]
[NOTE/BOND/OTHER]

_____, 2024

CERTIFICATE OF REGISTRATION

It is hereby certified that this [note/bond/other] is a registered [note/bond/other], the principal and interest due thereon payable only to the holder of record as appears in the office of the [Treasurer] of the issuing Borrower. This [note/bond/other] 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 Borrower at the office of the Treasurer of the Borrower who shall record such transfer in the records of the Borrower and on the [note/bond/other]. The name and address of the original registered owner of this note is Vermont Bond Bank, [REDACTED].

EXHIBIT C

FORM OF REQUISITION

Vermont Bond Bank

Requisition and Certificate for Payment: _____
(Name of Borrower)

Requisition Number: _____

Requisition Amount: \$_____

Requisitioned Items:

Attached is a list of certain obligations totaling \$_____ requisitioned for reimbursement. Copies of invoices and other disbursement documentation are attached hereto.

Representations:

The terms used herein shall have the same meaning ascribed to them in the Loan Agreement.

In making this request for disbursement, the Governmental Unit hereby certifies that:

- i. The payment or reimbursement requested by this Requisition will be used solely to pay or reimburse Project Costs, which costs have not been the basis for any prior requisition (other than a requisition which has been cancelled prior to payment);
- ii. No Event of Default and no event or condition which, after notice or lapse of time or both, would become an Event of Default under the Loan Agreement exists and the representations and warranties of the Borrower contained in the Loan Agreement are true and correct as of the date of this Requisition;
- iii. The payment or reimbursement requested by this Requisition is due for work actually performed or materials or property actually supplied to the Project prior to the date of this Requisition, or for deposits on equipment not yet supplied to the Project;
- iv. All contractors, subcontractors and suppliers of materials, property or labor for the Project have been paid for their share of work, materials or property through the date of any prior Requisition;
- v. The payment or reimbursement requested by this Requisition will be disbursed in payment of, or is reimbursement for the Borrower's prior payment of, work performed or completed on, or materials or property supplied for the Project by the contractors, subcontractors or suppliers listed in this Requisition;
- vi. All amounts previously requisitioned and disbursed from the Loan proceeds for payment of contractors, subcontractors and suppliers of materials and labor have been so applied; and

- vii. All work and all materials, equipment or other property included in this Requisition have been performed or supplied in accordance with the terms of the Loan Agreement.
- viii. Borrower has or will provide payment instructions to the Bond Bank via secure means and the Authorized Representative will verify payment instruction with the Bond Bank prior to disbursement.
- ix. Contractors reimbursed or paid from this requestion are subject to a contract that includes Exhibit X to the Loan Agreement or are otherwise in compliance with the requirements of Exhibit X to the Loan Agreement.

Date:

BORROWER:

By: _____
Name:
Title:

[attach supporting materials]

EXHIBIT D

PROJECT COMPLETION CERTIFICATE

Pursuant to Section 3 of the Loan Agreement dated [Closing Date] (the “Loan Agreement”) between [Name of Borrower] (the “Borrower”) and the Vermont Bond Bank, the undersigned, on behalf of the Borrower, hereby certifies that the Project (as defined in the Loan Agreement) was substantially complete on _____. Attached to this Project Completion Certificate is a certificate provided by the counterparty to the construction contract and/or purchase agreement further certifying that the improvements were installed as described.

Dated _____

[BORROWER]

By: _____
Duly Authorized

EXHIBIT E

FORM OF LOCAL BOND COUNSEL OPINION

[Bond Closing Date]

Vermont Bond Bank
100 Bank Street, Suite 401
Burlington, Vermont 05401

Re: \$_____ [Name of Borrower] Borrower Note dated [insert Closing Date]

We have acted as bond counsel to [Name of Borrower] (the “**Borrower**”) in connection with the issuance by the Borrower of the above-referenced [note/bond/other] (the “**Obligation**”). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion, including the Loan Agreement dated the date hereof between the Vermont Bond Bank (the “**Bond Bank**”) and the Borrower (the “**Loan Agreement**”).

As to questions of fact material to our opinion, we have relied upon representations and covenants of the Borrower contained in the Loan Agreement and in the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Loan Agreement has been duly authorized, executed and delivered by the Borrower in accordance with Title 24 of Chapter 53 of the Vermont Statutes Annotated, and, assuming that the Loan Agreement has been duly authorized, executed and delivered by the Bond Bank, constitutes a valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms.

2. The Obligation has been duly authorized, executed and delivered by the Borrower in accordance with the Loan Agreement and applicable law and is a valid and binding general obligation of the Borrower enforceable against the Borrower in accordance with its terms. The Obligation is a “Municipal bond” within the meaning of Section 4155(7) of Chapter 24 of the Vermont Statutes Annotated.

The rights of owners of the Obligation and the enforceability of the Obligation are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors’ rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

EXHIBIT F

FORM OF RECEIPT

Received of the Vermont Bond Bank the sum of \$_____ being in full payment for the Borrower [note/bond/other] of the below-referenced Borrower dated the date hereof and sold and delivered to said Bond Bank.

Dated [Date]

[BORROWER]

By: _____
Duly Authorized

EXHIBIT G

TREASURER'S CERTIFICATE

The undersigned Treasurer of [Name of Borrower] (the “**Borrower**”) hereby certifies, on behalf of the Borrower, that the Borrower is obligated under the Loan Agreement, dated as of [insert Closing Date] between the Borrower and the Vermont Bond Bank (the “**Bond Bank**”) to provide to the Bond Bank the requirements of Exhibit H and annually upon publication a copy of the annual report on the finances and administrative activities of the Borrower generated and distributed in accordance with 24 V.S.A. § 1173 and any independent auditor’s report on the financial statements of the Borrower.

TOWN OF CHARLOTTE

Treasurer

Dated: [January 11, 2024]

EXHIBIT H

EQUAL OPPORTUNITY CONTRACT PROVISIONS

During the performance of this contract, the contractor agrees as follows:

(a) The contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(b) The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants shall receive consideration for employment without regard to race, color, religion, sex or national origin.

(c) The contractor shall send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The contractor shall comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

(e) The contractor shall furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and shall permit access to his books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(f) In the event of the contractor's noncompliance with the non-discrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be canceled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

(g) The contractor shall include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246, dated September 24, 1965, so that such provisions shall be binding upon each subcontractor or vendor. The contractor shall take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

EXHIBIT I

HISTORICAL PROPERTY CERTIFICATE

[RESERVED]

EXHIBIT J

ENERGY EFFICIENCY PROGRAM REQUIREMENTS

The intention of the program is to provide affordable capital Energy Efficiency Measures. The Borrower provided the Bond Bank estimates of production or savings associated with the Energy Efficiency Measures in its application. The Borrower shall provide the Bond Bank with additional records related to the Project upon reasonable request.

On an on-going basis the Borrower will provide the Bond Bank with [performance measure (ex. electric bills sufficient to document the performance of the Project quarterly that should be submitted electronically on the tenth day of the month following the end of the quarter)].

The Borrower covenants that it shall undertake corrective actions in the event the performance of the Project materially underperforms the estimates provided in the application. A corrective plan will be submitted to the Bond Bank for approval no more than sixty (60) days following notice from the Bond Bank. Failure to provide a corrective plan within the above timeline will be considered an Event of Default under Section 9 of the Loan Agreement.

As available, borrower will provide racial and ethnic data in the form below for users of the Project and request the same information of the parties subject to the Construction contract.

	Annual Facility Users / FTEs	Project / Installation FTEs	Project / Installation Hours
Gender			
Male			
Female			
Non binary			
Ethnicity			
Hispanic or Latino			
Race			
American Indian or Alaska Native			
Asian			
Black or African American			
Native Hawaiian or Other Pacific Islander			
White			

EXHIBIT K

APPOINTMENT OF AUTHORIZED REPRESENTATIVE(S)

I, _____, a duly authorized official of [Borrower]
(Name of Authorizing Official)

Do hereby certify that the following have been authorized representative(s), at the date hereof, and are authorized to act on behalf of the above Governmental Unit in matters relating to its loan from the Bond Bank that closed on _____, 2024.

I also certify that the following signatures opposite their names are the signatures of such individual(s).

Name	Title	Specimen Signature

Witness my signature on this _____ day of _____, 2024.

Signature

ATTACHMENT C: 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.

Signature of Official

Authorized to Commit Firm: _____

Name: _____

Title: _____

Firm Name: _____

Date: _____



Vermont
Bond Bank