NEW ISSUE RATINGS: See "RATINGS" herein.

In the opinion of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Bond Counsel to the Bond Bank, under existing law, and assuming continued compliance with various requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code. Interest on the Bonds is not an item of tax preference for purposes of computation of the federal alternative minimum tax imposed on individuals; however, it may be taken into account for the purpose of computing the federal alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, under existing law, the Bonds are exempt from State of Vermont personal income taxes and State of Vermont corporate income taxes. See "TAX MATTERS" herein.

Vermont Bond Bank

$84,490,000
Vermont Bond Bank
Enhanced Community Revenue Bonds
2026 Series 5

Dated: Date of Delivery **Due: December 1, as shown on the inside cover**

The Enhanced Community Revenue Bonds, 2026 Series 5 (the "Bonds") of the Vermont Bond Bank (the "Bond Bank") are issuable only as fully registered bonds without coupons, and, when issued, will be registered in the name of Cede & Co., as the registered Bondholder and nominee for The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the Bonds will be made in book-entry-only form, in the denomination of $5,000 or any integral multiple thereof. Purchasers of beneficial interests will not receive certificates representing their interest in the Bonds. So long as Cede & Co. is the registered Bondholder, as nominee of DTC, references herein to the Bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds. See "THE BONDS - Book-Entry-Only System" herein.

Principal of and semiannual interest will be paid, as set forth herein, directly to DTC by U.S. Bank Trust Company, National Association, as Trustee and Paying Agent, so long as DTC or its nominee, Cede & Co., is the registered Bondholder. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participant as more fully described herein. The Bonds are subject to redemption as more fully set forth herein.

The Bonds are direct and general obligations of the Bond Bank payable out of any revenues or funds subject to the provisions of resolutions now or hereafter pledging particular monies, assets or revenues to particular notes or bonds of the Bond Bank as more fully described in this Official Statement. The Bond Bank does not possess any ad valorem taxing powers. The State of Vermont is not obligated to pay the principal of and interest on the Bonds, and neither the faith and credit nor the taxing power of the State of Vermont is pledged to the payment of such principal and interest.

The Bonds are payable from and secured by a pledge of Revenues (as defined herein), including without limitation, Municipal Bonds Payments (as defined herein). Such pledge securing Enhanced Community Revenue Bonds, like the 2026 Series 5 Bonds, is in all respects junior and subordinate to the pledge securing the Community Revenue Bonds. Such pledge securing Enhanced Community Revenue Bonds and Community Revenue Bonds is in all respects junior and subordinate to the pledge securing Legacy Bonds (as defined herein).

The Bonds are offered when, as and if issued and received by the Underwriters of the Bonds, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Boston, Massachusetts, Bond Counsel. Certain legal matters will be passed on for the Underwriters by their counsel, Troutman Pepper Locke LLP, Boston, Massachusetts. Omnicap Group LLC, El Segundo, California, serves as financial advisor to the Bond Bank. It is expected that the Bonds in definitive form will be available for delivery to DTC in New York, New York or its custodial agent on or about September 10, 2026.

Morgan Stanley

J.P. Morgan **Stifel** **Truist Securities**

August 27, 2026

$84,490,000
Vermont Bond Bank
Enhanced Community Revenue Bonds, 2026 Series 5

Maturity (December 1)	Principal	Interest Rate	Yield	CUSIP[†] Number
2026	$4,175,000	5.00%	2.58%	924215KL9
2027	8,315,000	5.00	2.60	924215KM7
2028	8,495,000	5.00	2.69	924215KN5
2029	8,780,000	5.00	2.79	924215KP0
2030	8,370,000	5.00	2.91	924215KQ8
2031	6,695,000	5.00	3.02	924215KR6
2032	6,250,000	5.00	3.13	924215KS4
2033	6,240,000	5.00	3.23	924215KT2
2034	5,985,000	5.00	3.36[*]	924215KU9
2035	5,680,000	5.00	3.46[*]	924215KV7
2036	5,385,000	5.00	3.55[*]	924215KW5
2037	2,655,000	5.00	3.71[*]	924215KX3
2038	2,420,000	5.00	3.83[*]	924215KY1
2039	2,095,000	5.00	4.00[*]	924215KZ8
2040	1,115,000	5.00	4.10[*]	924215LA2
2041	600,000	5.00	4.17[*]	924215LB0
2042	210,000	5.00	4.23[*]	924215LC8
2043	215,000	5.00	4.28[*]	924215LD6
2044	215,000	5.00	4.34[*]	924215LE4
2045	220,000	5.00	4.41[*]	924215LF1
2046	375,000	5.00	4.49[*]	924215LG9

[*] Priced to the first optional redemption date at par, October 1, 2034.

[†] CUSIP is a registered trademark of the ABA. CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by FactSet Research Systems, Inc. The CUSIP numbers listed above are being provided solely for the convenience of the Bondholders and the Bond Bank makes no representations with respect to such numbers or undertakes any responsibility for their accuracy. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors, including, but not limited to, the refunding or defeasance of such securities or the use of secondary market financial products.

INTRODUCTION TO THE OFFICIAL STATEMENT

The following is furnished solely to provide limited introductory information regarding the $84,490,000 Vermont Bond Bank Enhanced Community Revenue Bonds, 2026 Series 5 (the "Bonds") and does not purport to be comprehensive. All such information is qualified in its entirety by reference to the more detailed descriptions and definitions of terms appearing elsewhere in this Official Statement, including the appendices hereto. Investors should read the entire Official Statement to obtain information essential to making an informed decision.

Issuer:	Vermont Bond Bank (the "Bond Bank")
Purpose:	The Bonds are being issued and applied with other available funds under the General Resolution: (i) to refund the Refunded Bonds (as defined herein), (ii) to make a deposit into the Reserve Fund held by the Trustee under the General Resolution, and (iii) to pay certain costs of issuance of the Bonds.
Security:	The Bonds are general obligations of the Bond Bank and are secured under the General Resolution. Under the General Resolution, the amendment and restatement of which took effect as of December 1, 2025, there are three categories of bonds collectively referred to herein as "General Resolution Bonds": "Legacy Bonds," which consist of General Resolution Bonds issued prior to December 1, 2025; "Community Revenue Bonds"; and "Enhanced Community Revenue Bonds," which include the Bonds. The General Resolution Bonds are secured by a pledge of Revenues, as defined in the General Resolution and include, without limitation, the amounts required to be paid by such Governmental Units to the Bond Bank pursuant to loan agreements for principal and interest on the loans ("Municipal Bonds Payments") secured by the municipal bonds issued by Governmental Units and purchased by the Bond Bank ("Municipal Bonds"). Such pledge securing Enhanced Community Revenue Bonds is in all respects junior and subordinate to the pledge securing the Community Revenue Bonds. Such pledge securing Enhanced Community Revenue Bonds and Community Revenue Bonds is in all respects junior and subordinate to the pledge securing Legacy Bonds. The General Resolution Bonds are further secured under the Act by an intercept by the State Treasurer of State funding to any Governmental Units that are in default on their Municipal Bonds Payments. The Legacy Bonds and the Enhanced Community Revenue Bonds are also secured by the Reserve Fund. If there is a draw on the Reserve Fund that reduces the amount therein below the Required Debt Service Reserve, the State is legally authorized, but not legally obligated, to appropriate annually the amount required to replenish the Reserve Fund. See "SECURITY FOR THE BONDS."
Redemption Provisions:	The Bonds maturing on and after December 1, 2034 are subject to redemption at the option of the Bond Bank, at any time on and after October 1, 2034, in whole or in part (and by lot if less than all of a maturity is to be redeemed), from the maturities designated by the Bond

	Bank at a Redemption Price of par plus accrued interest to the date of redemption. The Bonds maturing before December 1, 2034 are subject to optional redemption prior to their stated maturity dates at the option of the Bond Bank, in whole or in part on any date at Tax-Exempt Make-Whole Redemption Price (as defined herein). See "THE BONDS – Redemption Provisions."
Denominations:	The Bonds will be issued in denominations of $5,000 and integral multiples thereof.
Ratings:	S&P Global Ratings ("S&P") and Moody's Investors Service, Inc. ("Moody's") have rated the Bonds "AA" and "Aa2", respectively. See "RATINGS."
Principal Payments:	Annually, each December 1, commencing December 1, 2026
Interest Payments:	Semi-annually, each June 1 and December 1, commencing December 1, 2026.
Tax Status:	Interest on the Bonds is excludable from gross income of the holders thereof for federal income tax purposes. The Bonds are exempt from State of Vermont personal income taxes and State of Vermont corporate income taxes. See "TAX MATTERS."
Professional Consultants to the Bond Bank:	*Financial Advisor*: Omnicap Group LLC El Segundo, California *Bond Counsel*: Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. Boston, Massachusetts *Trustee/Paying Agent*: U.S. Bank Trust Company, National Association Boston, Massachusetts
Registration:	The Bonds initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds.
Legal Matters:	All legal matters incident to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Bond Counsel. The opinion will be substantially in the form attached hereto as Appendix C. Certain legal matters will be passed on for the Underwriters by their counsel listed on the cover page hereof.
Authority for Issuance:	The Bonds are being issued pursuant to the Vermont Bond Bank Law, being Public Act No. 216 of the Laws of Vermont of the 1969 Adjourned

	Session of the Vermont General Assembly, as amended (the "Act"), the Bond Bank's General Bond Resolution adopted on May 3, 1988, as amended and restated as of December 1, 2025 (the "General Resolution"), and the Series Resolution authorizing the issuance of the Enhanced Community Revenue Bonds, 2026 Series 5 (the "Series Resolution"), adopted June 25, 2026.
Conditions Affecting Issuance:	The Bonds are offered when, as and if issued, subject to the approving legal opinion of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Bond Counsel, and subject to the other conditions contained in the Contract of Purchase between the Bond Bank and Morgan Stanley & Co. LLC, on behalf of itself and the other underwriters listed therein (together, the "Underwriters").
Delivery:	The Bonds are expected to be issued on or about September 10, 2026.
Book-Entry-Only:	The Bonds will be issued as book-entry-only securities through DTC.
Limitations on Offering or Reoffering Securities:	No dealer, broker, salesperson or other person has been authorized to give any information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Bond Bank. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds offered hereby, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.
No Litigation:	There is no litigation of any nature now pending, or to the knowledge of the Bond Bank, threatened, restraining or enjoining the issuance, sale, execution or delivery of the Bonds. See "LITIGATION AND OTHER PROCEEDINGS."
Continuing Disclosure:	The Bond Bank will undertake to provide continuing disclosure with respect to the Bonds. See "CONTINUING DISCLOSURE."

Questions regarding the Bonds or the Official Statement can be directed to, and additional copies of the Official Statement, the Bond Bank's audited financial reports and the Resolution may be obtained from the Bond Bank's financial advisor, Omnicap Group LLC: (310) 318-3095.

DEBT SUMMARY

The summary data in the table below are furnished solely as a summary and do not purport to be comprehensive. All such data are subject in all respects to more detailed descriptions contained elsewhere in this Official Statement. Investors should read the entire Official Statement to obtain information essential to making an informed decision. See "OUTSTANDING GENERAL RESOLUTION BONDS" and "DEBT SERVICE REQUIREMENTS."

Outstanding General Resolution Bonds following the issuance of the Bonds

Legacy Bonds	$612,254,000
Community Revenue Bonds	73,965,000
Enhanced Community Revenue Bonds	117,105,000
Total General Resolution Bonds	$803,324,000

As described under "VERMONT BOND BANK – Other Financing Programs and Indebtedness," the Bond Bank has outstanding or expects to issue indebtedness payable from different funds and assets than, and not on parity with, the Bonds and the other General Resolution Bonds.

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The information set forth herein has been obtained from the Bond Bank and other sources which are believed to be reliable, but information from other than the Bond Bank is not to be construed as a representation by the Bond Bank. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Bond Bank since the date hereof, except as expressly set forth herein. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Bond Bank.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds offered hereby, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. All quotations from and summaries and explanations of provisions of laws, resolutions, the Bonds and other documents herein do not purport to be complete; reference is made to said laws, resolutions, the Bonds and other documents for full and complete statements of their provisions. Copies of the above are available for inspection at the principal office of the Bond Bank. In connection with the offering of the Bonds, the Underwriters may over allot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and certain dealer banks and banks acting as agents for the Bonds at prices lower or yields higher than the public offering prices or yields stated on the inside cover page hereof and said offering prices or yields may be changed from time to time by the Underwriters.

If and when included in this Official Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates” and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the Bond Bank. These forward-looking statements speak only as of the date of this Official Statement and are subject to change without notice. The Bond Bank disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Bond Bank’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

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$84,490,000
Vermont Bond Bank
Enhanced Community Revenue Bonds
2026 Series 5

INTRODUCTORY STATEMENT

This Official Statement is provided for the purpose of setting forth information concerning the Vermont Bond Bank (the "Bond Bank") in connection with the sale of the Enhanced Community Revenue Bonds, 2026 Series 5 (the "2026 Series 5 Bonds" or the "Bonds"). The Bonds are issued pursuant to the Vermont Bond Bank Law, being Public Act No. 216 of the Laws of Vermont of the 1969 Adjourned Session of the Vermont General Assembly, as amended (the "Act").

The Bonds are to be issued under and are to be secured by the Bond Bank's General Bond Resolution adopted on May 3, 1988, as amended and restated as of December 1, 2025 (the "General Resolution") and the Series Resolution authorizing the issuance of the Bonds adopted on June 25, 2026 (the "Series Resolution" and collectively with the General Resolution, the "Resolution").

The Bond Bank is a body corporate and politic with corporate succession, and is constituted as an instrumentality exercising public and essential governmental functions of the State of Vermont (the "State").

Pursuant to the Act, the Bond Bank is authorized to issue bonds for, among other purposes, (1) providing funds to enable the Bond Bank to make loans to counties, municipalities or other public bodies of the State, including public school districts (the "Governmental Units"), (2) refunding bonds previously issued by the Bond Bank, and (3) establishing or increasing reserves with which to secure or to pay debt service and all other costs and expenses of the Bond Bank incident to and necessary or convenient to carry out its corporate purposes.

Loans to Governmental Units are made through the direct purchase by the Bond Bank from such Governmental Units of their bonds, notes or evidences of debt constituting either general obligations of the Governmental Units (the "General Obligation Bonds") or obligations or financing arrangements of the Governmental Units payable solely from revenues derived from the financed asset, enterprise funds, or other specified revenues and the earnings thereon (the "Revenue Bonds"). General Obligation Bonds and Revenue Bonds are sometimes collectively referred to herein as "Municipal Bonds." For a list of the Governmental Units that have Municipal Bonds outstanding that were purchased by the Bond Bank pursuant to the General Resolution and the outstanding balances of such Municipal Bonds, see Appendix B hereto. Appendix B also includes certain other demographic information about the outstanding Municipal Bonds by county in the State.

The Bonds are being issued and applied with other available funds under the General Resolution: (i) to make a deposit to an escrow account which, together with other funds of the Bank and investment thereof, will be sufficient to current refund and defease the outstanding bonds listed on Appendix F (the "Refunded Bonds"), (ii) to make a deposit into the Reserve Fund held by the Trustee under the General Resolution, and (iii) to pay certain costs of issuance of the Bonds. See "REFUNDING OF THE REFUNDED BONDS" and "SOURCES AND USES OF FUNDS" herein.

Security for the Bonds. The Bonds will constitute general obligations of the Bond Bank and are secured under the General Resolution. Under the General Resolution, the amendment and restatement of which took effect as of December 1, 2025, there are three categories of bonds collectively referred to herein as "General Resolution Bonds": "Legacy Bonds," which consist of General Resolution Bonds issued prior

to December 1, 2025; "Community Revenue Bonds"; and "Enhanced Community Revenue Bonds," which include the Bonds. The General Resolution Bonds are secured by a pledge of Revenues, as defined in the General Resolution and include, without limitation, the amounts required to be paid by such Governmental Units to the Bond Bank pursuant to loan agreements for principal and interest on the loans ("Municipal Bonds Payments") secured by the municipal bonds issued by Governmental Units and purchased by the Bond Bank ("Municipal Bonds"). Such pledge securing Enhanced Community Revenue Bonds is junior and subordinate to the pledge securing the Community Revenue Bonds. Such pledge securing Enhanced Community Revenue Bonds and Community Revenue Bonds is junior and subordinate to the pledge securing Legacy Bonds.

Pursuant to the Act, the State Treasurer may intercept State funding to Governmental Units that are in default on their Municipal Bonds Payments to the Bond Bank. The Loan Agreements provide that Municipal Bonds Payments are due to the Bond Bank on the first day of the month prior to the principal and interest payment dates on the General Resolution Bonds. Accordingly, the intercept by the State Treasurer is scheduled to occur prior to the principal and interest payment dates on the General Resolution Bonds. See "SECURITY FOR THE BONDS – Intercept of State Funds and Other Enforcement of Municipal Bonds."

The Legacy Bonds and the Enhanced Community Revenue Bonds, including the 2026 Series 5 Bonds, are further secured by the Vermont Bond Bank Revenue Bond Reserve Fund (the "Reserve Fund"). The Reserve Fund is funded in an amount equal to the least of (i) maximum aggregate annual debt service coming due in any year on all Outstanding Legacy Bonds and Enhanced Community Revenue Bonds, (ii) 125% of average annual aggregate debt service on all Outstanding Legacy Bonds and Enhanced Community Revenue Bonds or (iii) 10% of the aggregate proceeds of Outstanding Legacy Bonds and Enhanced Community Revenue Bonds (the "Required Debt Service Reserve"). Moneys in the Reserve Fund are applied to the payment of the interest on and principal of Legacy Bonds and Enhanced Community Revenue Bonds, as they become due and payable, to the extent other monies of the Bond Bank, including without limitation, Municipal Bonds Payments and intercepted State funding, if any, are not then available. The Act provides that any draw on the Reserve Fund shall be replenished by appropriation of the General Assembly of the State. While the Legacy Bonds and the Enhanced Community Revenue Bonds and the replenishment obligation do not constitute a legally enforceable obligation of the State or create a debt on behalf of the State, Bond Counsel is of the opinion that the State, by its General Assembly, is legally authorized, but not legally obligated, to appropriate annually such sum to restore the Reserve Fund, all to the extent described under "SECURITY FOR THE BONDS – Reserve Fund" herein.

Each series of Legacy Bonds, Community Revenue Bonds, and Enhanced Community Revenue Bonds, notwithstanding their date of issuance, are secured equally and ratably with other Legacy Bonds, Community Revenue Bonds, and Enhanced Community Revenue Bonds, respectively. The pledge securing Enhanced Community Revenue Bonds is junior and subordinate to the pledge securing the Community Revenue Bonds. The pledge securing Enhanced Community Revenue Bonds and Community Revenue Bonds is junior and subordinate to the pledge securing Legacy Bonds. Additional series of Community Revenue Bonds and Enhanced Community Revenue Bonds, but not Legacy Bonds, may be authorized and issued by the Bond Bank pursuant to the General Resolution. The Bond Bank has issued $2,857,372,000 in aggregate principal amount of General Resolution Bonds (including General Resolution Bonds issued to refund other General Resolution Bonds). For more information regarding parity General Resolution Bonds, see "OUTSTANDING GENERAL RESOLUTION BONDS" herein. The Bond Bank has not defaulted on its payments of General Resolution Bonds.

The Bond Bank is obligated to pay the principal of and interest on General Resolution Bonds only from pledged revenues or funds of the Bond Bank, and the State is not obligated to pay the principal of or interest thereon and neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal of or interest on General Resolution Bonds.

For information about the State, including a general description of the State's economy, reference is made to the State's most recent official statement or information statement. Copies of such official statement or information statement as well as the State's most recent Annual Financial Report may be obtained upon written request from the office of the State Treasurer, 109 State Street, Montpelier, Vermont 05601-0564. No representation or warranty is made hereby, as to the timeliness or accuracy of the information contained in any such statements or reports.

Official Statement. There follows in this Official Statement a brief description of the Bond Bank together with summaries of the terms of the Bonds, the Resolution and certain provisions of the Act. All references herein to the Act and the Resolution are qualified in their entirety by reference to such law and such documents, copies of which are available from the Bond Bank, and all references to the Bonds are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto contained in the Resolution. Terms not otherwise defined herein shall have the meanings given such terms in the Resolution. See Appendix A.

VERMONT BOND BANK

The Vermont Bond Bank was created by the Act in 1970 as a body corporate and politic with corporate succession and is constituted as an instrumentality exercising public and essential governmental functions of the State. The Act has been amended from time to time, including on June 19, 2023. The June 2023 amendments provide, in part, for expansion of the powers of the Bond Bank to make financing arrangements to fund a Governmental Unit's projects, the purchase of revenue bonds that are not limited solely to utilities, and changing the legal name of the Bond Bank to the Vermont Bond Bank from the Vermont Municipal Bond Bank. The descriptions of the powers of the Bond Bank and other provision of the Act described herein reflect the Act, as amended. The Bond Bank maintains an "investors" page on its website at https://www.vtbondbank.org/investors.

Organization and Membership of the Bond Bank

The membership of the Bond Bank consists of five directors: the State Treasurer, who is a director ex-officio, and four directors appointed by the Governor with the advice and consent of the State Senate for terms of two years. The four directors appointed by the Governor must be residents of the State and must be qualified voters therein for at least one year next preceding the time of appointment. Each director holds office for the term of their appointment and until a successor shall have been appointed and qualified. A director is eligible for reappointment. Any vacancy in a directorship occurring other than by the expiration of the term is filled for the unexpired term only in the same manner as the original appointment, except that the advice and consent of the Senate is not required if it is not in session.

The directors elect one of their number as Chair. The directors also elect a Secretary and a Treasurer who need not be directors, and the same person may be elected to serve both as Secretary and Treasurer. The powers of the Bond Bank are vested in the directors thereof, and three directors of the Bond Bank constitute a quorum. Action may be taken and motions and resolutions adopted by the Bond Bank at any meeting thereof by the affirmative vote of at least three directors of the Bond Bank, including the director ex-officio. A vacancy in the directorship of the Bond Bank does not impair the right of a quorum to exercise all the powers and perform all the duties of the Bond Bank.

The Bond Bank's membership is as follows:

DEBORAH WINTERS, *Chair*; term expires January 31, 2028.

Ms. Winters is a resident of Swanton, Vermont and an owner of Firetech Sprinkler Corp. She holds a Bachelor of Science degree in Civil Engineering and Operations Research from Princeton University and a Master of Business Administration from Boston University.

MARK FOLEY, JR.; term expires January 31, 2028.

Mr. Foley is a resident of the Town of Rutland. He is the fourth-generation owner of Foley Services, the leading linen, uniform and mat rental company in Vermont. He is also the owner of MKF Properties, a real estate management company that owns and manages commercial properties, primarily in Rutland's Historic Downtown. He serves on several boards in addition to the Bond Bank, including Regional Medical Center, Paramount Theater, Vermont Arts Council and Vermont Community Foundation.

JOHN F. MCSOLEY; term expires January 31, 2027.

Mr. McSoley is a resident of Essex Junction, Vermont and a retired partner at McSoley McCoy & Co., a South Burlington, Vermont, full-service tax, accounting, and business consulting firm. He is also a current board member of the Vermont Student Assistance Corporation, where he serves on the audit committee, and the Howard Center.

MICHAEL S. PIECIAK; *Ex-Officio*.

Mr. Pieciak previously served six years as the commissioner of the Vermont Department of Financial Regulation ("DFR") where he was first appointed by Governor Peter Shumlin in 2016 and reappointed by Governor Phil Scott in 2017.

Mr. Pieciak also served as deputy commissioner of DFR's Securities Division, where he led the division's investigation into the Jay Peak EB-5 projects. While at DFR, Mr. Pieciak served as the president of the North American Securities Administrators Association, a member of the SEC Advisory Committee on Small and Emerging Companies and member of the National Association of Insurance Commissioners.

Prior to his public service, Mr. Pieciak practiced law in New York City at Skadden, Arps, Slate, Meagher and Flom LLP in the Mergers and Acquisitions Group, gaining experience in commercial transactions, corporate governance and investment and financing transactions. Mr. Pieciak also previously practiced at Downs Rachlin Martin in Burlington in the Business Law Group.

Mr. Pieciak grew up in Brattleboro and graduated cum laude from Union College with a degree in political science. He received his law degree summa cum laude from the University of Miami School of Law where he served as editor-in-chief of the *Miami Law Review*. Mr. Pieciak currently resides in Winooski, Vermont.

***

The Executive Director and Secretary to the Bond Bank is as follows:

MICHAEL GAUGHAN, *Executive Director, Secretary.*

Mr. Gaughan is a resident of Burlington, Vermont. He became the Executive Director and Secretary of the Bond Bank in 2018 where he oversees over $1 billion in municipal and school districts loans across all programs. He is also the Executive Director of the Vermont Educational and Health Buildings Financing Agency, which provides conduit bond issuance for eligible non-profit 501(c)(3) institutions. He is the Bond Bank's representative to the State of Vermont's Capital Debt Affordability Advisory Committee.

He previously was a director for a national community development finance nonprofit as well as a public finance banker focused on governmental, housing, and community facilities transactions.

Mr. Gaughan is a member of the City of Burlington's Planning Commission and a member of the GFOA's Standing Committee on Economic Development and Capital Planning. He is a candidate for the Financial Risk Management ("FRM") certification after passing Part I. He earned a Bachelor of Arts degree from Middlebury College and a Master of City Planning degree from the University of Pennsylvania.

Purposes of the Bond Bank

It is the policy of the State, as declared in the Act, to foster and promote by all reasonable means the provision of adequate capital markets for the financing by Governmental Units of their respective public improvements and other municipal purposes from proceeds of their bonds and notes and to assist such Governmental Units in such financing by making funds available at reduced interest costs for orderly financing especially during periods of restricted credit or money supply, particularly for those Governmental Units not otherwise able to borrow for such purposes. In furtherance of this policy, the Bond Bank is empowered to issue its Bonds to make funds available at reduced rates and on more favorable terms for borrowing by such Governmental Units through the purchase by the Bond Bank of their Municipal Bonds.

Application Review and Monitoring

Each Governmental Unit requesting the Bond Bank to purchase its Municipal Bonds submits an application to the Bond Bank. The Bond Bank underwrites the loans and approves or denies the applications based on creditworthiness. If approved, the Governmental Unit enters into a loan agreement (the "Loan Agreement") with the Bond Bank pursuant to which the Governmental Unit issues Municipal Bonds. The payment of principal and interest on the Municipal Bonds, together with other amounts available under the General Resolution, are required to be sufficient to pay principal, redemption premium, if any, and interest on the Bonds.

The directors of the Bond Bank consider and discuss each application for the purchase of Municipal Bonds in an open meeting and accept or reject each application. In considering each Governmental Unit's application the directors rely on the information contained therein and such additional information as the directors deem relevant and consult with staff and the Bond Bank's financial consultants.

General Obligation Bonds. The information regarding General Obligation Bonds considered by the directors includes, among other things, the following information supplied by each Governmental Unit: the amount of debt of each Governmental Unit, the amount by which such debt will be increased by the proposed purchase of the Governmental Unit's General Obligation Bonds, the State or local valuation, tax levy and taxes receivable, the population trends and the economic outlook for the community as supplied by the Governmental Unit, any litigation which may affect a Governmental Unit's ability to pay the debt service on its bonds, and any legal analysis with respect thereto. The directors' review of the sources of

revenue as set forth above includes the nature of such revenue. Nothing has come to the attention of the directors that leads them to believe that such revenue of the Governmental Units making applications will or could be nonrecurring. In certain cases, the Governmental Unit expects to derive revenues from identified sources to pay its General Obligation Bonds. While the general obligation of the Governmental Unit secures its General Obligation Bonds, the timing of the receipt of Municipal Bonds Payments could be affected by a shortfall in revenues.

Revenue Bonds. The information and other factors regarding Revenue Bonds considered by the directors have included, among other things, the following: financial statements for a period of three years prior to the date of the application with at least the most recent year having been audited, certification that certain debt service requirements are expected to be met in the future, Vermont Public Utility Commission approval of new electrical generation capacity construction or construction of electric or transmission facilities. Additional agreements are also reviewed if applicable, including: the agreement to maintain a debt service coverage ratio of annual net revenues of the project or system to which the proceeds are loaned measured against the annual debt service on the obligations payable from the subject system, the agreement to limit the issuance of additional bonds to pay for project costs, except when additional bonds are needed to keep the electric system operating or are for other limited purposes, and the agreement to maintain a contingency reserve fund. The Bond Bank requires that (i) the Governmental Unit at all times maintain rates, fees or charges which will produce revenues in each year sufficient, together with other moneys available therefor, to pay the debt service in each year on all Revenue Bonds issued for that system which are then outstanding as such Revenue Bonds become due and payable; and (ii) the Governmental Unit comply with certain reporting requirements. The directors may from time to time examine other or different information and impose other or additional requirements on Governmental Units. The directors may also, at their discretion, waive the delivery of information or the requirements imposed on any or all Governmental Units issuing Revenue Bonds. The directors of the Bond Bank may also consider and discuss any litigation which may affect the Governmental Units' ability to pay the debt service on their bonds and any legal analysis with respect thereto. The directors, however, can give no assurance that revenues of any system will be sufficient to meet the obligations of the Governmental Unit on the Revenue Bonds or other obligations of that system.

Under the General Resolution, the Bond Bank has heretofore purchased ten issues of Revenue Bonds in the aggregate principal amount of $58,040,000, of which five issues remained outstanding following the issuance of the Bonds, in the aggregate principal amount of $33,093,248.

Following approval and purchase of the Municipal Bonds staff undertakes full monitoring of the portfolio of loans. The Bond Bank requests annually financial statements of Governmental Units. Bond Bank staff reviews relevant information and prepares portfolio level summaries annually. Consistent with the Bond Bank's Governmental Unit Monitoring Policy, such review for certain Governmental Units is more detailed.

Powers of the Bond Bank

In order to fulfill its purposes, the Bond Bank has, among others, the following powers:

(1) To borrow money and to issue its negotiable bonds or notes and to provide for and secure the payment thereof and to provide for the rights of the holders thereof, and to purchase, hold and dispose of any of its bonds or notes;

(2) To fix and revise from time to time and charge and collect fees and charges for the use of its services or facilities;

(3) In connection with any loan to a Governmental Unit, to consider the need, desirability or eligibility of the loan, the ability of the Governmental Unit to secure borrowed money from other sources and the costs thereof, and the particular public improvement or purpose to be financed by the Municipal Bonds to be purchased by the Bond Bank;

(4) To charge for its costs and services in review or consideration of any proposed loan to a Governmental Unit or purchase of Municipal Bonds of a Governmental Unit, and to charge therefor whether or not the loan is made or the Municipal Bonds are purchased;

(5) To establish any terms and provisions with respect to any loan to Governmental Units through the purchase of Municipal Bonds by the Bond Bank, including date and maturities of the Municipal Bonds, provisions as to redemption or payment prior to maturity, and any other matters which are necessary, desirable or advisable in the judgment of the Bond Bank;

(6) To enter into and enforce all contracts necessary, convenient or desirable for the purposes of the Bond Bank or pertaining to any loan to a Governmental Unit or any purchase or sale of Municipal Bonds or other investments or to the performance of its duties and execution or carrying out of any of its powers under the Act;

(7) To purchase or hold Municipal Bonds at such prices and in such manner as the Bond Bank deems advisable, and to sell Municipal Bonds acquired or held by it at such prices without relation to cost and in such manner as the Bond Bank deems advisable, all consistent with the policy of the State as declared in the legislative findings of the Act;

(8) To invest any funds or monies of the Bond Bank not then required for loan to Governmental Units and for the purchase of Municipal Bonds in the same manner as permitted for investment of funds belonging to the State or held in the treasury, except as otherwise provided by the Act (however, the General Resolution limits investments to certain securities as hereinafter set forth);

(9) To prescribe any form of application or procedure required of a Governmental Unit for the loan or purchase of its Municipal Bonds and to fix the terms and conditions of that loan or purchase and to enter into agreements with Governmental Units with respect to any loan or purchase;

(10) To issue bonds, other forms of indebtedness, or other financing obligations or arrangements for projects relating to renewable energy, energy efficiency, climate adaptation, and projects that otherwise result in the reduction of greenhouse gas emissions; and

(11) To do all things necessary, convenient or desirable to carry out the powers expressly granted or necessarily implied in the Act.

The Act requires approval by the State Treasurer and the Governor to make effective any resolution of the Bond Bank regarding the issuance of bonds. The Bond Bank will obtain such approval with respect to the Bonds prior to the sale thereof.

Other Financing Programs and Indebtedness

The Bond Bank has issued two series of bonds ("VSCS Program Bonds") pursuant to its General Bond Resolution for Vermont State Colleges System adopted March 30, 2017 (the "VSCS Program Bond Resolution"). Following the issuance of the Bonds, the VSCS Program Bonds are outstanding in the principal amount of $74,615,000. VSCS Program Bonds are payable from different funds and assets than, and are not on a parity with, the Bonds. None of the funds and accounts established under the General

Resolution or any funds of the Bond Bank not held under the VSCS Program Bond Resolution are pledged to secure the VSCS Program Bonds.

In October 2024, the Rural Utilities Service of the United States Department of Agriculture executed a loan to the Bond Bank in the amount of $40 million (the "USDA Loan"). The proceeds of the interest free loan are being used by the Bond Bank to make low interest loans to Governmental Units to implement durable cost-effective energy efficiency measures and to fund program expenses. The Bond Bank adopted a resolution separate from the General Resolution to secure the USDA Loan and a liquidity facility from a bank to secure the USDA Loan. The USDA Loan is payable from different funds and assets than General Resolution Bonds, including the Bonds.

On May 7, 2025, the State executed a loan agreement with the Bond Bank (the "State Loan") to provide up to $20 million pursuant to the State's "2.5% in Vermont" that allows the Vermont State Treasurer to provide low interest loans to promote climate resilience. The Bond Bank is utilizing the proceeds of this loan to make revolving loans to Governmental Units to fund projects to repair and mitigate damage caused by on-going flooding within the state. Loan payments from Governmental Units are used to make additional loans to Governmental Units and to repay the State Loan. The State Loan is a general obligation of the Bond Bank. None of the funds and accounts established under the General Resolution will be pledged to secure the State Loan.

THE BONDS

Description

The Bonds shall be dated their date of delivery, shall mature on December 1 in the years and principal amounts, and shall bear interest at the rates per annum, set forth on the inside cover pages of this Official Statement.

The Bonds shall bear interest from their date, payable semi-annually on June 1 and December 1 of each year, commencing December 1, 2026. The Bonds initially will be issued as one fully registered bond for each maturity of each series in the aggregate principal amount for such maturity as set forth on the inside cover pages of this Official Statement in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"). Beneficial ownership in the Bonds may be acquired or transferred only through book-entries made on the records of DTC and its participants in the principal amount of $5,000 or integral multiples thereof. The principal of and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, as Trustee and paying agent (the "Paying Agent"). As long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, such payments will be made directly to Cede & Co. Interest on any Bond which is payable and is punctually paid or provided for on any interest payment date will be paid to the registered owner at the close of business on the May 15 and November 15 next preceding such interest payment date (the "Record Date").

Book-Entry-Only System

Unless otherwise noted, portions of the description which follows of the procedures and record-keeping with respect to beneficial ownership interests in the Bonds, payment of interest and other payments on the Bonds to DTC Participants or Beneficial Owners (defined below) of the Bonds, confirmation and transfer of beneficial ownership interests in the Bonds and other bond-related transactions by and between DTC, the DTC Participants and Beneficial Owners of the Bonds is based solely on information furnished by DTC to the Bond Bank for inclusion in this Official Statement. Accordingly, the Bond Bank, the Governmental Units and the Underwriters do not and cannot make any representations concerning these matters.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each series of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating of AA+ from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (each a "Beneficial Owner" and together the "Beneficial Owners") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all of the Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity and series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Money Market Instrument Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Bond Bank as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

The principal of and interest and premium, if any, on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Bond Bank or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with municipal securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Bond Bank, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of the principal of and interest and premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Bank or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Bond Bank or Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Bond Bank may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In such event, Bond certificates will be printed and delivered.

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY-ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE BOND BANK BELIEVES TO BE RELIABLE, BUT THE BOND BANK TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

Redemption Provisions

Optional Redemption

The Bonds maturing on and after December 1, 2034 are subject to redemption at the option of the Bond Bank, at any time on and after October 1, 2034, in whole or in part (by lot if less than all of a maturity is to be redeemed), from the maturities designated by the Bond Bank at a Redemption Price of par plus accrued interest to the date of redemption.

The Bonds maturing before December 1, 2034 are subject to optional redemption prior to their stated maturity dates at the option of the Bond Bank, in whole or in part (by lot if less than all of a maturity is to be redeemed), on any date (the "Make-Whole Call Date"), at a make-whole price (the "Tax-Exempt Make-Whole Redemption Price") equal to the greater of:

(1) one hundred percent (100%) of the Amortized Value (as defined below) of the Bonds to be redeemed; or

(2) the sum of the present value of the remaining scheduled payments of principal and interest on the Bonds to be redeemed from and including the Make-Whole Call Date to maturity of such Bonds, not including any portion of those payments of interest accrued and unpaid as of the Make-Whole Call Date, discounted to the Make-Whole Call Date on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at a discount rate equal to the greater of (a) the Applicable Tax-Exempt Bond Rate (as defined below) minus five basis points; or (b) zero basis points; plus in each case, accrued interest on such Bonds to the Make-Whole Call Date.

"Amortized Value" means the product of the principal amount of the Bonds to be redeemed and the price of such Bonds expressed as a percentage, calculated based on the industry standard method of calculating bond prices, with a delivery date equal to the Make-Whole Call Date, a maturity date equal to maturity of such Bonds and a yield equal to the yield of such Bonds as shown on the applicable inside cover page of this Official Statement.

"Applicable Tax-Exempt Bond Rate" means the "Interpolated AAA Yields" rate for the maturity date of the Bonds to be redeemed, as published by the Municipal Market Data ("MMD") at least five calendar days, but not more than 60 calendar days, prior to the Make-Whole Call Date of the Bonds to be redeemed, or if no such rate is established for the applicable maturity date, the "Interpolated AAA Yields" rate for the published maturities closest to the applicable maturity date. Should the MMD no longer publish the "Interpolated AAA Yields" rate, then the Applicable Tax- Exempt Bond Rate will equal the "BVAL Muni AAA Monthly Callable Yields" rate for the maturity date (made available by Bloomberg at the close of business each day). In the further event that Bloomberg no longer publishes the "BVAL Muni AAA Monthly Callable Yields" rate, the Applicable Tax-Exempt Bond Rate will be determined by a verification agent, investment banking firm or financial advisor appointed by the Bond Bank for such purpose, based upon the rate per annum equal to the semi-annual equivalent yield to maturity for those tax-exempt general obligation bonds rated in the highest rating category by Moody's Ratings and Standard & Poor's Global Ratings, a division of Standard & Poor's Financial Services LLC, with a maturity date equal to the maturity date of such Bonds having characteristics (other than the ratings) most comparable to those of such Bonds in the judgment of the verification agent, investment banking firm or financial advisor. The verification agent's, investment banking firm's or financial advisor's determination of the Applicable Tax-Exempt Bond Rate shall be final and binding in the absence of manifest error.

The Tax-Exempt Make-Whole Redemption Price will be determined by a verification agent, investment banking firm or financial advisor appointed by the Bond Bank for such purpose. The Bond Bank

may conclusively rely on such verification agent's, investment banking firm's or financial advisor's determination of such Tax-Exempt Make-Whole Redemption Price and will bear no liability for such reliance.

Notice of optional redemption shall be mailed not less than twenty (20) days before the redemption date to the registered owners of any Bonds or portions thereof to be redeemed. Notice of redemption having been given, as aforesaid, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date and from and after such redemption date, interest on such Bonds shall cease to accrue and become payable. Such notice may be subject to certain conditions, as provided in the General Resolution. See Appendix A – "FORM OF THE GENERAL RESOLUTION" hereto under the heading "Notice of Redemption."

Exchange and Transfer

The Resolution provides that 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 registered owner or his attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity of any other authorized denominations.

The Bonds 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 registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any Bond the Bond Bank shall issue in the name of the transferee a new registered Bond or Bonds of the same aggregate principal amount and maturity as the surrendered Bond.

In all cases in which the privilege of exchanging bonds or transferring registered bonds is exercised, the Bond Bank shall execute and the Trustee shall deliver bonds in accordance with the provisions of the General Resolution. The Bonds are interchangeable for bonds of like series at the office of the Trustee upon the payment of a charge sufficient to reimburse it for any tax, fee or any other governmental charge required to be paid. 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 as an Administrative Expense. See, however, "Book-Entry-Only System" herein for a description of the exchange and transfer provisions applicable to beneficial ownership interests in the Bonds.

SOURCES AND USES OF FUNDS

The proceeds of sale of the Bonds and other available funds are expected to be used and applied as set forth below, rounded to the nearest dollar.

Sources of Funds:	
Principal amount	$84,490,000
Original Issue Premium	6,534,262
Other Available Funds	1,171,567
Transfer from Reserve Fund	7,593,682
TOTAL SOURCES	$99,789,511
Uses of Funds:	
Refunding of Refunded Bonds	$92,498,979
Deposit to the Reserve Fund	6,780,270
Costs of Issuance (including Underwriters' Discount)	510,262
TOTAL USES	$99,789,511

REFUNDING OF THE REFUNDED BONDS

In order to refund the Refunded Bonds, a portion of the proceeds of the Bonds and other funds available under the General Resolution, will be deposited in the Escrow Fund to be held by U.S. Bank Trust Company, National Association, as escrow agent (the "Escrow Agent") under an Escrow Agreement between the Bond Bank and the Escrow Agent. Amounts held in the Escrow Fund will be applied to the purchase of direct obligations of the United States of America (the "Government Obligations") bearing interest and maturing at times sufficient, together with a cash balance, to redeem in full the Refunded Bonds on the applicable redemption date set forth in Appendix F, including accrued interest to the redemption date. None of the amounts in the Escrow Fund are available to pay debt service on the Bonds. The refunding of the Refunded Bonds is conditioned upon the issuance of the Bonds.

The arithmetical accuracy of certain computations included in the schedules provided by the Representative on behalf of the Bond Bank relating to computation of anticipated receipts of principal and interest on Government Obligations and the anticipated payments of principal and interest to redeem the Refunded Bonds, was verified by Robert Thomas CPA, LLC. Such computations were based solely upon information supplied by the Underwriters on behalf of the Bond Bank.

SECURITY FOR THE BONDS

The following is a brief summary of security for General Resolution Bonds, including the Bonds. For a more detailed description, see Appendix A – "FORM OF THE GENERAL RESOLUTION" hereto, the Resolution and the Act.

The Bond Bank's obligation to pay the principal of and interest on General Resolution Bonds is subject to the provisions of other resolutions now or hereafter pledging particular moneys, assets or revenues to particular notes or bonds. The State is not obligated to pay the principal of or interest on General Resolution Bonds, and neither the faith and credit nor the taxing power of the State is pledged to the payment thereof. General Resolution Bonds are general obligations of the Bond Bank, and the full faith and

credit of the Bond Bank are pledged for the payment of the principal or Redemption Price of and interest on General Resolution Bonds.

Under the General Resolution, the amendment and restatement of which took effect as of December 1, 2025, there are three categories of General Resolution Bonds: "Legacy Bonds," which consist of General Resolution Bonds issued prior to December 1, 2025; "Community Revenue Bonds"; and "Enhanced Community Revenue Bonds," which include the Bonds. The Legacy Bonds, the Community Revenue Bonds, and the Enhanced Community Revenue Bonds are collectively referred to herein as "General Resolution Bonds."

Pledge of Revenues

Under the General Resolution, Revenues are pledged for the payment of the principal and Redemption Price of and interest on General Resolution Bonds in accordance with the terms and provisions of the General Resolution, subject only to the provisions of the General Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the General Resolution. Such pledge for the Enhanced Community Revenue Bonds is in all respects junior and subordinate to the pledge for the Legacy Bonds and the Community Revenue Bonds. The foregoing pledge for the Community Revenue Bonds is in all respects junior and subordinate to the pledge for the Legacy Bonds. Subject to the provisions of the General Resolution related to certain fees of the Trustee, this pledge shall be valid and binding from and after the date of adoption of the General Resolution, and the Municipal Bonds and the Municipal Bonds Payments and all other moneys and securities in the funds and accounts established by and pledged under the General Resolution shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and such lien shall be a first lien and shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Bank, irrespective of whether such parties have notice thereof.

"Revenues" include (i) Municipal Bonds Payments, (ii) investment earnings on amounts in the Revenue Fund, (iii) any proceeds of a Series of General Resolution Bonds originally deposited with the Trustee for the payment of interest thereon, (iv) investment earnings on amounts in the Reserve Fund transferred to the Principal Account and Interest Account in accordance with the General Resolution, and (v) amounts released from the Reserve Fund as a result of the payment at maturity, refunding, redemption or defeasance of Legacy Bonds or Enhanced Community Revenue Bonds, and any other revenues that may be identified as Revenues under a Series Resolution. Revenues shall not include (x) any amounts on deposit in a Rebate Fund, (y) any payment made by the State to replenish the Reserve Fund under the Act.

The Series Resolutions authorizing the issuance of the Community Revenue Bonds, 2026 Series 1 and the Community Revenue Bonds, 2026 Series 3 identify additional revenues which constitute "Revenues" described in clause (v) above, consisting of moneys transferred to the Revenue Fund from available funds of the Bond Bank in the aggregate amount of $371,722 in 2027 and $1,814,008 in 2032. Such moneys constitute Revenues in the year in which they are applied or transferred. Investment earnings on amounts in the Revenue Fund include earnings on amounts held in the General Account. As of July 1, 2026, there was approximately $12.5 million on deposit in the General Account. The General Account may be used by the Bond Bank from time to time as permitted in the Act and the General Resolution. See Appendix A.

See "DEBT SERVICE REQUIREMENTS" for information about debt service payment on General Resolution Bonds and "PROJECTED CASH FLOWS" for information about estimated Revenues available to pay such debt service.

Loan Agreements and Municipal Bonds Payments

The Loan Agreement under which a Loan is made to a Municipality must comply with certain terms and conditions, including the following:

(a) the Municipality which is a party to such Loan Agreement must be a Governmental Unit as defined by the Act and the Loan Agreement must be executed in accordance with existing laws;

(b) the Municipality shall, prior to or as soon as practicable upon the issuance of bonds of the Bond Bank issued to make a Loan to the Municipality, issue Municipal Bonds which are valid obligations of the Municipality;

(c) the Municipality shall be obligated to pay Fees and Charges to the Bond Bank at the times and in the amounts which will enable the Bond Bank to pay the amounts specified in "Fees and Charges" below; and

(d) the Bond Bank shall not sell and the Municipality shall not redeem prior to maturity any of the Municipal Bonds prior to the date on which a sufficient amount of Outstanding General Resolution Bonds issued with respect to the Loan to such Municipality are redeemable, and in the event of any sale or redemption prior to maturity of such Municipal Bonds thereafter, the same shall be in an amount equal to the aggregate of (i) the principal amount, interest to accrue to the next redemption date, and redemption premium, if any, needed to redeem a sufficient amount of Outstanding General Resolution Bonds to assure that there shall at all times be scheduled payments of principal and interest on Municipal Bonds pledged under the General Resolution, which, when added to interest and other income estimated by the Bond Bank to be derived from the investment or deposit of money available therefor in any Fund or Account created by the General Resolution, will be sufficient to pay Debt Service on all Outstanding General Resolution Bonds when due, and (ii) the costs and expenses of the Bond Bank in effecting the redemption of the Bonds so to be redeemed, less the amount of monies available in the applicable sub-account or sub-accounts in the Redemption Account and available for withdrawal from the Reserve Fund and for application to the redemption of General Resolution Bonds so to be redeemed in accordance with the terms and provisions of the Resolution, as determined by the Bond Bank.

Pledge of Municipal Bonds and Municipal Bonds Payments

To secure the payment of the principal or Redemption Price of and interest on General Resolution Bonds, the Bond Bank pledges and assigns to the Trustee for the benefit of the Holders of General Resolution 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 General Resolution Bonds shall be valid and binding from and after the date of adoption of the General 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. The foregoing pledge is subject to the provisions of any other resolutions or indentures pledging and appropriating particular monies, assets or revenues to particular notes or bonds. Such pledge securing Enhanced Community Revenue Bonds, like the 2026 Series 5 Bonds, is junior and subordinate to the pledge securing the Community Revenue Bonds, such as the 2026 Series 3 Bonds. Such pledge securing Enhanced Community Revenue Bonds and Community Revenue Bonds is junior and subordinate to the pledge securing Legacy Bonds.

Each Governmental Unit is authorized to incur debt and issue bonds for a variety of capital costs and to secure its obligation as a general obligation of such Governmental Unit payable from unlimited ad

valorem property taxes. With respect to certain types of capital costs, Municipal Bonds may be secured as a revenue obligation of such Governmental Unit, payable from the revenues of the public utility or other revenue-generating project being financed. In the case of General Obligation Bonds, the Governmental Unit is required by state law to provide annually for the assessment and collection of taxes of an amount sufficient to pay debt service.

Intercept of State Funds and Other 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 Loan Agreements and the Municipal Bonds evidencing Loans made by the Bond Bank, including the prompt collection of Municipal Bonds Payments and Fees and Charges and the giving of notice to the State Treasurer of any failure or default of any Municipality in making payments with respect to its Municipal Bonds.

On April 19, 2016, the Act was amended with respect to the provisions relating the State Treasurer's ability to intercept State funding to Governmental Units that are in default on their payment obligations on Municipal Bonds acquired or held by the Bond Bank. Effective July 1, 2016, the Act, as so amended, provides that upon receipt by the State Treasurer of written notice from the Bond Bank (or the Trustee) that a Governmental Unit 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 Governmental Unit of any or all funds appropriated and payable by the State to the Governmental Unit, 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. See "Flow of Funds" below.

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 Governmental Unit 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 Governmental Unit. 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 Governmental Unit 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 Governmental Unit as of the end of a fiscal year of the State, State funds available in the next fiscal year with respect to such Governmental Unit 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 Governmental Unit. The payment will be offset against any appropriation otherwise payable to the Governmental Unit 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 Governmental Unit. 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 Governmental Units; (2) to require the State to continue the payment of State aid or assistance to any Governmental Unit; (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

Governmental Unit other than from funds appropriated and payable to a defaulting Governmental Unit by the State.

The Act provides that on the sale and issuance of any Municipal Bonds to the Bond Bank by any Governmental Unit, that Governmental Unit is deemed to agree that on the failure of that Governmental Unit 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 Governmental Unit for payment of such Governmental Unit's General Obligation Bonds and if funds are not available in its treasury to make payment, the governing body of that Governmental Unit shall forthwith assess a tax on the grand list of the Governmental Unit, 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 Governmental Unit, upon nonpayment and demand on that Governmental Unit for payment, such Governmental Units 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 Governmental Unit, the Bond Bank upon nonpayment is constituted a holder or owner of the Municipal Bonds as being in default.

Reserve Fund

Community Revenue Bonds are not secured by the Reserve Fund. The following provisions related to the Reserve Fund are for the benefit of the Legacy Bonds and the Enhanced Community Revenue Bonds.

The Act provides that the Bond Bank shall establish and maintain a special fund called the Vermont Bond Bank Revenue Bond Reserve Fund in which there shall be deposited:

(i) all monies appropriated by the State for the purpose of such fund;

(ii) all proceeds of bonds required to be deposited therein by terms of any contract between the Bond Bank and its Bondholders or any resolution of the Bond Bank with respect to the proceeds of bonds; and

(iii) any other monies or funds of the Bond Bank which it determines to deposit therein.

Monies in the Reserve Fund shall be held and applied solely to the payment of the interest on and principal of Legacy Bonds and Enhanced Community Revenue Bonds, as they become due and payable and for the retirement of such General Resolution Bonds. See "Flow of Funds" herein. Money may not be withdrawn if it reduces the amount in the Reserve Fund to an amount less than the Required Debt Service Reserve except for payment of interest then due and payable on Legacy Bonds and Enhanced Community Revenue Bonds and the principal of Legacy Bonds and Enhanced Community Revenue Bonds then maturing and payable and for the retirement of Legacy Bonds and Enhanced Community Revenue Bonds in accordance with the terms of any contract between the Bond Bank and its Bondholders and for which payment other monies of the Bond Bank, including without limitation monies from Municipal Bonds Payments or intercepted State funds, are not then available.

Section 4675 of the Act provides that in order to assure the maintenance of the Required Debt Service Reserve in the Reserve Fund, there shall be appropriated annually and paid to the Bond Bank for deposit in the Reserve Fund, such sum as shall be certified by the Chair of the Bond Bank to the Governor or to the Governor-elect, as is necessary to restore the Reserve Fund to an amount equal to the Required Debt Service Reserve. The Act further provides that the Chair shall annually, on or before February 1, make and deliver to the Governor or to the Governor-elect his certificate stating the sum required to restore the

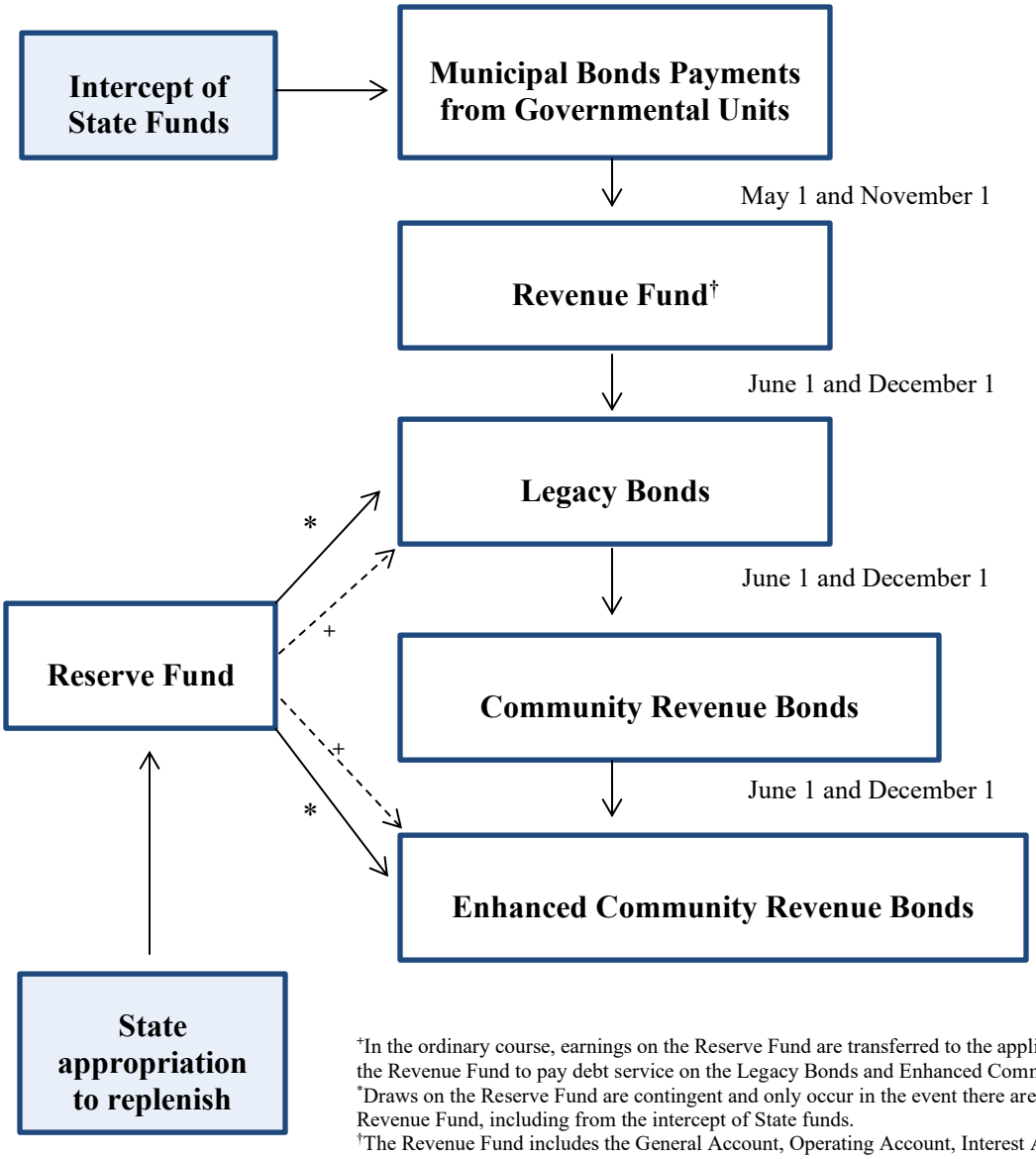
Reserve Fund to the amount aforesaid, that the Governor or Governor-elect shall, on or before March 1, submit a request for appropriation for the sum so certified, and the sum so certified shall be appropriated and paid to the Bond Bank during the then current State fiscal year.

Following the issuance of the Bonds, the Required Debt Service Reserve will be $53,030,535 and the amount on deposit in the Reserve Fund shall be at least equal to such amount.

While the General Resolution Bonds and the aforesaid provisions of the Act do not constitute a legally enforceable obligation of the State of Vermont or create a debt on behalf of the State, Bond Counsel is of the opinion that the State of Vermont, by its General Assembly, is legally authorized, but not legally obligated, to appropriate annually such sum as shall have been certified by the Chair of the Bond Bank to the Governor or the Governor-elect as is necessary to restore the Reserve Fund to an amount equal to the Required Debt Service Reserve and, upon the making of such appropriations in accordance with the Act, there shall be paid to the Bond Bank for deposit in the Reserve Fund the amounts appropriated.

Flow of Funds

The following chart presents the flow of funds from the Municipal Bonds payments and other Revenues to the payment of debt service on the General Resolution Bonds.



†In the ordinary course, earnings on the Reserve Fund are transferred to the applicable Interest Account of the Revenue Fund to pay debt service on the Legacy Bonds and Enhanced Community Revenue Bonds.
*Draws on the Reserve Fund are contingent and only occur in the event there are insufficient funds in the Revenue Fund, including from the intercept of State funds.
†The Revenue Fund includes the General Account, Operating Account, Interest Account and Principal Account, and certain subaccounts therein.

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 monies which, together with other monies 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:

(i) to pay, as the same becomes due, the Administrative Expenses of the Bond Bank; and

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

Additional Indebtedness; Community Revenue Bond Coverage Ratio

The General Resolution permits the issuance of additional Community Revenue Bonds and Enhanced Community Revenue Bonds, but not Legacy Bonds, subject to the satisfaction of conditions set forth in the General Resolution. See Appendix A – "FORM OF THE GENERAL RESOLUTION" under "Provisions for Issuance of Bonds."

Such conditions include, for any additional General Resolution Bonds, a certificate of an Authorized Officer demonstrating that upon issuance of such Series of Bonds, Revenues in each year in which such Series of Bonds will be Outstanding will be sufficient to pay Debt Service in each such year on all Outstanding Bonds when due. See "Pledge of Revenues" above or Appendix A – "FORM OF THE GENERAL RESOLUTION" for the definition of Revenues.

For additional Enhanced Community Revenue Bonds, other than Refunding Bonds, the amount of the Reserve Fund, upon the issuance and delivery of such additional Enhanced Community Revenue Bonds and the deposit in the Reserve Fund of any amount provided therefor in the Series Resolution authorizing the issuance of such additional Bonds, shall not be less than the Required Debt Service Reserve.

For additional Community Revenue Bonds, other than Refunding Bonds, there also must be delivered a certificate of the Bond Bank demonstrating the Community Revenue Bond Coverage in each year in which such Series of Bonds will be Outstanding will be at least equal to the Community Revenue Bond Coverage Ratio Requirement. The Community Revenue Bond Coverage Ratio Requirement equals the greater of (i) 100% and (ii) the percentage specified in the Series Resolution authorizing the issuance of a series of Community Revenue Bonds. Each of the Series Resolutions for Community Revenue Bonds issued to date specifies such requirement to be 100%. The Bond Bank expects to increase the requirement in future series resolutions following amortization of Legacy Bonds.

The Community Revenue Bond Coverage Ratio is calculated by dividing the sum of estimated Adjusted Revenues for each of the then-current and future Fiscal Years in which Community Revenue Bonds are Outstanding divided by the aggregate scheduled Adjusted Debt Service on Outstanding Community Revenue Bonds and Legacy Bonds, if any, for each such year. "Adjusted Revenues" consists of Municipal Bonds Payments plus investment earnings on amounts in the Revenue Fund. "Adjusted Debt Service" equals Debt Service (as defined in the General Resolution) less any proceeds of a Series of General Resolution Bonds originally deposited with the Trustee for the payment of interest thereon, less investment earnings on amounts in the Reserve Fund transferred to the Principal Account and Interest Account, amounts released from the Reserve Fund as a result of the payment at maturity, refunding, redemption or defeasance of Legacy Bonds or Enhanced Community Revenue Bonds, and less any other revenues that may be identified as Revenues under a Series Resolution. See "Pledge of Revenues" for information regarding amounts identified as Revenues under prior Series Resolutions and the table under the heading "PROJECTED CASH FLOWS" herein for the estimated coverage, including the Community Revenue Bond Coverage Ratio, in each year through maturity of the Bonds.

OUTSTANDING GENERAL RESOLUTION BONDS

The Outstanding series of General Resolution Bonds, following the issuance of the Bonds, are as follows:

Series of Legacy Bonds	Outstanding following the issuance of the Bonds
2008 Series 2 (Federally Taxable)	$4,115,000
2010 Series 2 (RZEDB)	1,845,000
2010 Series 3 (QSCB)	1,365,000
2010 Series 5 (RZEDB)	8,645,000
2011 Series 3 (QSCB)	2,940,000
2012 Series 2 (QSCB)	8,855,000
2012 Series 4	365,000
2015 Series 2	2,460,000
2017 Series 1	23,245,000
2017 Series 2	3,450,000
2017 Series 3	18,830,000
2017 Series 4	21,875,000
2018 Series 1	2,995,000
2018 Series 2	5,360,000
2019 Series 1	7,935,000
2019 Series 2	6,530,000
2020 Series 1	18,600,000
2020 Series 2	13,980,000
2021 Series 1	25,495,000
2021 Series 3	14,515,000
2021 Series 4 Refunding	810,000
2022 Series 1	6,629,000
2022 Series 2	20,375,000
2022 Series 3 Refunding	16,725,000
2023 Series 1	14,300,000
2023 Series 2	23,295,000
2023 Series 3 Refunding	14,955,000
2024 Series 1	64,505,000
2024 Series 2	46,350,000
2024 Series 3 Refunding	24,055,000
2025 Series 1	66,320,000
2025 Series 2	73,560,000
2025 Series 3 Refunding	46,975,000
Total Legacy Bonds	$612,254,000
Series of Community Revenue Bonds	
2026 Series 1	$39,175,000
2026 Series 3	34,790,000
Total Community Revenue Bonds	$73,965,000
Series of Enhanced Community Revenue Bonds	
2026 Series 2	$17,630,000
2026 Series 4	14,985,000
2026 Series 5	84,490,000
Total Enhanced Community Revenue Bonds	$117,105,000
Total General Resolution Bonds	$803,324,000

DEBT SERVICE REQUIREMENTS

The following table sets forth, for each fiscal year ending December 31, the total debt service on outstanding General Resolution Bonds, including Legacy Bonds, Community Revenue Bonds and Enhanced Community Revenue Bonds. **Debt Service on Outstanding Legacy Bonds excludes debt service on the Refunded Bonds, and debt service on Enhanced Community Revenue Bonds includes debt service on the Bonds.**

		Community Revenue Bonds			Enhanced Community Revenue Bonds			
Fiscal Year (Ending December 31)	Debt Service on Outstanding Legacy Bonds[1]	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service	Total Debt Service
2026	$71,554,568	$655,000	$1,925,010	$2,580,010	$4,260,000	$1,735,937	$5,995,937	$80,130,515
2027	69,066,915	1,520,000	3,642,869	5,162,869	8,980,000	5,524,388	14,504,388	88,734,172
2028	63,883,974	2,360,000	3,566,869	5,926,869	9,505,000	5,075,388	14,580,388	84,391,230
2029	60,522,116	2,370,000	3,448,869	5,818,869	9,795,000	4,600,138	14,395,138	80,736,122
2030	57,004,913	3,110,000	3,330,369	6,440,369	9,600,000	4,110,388	13,710,388	77,155,670
2031	54,382,619	3,105,000	3,174,869	6,279,869	8,025,000	3,630,388	11,655,388	72,317,875
2032	61,284,417	3,035,000	3,019,619	6,054,619	7,535,000	3,229,138	10,764,138	78,103,173
2033	47,071,211	3,075,000	2,867,869	5,942,869	7,545,000	2,852,388	10,397,388	63,411,467
2034	42,257,791	3,120,000	2,714,119	5,834,119	7,315,000	2,475,138	9,790,138	57,882,048
2035	34,755,950	3,170,000	2,558,119	5,728,119	6,965,000	2,109,388	9,074,388	49,558,457
2036	33,433,078	3,125,000	2,399,619	5,524,619	6,935,000	1,761,138	8,696,138	47,653,834
2037	34,875,261	3,105,000	2,243,369	5,348,369	3,990,000	1,414,388	5,404,388	45,628,017
2038	29,794,322	3,160,000	2,088,119	5,248,119	3,775,000	1,214,888	4,989,888	40,032,328
2039	28,606,399	3,210,000	1,930,119	5,140,119	3,485,000	1,026,138	4,511,138	38,257,655
2040	25,119,589	3,270,000	1,769,619	5,039,619	2,760,000	860,088	3,620,088	33,779,295
2041	22,496,091	3,330,000	1,606,119	4,936,119	2,005,000	733,188	2,738,188	30,170,397
2042	19,978,582	3,390,000	1,439,619	4,829,619	1,655,000	641,288	2,296,288	27,104,489
2043	19,282,107	3,455,000	1,270,119	4,725,119	1,685,000	567,238	2,252,238	26,259,464
2044	17,954,285	3,530,000	1,097,369	4,627,369	1,925,000	491,888	2,416,888	24,998,541
2045	14,631,793	3,590,000	933,075	4,523,075	2,045,000	411,738	2,456,738	21,611,606
2046	10,530,233	2,060,000	764,000	2,824,000	1,250,000	326,388	1,576,388	14,930,620
2047	11,227,188	1,480,000	661,000	2,141,000	660,000	270,913	930,913	14,299,100
2048	9,372,513	1,390,000	587,000	1,977,000	610,000	242,169	852,169	12,201,681
2049	10,050,288	1,395,000	517,500	1,912,500	610,000	215,406	825,406	12,788,194
2050	6,309,331	1,410,000	447,750	1,857,750	690,000	188,644	878,644	9,045,725
2051	5,721,700	1,295,000	377,250	1,672,250	555,000	158,706	713,706	8,107,656
2052	5,157,769	1,300,000	312,500	1,612,500	555,000	134,238	689,238	7,459,506
2053	4,785,975	1,310,000	247,500	1,557,500	570,000	109,100	679,100	7,022,575
2054	4,826,313	1,310,000	182,000	1,492,000	560,000	83,250	643,250	6,961,563
2055	3,622,625	1,320,000	116,500	1,436,500	560,000	57,825	617,825	5,676,950
2056	-	1,010,000	50,500	1,060,500	700,000	32,400	732,400	1,792,900

[1] Includes debt service on Outstanding Legacy Bonds, excluding the Refunded Bonds. Assumes receipt of direct interest subsidy payments for the outstanding Qualified School Construction Bonds ("QSCBs") and Recovery Zone Economic Development Bonds ("RZEDBs").

Note: Totals may not foot due to rounding.

PROJECTED CASH FLOWS

The following table sets forth for each annual period while the Bonds are outstanding, annual Adjusted Revenues, Adjusted Debt Service on Legacy Bonds and Community Revenue Bonds, Adjusted Debt Service, the Community Revenue Bond Coverage Ratio, available Revenues to pay debt service on Community Revenue Bonds, and the ratio of such available Revenues to pay debt service on Community Revenue Bonds to Debt Service on Community Revenues Bonds. The cash flows assume receipt of all Municipal Bonds Payments and earnings on the Reserve Fund and receipt of direct interest subsidy payments for the outstanding QSCBs and RZEDBs. **The table includes the issuance of the Bonds and the refunding of the Refunded Bonds.**

Fiscal Year (Ending December 31)	(a) Adjusted Revenues[1]	(b) Debt Service Legacy Bonds and Community Revenue Bonds[2]	(c) Less adjustments[3]	(d) Adjusted Debt Service[4]	(e) Community Revenue Bond Coverage Ratio[5]	(f) Available Revenues for Community Revenue Bonds[6]	(g) Coverage for Community Revenue Bonds[7]
2026	$82,847,180	$74,134,578	$2,782,132	$71,352,446	116%	$14,074,744	546%
2027	82,175,573	74,229,784	5,819,322	68,410,463	120	18,927,979	367
2028	80,938,218	69,810,842	3,977,213	65,833,630	123	21,031,457	355
2029	76,171,879	66,340,985	3,893,466	62,447,519	122	19,543,229	336
2030	73,324,404	63,445,282	3,392,730	60,052,553	122	19,712,220	306
2031	69,022,206	60,662,487	4,167,153	56,495,335	122	18,806,740	299
2032	65,475,893	67,339,035	12,198,718	55,140,318	119	16,390,194	271
2033	60,388,202	53,014,080	3,999,920	49,014,160	123	17,316,911	291
2034	54,733,711	48,091,910	3,816,332	44,275,578	124	16,292,252	279
2035	48,550,134	40,484,069	1,848,525	38,635,544	126	15,642,709	273
2036	46,489,828	38,957,697	1,831,595	37,126,102	125	14,888,344	269
2037	42,479,610	40,223,630	5,085,202	35,138,427	121	12,689,551	237
2038	37,486,367	35,042,440	2,583,180	32,459,260	115	10,275,226	196
2039	34,195,871	33,746,518	4,854,538	28,891,980	118	10,444,010	203
2040	31,670,242	30,159,208	2,122,983	28,036,225	113	8,673,636	172
2041	29,490,136	27,432,210	2,034,591	25,397,619	116	9,028,635	183
2042	26,089,824	24,808,201	1,703,856	23,104,345	113	7,815,097	162
2043	24,222,188	24,007,226	1,932,572	22,074,654	110	6,872,653	145
2044	22,095,742	22,581,653	2,785,109	19,796,544	112	6,926,566	150
2045	18,893,708	19,154,868	2,555,116	16,599,752	114	6,817,032	151
2046	14,338,359	13,354,233	785,493	12,568,739	114	4,593,619	163
2047	12,779,747	13,368,188	1,450,999	11,917,189	107	3,003,558	140
2048	11,508,238	11,349,513	864,787	10,484,726	110	3,000,512	152
2049	10,691,362	11,962,788	2,823,940	9,138,847	117	3,465,015	181
2050	8,641,843	8,167,081	1,038,491	7,128,591	121	3,371,002	181
2051	7,690,228	7,393,950	866,091	6,527,859	118	2,834,619	170
2052	7,177,747	6,770,269	626,546	6,143,723	117	2,646,524	164
2053	6,702,136	6,343,475	812,357	5,531,118	121	2,728,518	175
2054	6,260,021	6,318,313	2,679,491	3,638,821	172	4,113,200	276
2055	4,452,473	5,059,125	3,901,151	1,157,974	385	4,730,999	329
2056	1,552,845	1,060,500	-	1,060,500	146	1,552,845	146

[1]Adjusted Revenues include Municipal Bonds Payments, plus earnings on the Revenue Fund. See "SECURITY FOR THE BONDS - Additional Indebtedness; Community Revenue Bond Coverage Ratio."
[2]See "DEBT SERVICE REQUIREMENTS."
[3]Includes earnings on the Reserve Fund allocable to the Legacy Bonds, scheduled transfers from the Reserve Fund upon the reduction in the required amount for Legacy Bonds, interest funded from the proceeds of Community Revenue Bonds and Legacy Bonds, if any, and Revenues specified in prior Series Resolutions. See "SECURITY FOR THE BONDS – Pledge of Revenues."
[4]Amount in column (b) less amount in column (c).
[5]Amount in column (a) divided by amount in column (d).
[6]Adjusted Revenues amount in column (a), less Adjusted Debt Service in column (d), plus Debt Service on Community Revenue Bonds shown under "DEBT SERVICE REQUIREMENTS."
[7]Amount in column (f) divided by debt service on Community Revenue Bonds shown under "DEBT SERVICE REQUIREMENTS."

CERTAIN INVESTMENT CONSIDERATIONS

School Consolidation and Facilities Assessment

The Governmental Units include many school districts that receive loans from the Bond Bank to fund projects for public schools. Since 2015, the State has been undergoing a major education reform process which includes a multi-year realignment and consolidation of the pre-k-12 education governance system. Vermont Act 46 (2015) and Act 49 (2017) (together, the "Acts") include incentives to small school districts to merge in order, among other things, to maximize operational efficiencies and provide equity in quality and funding. Pursuant to the Acts, the Vermont State Board of Education also ordered the involuntary consolidation of a series of school districts that did not voluntarily merge. By operation of law, the consolidated school district, whether formed voluntarily or involuntarily, assumes the property and any related debt, including the Municipal Bonds, of the merged school districts. Several school districts objected to school consolidation and sued the Vermont State Board of Education to avoid merging. While none of such districts claimed that its debt is no longer valid, some argued that the forced merger should not be required because it causes existing debt of a school district to become debt of a consolidated school district, which includes a member that had not authorized such other member's debt. The State objected to these claims on the basis that the State Legislature, in adopting Act 46, has authority to transfer the existing debt of a school district to the merged school district as part of the consolidation process. The State prevailed, but some school districts appealed the decision to the Vermont Supreme Court, which heard oral arguments on January 15, 2020. On July 10, 2020, the Vermont Supreme Court affirmed the lower court's decision in favor of the State. Table 1 of Appendix B reflects the consolidated school districts as of the date of the Official Statement.

On February 1, 2024, the School Construction Aid Taskforce Report was released following the requirements of Act 78 of 2023. The report followed a statewide facility needs assessment that identified an estimated $6.35 billion in total facilities needs over the next 20 years. The report also recommends the creation of a new school facilities State aid program. Act 149 of 2024 creates the State Aid for School Construction Working Group to study and design a recommended plan for a statewide school construction aid program. For a copy of the needs assessment, see https://education.vermont.gov/sites/aoe/files/documents/edu-legislative-report-school-construction-aid-taskforce-2024.pdf.

The State is engaged in an ongoing legislative effort to promote school consolidation and provide support for school construction with the goal of reducing costs. In successive years legislation was enacted to enable this transition including Act 73 (2025) and Act 170 (2026). These Acts transition school districts to an Opportunity Payment with limitations on spending in excess of the Opportunity Payment. Notably, Act 170 excluded costs associated with school construction expenditures from this limitation while increasing potential subsidy amounts for both existing and new debt issuances by school districts. Under current law, the Opportunity Payment does not become effective until July 1, 2029. Act 170 further establishes a framework for voluntary mergers of school districts alongside financial incentives.

The Acts included the creation of an advisory board to advise the State's Agency for Education on the implementation of a program to provide State aid for school construction projects. The advisory board includes the Executive Director of the Bond Bank, or a designee, as an ex officio member. Under the Act, the advisory board submitted, on December 15, 2025, a written report to the House Committees on Education and on Ways and Means and the Senate Committees on Education and on Finance providing options for addressing the transfer of any debt obligations from current school districts to future school districts as contemplated by Vermont's education transformation. All options considered the full and timely repayment of prior debt.

Climate Resiliency and Environmental Risk

The State faces on-going exposure to physical climate risks with seven major disaster declarations from 2023 to the present listed by Federal Emergency Management Agency ("FEMA") (https://www.fema.gov/disaster/declarations). Both declared and undeclared disasters in the past and future will have varying degrees of impact with unknown fiscal and economic consequences to Governmental Units.

The State faces a wide range of potential impacts from the effects of climate change. In 2025, the Vermont Climate Council released the four-year update to the State's Climate Action Plan, which is required by the Global Warming Solutions Act (Act 153 of 2020) (available at https://anr.vermont.gov/content/vermont-climate-council-updates-climate-action-plan). The update includes a chapter on Climate and Climate Change, which describes that the State is becoming warmer and wetter, resulting in interdependent and unpredictable outcomes. The update further includes recommendations to mitigate the negative impacts of Vermont's changing climate. These changes may result in both negative and positive financial consequences for the Governmental Units.

State incentives exist to encourage local governments with hazard mitigation planning and implementation through the Emergency Relief and Assistance Fund that provides State funding to match Federal Public Assistance following federally-declared disasters. Increased local assistance will be provided by the State if, among other actions, local governments adopt a Local Hazard Mitigation Plan, adopt post-Tropical Storm Irene road and bridge standards, and protect river corridors from new encroachments.

The State is further required to complete the State Hazard Mitigation Plan ("SHMP") that identifies natural hazards that affect Vermont, assesses risk and vulnerability to these hazards, and identifies top priority mitigation actions at the State level to remove vulnerability and create a more resilient Vermont. The SHMP must be updated and submitted by Vermont Emergency Management ("VEM") to FEMA for approval every five years with the current plan effective until November 2028. More information on the updated SHMP is available online: https://vem.vermont.gov/plans/SHMP.

In 2021, the Vermont legislature passed Act 74, which established the Flood Resilient Communities Fund with the intent of improving landscape and community resilience and reducing the future public safety and water quality impacts of climate-related flood hazards in Vermont, focusing on buyouts of flood-vulnerable properties. This is a voluntary program that prioritizes projects in communities and/or for homeowners with greatest economic need and projects that mitigate repetitive loss among low-income and marginalized portions of the population.

The Bond Bank responded to 2023 flooding impacts in Vermont municipalities with the Municipal Climate Recovery Fund ("MCRF") that provides post-event loans to bridge federal reimbursement or otherwise allow medium term flexibility for the amortization of disaster costs. MCRF loans were also provided to towns responding to subsequent flooding events. To date, the MCRF has provided related loans to 27 different borrowers in the amount of $33 million.

In 2024, the State enacted Act 121, which amends prior law and creates new regulations related to river corridors, flood hazard areas, wetlands, and dams. A summary of the law is available online: https://legislature.vermont.gov/Documents/2024/Docs/ACTS/ACT121/ACT121%20Act%20Summary.pdf. Additional legislation was also passed that may contribute to the ability of Governmental Units to respond to acute and chronic environmental risks exist throughout the State. The Bond Bank cannot predict the efficacy of these programs and whether any current or future impact of climate change might adversely impact the ability of any of its Governmental Units to pay debt service on their Municipal Bonds.

Debt Authorization of Government Units

Statutory changes to the conditions under which Municipal Bonds can be authorized may have financial impacts on Governmental Units. Act 179 (2026) broadened the authorization of Municipal Bonds to allow revenue bonds solely backed by special assessments. The Bank does not anticipate purchasing these bonds under the General Resolution.

Cybersecurity

The Bond Bank and the Governmental Units, like many other public and private entities, rely on a large and complex technology environment to conduct their operations. As a recipient and provider of certain sensitive information, each of the Bond Bank and the Governmental Units may be subject to cyber threats including, but not limited to, hacking, viruses, malware, ransomware, and other attacks on computer and other sensitive digital networks and systems.

Entities or individuals may attempt to gain unauthorized access to the Bond Bank's digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. The Bond Bank works closely with its information technology providers who maintain, provide back-up services and advise with respect to, and implement all of the Bond Bank's network security controls. On an ongoing basis, the Bond Bank reviews and implements its information technology provider's system security recommendations in an effort to mitigate the impact of any such attack on the operations or finances of the Bond Bank. The Bond Bank maintains a cyber insurance policy to limit potential damages.

Borrower payments and borrower requisitions are managed by a third-party disbursing agent, who currently also serves as Trustee.

Notwithstanding the planning and actions taken to date, the Bond Bank cannot assure that future incidents will not have a potential material impact on the Bond Bank's operations or financial position.

AGREEMENT OF THE STATE AND THE BOND BANK

Section 4621 of the Act provides that the State does pledge to and agree with the holders of the bonds or notes of the Bond Bank that it will not limit or restrict the rights vested in the Bond Bank to fulfill the terms of any agreement made with bondholders or noteholders, or in any way impair the rights or remedies of such holders until the bonds or notes, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, are fully met and discharged, and, under the General Resolution, the Bond Bank covenants that it will not cause the State to take any such action.

BONDS AS LEGAL INVESTMENTS

Under the provisions of Section 4623 of the Act, the Bonds, in the State of Vermont, are securities in which all public officers and bodies of the State and all its municipalities and municipal subdivisions, all insurance companies and associations, and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are or may be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds, including capital, in their control or belonging to them.

SECURITY FOR PUBLIC DEPOSITS

Bonds or notes of the Bond Bank are authorized security for any and all public deposits in the State.

TAX MATTERS

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Bond Counsel to the Bond Bank ("Bond Counsel"), is of the opinion that, under existing law, interest on the Bonds is excludable from gross income of holders thereof for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). This opinion is expressly conditioned upon continued compliance with certain requirements imposed by the Code, which requirements must be satisfied subsequent to the date of issuance of the Bonds in order to ensure that the interest on the Bonds is and continues to be excludable from the gross income of the holders thereof. Failure to comply with certain of such requirements could cause interest on the Bonds to be included in the gross income of holders thereof retroactive to the date of issuance of the Bonds. In particular, and without limitation, these requirements include restrictions on the use, expenditure and investment of Bond proceeds and the payment of rebate, or penalties in lieu of rebate, to the United States, subject to certain exceptions. The Bond Bank has provided covenants and certificates as to continued compliance with such requirements.

In the opinion of Bond Counsel, under existing law, interest on the Bonds is not an item of tax preference for purposes of computation of the federal alternative minimum tax imposed on individuals, however, it may be taken into account for the purpose of computing the federal alternative minimum tax imposed on certain corporations. Bond Counsel has not opined as to any other matters of federal tax law relating to the Bonds. However, prospective purchasers should be aware that certain collateral consequences may result under federal tax law for certain holders of the Bonds. The nature and extent of these consequences depends on the particular tax status of the holder and the holder's other items of income or deduction. Holders should consult their own tax advisors with respect to such matters.

Interest paid on tax-exempt obligations such as the Bonds is generally required to be reported by payors to the Internal Revenue Service ("IRS") and to recipients in the same manner as interest on taxable obligations. In addition, such interest may be subject to "backup withholding" if the Bond holder fails to provide the information required on IRS Form W-9, Request for Taxpayer Identification Number and Certification, or the IRS has specifically identified the Bond holder as being subject to backup withholding because of prior underreporting. Neither the information reporting requirement nor the backup withholding requirement affects the excludability of interest on the Bonds from gross income for federal tax purposes.

Interest on the Bonds includes any original issue discount, which with respect to a Bond, is equal to the excess, if any, of the stated redemption price at maturity of such Bond over the initial offering price thereof to the public, excluding underwriters and other intermediaries, at which price a substantial amount of all such Bonds with the same series and maturity was sold. Original issue discount accrues based on a constant yield method over the term of a Bond. Holders should consult their own tax advisors with respect to the computations of original issue discount during the period in which any such Bond is held.

An amount equal to the excess, if any, of the purchase price of a Bond over the principal amount payable at maturity constitutes amortizable bond premium. The required amortization of such premium during the term of a Bond will result in reduction of the holder's tax basis in such Bond. Such amortization also will result in reduction of the amount of the stated interest on the Bond taken into account as interest for tax purposes. Holders of Bonds purchased at a premium should consult their own tax advisors with respect to the determination and treatment of such premium for federal income tax purposes and with respect to the State or local tax consequences of owning such Bonds.

In the opinion of Bond Counsel, under existing law, interest on the Bonds is exempt from State of Vermont personal income taxes and State of Vermont corporate income taxes. Bond Counsel has not opined as to the taxability of the Bonds and the interest thereon under the laws of any state other than Vermont.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel has not undertaken to update or supplement its opinions in the future to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any events that occur after the date of issuance of the Bonds, including legislation, court decisions, or administrative actions, whether at the federal or state level, that may affect the tax exempt status of interest on the Bonds, or the tax consequences of ownership of the Bonds. Moreover, Bond Counsel's opinions are not a guarantee of a particular result and are not binding on the IRS or the courts; rather such opinions represent Bond Counsel's professional judgment based on its review of existing law and its reliance on the representations and covenants that it deems relevant to such opinions. No assurance can be given that future legislation, if enacted into law, will not contain provisions which could directly or indirectly reduce or eliminate the benefit of the exclusion of the interest on the Bonds from gross income for federal income tax purposes or any state tax benefit of the Bonds. Tax reform proposals and deficit reduction measures, including but not limited to proposals to reduce the benefit of the interest exclusion from income for certain holders of tax-exempt bonds, including bonds issued prior to the proposed effective date of the applicable legislation, and other proposals to limit federal tax expenditures, have been and are expected to be under ongoing consideration by the United States Congress. These proposed changes could affect the market value or marketability of the Bonds, and, if enacted into law, could also affect the tax treatment of all or a portion of the interest on the Bonds for some or all holders. Holders should consult their own tax advisors with respect to any of the foregoing tax consequences.

LITIGATION AND OTHER PROCEEDINGS

There is no controversy or litigation of any nature now pending, or to the knowledge of the Bond Bank, threatened, restraining or enjoining the issuance, sale, execution or delivery of the Bonds or prohibiting the Bond Bank from making the Loans with the proceeds of the Bonds or any proceeding of the Bond Bank taken with respect to the issuance or sale thereof, or the pledge or application of any monies or security provided for the payment of the Bonds or the existence or powers of the Bond Bank.

APPROVAL OF LEGALITY

All legal matters incident to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Bond Counsel. The opinion will be substantially in the form attached hereto as Appendix C.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with paragraph (b)(5) of Rule 15c2-12 of the Securities and Exchange Commission, the Bond Bank will undertake to provide annual reports and notice of certain events with respect to the Bond Bank and any Obligated Person by filing with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access ("EMMA") system. See the description of this undertaking set forth in Appendix E attached hereto. The Bond Bank previously entered into continuing disclosure undertakings with respect to prior bonds issued under the General Resolution. During the last five years certain annual financial information and operating data was not linked to all of the applicable CUSIPs on EMMA, but such linking of these filings to all relevant CUSIPs has been corrected. Notice of the rating upgrade of the Legacy Bonds in 2026 was filed late.

FINANCIAL ADVISOR

Omnicap Group LLC ("Omnicap") is acting as independent municipal advisor to the Bond Bank with respect to the Bonds. Omnicap is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for, the accuracy, completeness, or fairness of the information contained in this Official Statement and the appendices hereto. Omnicap is an independent financial advisory firm and is not engaged in the business of underwriting, trading or distribution of municipal securities or other public securities and therefore will not participate in the underwriting or purchase of the Bonds.

FINANCIAL STATEMENTS

The financial statements of the Bond Bank for the fiscal year ended December 31, 2025 have been examined by CliftonLarsonAllen LLP independent public accountants, as indicated in their report with respect thereto, and are included in Appendix D. CliftonLarsonAllen LLP has not been engaged to perform and has not performed, since the date of its report referenced therein, any procedures on the financial statements addressed in that report. They also have not performed any procedures relating to this Official Statement.

UNDERWRITING

The Bonds are being purchased by the underwriters, for whom Morgan Stanley & Co. LLC is acting as representative, at an aggregate purchase price of $90,735,585.91 (consisting of the aggregate stated principal amount of the Bonds, plus net original issue premium, $6,534,261.95, less aggregate Underwriters' discount, $288,676.04). The Contract of Purchase provides that the Underwriters will purchase all of the Bonds if any are purchased. The obligations of the Underwriters are subject to certain terms and conditions set forth in the Contract of Purchase. The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts) and others at prices lower than the public offering prices stated on the inside cover page hereof for the Bonds. The initial public offering prices of the Bonds may be changed from time to time by the Underwriters.

The underwriters and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. The underwriters and their affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Bond Bank, for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Bond Bank. The underwriters and their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Morgan Stanley & Co. LLC, an underwriter of the Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial

advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

J.P. Morgan Securities LLC ("JPMS"), an underwriter of the Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase the Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

Truist Securities, Inc. has entered into an agreement (the "Truist Distribution Agreement") with Truist Investment Services, Inc. ("TIS") for the retail distribution of certain municipal securities offerings, including the Bonds. Pursuant to the Truist Distribution Agreement, Truist Securities will share a portion of its underwriting compensation, as applicable, with respect to the Bonds with TIS. Each of Truist Securities and TIS is a subsidiary of Truist Financial Corporation. Truist Securities is the trade name for the corporate and investment banking services of Truist Financial Corporation and its subsidiaries.

RATINGS

S&P Global Ratings ("S&P"), 55 Water Street, New York, New York, and Moody's Investors Service, Inc. ("Moody's"), 7 World Trade Center at 250 Greenwich Street, New York, New York have rated the Bonds, which constitute Enhanced Community Revenue Bonds, "AA", and "Aa2", respectively.

S&P and Moody's have affirmed the ratings on outstanding Community Revenue Bonds, "AA" and "Aa2" and Legacy Bonds at "AA+" and "Aa1."

Such ratings reflect only the views of such rating agencies and any desired explanation of the significance of such ratings may be obtained from S&P and Moody's, respectively. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any period of time or that such ratings will not be revised or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any revision or withdrawal of the ratings may have an effect on the market price of the Bonds.

MISCELLANEOUS

The quotations from, and summaries and explanations of the Act, the Resolution and the Loan Agreements contained herein do not purport to be complete and reference is made to said law, Resolution and Loan Agreements for full and complete statements of their provisions. The Appendices attached hereto are a part of this Official Statement. Copies, in reasonable quantity, of the Act, the Resolution and prior Official Statements of the Bond Bank may be obtained upon request directed to the Bond Bank.

It is the current policy of the Bond Bank to provide copies of the Act, the Resolution and prior Official Statements of the Bond Bank related to a Series of General Resolution Bonds upon request directed to the Bond Bank. In addition, the Bond Bank files with the Trustee a copy of its annual report for each Fiscal Year. The Bond Bank reserves the right at any time to change this policy to comply with law or for any other reason.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Bond Bank and the purchasers or Holders of any of the Bonds.

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Appendix A

Form of the General Resolution

VERMONT BOND BANK

GENERAL BOND RESOLUTION

Adopted May 3, 1988

Amended and Restated as of December 1, 2025

Authorizing the Issuance of

VERMONT BOND BANK

REVENUE BONDS

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AMENDED AND RESTATED GENERAL BOND RESOLUTION

A RESOLUTION CREATING AND ESTABLISHING AN ISSUE OF BONDS OF THE VERMONT BOND BANK; PROVIDING FOR THE ISSUANCE FROM TIME TO TIME OF SAID BONDS; PROVIDING FOR THE PAYMENT OF PRINCIPAL AND INTEREST OF SAID BONDS; AND PROVIDING FOR THE RIGHTS OF THE HOLDERS THEREOF

BE IT RESOLVED by the Directors of the Vermont Bond Bank as follows:

ARTICLE I

Statutory Authority and Definitions

101. Authority for This Resolution. This Resolution is adopted pursuant to the provisions of the Act.

102. Resolution Constitutes Contract. In consideration of the purchase and acceptance of any and all of the Bonds issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Bank and the Holders of the Bonds, and the pledges made in this Resolution and the covenants and agreements herein set forth to be performed by the 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.

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

"Accreted Value" shall mean, as of any interest payment date, with respect to any non-interest bearing Bonds, the amount representing the original principal plus the amount of interest that has accrued to such date as specified in the Series Resolution.

"Act" shall mean 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.

"Adjusted Debt Service" shall mean Debt Service less the amounts set forth in clauses (iii), (iv) and (v) of the definition of Revenues.

"Adjusted Revenues" shall means Revenues less the amounts set forth in clauses (iii), (iv) and (v) of the definition thereof.

"Administrative Expenses" shall mean the Bank's expenses of carrying out and administering its powers, duties and functions, as authorized by the Act, and shall include, without limiting the generality of the foregoing: administrative expenses, legal, accounting and consultant's services and expenses, payments to underwriters or placement agents of the Bonds,

payments to pension, retirement, health and hospitalization funds, fees of a Credit Bank or insurer, rebate payments to the United States Treasury Department, and any other expenses required or permitted to be paid by the Bank under the provisions of the Act or this Resolution or otherwise.

"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.

"Aggregate Debt Service" for any period shall mean, as of any date of calculation and with respect to all Bonds, the sum of the amounts of Debt Service for such period.

"Aggregate Interest" for any period shall mean, as of any date of calculation, an amount equal to interest accruing during such period on all Bonds. Such interest shall be calculated on the assumption that no Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of the principal amount of such Bonds on the due date thereof. With respect to Variable Rate Bonds or variable rate Municipal Bonds interest requirements shall be determined by reference to the maximum interest rate.

"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 Bank and obtained by dividing the total premium or discount at which such Investment Obligation was purchased by the number of days remaining to maturity on such Investment Obligation 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 Obligation purchased at a premium by deducting the product thus obtained from the purchase price, and (2) in the case of an Investment Obligation purchased at a discount by adding the product thus obtained to the purchased price.

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

"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 Bank.

"Bond" or "Bonds" shall mean any Bond or the issue of Bonds, as the case may be, established and created by this Resolution and issued pursuant to a Series Resolution, which includes Legacy Bonds, Community Revenue Bonds and Enhanced Community Revenue Bonds.

"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.

"Community Revenue Bond Coverage Ratio" shall mean the amount calculated by dividing the sum of estimated Adjusted Revenues for each of the then-current and future Fiscal Years in which Community Revenue Bonds are Outstanding divided by the aggregate scheduled Adjusted Debt Service on Outstanding Community Revenue Bonds and Legacy Bonds, if any, for each such year.

"Community Revenue Bond Coverage Ratio Requirement" shall mean the greater of (i) 100% and (ii) the percentage specified in the Series Resolution authorizing the issuance of a Series of Community Revenue Bonds.

"Community Revenue Bonds" shall mean Bonds issued by the Bank pursuant to this Resolution and identified as "Community Revenue Bonds" in the Series Resolution providing for the issuance of such Bonds. Community Revenue Bonds are secured by a pledge of and lien on the Revenues junior and subordinate to the pledge and lien securing the Legacy Bonds and senior and superior to the pledge and lien on the Revenues securing the Enhanced Community Revenue Bonds. Community Revenue Bonds are not secured by the Reserve Fund.

"Counsel's Opinion" shall mean an opinion signed by an attorney or firm of attorneys selected by or satisfactory to the Bank (who may be counsel to the 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 Bank) selected by the Bank.

"Credit Bank" shall mean, with respect to purchases in connection with tenders of Variable Rate Bonds, the person (other than an Insurer) providing a letter of credit, a line of credit, a guaranty or other credit or liquidity enhancement facility, as designated in the Series Resolution providing for the issuance of such Bonds.

"Credit Facility" shall mean, with respect to purchases in connection with tenders of Variable Rate Bonds, a letter of credit, a line of credit, a guaranty or another credit- or liquidity-enhancement facility (other than an insurance policy issued by an Insurer), as designated in the Series Resolution providing for the issuance of such Bonds.

"Debt Service" for any period shall mean, as of any date of calculation and with respect to any Series, an amount equal to the sum of (i) interest accruing during such period on Bonds of such Series, and (ii) that portion of principal for such Series which would accrue during such period if such principal were deemed to accrue daily in equal amounts from the next preceding principal payment date for such Series (or, if there shall be no such preceding principal payment date, from a date one year preceding the due date of such principal payment or from the date of delivery of such Series of Bonds if such date occurred less than one year prior to the date of such principal payment). Such interest and principal payments for such Series shall be calculated on the assumption that no Bonds (except Variable Rate Bonds actually tendered for payment prior to the stated maturity thereof) of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of the principal payment on the

due date thereof; provided, however, that with respect to Variable Rate Bonds tendered for payment before the stated maturity thereof, interest shall be deemed to accrue on the date required to be paid pursuant to such tender, and provided further, that with respect to Variable Rate Bonds or variable rate Municipal Bonds interest requirements shall be determined by reference to the maximum interest rate. A Series Resolution may provide that interest expense on Credit Facilities drawn upon to purchase but not to retire Bonds, to the extent such interest exceeds the interest otherwise payable on such Bonds may be included in the determination of Debt Service.

"Enhanced Community Revenue Bonds" shall mean Bonds issued by the Bank pursuant to this Resolution and identified as "Enhanced Community Revenue Bonds" in the Series Resolution authorizing the issuance of such Bonds. Enhanced Community Revenue Bonds are secured by a pledge of and lien on the Revenues junior and subordinate to the pledge and lien securing the Legacy Bonds and the Community Revenue Bonds. Enhanced Community Revenue Bonds are secured by the Reserve Fund.

"Equity-Funded Loan" shall have the meaning given such term in Section 914 of this Resolution.

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

"General Account" shall mean the account by that name established by paragraph (1) of Section 603.

"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.

"Insurer" shall mean, as to any particular maturity or any particular series of the Bonds, the person undertaking to insure such Bonds, as designated in the Series Resolution providing for the issuance of such Bonds.

"Interest Account" shall mean the account by that name established by paragraph (1) of Section 603, consisting of the Legacy Bond Subaccount, the Community Revenue Bond Subaccount and the Enhanced Community Revenue Bond Subaccount.

"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 Issuer 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 Bank may be legally invested.

"Legacy Bonds" shall mean all Bonds issued under this Resolution prior to the effective date of the Amendment and Restatement initially adopted in the Series Resolution authorizing the issuance of the 2022 Series 2 Bonds, adopted June 27, 2022.

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

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

"Municipal Bonds" shall mean 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 Bank as evidence of indebtedness of a Loan to the Municipality pursuant to the Act.

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

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

"Notes" shall mean any obligations issued by the Bank, other than Bonds, or bonds or other obligations referred to in Section 913.

"Operating Account" shall mean the account by that name established by paragraph (1) of Section 603.

"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, (iv) Bonds deemed to have been paid as provided in subsection 2 of Section 1401, and (v) Variable Rate Bonds for which the Purchase Price has been deposited with the Trustee.

"Paying Agent" for the Bonds of any Series shall mean the 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 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 paragraph (1) of Section 603, consisting of the Legacy Bond Subaccount, the Community Revenue Bond Subaccount and the Enhanced Community Revenue Bond Subaccount.

"Principal" shall mean the principal of a Bond due at the scheduled maturity thereof or in the case of non-interest bearing Bonds, the Accreted Value thereof.

"Purchase Price" shall mean the purchase price established in any Series Resolution for Variable Rate Bonds as the purchase price to be paid for such Bonds upon an optional or mandatory tender of all or a portion of such Bonds as provided in the Series Resolution providing for the issuance of such Bonds.

"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 Account" shall mean the account by that name established by paragraph (1) of Section 603.

"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 203.

"Reserve Fund" shall mean the Vermont Bond Bank Revenue Reserve Fund by that name established by Section 602, securing the Legacy Bonds and the Enhanced Community Revenue Bonds.

"Required Debt Service Reserve" shall mean, as of any date of calculation, the sum of amounts of money (or cash equivalent available under a letter of credit, insurance policy or similar security instrument) required to be on deposit in the Reserve Fund pursuant to each Series Resolution which amounts with respect to each Series of Legacy Bonds and each Series of Enhanced Community Revenue Bonds issued hereunder shall be equal to the least of: the maximum amount of aggregate principal and interest maturing and becoming due in any succeeding calendar year on all Legacy Bonds and Enhanced Community Revenue Bonds then Outstanding as of such date of calculation, 125% of average annual aggregate Debt Service due on all Legacy Bonds and Enhanced Community Revenue Bonds Outstanding as of such date of calculation, or 10% of the aggregate proceeds of all Legacy Bonds and Enhanced Community Revenue Bonds Outstanding as of such date of calculation. With respect to Variable Rate Bonds,

and for purposes of determining the Required Debt Service Reserve, interest requirements shall be determined in the manner set forth in the Series Resolution.

"Resolution" shall mean this Amended and Restated General Bond Resolution as from time to time further amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions hereof.

"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 the Revenue Fund, (iii) any proceeds of a Series of Bonds originally deposited with the Trustee for the payment of interest thereon, (iv) investment earnings on amounts in the Reserve Fund transferred to the Principal Account and Interest Account in accordance with Section 606(2) of this Resolution, and (v) amounts released from the Reserve Fund as a result of the payment at maturity, refunding, redemption or defeasance of Legacy Bonds or Enhanced Community Revenue Bonds, and any other revenues that may be identified as Revenues under a Series Resolution. Revenues shall not include (x) any amounts on deposit in a Rebate Fund, (y) any payment made by the State to replenish the Reserve Fund under Section 4675 of the Act.

"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 Bank authorizing the issuance of one or more Series of Bonds in accordance with the terms and provisions hereof adopted by the Bank in accordance with Article X.

"State" shall mean the State of Vermont.

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

"Trustee" shall mean the 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.

"Variable Rate Bonds" means any Bonds the interest rate on which is not established at the time of issuance of such bonds at a single numerical rate for the entire term of such Bonds a feature of which may include an option on the part of the Holders of such Bonds to tender to the Bank or to any depositary, Paying Agent or other fiduciary for such Holders, or to an agent of any of the foregoing, all or a portion of such Bonds for purchase. No Variable Rate Bonds shall be issued unless any obligations the Bank may have, other than its obligation on such Bonds (which need not be uniform as to all Holders thereof), to reimburse any person for its having extended a Credit Facility or similar arrangement shall be subordinated to the obligation of the Bank on the Bonds, a maximum interest rate is established in the Series Resolution authorizing such Bonds and upon any change in the interest rate of such Variable Rate Bonds, the Bank shall comply with Section 601(2) hereof.

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. Authorization of Bonds. There is hereby established and created an issue of Bonds of the Bank to be known and designated as "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, Purchase Price, if any, and Redemption Price of and interest on all of the Bonds issued pursuant to this Resolution. The Bonds shall be direct and general obligations of the Bank and the full faith and credit of the Bank are hereby pledged for the payment of the principal, Purchase Price, if any, and Redemption Price of and interest on the Bonds subject to the provisions of any other resolutions or indentures pledging and appropriating particular moneys, assets or revenues to particular notes or bonds, including, among others, the 1972 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 Bank is obligated to pay the principal of the Bonds and the interest thereon only from revenues or funds of the 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.

202. 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 Bank adopted 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 "Bonds," contain an appropriate Series designation, including, following the effective date of the Amendment and Restatement initially adopted in the Series Resolution authorizing the issuance of the 2022 Series 2 Bonds, adopted June 27, 2022, whether each Series authorized under the Series Resolution constitutes Community Revenue Bonds or Enhanced Community Revenue Bonds.

Each Series Resolution shall also specify:

(a) The authorized 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) making Loans to Municipalities, (ii) making payments into the Interest Account and the Operating Account or either of such

accounts, (iii) for Enhanced Community Revenue Bonds only, making payments into the Reserve Fund of any amounts required to be paid thereto in order to establish the Reserve Fund in an amount at least equal to the Required Debt Service Reserve, or such larger amount as the Bank shall determine to deposit therein, (iv) the funding of Notes theretofore issued by the Bank to provide funds to make Loans, and (v) the refunding of Bonds and related purposes, as provided in Section 203;

(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;

(f) The Paying Agent or Paying Agents and, subject to the provisions of Section 802, the place or places of payment of the principal, Redemption Price, if any, and Purchase 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 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, and Purchase Price or Purchase Prices, if any, and, subject to Article IV, the redemption terms, if any, for the Bonds of each such Series;

(h) If so determined by the Bank, provisions for the sale of the Bonds of each such Series;

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

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

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

(l) In the case one or more of such Series constitutes Community Revenue Bonds, the Community Revenue Bond Coverage Ratio Requirement, and

(m) Any other provisions deemed advisable by the Bank, not in conflict with the provisions of this resolution.

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

The Bonds of any Series authorized to be issued by this Section may be designated as Variable Rate Bonds, subject to optional or mandatory tender and payment prior to their stated maturities by the Holders thereof, may be additionally secured by an insurance policy issued by an Insurer or a Credit Facility the proceeds of which will be available for application to the payment of the principal of and interest on such Bonds and the Bank may enter into agreements with any bank, dealer in municipal bonds or other institution for the remarketing of Bonds which have been tendered for payment and agreements with any bank or other financial institution for the reimbursement of funds advanced under such Credit Facility all as shall be determined by the Bank in the Series Resolution relating to such Bonds.

(2) All (but not less than all) the Bonds of each such Series shall be executed by the 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 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 Bank has the right and power under the Act as amended to the date of such Opinion to adopt the Resolution (with such approvals as may be required by the Act as so amended), and the Resolution has been duly and lawfully adopted by the Bank and such approvals given, is in full force and effect and is valid and binding upon the 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, 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 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 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 Opinion, and in accordance with the Resolution.

(b) A certificate of an Authorized Officer demonstrating that upon issuance of such Series of Bonds, Revenues in each year in which such Series of Bonds will be Outstanding will be sufficient to pay Debt Service in each such year on all Outstanding Bonds when due;

(c) In the case one or more of such Series constitutes Community Revenue Bonds, other than Refunding Bonds, a certificate of the Bank demonstrating the Community Revenue Bond Coverage in each year in which such Series of Bonds will be Outstanding will be at least equal to the Community Revenue Bond Coverage Ratio Requirement;

(d) In the case one or more of such Series constitutes Enhanced Community Revenue Bonds, other than Refunding Bonds, the amount of the Reserve Fund, upon the issuance and delivery of such additional Enhanced Community Revenue Bonds and the deposit in the Reserve Fund of any amount provided therefor in the Series

Resolution authorizing the issuance of such additional Bonds, shall not be less than the Required Debt Service Reserve;

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

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

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

(h) Such further documents, moneys and securities as are required by the provisions of this Section 202, and Section 203, or Article X or any Series or Supplemental Resolution adopted pursuant to Article X.

203. 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 202) of:

(a) A certificate of an Authorized Officer setting forth (1) the Aggregate Debt Service for the then current and each future calendar year (i) with respect to Bonds to be refunded and (ii) with respect to the Refunding Bonds, and (2) that the Aggregate Debt Service for each such year set forth pursuant to (l)(ii) of this paragraph (a) is no greater than the Aggregate Debt Service set forth pursuant to (l)(i) of this paragraph (a);

(b) 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;

(c) 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;

(d) 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

(e) A certificate of an Authorized Officer containing such additional statements as may be reasonably necessary to show compliance with the requirements of subsection 1 and this subsection 2 of this Section 203.

(3) In the event that Aggregate Debt Service immediately after issuance of the Refunding Bonds is reduced, the Bank shall allocate the Debt Service savings to certain municipalities in the manner specified in the Series Resolution authorizing such Series.

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, or Purchase 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 of fully registered Bonds without coupons, or as book-entry Bonds as provided in the applicable Series Resolution in the denominations set forth in the applicable Series Resolution.

The Bonds of a Series may be issued as one fully registered bond for each maturity date, in aggregate principal amounts equal to the amount of principal maturing on each such date, and registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). On original issue, such Bonds shall be deposited with DTC for the purpose of maintaining a book-entry system for recording the ownership interests of its participants and the transfer of those interests among its participants. In the event that DTC determines not to continue to act as securities depository for such Bonds or the Bank determines not to continue the book-entry system for recording ownership interests in any such Series of Bonds with DTC, the Bank will discontinue the book-entry system with DTC. If the Bank does not select another qualified securities depository to replace DTC (or a successor depository) in order to continue a book-entry system, the Trustee will register and deliver replacement bonds in the form of fully registered certificates, in authorized denominations as provided in the applicable Series Resolution, in accordance with instructions from Cede & Co., as nominee for DTC. In the event that the Bank identifies a qualified securities depository to replace DTC, Cede h Co., as nominee for DTC, will instruct the Trustee to register and deliver replacement Bonds for such Series, fully registered in the name of such depository, or its nominee, in the denominations as set forth above, as reduced from time to time prior to maturity in connection

with redemptions or retirements by purchase, call or payment, and in such event, such depository will then maintain the book-entry system for recording ownership interests in such Bonds.

Bonds of each Series issued prior to the first interest payment date thereof shall be dated as of the date specified in the Series Resolution authorizing the issuance thereof. Bonds issued on or subsequent to the first interest payment date thereof shall be dated as of the date six months preceding the interest payment date next following the date of delivery thereof, unless ,such date of delivery shall be an interest payment date, in which case they shall be dated as of such date of delivery; provided, however, that if, as shown by the records of the Trustee, interest on the Bonds of any Series issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered. Bonds of each Series shall bear interest from their date.

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 Bank prior to the delivery thereof.

303. Execution and Authentication. (1) The Bonds shall be executed in the name of the Bank by the manual or facsimile signature of such officer or employee of the 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 such officer or employee of the 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 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 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 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 registered owner or his 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 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 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 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 Bank, which shall be kept for the purpose at the corporate trust office of the Trustee, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner of his duly authorized attorney. Upon the transfer of any such Bond, the 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 Bank and the Trustee may deem and treat the person in whose name any Outstanding Bond shall be registered upon the books of the 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 registered owner or upon his 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 Bank nor the Trustee shall be affected by any notice to the contrary. The 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 registered owner.

307. Regulations with Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the 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 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 Bank or the Trustee incurred in connection therewith (except any applicable tax, fee or other governmental charge) shall be paid by the Bank as an Administrative Expenses. The 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, 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 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 Bank evidence satisfactory to the Bank and the Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Bank and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Bank and the Trustee may prescribe and paying such expenses as the 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 Bank.

309. Preparation of Definitive Bonds; Temporary Bonds. The definitive Bonds of each Series shall be lithographed or printed on steel engraved borders. Until the definitive Bonds of any Series are prepared, the Bank may execute, in the same manner as is provided in Section 303, and upon the request of the Bank, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof and as to exchangeability for Bonds, one or more temporary Bonds, substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued in denomination authorized by the Bank, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The installments of interest payable on such temporary Bonds shall be payable only upon the presentation and surrender of such temporary Bonds. The Bank at its own expense shall prepare and execute and, upon the surrender at the corporate trust office of the Trustee of such temporary Bonds, for which no payment or only partial payment has been provided, attached, for exchange and the cancellation of such surrendered temporary Bonds the Trustee shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, at the corporate trust office of the Trustee, definitive Bonds, of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this Resolution.

All temporary Bonds surrendered in exchange for a definitive Bond or Bonds shall be forthwith cancelled by the Trustee.

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 Bank. In the case of any redemption of Bonds other than as provided in Section 403, the 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 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 thirty-five (35) 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 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 Bank shall promptly notify the Trustee in writing of all such payments made by the 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 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 Section 604.

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 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 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 registered owners 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 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 Representative 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 Registered Owners. Any Bonds subject to conditional optional redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the 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 registered owner, a written instrument of transfer duly executed by the registered owner or his 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 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

Custody and Application of Certain Proceeds of Bonds

501. Application of Certain Proceeds. (1) Each Series Resolution authorizing the issuance of one or more Series of Bonds a portion of the proceeds derived from the sale of which shall be applied to the purchase of Municipal Bonds shall specify the name of each Municipality which is to receive a Loan by the Bank from such proceeds, and the amount of such proceeds to be applied to the making of each such Loan, which shall be the amount of each such Loan. As soon as practicable after the issuance, sale and delivery of any Series of Bonds, the Bank shall apply the amount of the proceeds derived from the sale of such Series of Bonds, if any, as shall be specified in said Series Resolution for the purpose of making Loans to each of the Municipalities specified in said Series Resolution.

(2) Accrued interest, if any, received upon the delivery of such Series of Bonds shall be deposited in the Interest Account. The amount received as a premium over the principal amount of such Series of Bonds, if any, upon the delivery of such Series shall be applied as provided in the Series Resolution authorizing such Series.

502. Loans. (1) A Loan to each Municipality shall be made from the General Account as specified in the Series Resolution authorizing the issuance of such Series of Bonds and the amount of each such Loan shall be the amount specified in such Series Resolution. All such payments shall be subject to the provisions and restrictions of this Article V, and the 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 Trustee shall pay to each Municipality the amount of the Loan upon receipt by the Trustee of:

(a) a written requisition of the 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 certificate signed by an Authorized Officer and attached to the requisition certifying that, under the terms and provisions of the Loan Agreement providing for such Loan, the Municipality which is a party to such Loan Agreement has sold Municipal Bonds of such Municipality to the Bank the principal amount of which is equal to the Loan and such Municipality is obligated

to make Municipal Bonds Payments and to pay Fees and Charges in accordance with the requirements contained in Section 912; and that to the knowledge of such Authorized Officer such Municipality is not in default under any of the terms or provisions of said Loan Agreement;

(c) a Counsel's Opinion stating that such Municipal Bonds are valid obligations of such Municipality and that the 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; and

(d) such Municipal bonds of such Municipality, 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.

503. Retention and Inspection of Documents. All requisitions and certificates 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 Bank and after written request received by the Trustee at least five business days prior to the date of inspection, by any Holder of at least five per cent in principal amount of the Series of Outstanding Bonds.

504. Report. The Bank shall require a report to be made by an officer or employee of the Trustee on behalf of the Trustee within sixty days after the delivery of each Series of Bonds covering all receipts and all disbursements made pursuant to the provisions of this Article V in respect of such Series of Bonds. Each such report shall be mailed by the Trustee to the Bank and upon written request to any Holder of at least five per cent in principal amount of the Series of Outstanding Bonds.

ARTICLE VI

Establishment of Funds and Accounts and Application Thereof

601. Pledge. (1) Revenues are hereby pledged for the payment of the principal and Redemption Price of and interest on the Bonds in accordance with the terms and provisions of this Resolution, subject only to the provisions of this Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in this Resolution. The foregoing pledge for the Enhanced Community Revenue Bonds is in all respects junior and subordinate to the pledge for the Legacy Bonds and the Community Revenue Bonds. The foregoing pledge for the Community Revenue Bonds is in all respects junior and subordinate to the pledge for the Legacy Bonds. 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, and the Municipal Bonds and the Municipal Bonds Payments and all other moneys and securities in the funds and accounts established by this Resolution hereby pledged shall immediately be subject to

the lien of such pledge without any physical delivery thereof or further act, and such lien shall be a first lien and shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Bank, irrespective of whether such parties have notice thereof.

(2) There shall at all times be Revenues sufficient to pay Debt Service on all Outstanding Bonds when due.

602. Establishment of Funds. The following special funds are hereby established and shall be maintained and held by the Trustee pursuant to the provisions of this Resolution:

(1) Revenue Fund.

(2) Vermont Bank Revenue Bond Reserve Fund.

603. Revenue Fund. (1) There is hereby created and established in the Revenue Fund a "General Account," an "Operating Account," an "Interest Account," which shall include a "Legacy Bond Subaccount," a "Community Revenue Bond Subaccount," and an "Enhanced Community Revenue Bond Subaccount," a "Principal Account," which shall include a "Legacy Bond Subaccount," a "Community Revenue Bond Subaccount," and an "Enhanced Community Revenue Bond Subaccount," and a "Redemption Account" each of which shall be held by the Trustee. All Fees and Charges received by the Trustee shall be deposited upon receipt in the Operating Account in the Revenue Fund. All proceeds received on delivery of a Series of Bonds to be used to make Loans shall be deposited in the General Account of the Revenue Fund. All moneys received as Municipal Bonds Payments shall be deposited upon receipt by the Trustee or the Bank in the General Account in the Revenue Fund in the manner provided in this resolution. There shall be transferred to and deposited in the Interest Account and Principal Account in the Revenue Fund the amounts provided in Section 603(2). There shall be transferred to and deposited in the General Account in the Revenue Fund any moneys available for such purpose as provided in paragraph (3) of Section 606 hereof. Moneys and the proceeds of the sale of securities from time to time in the Revenue Fund shall be paid out and applied for the uses and purposes for which the same are pledged by the provisions of this Resolution, in the manner provided in this Resolution. In addition to the foregoing amounts there shall be deposited in such accounts, such amounts received as proceeds of the sale of a Series of Bonds, including the amount received as a premium over the principal amount of such Series of Bonds, as are specified in the Series Resolution authorizing such Series of Bonds.

(2) On or before each interest payment date or principal payment date of the Bonds, the Trustee shall withdraw from the General Account and deposit in the Interest Account and the Principal Account an amount which, when added to the amount then on deposit in the applicable Subaccount of the Interest Account and the Principal Account, will on such interest payment date be equal to the installment of interest or principal, as applicable, on the respective Bonds then falling due, in the following priority:

(a) First, to the Legacy Bond Subaccount of the Interest Account, the amount of interest on the Legacy Bonds, if any, then falling due;

(b) Second, to the Legacy Bond Subaccount of the Principal Account, the amount of principal becoming due on the Legacy Bonds, if any;

(c) Third, to the Community Revenue Bond Subaccount of the Interest Account, the amount of interest on the Community Revenue Bonds, if any, then falling due;

(d) Fourth, to the Community Revenue Bond Subaccount of the Principal Account, the amount of principal becoming due on the Community Revenue Bonds, if any;

(e) Fifth, to the Enhanced Community Revenue Bond Subaccount of the Interest Account, the amount of interest on the Enhanced Community Revenue Bonds, if any, then falling due; and

(f) Sixth, to the Enhanced Community Revenue Bond Subaccount of the Principal Account, the amount of principal becoming due on the Enhanced Community Revenue Bonds, if any.

(3) On or before each interest payment date of the Bonds, after providing for the payments into the Interest Account and the principal payments, if any, into the Principal Account pursuant to paragraph (2) above, the Trustee shall withdraw from the General Account and deposit in the Operating Account the aggregate of the amounts requisitioned by the Bank as of such interest payment date for the six month period to and including the next succeeding interest payment date, for the following purposes:

(a) To pay the estimated Administrative Expenses of the Bank due and to become due during such six month period;

(b) To pay the fees and expenses of the Trustee and Paying Agents then due and to become due during such six month period; and

(c) Financing costs incurred with respect to a Series of Bonds, including fees and expenses of the attorney or firm of attorneys of recognized standing in the field of municipal law selected by the Bank, initial Trustee's and Paying Agent's fees and expenses, costs and expenses of financial consultants, printing costs and expenses, the payment to any officers, departments, boards, agencies, divisions and commissions of the State of any statement of cost and expense rendered to the Bank pursuant to Section 4556 of the Act, and all other financing and other miscellaneous costs, in the aggregate amount specified in the Series Resolution authorizing such Series of Bonds.

(4) As of the last day of each Fiscal Year, and not later than the twentieth (20th) day of the succeeding Fiscal Year, after providing for all payments required to have been made during such Fiscal Year into applicable Subaccounts of the Interest Account and into the applicable Subaccounts of the Principal Account pursuant to paragraph (2) above, and into the Operating Account pursuant to paragraph (3) above, the Trustee shall withdraw from the balance of the moneys so remaining in the General Account and deposit to the credit of the Reserve Fund

such amount (or the balance of the moneys so remaining in the General Account if less than the required amount) as shall be required to bring the Reserve Fund up to the Required Debt Service Reserve.

(5) As of the last day of each Fiscal Year, and not later than the twentieth (20th) day of the succeeding Fiscal Year, after providing for all payments required to have been made during such Fiscal Year into applicable Subaccounts of the Interest Account and of the Principal Account pursuant to paragraph (2) above, into the Operating Account pursuant to paragraph (3) above, and after making the transfers, if any, to the Reserve Fund pursuant to paragraph (4) above, the Trustee shall withdraw from the General Account and shall pay to the Bank for any of its lawfully authorized purposes the balance of the moneys so remaining in the General Account; provided, however, that the Bank, in its absolute discretion, may direct the Trustee to deposit any or all of such balance to be withdrawn from the General Account to the credit of the Redemption Account and the payment to the Bank of such balance shall be reduced accordingly; and provided further that no such transfer to the Bank shall be made unless, after giving effect to such transfer, total assets of Accounts established under this Resolution shall exceed total liabilities, determined in accordance with generally accepted accounting principles and evidenced by a certificate of an Authorized Officer.

604. Interest Account, Principal Account and Redemption Account. (1) The moneys in the respective Subaccounts of the Interest Account, the Principal Account and the Redemption Account shall be used solely for the purpose of paying the principal and Redemption Price of and interest on the respective Bonds and of retiring such Bonds at or prior to maturity in the manner provided herein and in any Series Resolution. All moneys deposited in the Interest Account and the Principal Account in the Revenue Fund shall be disbursed and applied by the Trustee at the times and in the manner provided in this Section 604.

(2) The Trustee shall, on or before each interest payment date of the Legacy Bonds, pay, out of the moneys then held for the credit of the Legacy Bond Subaccount of the Interest Account, 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 Legacy 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. The Trustee shall also pay out of the Legacy Bond Subaccount of the Interest Account to itself and the appropriate Paying Agents, on or before any redemption date for Legacy Bonds being refunded by a Refunding Issue, the amount required for the payment of interest on the Legacy Bonds then to be redeemed, to the extent not otherwise provided pursuant to the other provisions of this Resolution.

(3) The Trustee shall, on, or before each principal payment date of the Legacy Bonds, pay, out of the moneys then held for the credit of the Legacy Bond Subaccount of the Principal Account, 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 Legacy 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 interest payment date of the Community Revenue Bonds, pay, out of the moneys then held for the credit of the Community Revenue

Bond Subaccount of the Interest Account, 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 Community Revenue 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. The Trustee shall also pay out of the Community Revenue Bond Subaccount of the Interest Account to itself and the appropriate Paying Agents, on or before any redemption date for Community Revenue Bonds being refunded by a Refunding Issue, the amount required for the payment of interest on the Community Revenue Bonds then to be redeemed, to the extent not otherwise provided pursuant to the other provisions of this Resolution.

(5) The Trustee shall, on, or before each principal payment date of the Community Revenue Bonds, pay, out of the moneys then held for the credit of the Community Revenue Bond Subaccount of the Principal Account, 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 Community Revenue 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.

(6) The Trustee shall, on or before each interest payment date of the Enhanced Community Revenue Bonds, pay, out of the moneys then held for the credit of the Enhanced Community Revenue Bond Subaccount of the Interest Account, 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 Enhanced Community Revenue 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. The Trustee shall also pay out of the Enhanced Community Revenue Bond Subaccount of the Interest Account to itself and the appropriate Paying Agents, on or before any redemption date for Enhanced Community Revenue Bonds being refunded by a Refunding Issue, the amount required for the payment of interest on the Enhanced Community Revenue Bonds then to be redeemed, to the extent not otherwise provided pursuant to the other provisions of this Resolution.

(7) The Trustee shall, on, or before each principal payment date of the Enhanced Community Revenue Bonds, pay, out of the moneys then held for the credit of the Enhanced Community Revenue Bond Subaccount of the Principal Account, 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 Enhanced Community Revenue 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.

(8) The Trustee shall establish in the Redemption Account a separate sub-account for the Bonds of each Series outstanding.

(a) Any moneys deposited into the Redemption Account pursuant to paragraph (5) of Section 603 or pursuant to paragraph (4) of Section 606 shall be set aside in each separate sub-account established as aforesaid, in the same ratio as the original principal amount of the Bonds of the Series of Bonds for which such sub-account is established bears to the total original principal amount of Bonds of all Series of Bonds then Outstanding. The Bank shall deposit or cause to

be deposited in the Redemption Account such portion of the moneys received as the proceeds of sale or redemption of Municipal Bonds, as required by Section 916 hereof, and, upon any such deposit, shall advise the Trustee in writing of the name of the Municipality which is the issuer of the Municipal Bonds sold or redeemed, and the Series or Series of Bonds to which the same relates. Upon receipt of any such moneys, the Trustee shall set aside in the appropriate sub-account or sub-accounts the applicable portion of the proceeds of sale or redemption of the Municipal Bonds. Moneys so held in each such separate sub-account by the Trustee shall be applied to the purchase or retirement of the Bonds of the Series in respect of which such sub-account was created, provided that after such purchase or retirement the Bank shall be in compliance with Section 601(2), as follows:

The Trustee shall promptly apply such moneys to the purchase of Bonds of such maturity or maturities of the Series in respect of which such sub-account was created as directed by an Authorized Officer at the most advantageous price obtainable with reasonable diligence, whether or not such Bonds shall then be subject to redemption, such price, however, not to exceed the Redemption Price which would be payable on the next ensuing date on which the Bonds of the Series so purchased are redeemable according to their terms. The Authorized Officer shall direct the purchase of such maturity or maturities as will result in the largest reduction of Aggregate Interest for such Series of Bonds. The Trustee shall pay the interest accrued on the Bonds so purchased to the date of delivery thereof to the Trustee from the Interest Account and the balance of the purchase price from the applicable sub-account established with it, as hereinabove provided, but no such purchase shall be made by the Trustee within the period of forty-five (45) days next preceding a date on which such Bonds are subject to redemption under the provisions of the Series Resolution authorizing the issuance thereof.

In the event the Trustee is unable to purchase Bonds of a Series in accordance with and under the foregoing provisions of this subparagraph (a) the Trustee shall call for redemption on the next ensuing redemption date such amount of Bonds of such maturity or maturities of the Series in respect of which such sub-account was created as directed by an Authorized Officer as, at the Redemption Price thereof, will exhaust said sub-account as nearly as may be. The Authorized Officer shall direct the redemption of such maturity or maturities as will result in the largest reduction of Aggregate Interest for such Series of Bonds. Such redemption shall be made pursuant to the provisions of Article IV hereof. The Trustee shall pay the interest accrued on the Bonds so redeemed to the date of redemption from the Interest Account and the Redemption Price from the applicable sub-account.

(b) In lieu of the redemption of Bonds of a Series pursuant to Article IV hereof, there may, at the option of the Bank, (A) be delivered to the Trustee Bonds of such Series then subject to mandatory sinking fund redemption theretofore acquired by the Bank and (B) be applied as a credit against the

obligation of the Bank to make sinking fund payments hereunder Bonds of such Series then subject to mandatory sinking fund redemption theretofore delivered to the Trustee by the Bank or acquired by the Trustee or redeemed otherwise than through operation of the sinking fund and not theretofore applied as a credit against any sinking fund payment. At any time and from time to time on or before the 45th day next preceding each sinking fund payment date, the Bank shall deliver to the Trustee (i) a certificate of the Bank specifying the portions of such sinking fund payment to be satisfied by payment of cash, by delivery of Bonds theretofore acquired and by credit for Bonds previously delivered, acquired or redeemed stating that no such Bonds have heretofore been made the basis of any credit against any sinking fund payment, and (ii) Bonds of such Series to the extent not previously delivered to the Trustee.

(c) If at any time the moneys on deposit to the credit of the Reserve Fund, or the investments thereof, are less than the Required Debt Service Reserve, and there are then moneys on deposit in any sub-account in the Redemption Account with respect to Legacy Bonds or Enhanced Community Revenue Bonds resulting from moneys credited thereto pursuant to paragraph (4) of Section 603 or pursuant to paragraph (4) of Section 606, the Trustee shall transfer from each such sub-account in the same ratio as provided for deposits therein pursuant to subparagraph (a) of this paragraph (4), the moneys deposited in the Redemption Account pursuant to paragraph (5) of Section 603 or pursuant to paragraph (4) of Section 606 with respect to Legacy Bonds or Enhanced Community Revenue Bonds, and deposit to the credit of the Reserve Fund the amounts sufficient (or all of the moneys in said sub-accounts if less than the amounts sufficient) to make up such deficiency.

(9) In the event there shall be, on any interest payment date, a deficiency in the Legacy Bond Subaccount or the Enhanced Community Revenue Bond Subaccount of the Interest Account, or, in the event there shall be, on any principal payment date, a deficiency in the Legacy Bond Subaccount or the Enhanced Community Revenue Bond Subaccount of the Principal Account, the Trustee shall make up such deficiencies from the Reserve Fund by the withdrawal of moneys therefrom for that purpose and by the sale or redemption of securities held in the Reserve Fund, if necessary, in such amounts as will, at the respective times, provide moneys in the Legacy Bond Subaccount or the Enhanced Community Revenue Bond Subaccount of the Interest Account and the Legacy Bond Subaccount or the Enhanced Community Revenue Bond Subaccount of the Principal Account sufficient to make up any such deficiency, and the Trustee shall, in accordance with the provisions of paragraph (4) of Section 603, pay into the Reserve Fund from the General Account, to the extent that moneys therein are available for such purpose, the amount required to bring the Reserve Fund up to the Required Debt Service Reserve. Whenever the assets of the Revenue Fund and the Reserve Fund shall be sufficient in the aggregate to provide moneys to pay, redeem or retire all Legacy Bonds and Enhanced Community Revenue Bonds then Outstanding, including such interest thereon as may thereafter become due and payable to maturity or date of redemption, no further payments need be made into the Revenue Fund or Reserve Fund.

(10) The Interest Account, the Principal Account and the Redemption Account 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, except that moneys on deposit in the separate sub-accounts established in the Redemption Account shall be held in trust for and applied to the payment of the Bonds of the Series for which the applicable sub-account was established.

605. Operating Account. There shall be deposited in the Operating Account such portion of the proceeds of the sale of Bonds, if any, as shall be provided by the Series Resolution authorizing the issuance thereof, moneys withdrawn from the General Account pursuant to the provisions of paragraph (3) of Section 603, all Fees and Charges collected by the Trustee and any other moneys which may be made available to the Bank for the purposes of the Operating Account from any other source or sources. Moneys at any time held for the credit of the Operating Account shall be used for and applied solely to the following purposes:

(a) To pay the Administrative Expenses of the Bank;

(b) To pay the fees and expenses of the Trustee and Paying Agents; and

(c) Financing costs incurred with respect to a Series of Bonds, including fees and expenses of the attorney or firm of attorneys of recognized standing in the field of municipal law selected by the Bank, initial Trustees' and Paying Agents' fees and expenses, costs and expenses of financial consultants, printing costs and expenses, the payment to any officers, departments, boards, agencies, divisions and commissions of the State of any statement of cost and expense rendered to the Bank pursuant to Section 4556 of the Act, and all other financing and other miscellaneous costs, in the aggregate amount specified in the Series Resolution authorizing such Series of Bonds. Payments from the Operating Account shall be made by the Trustee, upon receipt of a requisition, signed by an Authorized Officer, stating in respect to each payment to be made, at least, (i) the item number of the payment, (ii) the name of the person or party to whom payment is to be made, (iii) the amount to be paid, and (iv) that obligations in the stated amounts have been incurred by the Bank, and that each item thereof is a proper charge against the moneys in the Operating Account and has not been paid and that such payment is not prohibited by Section 4677 of the Act. Upon receipt of each such requisition, the Trustee shall pay each such item directly to the person or party entitled thereto as named in such requisition, or, if directed by the Bank, shall deliver to the Bank a check, draft or warrant in an amount sufficient for the payment thereof.

606. Reserve Fund. (1) The Reserve Fund shall be held by the Trustee. The Bank shall pay into such Reserve Fund such portion of the moneys appropriated and made available by the State and paid to the Bank for the purpose of the Reserve Fund; all moneys paid to the Bank pursuant to Section 4675 of the Act for the purpose of restoring the Reserve Fund to the amount of the Required Debt Service Reserve; such portion of the proceeds of sale of Enhanced Community Revenue Bonds, if any, as shall be provided by the Series Resolution authorizing the issuance thereof; such portion of the proceeds of the sale of Notes, if any, as shall be provided by the resolution of the Bank authorizing the issuance thereof, and any other moneys which may be made available to the Bank for the purposes of the Reserve Fund from any other source or sources, and the Trustee shall deposit in and credit to the Reserve Fund all moneys transferred from the General Account pursuant to the provisions of paragraph (4) of Section 603 and all moneys transferred from the Redemption Account pursuant to the provisions of subparagraph (c) of paragraph (8) of Section 604.

(2) Moneys and securities held for the credit of the Reserve Fund shall be transferred by the Trustee to the Interest Account and Principal Account at the times and in the amounts required to comply with the provisions of paragraph (9) of Section 604 only with respect to Legacy Bonds and Enhanced Community Revenue Bonds.

(3) Any income or interest earned by the Reserve Fund due to the investment thereof shall be transferred by the Trustee promptly to the General Account, but only to the extent that any such transfer will not reduce the amount of the Reserve Fund below the Required Debt Service Reserve.

(4) If, at any time upon the payment or retirement of Legacy Bonds or Enhanced Community Revenue Bonds at maturity or upon purchase or redemption, the moneys and securities in the Reserve Fund are in excess of an amount equal to the Required Debt Service Reserve and the use or transfer of such excess is not otherwise provided for in this Resolution, the Trustee, upon the written request of the Bank signed by an Authorized Officer, shall transfer such excess to and deposit the same in the applicable sub-account in the Redemption Account for Legacy Bonds or Enhanced Community Revenue Bonds only.

607. Disposition of Bonds Upon Payment. Except as may otherwise be provided with respect to Variable Rate Bonds 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 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 Bank and the other executed certificate shall be retained by the Trustee.

608. Calculation of Obligations. At the time of issuance and delivery of each Series of Bonds under this Resolution and at the time of each purchase pursuant to Section 604 hereof and redemption of Bonds pursuant to the provisions of this Resolution, the Bank shall compute or recompute and furnish the Trustee with a certificate setting forth (a) the principal amount, schedule of maturities and interest rates on the Bonds of each Series then Outstanding,

and (b) the principal amount, schedule of maturities and schedule of the interest payments due thereon for each Municipal Bond the principal amount, schedule of maturities and interest due thereon which has changed since the last certificate delivered pursuant to this Section 608.

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 Revenue Fund (and each of the Accounts therein) and the Reserve Fund shall, as nearly as may be practicable, be invested by the Trustee upon direction of the Bank in writing, signed by an Authorized Officer (which direction shall specify the amount thereof to be so invested and the 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, except that the income or interest earned and profits realized by, the Reserve Fund due to the investment thereof shall be transferred by the Trustee to the General Account in accordance with the provisions of paragraph (3) of Section 606.

(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 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 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.

ARTICLE VIII

The Trustee and the Paying Agents

801. Appointment and Acceptance of Duties of Trustee. U.S. Bank Trust Company, National Association, is hereby appointed as Trustee.

802. Appointment and Acceptance of Duties of Paying Agents. The 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 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 Bank and the Trustee.

The corporate trust offices of the Paying Agents are hereby designated as the respective agencies of the 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 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 Bank. Neither the Trustee nor any Paying Agent shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified. 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 default. 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.

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 Bank, and the opinion or

advice of such counsel shall be full and complete authorization and protection in respect of any action 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 Bank to the Trustee or any Paying Agent shall be sufficiently executed in the name of the 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 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 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 Loan Accounts pursuant to Section 501 hereof. The Bank further agrees to indemnify and save the Trustee and each Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or default.

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 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 Bank at any time or at any time so requested by an instrument or concurrent instruments in writing, filed with the Trustee and the 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 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 Bank covenants and agrees that it will thereupon appoint a successor Trustee. The 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 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 property 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 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 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 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 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 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 Bank. Any successor Paying Agent shall be appointed by the Bank and (subject to the requirements of Section 903) shall be a bank or trust company organized under the laws of any state of the United States of America or a national banking association, having a capital and surplus aggregating at least Three Million Dollars ($3,000,000), 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 Bank

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

901. Payment of Bonds. The Bank shall duly and punctually pay or cause to be paid the principal or Redemption Price, if any, of every Bond and the interest thereon, 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 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 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 Bank to issue Bonds of Refunding Issue as provided in Section 203 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 Bank shall at all times maintain an office or agency in the State of Vermont, where Bonds may be presented for payment. The 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 Bank shall at all times maintain an office or agency in the State of Vermont, where Bonds may be presented for registration, transfer or exchange and the Trustee is hereby appointed as its agent to maintain such office or agency for the registration, transfer or exchange of Bonds.

904. Further Assurances. At any and all times the 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 Bank may hereafter become bound to pledge or assign.

905. Power to Issue Bonds and Make Pledges. The 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 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 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 Bank in accordance with their terms and the terms of this Resolution. The 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 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 Bank to fulfill the terms of any agreements made with Bondho1ders;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 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 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 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 Bank pursuant to the provisions hereof; (b) the Bank's receipts and expenditures during such Fiscal Year in accordance with the categories or classifications established by the 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 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 Bank.

909. Fees and Charges. The 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, the Administrative Expenses of the Bank; and

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

The 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 paid by it directly to the Trustee.' The Trustee shall promptly advise the 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. Administration of Reserve Fund. (1) The Bank shall establish and maintain the Reserve Fund in accordance with the provisions of this Resolution. All moneys and securities held in the Reserve Fund shall be used, disbursed and applied only in accordance with the provisions of this Resolution and for no other purpose. Moneys and securities held in the Reserve Fund shall not be withdrawn therefrom at any time in such amount as would reduce the amount of moneys in such Fund to an amount less than the Required Debt Service Reserve or in accordance with the provisions of and for the purposes prescribed by paragraph (9) of Section 604 and Section 606.

(2) In order to assure the maintenance of the Reserve Fund in an amount equal to the Required Debt Service Reserve and in compliance with the requirements of the Act, the Chairman of the Bank shall annually, on or before February 1, make and deliver to the Governor or the Governor-elect of the State his certificate stating the amount, if any, required to restore the Reserve Fund to the amount of the Required Debt Service Reserve and a copy of such certificate shall be promptly delivered by the Chairman to the Trustee. All moneys received by the Bank from the State pursuant to any such certification, in accordance with the provisions of Section 4675 of the Act, shall be deposited in the Reserve Fund, as required by paragraph (1) of Section 606.

911. Issuance of Additional Obligations. The Bank expressly reserves the right to adopt one or more other general bond resolutions and reserves the right to issue Notes 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 or Reserve fund created pursuant to this Resolution.

912. Loan Agreement Provisions. No Loan shall be made by the Bank from the proceeds of the sale of Bonds, and no Bonds shall be issued by the Bank for the purpose of providing funds with which to make a Loan, unless the Loan Agreement under which such Loan is to be made shall comply with, and no Bonds shall be issued by the Bank to fund Notes or to refund Bonds unless the Loan Agreement under which the Loan was made from the proceeds of such Notes or Bonds, shall also comply with, the following terms, conditions, provisions and limitations:

(a) The Municipality which is a party to such Loan Agreement must be a Governmental Unit as defined by the Act and the Loan Agreement must be executed in accordance with existing laws;

(b) The Municipality, prior to or as soon as practicable upon the issuance of Bonds of the Bank issued to make a Loan to the Municipality, shall issue Municipal Bonds which are valid obligations of the municipality;

(c) The Municipality shall be obligated to pay Fees and Charges to the Bank at the times and in the amounts which will enable the Bank to comply with the provisions of Section 911;

(d) The Bank shall not sell and the Municipality shall not redeem prior to maturity any of the Municipal Bonds prior to the date on which a sufficient amount of Outstanding Bonds issued with respect to the Loan to such Municipality are redeemable, and in the event of any sale or redemption prior to maturity of such Municipal Bonds thereafter, the same shall be in an amount equal to the aggregate of (i) the principal amount, interest to accrue to the next redemption date, and redemption premium, if any, needed to redeem a sufficient amount of Outstanding Bonds to assure Bank compliance with Section 601(2) and (ii) the costs and expenses of the Bank in effecting the redemption of the Bonds so to be redeemed, less the amount of moneys available in the applicable sub-account or sub-accounts in the Redemption Account and available for withdrawal from the Reserve Fund and for application to the redemption of Bonds so to be redeemed in accordance with the terms and provisions of this Resolution, as determined by the Bank.

913. Modification of Loan Agreement Terms. The 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 Loan, or the amount or time of payment of any Fees and Charges payable with respect to such Loan, or the security for or any terms or provisions of such Loan or the Municipal Bonds evidencing the same, unless (i) following such modification, (a) the Bank would be in compliance with Section 601(2) of this Resolution and (b) the Community Revenue Bond Coverage in each year in which Community Revenue Bonds will be Outstanding will be at least equal to the Community Revenue Bond Coverage Ratio Requirement, (ii) the modification is in connection with the issuance of Refunding Bonds and the Bank would be in compliance with Section 601(2) of this Resolution, or (iii) such modification does not adversely affect or diminish the rights of the Bondholders.

914. Loans from Other Funds; Substitution of Municipal Bonds. Nothing in this Resolution shall limit the Bank from making one or more loans under the Act from sources of funds other than proceeds of Bonds (each such loan, an “Equity-Funded Loan”). The payments received from the local body receiving such Equity-Funded Loan are not pledged under this Resolution, nor does any bond issued to secure the Equity-Funded Loan constitute a Municipal Bonds or the payments received with respect thereto constitute Municipal Bond Payments. Notwithstanding the foregoing and anything else in this Resolution to the contrary, the Bank may

substitute an Equity-Funded Loan for an existing Loan, provided (i) the loan agreement governing the Equity-Funded Loan meets the applicable requirements set forth in Section 912 of this Resolution, (ii) the bond security the Equity-Funded Loan meets the applicable requirements set forth in the Act, and (iii) following such substitution, (a) the 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 substation, the Equity-Funded Loan would become the Loan and the bonds securing such Equity-Funded Loan and the payment made thereunder constitute a Municipal Bond and Municipal Bond Payments, respectively, associated with the Bonds which has been issued to fund the Loan being substituted.

915. Sale of Municipal Bonds by Bank. The Bank shall not sell any Municipal Bonds or other obligations issued as evidence of a Loan made by the Bank prior to the date on which a sufficient amount of Outstanding Bonds issued with respect to such Loan are redeemable, and shall not after such date sell any such Municipal Bonds or other obligations issued as evidence of a Loan made by the Bank, unless the sales price thereof received by the 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 Bank compliance with Section 601(2), and (ii) the costs and expenses of the Bank in effecting the redemption of the Outstanding Bonds so to be redeemed, less the amount of moneys or securities available in the applicable sub-account or sub-accounts in the Redemption Account and available for withdrawal from the Reserve Fund and for application to the redemption of such Bonds in accordance with the terms and provisions of this Resolution, as determined by the Bank.

916. Disposition of the Proceeds of Sale or Redemption of Municipal Bonds. In the event Municipal Bonds or other obligations securing a Loan shall be sold by the Bank in accordance with terms of the applicable Loan Agreement, or redeemed by the Municipality, the Bank shall deposit the proceeds of such sale or redemption, except an amount thereof equal to the costs and expenses of the Bank in effecting the redemption of the Bonds to be redeemed upon such sale by the Bank or redemption by the Municipality, into the applicable sub-account or sub-accounts in the Redemption Account and 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 General Account and applied by the Bank to the purposes for which the same have been allocated as aforesaid.

917. Enforcement of Municipal Bonds. The Bank shall diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of, all terms, covenants and conditions of all Loan Agreements and the Municipal Bonds evidencing Loans made by the 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.

918. 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 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 Bond

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 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 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 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 Bank contained in this Resolution;

(3) To prescribe further limitations and restrictions upon issuance of Bonds and the incurring of indebtedness by the 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 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 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; or

(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.

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 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 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 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 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 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 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 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 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 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 Bank in accordance with the provisions of this Resolution, is authorized or permitted by this Resolution, and is valid and binding upon the 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 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 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 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 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 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 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 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 Bank of a copy of a Supplement 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 registered owner of Bonds then Outstanding at his address, if any, appearing upon the registry books of the Bank and to the Trustee.

1105. Exclusion of Bonds. Bonds owned or held by or for the account of the 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 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 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 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 his 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 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 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 Bank shall default in the payment of the principal or Redemption Price of or interest 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 Bank shall fail or refuse to comply with the provisions of Section 4675 of the Act, or the State shall fail to appropriate and pay to the Bank, as and when required by such Section, for deposit in the Reserve Fund any amount or amounts as shall be certified by the Chairman of the Bank pursuant to such provisions of the Act; or

(c) the 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 (c) above upon the failure of the 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 Bank to enforce any obligation undertaken by a Municipality pursuant to a Loan Agreement including the making of the stipulated Municipal Bonds Payments so long as the Bank may be otherwise

directed by law and so long as the Bank shall be provided with moneys from the State or otherwise, other than withdrawals from or reimbursements of the Reserve Fund, 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 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 Loan Agreement.

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 paragraphs (b) and (c) 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 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 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 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, enforce payment on and receive any and all amounts then or during any default becoming, and at any time remaining, due from the 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 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 Legacy 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;

Second: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Legacy 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 Legacy 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;

Third: To the payment to the persons entitled thereto of all installments of interest then due on the Community Revenue 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;

Fourth: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Community Revenue 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 Community Revenue 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;

Fifth: To the payment to the persons entitled thereto of all installments of interest then due on the Enhanced Community Revenue 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

Sixth: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Enhanced Community Revenue 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 Enhanced Community Revenue 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,

First: To the payment of the principal and interest then due and unpaid upon the Legacy 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 Legacy Bond over any other Legacy 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 Legacy Bonds;

Second: To the payment of the principal and interest then due and unpaid upon the Community Revenue 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 Community Revenue Bond over any other Community Revenue 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 Community Revenue Bonds; and

Third: To the payment of the principal and interest then due and unpaid upon the Enhanced Community Revenue 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 Enhanced Community Revenue Bond over any other Enhanced Community Revenue 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 Enhanced Community Revenue 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, 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 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 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 his 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 or any other provisions of this Article XII, the obligation of the 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 his 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 or the Reserve 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.

1212. Credit Bank or Insurer. Notwithstanding any provision of this Resolution to the contrary, a Series Resolution may provide that an entity providing a Credit Facility or insurance policy or other similar agreement supporting the payment of the principal of and interest on the Bonds of a Series shall be deemed to be the Holder of all Bonds of each Series so supported by such entity, to the exclusion and in lieu of the persons in whose names such Bonds are registered, for all purposes of Articles VIII and XII of this Resolution.

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 his 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 his 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 Bank, the Trustee or any Paying Agent in pursuance of such request or consent.

ARTICLE XIV

Defeasance

1401. Defeasance. (1) If the 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 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 Bank to the Bondholders shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Bank, execute and deliver to the Bank all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciaries shall pay over or deliver to the 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 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. 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 if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the 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 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 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 Bank to defease any of the Bonds hereunder. Neither Government Obligations or moneys deposited with the Trustee pursuant to this Section 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 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 Bank, be repaid by the Fiduciary to the 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 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 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 to which such Loan Accounts relate 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 Bank, Trustee, Paying Agents 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 Bank shall be for the sole and exclusive benefit of the Bank, Trustee and 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 Bank contained in this Resolution shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Bank and not of any member, officer or employee of the Bank in his 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 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 Bank, 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 Bank in conflict herewith be and the same are repealed insofar as such conflict exists.

1507. Effective Date. This Resolution shall take effect immediately upon its adoption.

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Appendix B

Governmental Units and their Municipal Bonds

The below table sets forth (1) a list of the Governmental Units that have Municipal Bonds outstanding that were purchased by the Bank pursuant to the Bank's General Resolution adopted on May 3, 1988, as as amended and restated as of December 1, 2025 (the "Resolution"); (2) the outstanding balances of such Municipal Bonds as of the date of issuance of the 2026 Series 5 Bonds; and (3) the ratio of such balances to the total amount of outstanding Municipal Bonds purchased under the Resolution, expressed as a percentage. Please note that certain of the enumerated Governmental Units are comprised of one or more other Governmental Units. Also, as a result of incentives provided under Act 46 of 2015 of the General Assembly of the State of Vermont, a number of school districts in the State have merged. For school districts with outstanding loans from the Bank, the outstanding balances are shown below on a consolidated basis.

Governmental Unit	Outstanding Principal Amount	Percent of Total
Addison Central School District	$ 484,000	0.061%
Addison Northwest School District	7,221,555	0.914
Albany Town	100,000	0.013
Barre City	10,429,521	1.321
Barre Town	366,012	0.046
Barre Unified Union School District	2,016,663	0.255
Barton Village	4,377,352	0.554
Barton Village (R)	485,000	0.061
Bellows Falls Union High School District	3,900,000	0.494
Bellows Falls Village	273,000	0.035
Bennington Town	2,773,643	0.351
Bethel Town	45,000	0.006
Bolton Town	1,800,000	0.228
Bradford Town	215,649	0.027
Brandon Fire District #1	860,000	0.109
Brandon Town	1,042,811	0.132
Brattleboro Town	13,295,000	1.684
Bridgewater Town	1,551,724	0.196
Bristol Town	648,223	0.082
Brookline Town	50,000	0.006
Burlington City	23,150,000	2.931
Burlington City (R)	12,398,248	1.570
Cabot Town	182,960	0.023
Calais Town	740,162	0.094
Canaan School District	750,000	0.095
Castleton Fire District #3	1,130,566	0.143
Castleton Town	675,000	0.085
Champlain Valley School District	39,047,180	4.945
Champlain Water District	4,569,983	0.579
Charlotte Town	2,620,000	0.332
Chelsea Town	934,059	0.118
Chester Town	7,284,606	0.922

Chittenden Solid Waste District	22,000,000	2.786
Chittenden Town	60,000	0.008
Colchester Fire District #1	570,000	0.072
Colchester Fire District #2	239,609	0.030
Colchester Town	6,826,300	0.864
Colchester Town School District	62,352,941	7.896
Cold Brook Fire District #1	675,000	0.085
Corinth Town	595,000	0.075
Coventry Town School District	3,093,333	0.392
Danby-Mt. Tabor Fire District #1	305,804	0.039
Danville Fire District #1	588,790	0.075
Derby Center Village	481,563	0.061
Derby Line Village	80,000	0.010
Dorset Town	3,360,000	0.425
Dummerston Town	760,000	0.096
Duxbury Town	175,000	0.022
East Calais Fire District #1	68,109	0.009
East Montpelier Town	5,475,000	0.693
Edward Farrar Utility District	2,297,584	0.291
Elmore Town	2,087,370	0.264
Enosburg Falls Village	2,221,243	0.281
Enosburg Falls Village (R)	210,000	0.027
Essex Junction Village	5,072,991	0.642
Essex Town	2,760,000	0.349
Essex Westford Educational Community Unified Union School District	720,000	0.091
Fair Haven Town	1,475,000	0.187
Fairfax Town	1,166,168	0.148
Fairfax Town School District	35,201,727	4.458
Georgia Town	1,850,000	0.234
Georgia Town School District	1,680,000	0.213
Grafton Town	630,000	0.080
Grand Isle Consolidated Water Dist	886,118	0.112
Grand Isle Town	2,027,976	0.257
Greater Upper Valley Solid Waste Management District	260,000	0.033
Green Mountain Unified School District	438,480	0.056
Greensboro Town	495,000	0.063
Hardwick Town	1,448,330	0.183
Hartford Town	14,538,579	1.841
Hartford Town School District	28,481,091	3.607
Hartland Town	902,700	0.114
Harwood Unified Union School District	2,080,000	0.263
Hinesburg Town	6,082,846	0.770
Hubbardton Town	50,000	0.006
Huntington Town	184,300	0.023
Hyde Park Town	975,000	0.123
Jamaica Town	412,500	0.052
Jericho Town	4,186,833	0.530
Jericho Underhill Water District	245,000	0.031

Johnson Village	673,205	0.085
Killington Town	7,398,687	0.937
Lamoille North School District	10,967,635	1.389
Lamoille South Unified Union School District	420,000	0.053
Lincoln Town	324,500	0.041
Londonderry Town	1,300,000	0.165
Ludlow Town	596,400	0.076
Lyndon Town	259,341	0.033
Lyndonville Village	900,468	0.114
Manchester Town	7,613,582	0.964
Maple Run Unified School District	4,635,505	0.587
Marshfield Village	144,217	0.018
Mendon Town	114,000	0.014
Middlebury Town	25,478,801	3.226
Middlesex Town	160,000	0.020
Mill River Unified Union School District	3,905,000	0.494
Milton Town	6,412,000	0.812
Milton Town School District	9,656,250	1.223
Missisquoi Valley School District	3,625,000	0.459
Monkton Town	1,275,000	0.161
Montgomery Town	100,000	0.013
Montpelier City	27,390,155	3.468
Montpelier Roxbury School District	5,295,845	0.671
Moretown Town	180,000	0.023
Morrisville Village	480,000	0.061
Mount Mansfield Unified Union School District	1,795,757	0.227
Mountain Views School District	300,000	0.038
Mt Abraham Unified School District	294,549	0.037
New Haven Town	110,000	0.014
Newbury Town	500,000	0.063
Newfane Town	87,500	0.011
Newport City	2,603,000	0.330
North Branch Fire District No. 1	990,000	0.125
North Country Union High School District No. 22	705,000	0.089
North Hero Town	3,680,000	0.466
Northern Mountain Valley Unified Union School District	3,098,750	0.392
Northfield Town	4,529,832	0.574
Norwich Town	1,034,000	0.131
NW Vermont Solid Waste Management District	1,550,000	0.196
Orleans Southwest Union Elementary School District	298,350	0.038
Orleans Village	451,191	0.057
Otter Valley Unified Union School District	1,760,000	0.223
Oxbow Unified Union School District	273,000	0.035
Paine Mountain School District	280,000	0.035
Patricia A. Hannaford Career Center	6,885,000	0.872
Peacham Fire District #1	150,368	0.019
Pittsfield Town	150,000	0.019
Pittsford Town	612,114	0.078

Plainfield Town	133,821	0.017
Plymouth Town	736,000	0.093
Poultney Village	475,000	0.060
Pownal Town	1,433,898	0.182
Putney Town	2,117,550	0.268
Quarry Valley Unified Union School Districts	770,000	0.098
Randolph Town	4,050,000	0.513
Readsboro Town	102,366	0.013
Richford Town	479,227	0.061
Richmond Town	535,000	0.068
Rivendell Interstate School District	130,000	0.016
Rochester Town	712,089	0.090
Rockingham Town	1,684,250	0.213
Rockingham Town School District	3,652,001	0.462
Royalton Fire District #1	78,261	0.010
Royalton Town	1,500,000	0.190
Rutland City	17,882,747	2.264
Rutland Town	2,986,065	0.378
Rutland Town School District	347,500	0.044
Salisbury Town	623,334	0.079
Shaftsbury Town	700,000	0.089
Sharon Town	550,000	0.070
Sharon Town School District	7,105,000	0.900
Sheffield Town	2,880,000	0.365
Shelburne Town	7,058,000	0.894
Shoreham Town	101,182	0.013
Shrewsbury Town	40,000	0.005
Slate Valley Unified Union School District	105,000	0.013
South Burlington City	46,934,653	5.943
South Burlington City School District	16,465,325	2.085
South Hero Town	3,135,000	0.397
Southwest Vermont Union Elementary School District	2,081,800	0.264
Springfield Town	1,590,000	0.201
Springfield Town School District	5,120,000	0.648
St. Albans City	35,653,837	4.515
St. Albans Town	20,000	0.003
St. Johnsbury Town	2,074,000	0.263
St. Johnsbury Town School District	2,250,000	0.285
Starksboro Town	1,100,000	0.139
Stowe Town	16,976,000	2.150
Strafford Town	60,000	0.008
Sunderland Town	140,400	0.018
Swanton Village	10,176,587	1.289
Taconic & Green Regional School District	215,000	0.027
Thetford Town	2,933,332	0.371
Thetford Town School District	187,500	0.024
Tinmouth Town	271,600	0.034
Topsham Town	550,000	0.070

Townshend Town	140,000	0.018
Tri Town Water District #1	650,000	0.082
Twin Valley Unified Union School District	2,377,657	0.301
Underhill Town	878,000	0.111
Vergennes City	1,558,000	0.197
Vershire Town	483,582	0.061
Waitsfield Town	420,500	0.053
Wallingford Fire District #1	334,452	0.042
Warren Town	5,708,273	0.723
Waterbury Town	2,325,000	0.294
Weathersfield Town School District	560,000	0.071
West River Modified Union Education District	390,000	0.049
West Rutland Town	2,254,904	0.286
Wheelock Town	139,000	0.018
White River Valley Unified School District	570,000	0.072
Williamstown Town	1,461,733	0.185
Williston Town	4,309,144	0.546
Wilmington Town	4,400,000	0.557
Wilmington Water District	430,374	0.054
Windham Southeast School District	474,000	0.060
Windsor Central Modified Union School District	2,564,167	0.325
Windsor Town	6,667,520	0.844
Winooski City	6,418,238	0.813
Woodstock Town	11,470,000	1.452
Worcester Town	183,000	0.023
TOTAL	$ 789,706,071	100.000%

(R) = Revenue Bond

TABLE 2

		Population	% of Population	Debt Outstanding	% of Debt	Municipal Bonds / Person
1	Addison	38,048	5.90%	46,815,661	5.93%	$1,230
2	Bennington	36,630	5.68%	18,420,688	2.33%	$503
3	Caledonia	30,414	4.72%	10,988,647	1.39%	$361
4	Chittenden	169,115	26.23%	298,223,597	37.75%	$1,763
5	Essex	6,051	0.94%	750,000	0.09%	$124
6	Franklin	51,177	7.94%	101,668,041	12.87%	$1,987
7	Grand Isle	7,511	1.17%	6,854,094	0.87%	$913
8	Lamoille	26,294	4.08%	32,579,210	4.12%	$1,239
9	Orange	30,002	4.65%	12,828,860	1.62%	$428
10	Orleans	27,600	4.28%	12,871,439	1.63%	$466
11	Rutland	59,653	9.25%	44,852,669	5.68%	$752
12	Washington	59,652	9.25%	70,132,490	8.88%	$1,176
13	Windham	45,204	7.01%	38,249,340	4.84%	$846
14	Windsor	57,312	8.89%	94,694,492	11.99%	$1,652
		644,663	100.00%	789,929,230	100.00%	$1,225

Sources: U.S. Census Bureau, Population Estimates Program (PEP)
https://www.census.gov/programs-surveys/popest.html

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Appendix C

Proposed Form of Opinion of Bond Counsel

APPENDIX C

One Financial Center
Boston, MA 02111
617 542 6000
mintz.com

MINTZ

[Closing Date]

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

Re: Vermont Bond Bank Enhanced Community Revenue Bonds, 2026 Series 5 (the "Bonds")

We have acted as bond counsel to the Vermont Bond Bank (the "Bond Bank") in connection with the issuance by the Bond Bank of the Bonds pursuant to the provisions of the Vermont Bond Bank Law, 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 (the "Act"), the General Bond Resolution adopted by the Bond Bank on May 3, 1988, as amended and restated as of December 1, 2025 (the "General Resolution"), and the Series Resolution adopted by the Bond Bank on June 25, 2026 authorizing the issuance of the Bonds (the "Series Resolution," and together with the General Resolution, the "Resolutions"). Terms not otherwise defined herein shall have the same meanings as set forth in the Resolutions.

We have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion. In addition, we have examined and relied upon the opinions of bond counsel to the governmental units (as defined in the Act) (the "Governmental Units") relative to the validity and enforceability of the bonds issued by such Governmental Units (said bonds and other bonds heretofore acquired, the "Municipal Bonds") which secure the loans refinanced by the Bond Bank from a portion of the proceeds of the Bonds (the "Loans"), and to the validity and enforceability of the respective loan agreements entered into by such Governmental Units (the "Loan Agreements").

The Bonds are being issued by means of a book-entry-only system, with bond certificates immobilized at The Depository Trust Company, New York, New York ("DTC"), and not available for distribution to the public, evidencing ownership of the Bonds in denominations of $5,000 or integral multiples thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants.

The Bonds are payable on December 1 in the years and principal amounts, bear interest at the rates and are subject to redemption prior to maturity, all as provided in the Series Resolution.

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

MINTZ

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

1. The Bond Bank is duly created and validly existing as a body politic and corporate constituted as an instrumentality of the State of Vermont (the "State"), under and pursuant to the laws of the State with the power to adopt the Resolutions, perform the agreements on its part contained therein and issue the Bonds.

2. The Resolutions have been duly adopted by the Bond Bank and constitute valid and binding obligations of the Bond Bank enforceable upon the Bond Bank.

3. Pursuant to the Act and subject to the exceptions and terms of the Resolutions, the Resolutions create a valid lien on Revenues for the security of the Bonds on a parity with other Enhanced Community Revenue Bonds to be issued under the General Resolution.

5. The Bonds have been duly authorized, executed and delivered by the Bond Bank and are valid and binding direct and general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged to the payment of the principal of and interest on the Bonds.

6. In the General Resolution, the Bond Bank has validly covenanted and will be legally obligated to enforce and take all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of the Municipal Bonds securing the Loans made by the Bond Bank, including the prompt collection of payments of principal and interest on such Municipal Bonds and Fees and Charges, and to make and deliver to the Governor or Governor-elect of the State, in compliance with the provisions of the Act, a certificate stating the amount, if any, required to restore the Reserve Fund to the Required Debt Service Reserve for Legacy Bonds and Enhanced Community Revenue Bonds. Further, the General Assembly of the State is legally authorized, although not legally obligated, to appropriate annually such sum as shall have been certified by the Chair of the Bond Bank to the Governor or Governor-elect of the State as is necessary to restore the Reserve Fund to an amount equal to the Required Debt Service Reserve, and upon the making of such appropriations in accordance with the Act there shall be paid to the Bond Bank for deposit in the Reserve Fund the amounts appropriated.

7. Interest on the Bonds is excludable from gross income of the holders of the Bonds for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). This opinion is rendered subject to compliance with various requirements of the Code which must be satisfied subsequent to the issuance of the Bonds in order that interest thereon is and continues to be excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Bonds to be included in the gross income of holders of the Bonds retroactive to the date of issuance of the Bonds. Interest on the Bonds is not an item of tax preference for purposes of computation of the federal alternative minimum tax imposed on individuals; however, it may be taken into account for the purpose of computing the federal alternative minimum tax imposed on certain corporations.

MINTZ

8. Interest on the Bonds is exempt from State of Vermont personal income taxes and State of Vermont corporate income taxes.

9. Except as set forth in paragraph 7, we express no opinion as to federal tax consequences of holding the Bonds, and except as set forth in paragraph 8, we express no opinion as to any state or local tax consequences arising with respect to the Bonds.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds and the Resolutions may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

MINTZ, LEVIN, COHN, FERRIS, GLOVSKY AND POPEO, P.C.

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Appendix D

Vermont Bond Bank Audited Financial Statements as of December 31, 2025

Appendix D

VERMONT BOND BANK
(A COMPONENT UNIT OF THE STATE OF VERMONT)

FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

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VERMONT BOND BANK
(A COMPONENT UNIT OF THE STATE OF VERMONT)
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Vermont Bond Bank
Burlington, Vermont

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and each major fund of the Vermont Bond Bank, a component unit of the state of Vermont, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Vermont Bond Bank's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Vermont Bond Bank as of December 31, 2025, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Vermont Bond Bank, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Vermont Bond Bank's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Vermont Bond Bank's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Vermont Bond Bank's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

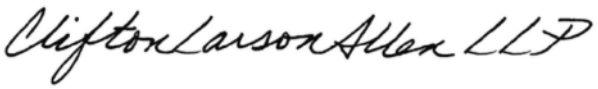
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2026 on our consideration of the Vermont Bond Bank's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Vermont Bond Bank's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Vermont Bond Bank's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Andover, Massachusetts
April 17, 2026

The purpose of management's discussion and analysis (MD&A) is to help the members of the Board and other readers understand what the financial statements and notes in this financial report say about the Vermont Bond Bank's (the Bond Bank) financial health and why it changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by management's knowledge of the Bond Bank's finances.

Overview of the Financial Statements

The Bond Bank's financial report contains basic financial statements. Those financial statements present the Bond Bank's finances at a detailed level through the presentation of the business-type activities; which include several activities (reported as enterprise funds) dedicated to fostering and promoting the provision of adequate capital markets and facilities for borrowing money by governmental units of the State of Vermont for financing public improvements or other purposes. The Vermont Bond Bank (Bond Bank) is authorized to carry out these functions by borrowing money, issuing bonds and notes, purchasing bonds and notes of local governmental units, and by applying for state and federal grant programs.

The next section of this financial report contains notes to financial statements, which delve deeper into the Bond Bank's finances as reported in the financial statements. The information in the notes is as important to understanding the Bond Bank's finances as the information in the financial statements. The Bond Bank uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

Types of Information in the Financial Statements

The Bond Bank's financial statements use the *economic resources measurement focus and accrual basis of accounting.* In other words, they comprehensively report all types of financial statement elements:

- *Assets*—resources the Bond Bank controls (cash and cash equivalents, investments, loans receivable, etc.)

- *Liabilities*—amounts the Bond Bank owes (accounts payable, long-term debt, etc.)

- *Deferred outflows of resources* and *deferred inflows of resources*—flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related.

- *Revenues and expenses*—inflows and outflows of economic resources, respectively, related to the current year.

More detail about the measurement focus and basis of accounting can be found in the first note to financial statements, the summary of significant accounting policies.

Analysis of the Bond Bank's financial statements

The total net position of the Bond Bank's business-type activities (which also are reported as major enterprise funds) increased $13.5 million or 36.2 percent from the prior year to $50.7 million. The increase reflects a $7.1 million increase in noncapital subsidies related to additional state and federal grant funding obtained by the Small System Capacity and Resiliency Program fund ($4.2 million) and the Vermont Infrastructure Sustainability Fund ($7.5 million). Absent these grants, total net position would have increased by $1.8 million which generally represents the increases in net position of the operating fund as a result of interest and investment income revenues exceeding interest and operating expenses incurred. Those results represent an improvement over 2024, when the change in net position was an increase of $6.6 million.

	2025	2024	Percentage change
OPERATING REVENUES:			
Interest	$ 28,070,904	$ 24,622,019	14.01%
Other income	364,994	357,786	2.01%
Total operating revenue	28,435,898	24,979,805	13.84%
OPERATING EXPENSES:			
Bond issue costs	1,143,584	1,130,761	1.13%
Other expense	2,349,903	2,326,886	0.99%
Operating expenses	1,363,319	1,144,959	19.07%
Total operating expenses	4,856,806	4,602,606	5.52%
OPERATING INCOME	23,579,092	20,377,199	15.71%
NONCAPITAL SUBSIDIES	11,831,938	4,708,252	151.30%
NONOPERATING REVENUE (EXPENSES):			
Net appreciation/(depreciation) in fair value of investments	53,990	(396,282)	-113.62%
Interest and dividends	5,150,210	3,383,813	52.20%
Interest rebate	1,315,498	1,353,388	-2.80%
Interest expense	(28,192,789)	(22,754,344)	23.90%
Arbitrage Recovery (Rebate)	(265,978)	(36,411)	630.49%
Total nonoperating revenue (expenses)	(21,939,069)	(18,449,836)	18.91%
CHANGE IN NET POSITION	13,471,961	6,635,615	103.03%
Net position - beginning of year	37,187,220	30,551,605	21.72%
NET POSITION - END OF YEAR	$ 50,659,181	$ 37,187,220	36.23%

Total assets and deferred outflows of resources of $911,424,685 represent an increase of $106,418,901 or 13.2% from 2024 to 2025. The Bond Bank's loans receivable increased $89,755,782 or 13.04%. This was due to the net increase in loans purchased through the 2025 Series 1, 2, and 3 issuances combined with direct loans in the Municipal Climate Recovery Fund program and the Energy Efficiency Program Fund. These increases are partially offset by scheduled principal payments of $67,401,841. Restricted cash increased $13,449,246 or 213.66% which was the result of the Bond Bank's receipt of various state and federal grants. Unrestricted cash increased $8,638,444 or 104.6% due to dividends and interest earned on the Bond Bank's cash balances.

Deferred outflows of resources decreased $3,085,249 or 33.6% which was primarily due to current year debt refunding transactions.

Total liabilities and deferred inflows of resources increased by $92,946,940 or 12.11%, from 2024 to 2025. The Bond Bank's gross principal amount of bonds outstanding as of December 31, 2025, of $853,951,952 represents an increase of $91,445,742 or 11.99% from the balance as of December 31, 2024. This increase was the net result of the issuances of 2025 Series 1 bonds of $67,325,000, 2025 Series 2 bonds of $74,300,000, Municipal Climate Recovery Fund issuances of $5,000,000 and Energy Efficiency Program bond issuances of $3,388,000 partially offset by scheduled debt service principal payments of $56,151,000 and 2025 Series 3 refunded par savings of $4,952,800.

	2025	2024	Percentage change
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Cash and cash equivalents	$ 16,897,303	$ 8,258,859	104.60%
Accrued interest receivable	3,439,795	3,030,040	13.52%
Accounts receivable	205,508	125,343	63.96%
Investments	22,296,888	24,078,336	-7.40%
Due from other funds	140,461	65,315	100.00%
Prepaid Expenses	19,592	10,000	95.92%
Restricted cash	19,743,834	6,294,588	213.66%
Restricted investments	64,369,023	65,579,568	-1.85%
Loans receivable (Note 5)	778,011,579	688,255,797	13.04%
Capital assets, net	190,367	112,354	69.44%
Deferred outflows of resources	6,110,335	9,195,584	-33.55%
Total assets and deferred outflows of resources	$ 911,424,685	$ 805,005,784	13.22%
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:			
Accounts payable	$ 244,039	$ 76,011	221.06%
Due to other funds	140,461	65,315	100.00%
Due to other governments	848,550	1,882,010	100.00%
Accrued arbitrage rebate	303,995	49,419	515.14%
Bond interest payable	3,582,416	3,231,416	10.86%
Lease Liability	123,106	-	100.00%
Bonds payable	853,951,952	762,506,210	11.99%
Deferred inflows of resources	1,570,985	8,183	19098.15%
Total liabilities and deferred inflows of resources	860,765,504	767,818,564	12.11%
NET POSITION:			
Net investment in capital assets	67,261	112,354	-40.13%
Restricted	17,118,526	17,649,016	-3.01%
Unrestricted	33,473,394	19,425,850	72.31%
Total net position	50,659,181	37,187,220	36.23%
Total liabilities and net position	$ 911,424,685	$ 805,005,784	13.22%

The net position of the bond fund increased by $856,843 in 2025. The fund recognized $24,400,569 in borrower interest, $1,315,498 in interest rebate, and $3,338,995 related to income from investments, interest and dividends. The fund incurred $25,824,857 of expenses and transferred $677,475 to other funds during the fiscal year. The increase in net position was primarily attributable to borrower interest revenues exceeding interest expenses which was the result of the updates to interest expense payment schedules in recent debt service issuances to align with the Bond Bank's cash flow targets.

The net position of the special obligation fund increased by $999,463 in 2025. The fund recognized $3,378,613 in borrower interest and $29,420 of interest and dividends. The fund incurred $2,417,570 of expenses during the fiscal year. The operating results are aligned with the receivable repayments and debt service requirements related to previous debt issuances to the Vermont State Colleges System.

The net position of the operating fund increased by $1,767,593 in 2025. The fund recognized $361,744 of other income, and $1,610,686 related to income from investments, interest and dividends. The fund received transfers of $695,098 from other funds. The fund incurred $895,871 of expenses and transferred $4,064 to other funds during the fiscal year.

The net position of the Municipal Climate Recovery Fund increased by $326,353 in 2025. The fund recognized $254,409 in borrower interest, $150,000 of grant revenue, and $138,284 related to income from investments, interest and dividends. The fund received transfers of $4,064 from other funds. The fund incurred $216,340 of interest expenses during the fiscal year. The increase in net position was primarily attributable to income from interest and dividends, and grant revenues received by the fund in addition to the borrower interest revenue which was utilized to offset interest expenses associated with the program's outstanding debt.

The net position of the Energy Efficiency Program Fund decreased by $243,478 in 2025. The fund recognized $28,313 in borrower interest, $3,250 of other income, and $12,568 of interest and dividends. The fund incurred $269,986 of operating expenses during the fiscal year and transferred $17,623 to the operating fund. The decrease in the fund's net position is attributable to administrative expenses and custodial fees incurred with project administration; which are expected to be recouped through borrower interest payments.

The net position of the Small System Capacity and Resiliency Program Fund increased by $3,969,745 in 2025. The Fund recognized $4,181,938 of grant revenue and $65,119 of interest and dividends during the year. The fund incurred $277,312 of expenses during the fiscal year associated with the administration of the program. The increase in the fund's net position was attributable to grant revenue, received from the State of Vermont, which will be used to provide loans and grants to other entities in future years.

The net position of the Vermont Infrastructure Sustainability Fund increased by $7,509,128 in 2025. The fund received grant revenue of $7,500,000 from the State of Vermont and recognized $9,128 of interest and dividends during the year.

Significant long-term financing activity

As of December 31, 2025, within the Bond Fund, the Bond Bank had 196 loans outstanding to 189 governmental units totaling $679,536,811. The Municipal Climate Recovery Fund (MCRF) had 19 loans outstanding to 14 governmental units totaling $20,848,598. The Energy Efficiency Program Fund (EEPF) had 4 loans outstanding to 4 governmental units totaling $3,011,170. The Special Obligation Fund had two loans outstanding to the Vermont State College System totaling $74,615,000.

As of December 31, 2024, within the Bond Fund, the Bond Bank had 477 loans outstanding to 191 governmental units totaling $591,057,117. The Municipal Climate Recovery Fund (MCRF) had 25 loans outstanding to 22 governmental units totaling $17,929,293. The Energy Efficiency Program Fund (EEPF) had one loan outstanding to a governmental unit totaling $264,387. The Special Obligation Fund had two loans outstanding to the Vermont State College System totaling $79,005,000.

Outstanding Loans by Borrower Type as of December 31, 2025	Summary			
	Loans	Percent Total	Amount	Percent Total
Local Government	320	68.7%	$ 410,773,469	52.8%
School District	110	23.8%	244,116,766	31.4%
Other Governmental Unit	35	7.3%	48,506,344	6.2%
Vermont State College System	2	0.2%	74,615,000	9.6%
Total	467	100.0%	$ 778,011,579	100.0%

Outstanding Loans by Borrower Type as of December 30, 2024	Summary			
	Loans	Percent Total	Amount	Percent Total
Local Government	343	68.5%	$ 362,504,461	52.7%
School District	127	25.3%	221,018,192	32.1%
Other Governmental Unit	29	5.8%	25,513,757	3.7%
Vermont State College System	2	0.4%	79,005,000	11.5%
Total	499	100.0%	$ 688,041,410	100.0%

The Bond Bank's gross principal amount of bonds outstanding as of December 31, 2025, of $853,951,952 represents an increase of $91,445,742 or 11.99% from the balance as of December 31, 2024. The Bond Bank's debt issuance activity during 2025 and 2024 is presented as follows:

2025 Issuance Activity

Issue	Type	Par	# Borrowers	# Projects	Refunded Net PV Savings
MCRF	New Money	$ 5,000,000	9	11	$ -
EEPF	New Money	3,234,772	4	4	-
2025-1	New Money	67,325,000	14	14	-
2025-2	New Money	74,300,000	16	21	-
2025-3	Refunding	52,580,000	-	-	4,952,800
		$ 202,439,772	30	35	$ 4,952,800

2024 Issuance Activity

Issue	Type	Par	# Borrowers	# Projects	Refunded Net PV Savings
MCRF	New Money	$ 15,000,000	18	18	-
EEPF	New Money	1,882,010	1	1	-
2024-1	New Money	66,015,000	9	9	-
2024-2	New Money	48,480,000	10	10	-
2024-3	Refunding	31,820,000	-	-	2,994,997
		$ 163,197,010	14	19	$ 2,994,997

Currently known facts, decisions and conditions

In 2025, the Bond Bank operationalized many programs initiated in 2024. New loan and grant activity was supported by funds established in the prior year, although many programs remain in a start-up phase.

Additional 2025 highlights are summarized below.

- The Board, in consultation with staff, moved to change the duration benchmark for the general operating reserve fund from the Bloomberg U.S. Aggregate Intermediate Index to the Bloomberg U.S. Government Credit 1–3 Year Index. This resulted in a larger cash and cash equivalents position than in prior years.

- The Bond Bank received a grant from the State of Vermont to capitalize the Vermont Infrastructure Sustainability Fund, which will be used to make infrastructure loans supporting housing development. This transfer occurred in late 2025, and the program will begin making loans in 2026.

- The Bond Bank extended and increased the State of Vermont loan that capitalizes the Municipal Climate Recovery Fund. The loan was increased from $15 million to $20 million in response to ongoing flood impacts on municipalities.

- The Bond Bank had sufficient grant and loan commitments to make significant draws on the State of Vermont grant that capitalizes the Small System Capacity and Resiliency Program Fund. The grant revenue will be expensed over 2026 as commitments to small water systems are drawn.

- The Energy Efficiency Program Fund completed its first year of operation and remains in a start-up phase as loan volume increases to projected levels.

Contact for Further Information

This financial report is designed to provide the reader with a general overview of the Bond Bank's finances. Questions about this report or requests for additional financial information should be directed to Michael Gaughan, Executive Director, Vermont Bond Bank, 100 Bank Street, Suite 401, Burlington, VT 05401, at 802-654-7377 or michael@vtbondagency.org.

VERMONT BOND BANK
(A COMPONENT UNIT OF THE STATE OF VERMONT)
STATEMENT OF NET POSITION
DECEMBER 31, 2025

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Bond Fund	Special Obligation Fund	Operating Fund	Municipal Climate Recovery Fund
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 12,564,614	$ -	$ 4,332,689	$ -
Restricted Cash	-	-	-	4,992,352
Accrued Interest Receivable	2,327,208	819,375	195,103	93,674
Accounts Receivable	-	-	79,788	-
Current Portion of Loans Receivable (Note 5)	54,014,584	4,610,000	-	8,915,471
Investments	-	-	22,296,888	-
Restricted Investments	2,224,326	-	-	-
Due From Other Funds	-	-	140,461	-
Prepaid Expenses	-	-	19,592	-
Total Current Assets	71,130,732	5,429,375	27,064,521	14,001,497
Noncurrent Assets:				
Restricted Cash	1,318,417	28,398	-	-
Restricted Investments	62,144,697	-	-	-
Lease Receivable (Note 11)	-	-	45,549	-
Loans Receivable (Note 5)	625,522,227	70,005,000	-	11,933,127
Capital Assets, Net	-	-	190,367	-
Total Noncurrent Assets	688,985,341	70,033,398	235,916	11,933,127
Total Assets	760,116,073	75,462,773	27,300,437	25,934,624
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Refunding of Bonds Payable	6,110,335	-	-	-
Total Assets and Deferred Outflows of Resources	$ 766,226,408	$ 75,462,773	$ 27,300,437	$ 25,934,624

See accompanying Notes to Financial Statements.

VERMONT BOND BANK
(A COMPONENT UNIT OF THE STATE OF VERMONT)
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2025

	Energy Efficiency Program Fund	Small System Capacity and Resiliency Program Fund	Vermont Infrastructure Sustainability Fund	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ -	$ -	$ -	$ 16,897,303
Restricted Cash	1,906,858	3,988,681	7,509,128	18,397,019
Accrued Interest Receivable	4,435	-	-	3,439,795
Accounts Receivable	-	80,171	-	159,959
Current Portion of Loans Receivable (Note 5)	292,077	-	-	67,832,132
Investments	-	-	-	22,296,888
Restricted Investments	-	-	-	2,224,326
Due From Other Funds	-	-	-	140,461
Prepaid Expenses	-	-	-	19,592
Total Current Assets	2,203,370	4,068,852	7,509,128	131,407,475
Noncurrent Assets:				
Restricted Cash	-	-	-	1,346,815
Restricted Investments	-	-	-	62,144,697
Lease Receivable (Note 11)	-	-	-	45,549
Loans Receivable (Note 5)	2,719,093	-	-	710,179,447
Capital Assets, Net	-	-	-	190,367
Total Noncurrent Assets	2,719,093	-	-	773,906,875
Total Assets	4,922,463	4,068,852	7,509,128	905,314,350
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Refunding of Bonds Payable	-	-	-	6,110,335
Total Assets and Deferred Outflows of Resources	$ 4,922,463	$ 4,068,852	$ 7,509,128	$ 911,424,685

See accompanying Notes to Financial Statements.

VERMONT BOND BANK
(A COMPONENT UNIT OF THE STATE OF VERMONT)
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2025

	Bond Fund	Special Obligation Fund	Operating Fund	Municipal Climate Recovery Fund
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ -	$ -	$ 42,546	$ -
Due to Other Funds	-	-	-	-
Bond Interest Payable	2,703,770	819,375	-	59,271
Lease Liability (Note 11)			17,924	-
Due to Other Governments		-	-	848,550
Current Portion Of Bonds and Notes Payable	50,505,000	4,610,000	-	-
Total Current Liabilities	53,208,770	5,429,375	60,470	907,821
Noncurrent Liabilities:				
Accrued Arbitrage Rebate	303,995	-	-	-
Lease Liability (Note 11)	-	-	105,182	-
Bonds and Notes Payable	699,099,221	74,620,949	-	20,000,000
Total Noncurrent Liabilities	699,403,216	74,620,949	105,182	20,000,000
Total Liabilities	752,611,986	80,050,324	165,652	20,907,821
DEFERRED INFLOWS OF RESOURCES				
Related to Lease (Note 11)	-	-	48,286	-
Deferred Gain on Refunding of Bonds Payable	1,522,699	-	-	-
Total Deferred Inflows of Resources	1,522,699	-	48,286	-
NET POSITION				
Net Investment In Capital Assets	-	-	67,261	-
Restricted	12,091,723	-	-	5,026,803
Unrestricted/(Deficit)	-	(4,587,551)	27,019,238	-
Total Net Position	12,091,723	(4,587,551)	27,086,499	5,026,803
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 766,226,408	$ 75,462,773	$ 27,300,437	$ 25,934,624

See accompanying Notes to Financial Statements.

VERMONT BOND BANK
(A COMPONENT UNIT OF THE STATE OF VERMONT)
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2025

	Energy Efficiency Program Fund	Small System Capacity and Resiliency Program Fund	Vermont Infrastructure Sustainability Fund	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ 201,493	$ -	$ -	$ 244,039
Due to Other Funds	41,354	99,107	-	140,461
Bond Interest Payable	-	-	-	3,582,416
Lease Liability (Note 11)	-	-	-	17,924
Due to Other Governments	-	-	-	848,550
Current Portion Of Bonds and Notes Payable	370,085	-	-	55,485,085
Total Current Liabilities	612,932	99,107	-	60,318,475
Noncurrent Liabilities:				
Accrued Arbitrage Rebate	-	-	-	303,995
Lease Liability (Note 11)	-	-	-	105,182
Bonds and Notes Payable	4,746,697	-	-	798,466,867
Total Noncurrent Liabilities	4,746,697	-	-	798,876,044
Total Liabilities	5,359,629	99,107	-	859,194,519
DEFERRED INFLOWS OF RESOURCES				
Related to Lease (Note 11)	-	-	-	48,286
Deferred Gain on Refunding of Bonds Payable	-	-	-	1,522,699
Total Deferred Inflows of Resources	-	-	-	1,570,985
NET POSITION				
Net Investment In Capital Assets	-	-	-	67,261
Restricted	-	-	-	17,118,526
Unrestricted/(Deficit)	(437,166)	3,969,745	7,509,128	33,473,394
Total Net Position	(437,166)	3,969,745	7,509,128	50,659,181
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 4,922,463	$ 4,068,852	$ 7,509,128	$ 911,424,685

See accompanying Notes to Financial Statements.

VERMONT BOND BANK
(A COMPONENT UNIT OF THE STATE OF VERMONT)
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
YEAR ENDED DECEMBER 31, 2025

	Bond Fund	Special Obligation Fund	Operating Fund	Municipal Climate Recovery Fund
OPERATING REVENUES				
Interest	$ 24,400,569	$ 3,387,613	$ -	$ 254,409
Other Income	-	-	361,744	-
Total Operating Revenue	24,400,569	3,387,613	361,744	254,409
OPERATING EXPENSES				
Bond Issue Costs	1,143,584	-	-	-
Other Expense	2,265,989	-	-	-
Operating Expenses	-	-	895,871	4,064
Total Operating Expenses	3,409,573	-	895,871	4,064
OPERATING INCOME (LOSS)	20,990,996	3,387,613	(534,127)	250,345
NONCAPITAL SUBSIDIES				
Grant Revenue	-	-	-	150,000
OTHER NONOPERATING REVENUES (EXPENSES)				
Net Appreciation (Depreciation) in Fair Value of Investments	(323,855)	-	377,845	-
Interest and Dividends	3,662,850	29,420	1,232,841	138,284
Interest Rebate	1,315,498	-	-	-
Interest Expense	(25,558,879)	(2,417,570)	-	(216,340)
Arbitrage Recovery (Rebate)	(265,978)	-	-	-
Transfers In	-	-	695,098	4,064
Transfers Out	(677,475)	-	(4,064)	-
Total Nonoperating Revenue (Expenses)	(21,847,839)	(2,388,150)	2,301,720	(73,992)
INCREASE (DECREASE) IN FUND NET POSITION	(856,843)	999,463	1,767,593	326,353
Net Position - Beginning of Year	12,948,566	(5,587,014)	25,318,906	4,700,450
NET POSITION - END OF YEAR	$ 12,091,723	$ (4,587,551)	$ 27,086,499	$ 5,026,803

See accompanying Notes to Financial Statements.

VERMONT BOND BANK
(A COMPONENT UNIT OF THE STATE OF VERMONT)
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Energy Efficiency Program Fund	Small System Capacity and Resiliency Program Fund	Vermont Infrastructure Sustainability Fund	Total
OPERATING REVENUES				
Interest	$ 28,313	$ -	$ -	$ 28,070,904
Other Income	3,250	-	-	364,994
Total Operating Revenue	31,563	-	-	28,435,898
OPERATING EXPENSES				
Bond Issue Costs	-	-	-	1,143,584
Other Expense	-	83,914	-	2,349,903
Operating Expenses	269,986	193,398	-	1,363,319
Total Operating Expenses	269,986	277,312	-	4,856,806
OPERATING INCOME (LOSS)	(238,423)	(277,312)	-	23,579,092
NONCAPITAL SUBSIDIES				
Grant Revenue	-	4,181,938	7,500,000	11,831,938
OTHER NONOPERATING REVENUES (EXPENSES)				
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	-	53,990
Interest and Dividends	12,568	65,119	9,128	5,150,210
Interest Rebate	-	-	-	1,315,498
Interest Expense	-	-	-	(28,192,789)
Arbitrage Recovery (Rebate)	-	-	-	(265,978)
Transfers In	-	-	-	699,162
Transfers Out	(17,623)	-	-	(699,162)
Total Nonoperating Revenue (Expenses)	(5,055)	65,119	9,128	(21,939,069)
INCREASE (DECREASE) IN FUND NET POSITION	(243,478)	3,969,745	7,509,128	13,471,961
Net Position - Beginning of Year	(193,688)	-	-	37,187,220
NET POSITION - END OF YEAR	$ (437,166)	$ 3,969,745	$ 7,509,128	$ 50,659,181

See accompanying Notes to Financial Statements.

VERMONT BOND BANK
(A COMPONENT UNIT OF THE STATE OF VERMONT)
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

	Bond Fund	Special Obligation Fund	Operating Fund	Municipal Climate Recovery Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Municipalities and the Vermont State College System:				
Principal	$ 52,537,306	$ 4,390,000	$ -	$ 10,381,318
Interest (Net of Refunding Interest Savings)	21,744,052	3,442,788	-	220,334
Cash Paid to Suppliers for Goods and Services	-	-	(571,355)	(4,064)
Cash Paid to Employees for Services	-	-	(365,694)	-
Loans to Municipalities	(141,017,000)	-	-	(12,452,073)
Bond Issue Costs	(1,146,097)	-	-	-
Other Receipts	-	-	360,315	-
Net Cash Provided (Used) by Operating Activities	(67,881,739)	7,832,788	(576,734)	(1,854,485)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Receipts from Other Governments - Grants	-	-	-	150,000
Proceeds from Debt Issuance	207,787,851	-	-	5,000,000
Principal Reductions	(110,216,000)	(4,390,000)	-	-
Interest Paid	(31,388,208)	(3,497,000)	-	(201,523)
Interest Rebate	1,304,096	-	-	-
Transfers In	-	-	695,098	4,064
Transfers Out	(677,475)	-	(4,064)	-
Net Cash Provided (Used) by Noncapital Financing Activities	66,810,264	(7,887,000)	691,034	4,952,541
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sales of Investments	31,105,141	-	31,254,080	-
Purchase of Investments	(30,218,451)	-	(29,116,041)	-
Interest and Dividends	3,662,850	29,420	1,232,841	138,284
Net Cash Provided (Used) by Investing Activities	4,549,540	29,420	3,370,880	138,284
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,478,065	(24,792)	3,485,180	3,236,340
Cash and Cash Equivalents - Beginning of Year	10,404,966	53,190	847,509	1,756,012
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 13,883,031	$ 28,398	$ 4,332,689	$ 4,992,352

See accompanying Notes to Financial Statements.

VERMONT BOND BANK
(A COMPONENT UNIT OF THE STATE OF VERMONT)
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Energy Efficiency Program Fund	Small System Capacity and Resiliency Program Fund	Vermont Infrastructure Sustainability Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Municipalities and the Vermont State College System:				
Principal	$ 93,217	$ -	$ -	$ 67,401,841
Interest (Net of Refunding Interest Savings)	24,069	-	-	25,431,243
Cash Paid to Suppliers for Goods and Services	(74,128)	(120,993)	-	(770,540)
Cash Paid to Employees for Services	(20,971)	(83,984)	-	(470,649)
Loans to Municipalities	(2,840,000)	(53,465)	-	(156,362,538)
Bond Issue Costs	-	-	-	(1,146,097)
Other Receipts	3,250	-	-	363,565
Net Cash Provided (Used) by Operating Activities	(2,814,563)	(258,442)	-	(65,553,175)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Receipts from Other Governments - Grants	-	4,181,938	7,500,000	11,831,938
Proceeds from Debt Issuance	3,234,772	-	-	216,022,623
Principal Reductions	-	-	-	(114,606,000)
Interest Paid	-	-	-	(35,086,731)
Interest Rebate	-	-	-	1,304,096
Transfers In	-	-	-	699,162
Transfers Out	(17,623)	-	-	(699,162)
Net Cash Provided (Used) by Noncapital Financing Activities	3,217,149	4,181,938	7,500,000	79,465,926
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sales of Investments	-	-	-	62,359,221
Purchase of Investments	-	-	-	(59,334,492)
Interest and Dividends	12,568	65,119	9,128	5,150,210
Net Cash Provided (Used) by Investing Activities	12,568	65,119	9,128	8,174,939
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	415,154	3,988,615	7,509,128	22,087,690
Cash and Cash Equivalents - Beginning of Year	1,491,704	66	-	14,553,447
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,906,858	$ 3,988,681	$ 7,509,128	$ 36,641,137

See accompanying Notes to Financial Statements.

VERMONT BOND BANK
(A COMPONENT UNIT OF THE STATE OF VERMONT)
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Bond Fund	Special Obligation Fund	Operating Fund	Municipal Climate Recovery Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	$ 20,990,996	$ 3,387,613	$ (534,127)	$ 250,345
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	-	-	45,093	-
(Increase) Decrease In Following Assets:				
Accrued Interest Receivable	(405,360)	55,175	-	(34,075)
Accounts Receivable	14,832	-	(41,532)	-
Prepaid Expenses	-	-	(9,592)	-
Loans Receivable	(88,479,694)	4,390,000	-	(13,300,623)
Due from Other Funds	-	-	(75,146)	-
Deferred Outflows	-	-	(45,549)	-
Increase (Decrease) in Following Liabilities:				
Accounts Payable	(2,512)	-	(1,535)	848,550
Due to Other Funds	-	-	-	-
Net Cash Provided (Used) by Operating Activities	$ (67,881,738)	$ 7,832,788	$ (662,388)	$ (12,235,803)
RECONCILIATION OF CASH TO STATEMENT OF NET POSITION				
Unrestricted Cash and Cash Equivalents	$ 12,564,614	$ -	$ 4,332,689	$ -
Restricted Cash and Cash Equivalents	1,318,417	28,398	-	4,992,352
Total Cash and Cash Equivalents	$ 13,883,031	$ 28,398	$ 4,332,689	$ 4,992,352
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Lease Liability	$ -	$ -	$ 123,106	$ -
Lease Asset	-	-	45,549	-
Refunding Gain/Loss Amortization	1,562,550	-	-	-

See accompanying Notes to Financial Statements.

VERMONT BOND BANK
(A COMPONENT UNIT OF THE STATE OF VERMONT)
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Energy Efficiency Program Fund	Small System Capacity and Resiliency Program Fund	Vermont Infrastructure Sustainability Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	$ (238,423)	$ (277,312)	-	$ 23,579,092
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	-	-	-	45,093
(Increase) Decrease In Following Assets:				
Accrued Interest Receivable	(4,244)	-	-	(388,504)
Accounts Receivable	-	(80,171)	-	(106,871)
Prepaid Expenses	-	-	-	(9,592)
Loans Receivable	(2,840,000)	-	-	(100,230,317)
Due from Other Funds	-	-	-	(75,146)
Deferred Outflows	-	-	-	(45,549)
Increase (Decrease) in Following Liabilities:				
Accounts Payable	172,076	-	-	1,016,579
Due to Other Funds	41,354	99,107	-	140,461
Net Cash Provided (Used) by Operating Activities	$ (2,869,237)	$ (258,376)	$ -	$ (76,074,754)
RECONCILIATION OF CASH TO STATEMENT OF NET POSITION				
Unrestricted Cash and Cash Equivalents	$ -	$ -	$ -	$ 16,897,303
Restricted Cash and Cash Equivalents	1,906,858	3,988,681	7,509,128	19,743,834
Total Cash and Cash Equivalents	$ 1,906,858	$ 3,988,681	$ 7,509,128	$ 36,641,137
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Lease Liability	$ -	$ -	$ -	$ 123,106
Lease Asset	-	-	-	45,549
Refunding Gain/Loss Amortization	-	-	-	1,562,550

See accompanying Notes to Financial Statements.

NOTE 1 AUTHORIZING LEGISLATION AND NATURE OF FUNDS

A. Authorizing Legislation

The Vermont Bond Bank was established by the General Assembly of the State of Vermont in 1970 for the purpose of fostering and promoting the provision of adequate capital markets and facilities for borrowing money by governmental units of the State of Vermont for financing public improvements or other purposes. The Vermont Bond Bank (Bond Bank) is authorized to carry out this function by borrowing money, issuing bonds and notes, and purchasing bonds and notes of local governmental units. The Vermont Bond Bank is a component unit of the State of Vermont.

The Bond Bank is administered by a board of directors, with a mandate to provide municipalities with access to municipal bond proceeds at the lowest possible interest rates.

The board is comprised of five directors consisting of the Treasurer of the State of Vermont (Ex-officio) and four directors appointed by the Governor of the State of Vermont, with the advice and consent of the Senate, to serve terms of two years each, two terms expiring on February 1 in alternate years, or until a successor is appointed. The Directors elect a Chair, Secretary, and a Treasurer.

Municipalities eligible for loan programs with the Bond Bank are defined as any city, town, village, school district, fire district, consolidated sewer or water district, or a solid waste district organized under the laws of the state, and also includes every municipal corporation identified in subdivision 1751(1) of V.S.A., Title 24.

As of December 31, 2025, the following resolutions had been adopted by the Bond Bank and remain active:

Date	Resolution
February 17, 1972	General Bond Resolution “Creating and establishing an issue of bonds of the Vermont Bond Bank; providing for the issuance from time to time of said bonds; providing for the payment of principal and interest of said bonds, and providing for the rights of the holders thereof.”
May 3, 1988	General Bond Resolution “Creating and Establishing an issue of bonds for the Vermont Bond Bank; providing for the issuance from time to time of said bonds; providing for the payment of the principal and interest of said bonds; and providing for the rights of the holders thereof.”
June 16, 2008	2008 Series 2 Resolution authorizing the issuance of $5,635,000 2008 Series 2 Bonds.

NOTE 1 AUTHORIZING LEGISLATION AND NATURE OF FUNDS (CONTINUED)

A. Authorizing Legislation (Continued)

Date	Resolution
June 10, 2010	2010 Series 1 Resolution authorizing the issuance of the $23,430,000 2010 Series 1 Bonds, 2010 Series 2 Resolution authorizing the issuance of $9,770,000 Federal Taxable Recovery Zone Economic Development Bonds (RZEDBs) 2010 Series 2 Bonds, 2010 Series 3 Resolution authorizing the issuance of $1,365,000 Federally Taxable Qualified School Construction Bonds 2010 Series 3 Bonds and 2010 Series 4 Resolution authorizing the issuance of $39,305,000 Series 4 Refunding Bonds and the refunding of 2000 Series 1 Bonds and 2001 Series 1 Bonds. 2010 Series 1 was partially refunded and defeased by 2016 Series 2.
October 12, 2010	2010 Series 5 Resolution authorizing the issuance of $24,520,000 Federally Taxable RZEDBS 2010 Series 5 Bonds.
January 25, 2011	2011 Series 1 Resolution authorizing the issuance of $9,500,000 Federally Taxable Qualified School Construction Bonds 2011 Series 1 Bonds.
June 15, 2011	2011 Series 2 Resolution authorizing the issuance of $25,665,000 2011 Series 2 Bonds, 2011 Series 3 Resolution authorizing the issuance of $2,940,000 Federally Taxable Qualified School Construction Bonds 2011 Series 3 Bonds and 2011 Series 4 Resolution authorizing the issuance of $14,370,000 Series 4 Refunding Bonds and the refunding of 2002 Series 1 Bonds. 2011 Series 2 was partially refunded and defeased by 2016 Series 2.
November 7, 2011	2011 Series 5 Resolution authorizing the issuance of $43,695,000 2011 Series 5 Bonds and 2011 Series 6 Resolution authorizing the issuance of $25,895,000 Series 6 Refunding Bonds and the refunding of 2003 Series 2 Bonds. 2011 Series 5 was partially refunded and defeased by 2016 Series 2.
June 13, 2012	2012 Series 2 Resolution authorizing the issuance of $8,855,000 Qualified School Construction Bonds 2012 Series 2 Bonds.
October 24, 2012	2012 Series 4 Resolution authorizing the issuance of $8,790,000 2012 Series 4 Bonds and 2012 Series 5 Resolution authorizing the issuance of $6,485,000 Series 5 Refunding Bonds and the refunding of 2003 Series 1 Bonds.

NOTE 1 AUTHORIZING LEGISLATION AND NATURE OF FUNDS (CONTINUED)

A. Authorizing Legislation (Continued)

Date	Resolution
June 19, 2013	2013 Series 1 Resolution authorizing the issuance of $54,895,000 2013 Series 1 Bonds and 2014 Series 2 Resolution authorizing the issuance of $18,285,000 Series 2 Refunding Bonds and the partial refunding of the 2005 Series 1 Bonds.
November 20, 2013	2014 Series 1 Resolution authorizing the issuance of the $29,475,000 2014 Series 1 Bonds and the 2014 Series 2 Resolution authorizing the issuance of the $18,285,000 2014 Series 2 Refunding Bonds and the refunding of the 2005 Series 1 Bonds.
June 22, 2015	2015 Series 2 Resolution authorizing the issuance of the $7,975,000 2015 Series 2 Serial Bonds and the 2015 Series 3 Resolution authorizing the issuance of $14,535,000 2015 Series 3 Refunding Bonds with the partial refunding of the 2005 Series 2 Bonds and the partial refunding of the 2005 Series 3 Bonds and the 2015 Series 5 Resolution authorizing the issuance of $52,400,000 2015 Series 5 Refunding Bonds with the partial refunding of the 2008 Series 1 Bonds and the partial refunding of the 2009 Series 1 Bonds.
October 8, 2015	2015 Series 4 Resolution authorizing the issuance of the $10,425,000 2015 Series 4 Taxable Bonds.
June 7, 2016	2016 Series 1 Resolution authorizing the issuance of the $41,870,000 2016 Series 1 Bonds and 2016 Series 2 Resolution authorizing the issuance of the $52,390,000 2016 Series 2 Refunding Bonds the partial refunding of the 2007 Series 2 Bonds, the 2010 Series 1 Bonds, the 2011 Series 2 Bonds and the 2011 Series 5 Bonds.
February 7, 2017	2017 Series 1 Resolution authorizing the issuance of the $31,920,000 2017 Series 1 Bonds and 2017 Series 2 Resolution authorizing the issuance of the $6,115,000 2017 Series 2 Green Bonds.
March 30, 2017	2017 General Vermont State Colleges System (VSCS) Bond Resolution allowing for multiple series of parity bonds that will constitute special not general obligations of the Bond Bank (VSCS Program Resolution) and 2017 Series A Resolution authorizing the issuance of the $67,660,000 2017 VSCS Series A Bonds.

NOTE 1 AUTHORIZING LEGISLATION AND NATURE OF FUNDS (CONTINUED)

A. Authorizing Legislation (Continued)

Date	Resolution
June 21, 2017	2017 Series 3 Resolution authorizing the issuance of the $26,990,000 2017 Series 3 Bonds and 2017 Series 4 Resolution authorizing the issuance of $27,380,000 Series 4 Refunding Bonds and the partial refunding of the 2013 Series 1 Bonds.
January 25, 2018	2018 Series 1 Resolution authorizing the issuance of the $7,990,000 2018 Series 1 Local Investment Bonds.
June 11, 2018	2018 Series 2 Resolution authorizing the issuance of the $33,175,000 2018 Series 2 Local Investment Bonds.
January 30, 2019	2019 Series 1 Resolution authorizing the issuance of the $24,870,000 2019 Series 1 Local Investment Bonds.
June 11, 2019	2019 Series 2 Resolution authorizing the issuance of the $31,500,000 2019 Series 2 Local Investment Bonds.
December 18, 2019	VSCS 2020 Series A under the VSCS Program Resolution authorizing the issuance of the $24,185,000 VSCS 2020 Series A Bonds which are special not general obligations of the Bond Bank.
January 30, 2020	2020 Series 1 Resolution authorizing the issuance of the $22,365,000 2020 Series 1 Local Investment Bonds.
June 25, 2020	2020 Series 2 Resolution authorizing the issuance of the $15,890,000 2020 Series 2 Local Investment Bonds.
January 28, 2021	2021 Series 1 Resolution authorizing the issuance of the $30,295,000 2021 Series 1 Local Investment Bonds and the $2,795,000 Federally Taxable 2021 Series 2 Refunding Bonds and the refunding of the 2010 Series 4 Bonds.
June 30, 2021	2021 Series 3 Resolution authorizing the issuance of the $17,615,000 2021 Series 3 Local Investment Bonds and the $10,955,000 2021 Series 4 Refunding Bonds and the refunding of the 2011 Series 4 Bonds and 2011 Series 6 Bonds.
September 17, 2021	Assignment of the Royalton Fire District #1 refunded USDA loan to the 2015 Series 4 Taxable Bonds.

NOTE 1 AUTHORIZING LEGISLATION AND NATURE OF FUNDS (CONTINUED)

A. Authorizing Legislation (Continued)

Date	Resolution
January 27, 2022	2022 Series 1 Resolution authorizing the issuance of $9,000,000 2022 Series 1 Local Investment Bonds.
June 27, 2022	2022 Series 2 Resolution authorizing the issuance of the $28,000,000 2022 Series 2 Local Investment Bonds and the $23,445,000 2022 Series 3 Refunding Bonds and the refunding of the 2012 Series 1, 2012 Series 3, 2012 Series 5 and partial refunding of the 2012 Series 4 Bonds.
January 26, 2023	2023 Series 1 Resolution authorizing the issuance of $14,490,000 2023 Series 1 Local Investment Bonds.
June 29, 2023	2023 Series 2 Resolution authorizing the issuance of the $26,370,000 2023 Series 2 Local Investment Bonds and the $20,010,000 2023 Series 3 Refunding Bonds and the refunding of the 2014 Series 1 Bonds and the 2014 Series 2 Refunding Bonds.
February 1, 2024	2024 Series 1 Resolution authorizing the issuance of $66,015,000 2024 Series 1 Local Investment Bonds.
June 27, 2024	2024 Series 2 Resolution authorizing the issuance of the $48,480,000 2024 Series 2 General Obligation Bonds and the $31,820,000 2024 Series 3 Refunding Bonds and the refunding of the 2014 Series 3 Bonds and the 2014 Series 4 Refunding Bonds.
September 26, 2024	Energy Efficiency Program Resolution authorizing the issuance of $20,000,000 Series 2024 Bonds.
February 1, 2025	2025 Series 1 Resolution authorizing the issuance of $67,325,000 2025 Series 1 Local Investment Bonds.
July 1, 2025	2025 Series 2 Resolution authorizing the issuance of the $74,300,000 2025 Series 2 General Obligation Bonds and the $52,580,000 2025 Series 3 Refunding Bonds and the refunding of the 2015 Series 1 Refunding Bonds, 2015 Series 4 Bonds, 2015 Series 5 Refunding Bonds, 2018 Series 1 Bonds, and the 2018 Series 2 Bonds.

NOTE 1 AUTHORIZING LEGISLATION AND NATURE OF FUNDS (CONTINUED)

B. Basis of Presentation and Nature of Funds

The financial statement presentation follows the recommendations of the Governmental Accounting Standards Board (GASB) in its Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. The Bond Bank is a special-purpose entity with only business-type activities. Under GASB Statement No. 34, such entities should present only the financial statements required for enterprise funds. The accompanying financial statements include six distinct funds, each of which is considered a separate accounting entity. The Vermont Bond Bank reports the following six major funds:

Operating Fund

The Operating Fund is used to administer the operations of the Bond Bank and derives its revenues principally from investment income.

Bond Fund

The Bond Fund is used to administer the activities of the Bond Bank for the municipal loan program. The Fund issues bonds which are utilized to finance capital improvements or other purposes for local municipalities throughout the State of Vermont.

Special Obligation Fund

The Bond Fund is used to administer the activities of the Bond Bank for the purpose of issuing loans to the Vermont State College System (VSCS). The bonds were issued under the 2017 General VSCS Bond Resolution allowing for multiple series of parity bonds that will constitute special not general obligations of the Bond Bank. The bonds are direct obligations of the Bank payable solely from the funds and accounts established by the General Resolution for the VSCS Program.

Municipal Climate Recovery Fund

The Municipal Climate Recovery Fund (MCRF) reports on loans undertaken to assist municipalities recovering from flooding and other extreme weather events. The activities are enabled by loans and restricted grants in partnership with the State of Vermont.

Energy Efficiency Program Fund

The Energy Efficiency Program Fund (EEPF) reports on activities within the Energy Efficiency Program Resolution. Under this Resolution, loans assigned to the resolution are the exclusive repayment source for debt obligations under the Resolution. Assets and repayment of related debt obligations are managed by Wilmington Trust as corporate trustee.

NOTE 1 AUTHORIZING LEGISLATION AND NATURE OF FUNDS (CONTINUED)

B. Basis of Presentation and Nature of Funds (Continued)

Small System Capacity and Resiliency Program Fund

The Small System Capacity and Resiliency Fund (SCRP) reports on activities to assist water and wastewater systems that is undertaken through funding from a grant provided by the State of Vermont.

Vermont Infrastructure Sustainability Fund

The Vermont Infrastructure Sustainability Fund (VISF) reports on activities to provide capital for municipalities to extend and increase the capacity of water, sewer, transportation, and other public infrastructure where a lack of capacity or extension is a barrier to new housing development. The VISF is funded from a grant provided by the State of Vermont Department of Housing and Community Development.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows:

A. Advance Refundings

All advance refundings completed are accounted for in accordance with the provisions of GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*. Under GASB Statement No. 23, the difference between the reacquisition price and the net carrying amount of the old debt is amortized as a component of interest expense over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The unamortized portion is reported as a deferred outflow of resources.

B. Fund Accounting

The financial statements of the Bond Bank have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) in conformity with the principles of fund accounting as applied to governmental units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing *Governmental Accounting and Financial Reporting Standards* which, along with the subsequent GASB pronouncements (Statements and Interpretations), constitutes U.S. GAAP for governmental units.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

The Bond Bank uses the economic resources measurement focus and the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when the obligation for payment is incurred. Interest expense on related bonds payable is recorded as a nonoperating expense in accordance with GASB Statements No. 9 and 34.

D. Cash Equivalents

The Bond Bank considers all unrestricted highly liquid investments with original maturities of three months or less to be cash equivalents.

E. Investments

The Board of Directors appoints trustees to oversee the investments in the Bond Fund. As of December 31, 2025, the Trustee is the U.S. Bank National Association. The Directors engaged Loomis, Sayles & Company, L.P. to provide investment management services for the Operating Fund. Investments with readily determinable fair values are reported at their fair values on the statement of net position. See Note 4.

F. Accounts Receivable

The Vermont Bond Bank reports loans receivable (see Note 5), accrued interest on loans receivable, and general receivables. The Operating Fund reports accounts receivable related to leases as well as management fees associated with program administration for the State of Vermont Special Environmental Revolving Fund and the Vermont Educational and Health Buildings Financing Agency (see Note 13). The recognition of revenue related to accounts receivable is reported under the accrual basis of accounting whereby receivables and revenues are recorded in the year accrued.

Accounts receivable are considered 100% collectible by the Bond Bank.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets, Depreciation, and Amortization

The Bond Bank records capital assets in the Operating Fund. Capital assets are defined by the Bond Bank as assets with an initial, individual cost of $1,000 and an estimated life in excess of one year. Such assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated acquisition value at the date of the donation. Capital assets are depreciated using the straight-line method over the useful lives shown below:

Computer Equipment and Software	3 Years
Furniture and Equipment	7 Years
Leasehold Improvements	7 Years
Right-to-Use Lease Asset - Building	5 Years

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

H. Deferred Outflows and Deferred Inflows of Resources

In addition to assets and liabilities, deferred outflows of resources and deferred inflows of resources are reported as separate sections on the statement of net position.

Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that time. The Bond Bank reports deferred outflows of resources related to the deferred loss on refunding of bonds payable. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The Bond Bank reports deferred inflows of resources related to leases as discussed in Note 11.

I. Arbitrage Rebate Payable

The accrued arbitrage rebate payable is based on interim arbitrage rebate analysis performed by the Bond Bank's arbitrage rebate counsel for bonds issued prior to 2025.

J. Long-Term Obligations

The Bond Bank reports long-term debt and other long-term obligations as liabilities in the statement of net position.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Use of Estimates

The presentation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred outflows/inflows of resources as well as disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

L. Net Position

For proprietary funds the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of leases and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

When both restricted and unrestricted resources are available for use, it is the Bond Bank's policy to use restricted resources first, then unrestricted resources as needed.

NOTE 3 CUSTODIAL CREDIT RISK - DEPOSITS

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Bond Bank's deposits may not be recovered. Cash consists of money market accounts invested primarily in commercial paper and government securities. The Bond Bank's custodial credit risk policy directs management to invest in cash or near cash investments that are either 100% FDIC insured or AAAm rated funds or government securities. As of December 31, 2025, the bank balance of general reserve cash held by the Operating Fund, MCRF Fund, EEPF Fund and SCRP Fund totaled $22,735,576. Of this total, $11,812,771 was in collateralized and FDIC-insured cash accounts. The remaining total of $10,922,805 was collateralized with securities held with the pledging financial institution's trust department but not held in the Bond Bank's name and, therefore, was exposed to custodial credit risk.

NOTE 4 INVESTMENTS

Unrestricted cash and cash equivalents in the Bond Fund of $12,564,486 was held within "government money markets funds" rated AAAm by S&P, held by the Trustee. These funds are secured in eligible investments as defined in the General Resolution.

Unrestricted Investments – Operating Fund

The Bond Bank's investment objectives for its unrestricted investments are 1) to obtain regular, predictable interest income, through the investment in a diversified portfolio of U.S. Treasury and other government securities, corporate, mortgage and asset-backed securities, and other fixed income securities; and 2) to outperform the investment returns of the Barclays Intermediate Aggregate Bond Index.

The Bond Bank reports fair value measures of its assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value. GASB Statement No. 72, *Fair Value Measurement and Application*, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability's measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows.

Level 1 – Quoted prices for identical assets or liabilities in active markets to which the organization has access at the measurement date.

Level 2 – Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets in markets that are not active;
- observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
- inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3 – Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value if observable inputs are not available.

The Bond Bank measures fair value using Level 1 inputs because they are available and generally provide the most reliable evidence of fair value for the Bond Bank's measurement of investments. The classification and fair value of unrestricted investments held at December 31, 2025 are identified as follows.

	Operating Fund
Corporate Securities	$ 8,606,681
Foreign Bonds	977,095
Mortgage Backed Securities (MBS)	1,506,997
U.S. Treasury Securities	11,206,115
Total	$ 22,296,888

NOTE 4 INVESTMENTS (CONTINUED)

The Bond Bank's investment policy permits the following ranges expressed as percentages of market value of the account:

Sector	Min%	Max%	Quality	Min%	Max%
U.S. Treasury	- %	100 %	U.S. Treasury	- %	100 %
Federal Agency	-	50	Federal Agency	-	100
Mortgage-Backed Securities	-	50	Aaa/AAA	-	50
Corporate	-	50	Aa/AA	-	50
Asset-Backed Securities	-	35	A/A	-	40
Commercial MBS	-	10	Baa/BBB	-	15
Supranational	-	10	Ba/BB	-	10

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. With the exception of U.S. Treasury, agency and agency mortgage issues, the Bond Bank's investment policy provides that no more than 5% of the portfolio may be invested in the obligations of any one issuer. As of December 31, 2025, the Bond Bank was not exposed to concentration of credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In addition to the ranges listed above, the Bond Bank's investment policy provides that the weighted average portfolio quality must be rated at least Aa2 by Moody's Investor Service and/or AA by S&P. Issues downgraded below BB-/Ba3 must be disposed of in a prudent manner with a target disposition within 90 days after the date of the downgrade. As of December 31, 2025, the Bond Bank's unrestricted investments are identified in the table below:

S&P Credit Ratings	Corporate Securities	Foreign Bonds	Mortgage Backed Securities	U.S. Treasury Securities
AAA	$ 2,862,553	$ -	$ -	$ -
AA+	-	-	1,506,997	11,206,115
AA	172,923	-	-	-
AA-	238,143	85,067	-	-
A+	587,819	161,166	-	-
A	755,242	262,843	-	-
A-	533,430	170,902	-	-
BBB+	351,828	26,000	-	-
BBB	1,807,591	219,987	-	-
BBB-	1,209,916	51,130	-	-
BB+	31,310	-	-	-
BB	55,926	-	-	-
Total	$ 8,606,681	$ 977,095	$ 1,506,997	$ 11,206,115

NOTE 4 INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect the fair value of certain investments. In accordance with its investment policy, the Bond Bank manages its exposure to declines in fair values of its unrestricted investments by limiting the weighted average maturity of its investment portfolio to within a range of 80% to 120% of that of the Barclays Intermediate Aggregate Bond Index. There are no limitations on the duration, or maturity, of specific securities. The weighted average duration for unrestricted investments is as follows:

	Weighted Average Duration by Asset Class (Years)
Asset-Backed Securities	1.00
Corporate Securities	2.67
Foreign Bonds	2.50
Mortgage Backed Securities (MBS)	3.06
MBS: Collateralized	3.63
U.S. Treasury Securities	1.43

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The investment policy permits a maximum of 10% of the fair value of investments to be invested in supranational securities. At December 31, 2025, the Bond Bank was not exposed to foreign currency risk.

Restricted Investments

The Bond Fund investments are restricted to meet the reserve requirements for each issue. The General Resolution provides that all monies held by the Trustees shall be continuously and fully secured, for the benefit of the Bond Bank and the holders of the bonds. The restricted investments in the Bond Fund are to be invested in obligations with maturity dates which coincide as nearly as practicable with dates of debt service or other purposes provided in the General Resolution. Allowable investments are limited by certain restrictions and include 1) direct obligations of the United States of America or obligations which are guaranteed or insured by the United States of America, or instrumentality or agency thereof; 2) state and municipal bonds provided they are rated at least A at the time of investment; 3) interest bearing obligations issued, assumed, or guaranteed by any solvent U.S. institution rated at least A at the time of investment, certificates of deposit or time deposits at banking institutions with capital surplus and undivided profits of not less than $25,000,000; 4) repurchase agreements with maturities of not more than 30 days with a bank or trust company that has a combined capital surplus and undivided profits not less than $100,000,000 or with primary government dealers who are members of the Securities Investor Protection Corporation; and 5) units of a taxable government money market portfolio comprised solely of obligations listed above. The funds may also be deposited in an interest bearing account held by the Trustee provided that the account is fully secured by direct obligations of the United States of America.

NOTE 4 INVESTMENTS (CONTINUED)

The classification and fair value of restricted investments held at December 31, 2025 are as follows:

	Bond Fund
U.S. Treasury Bonds	$ 29,692,688
U.S. Treasury Notes	24,896,489
U.S. Treasury Strips	8,877,814
U.S. Governments	902,032
Total	$ 64,369,023

Restricted investments in the Bond Fund at December 31, 2025 mature as follows:

		Investment Maturity (in Years)			
Investment Type	Fair Value	< 1	1-5	6-10	> 10
U.S. Treasury Bonds	$ 29,692,688	$ -	$ 1,245,656	$ 3,080,078	$ 25,366,954
U.S. Treasury Notes	24,896,489	1,117,625	9,813,374	7,058,186	6,907,304
U.S. Treasury Strips	8,877,814	1,106,701	2,949,203	4,821,910	-
U.S. Governments	902,032	-	902,032	-	-
Total	$ 64,369,023	$ 2,224,326	$ 14,910,265	$ 14,960,174	$ 32,274,258

As of December 31, 2025, the Bond Bank's restricted investments consist of U.S. government securities which are not exposed to credit risk, concentration of credit risk, or foreign currency risk.

The Bond Bank measures fair value using Level 1 inputs because they are available and generally provide the most reliable evidence of fair value for the Bond Bank's measurement of its restricted investments.

Restricted Cash

As of December 31, 2025, $1,318,417 and $28,398 of cash in reserve funds reported in the Bond Fund and Special Obligation Fund, respectively, was restricted by the terms of the bond requirements.

As of December 31, 2025, $4,992,352, $1,906,858, $3,988,681, and $7,509,128 of cash, respectively, reported in the MCRF, EEPF, SCRP, and VISF funds were restricted by the terms of the debt and grant agreements applicable to each fund.

Bond, MCRF, and EEPF Funds

Loans receivable represent loans to municipalities which are secured by revenues or are general obligations of the municipalities. Interest rates correspond with the interest rates on the related bonds payable by the Bond Bank plus, in some cases, an increment is added to fund capitalized interest, reserve requirements and issue costs. The loans mature during the same periods as the related bonds payable.

NOTE 5 LOANS RECEIVABLE

Special Obligation Fund

Loans receivable represent loans to the VSCS originating from loan agreements between the Vermont Bond Bank and VSCS under the 2017 General Bond Resolution for VSCS. Interest rates correspond with the interest rates on the related bonds payable by the Bond Bank. The loans mature during the same periods as the related bonds payable, and the payment of principal and interest on the bonds payable is made solely from funds of the Bond Bank held under the 2017 General Resolution.

The activity of loans receivable during the year is as follows:

Description	Bond Fund	Special Obligation Fund	MCRF Fund	EEPF Fund
Loans Receivable:				
January 1, 2025	$ 591,057,117	$ 79,005,000	$ 17,979,293	$ 264,387
Loan Disbursements	141,017,000	-	13,250,623	2,840,000
Loan Repayments	(52,537,306)	(4,390,000)	(10,381,318)	(93,217)
Loans Receivable:				
December 31, 2025	$ 679,536,811	$ 74,615,000	$ 20,848,598	$ 3,011,170

Interest savings from refundings may be passed through to the municipalities and are included in other expense. Other expense for the year ended December 31, 2025 included interest credits to municipalities from the following refundings below.

	Other Expense
Refundings:	
2015 Series 1	$ 2,448
2015 Series 3	24,571
2015 Series 4	8,884
2015 Series 5	4,730
2016 Series 2	141,475
2017 Series 4	93,416
2021 Series 2	19,981
2021 Series 4	79,744
2022 Series 1	1,645
2022 Series 3	960,138
2023 Series 3	172,203
2024 Series 3	334,909
2025 Series 3	421,845
Total	$ 2,265,989

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 is shown in the following table:

	Balance January 1, 2025	Increase	Decrease	Balance December 31, 2025
Capital Assets Being Depreciated/Amortized:				
Computer Equipment and Software	$ 50,444	$ -	$ -	$ 50,444
Furniture and Fixtures	55,201	-	-	55,201
Leasehold Improvements	46,273	-	-	46,273
Right-to-Use Asset - Building	75,442	123,106	-	198,548
Total Capital Assets Being Depreciated/Amortized	227,360	123,106	-	350,466
Less: Accumulated Depreciation/Amortization for:				
Computer Equipment and Software	(11,537)	(15,509)	-	(27,046)
Furniture and Fixtures	(24,148)	(7,886)	-	(32,034)
Leasehold Improvements	(21,483)	(6,610)	-	(28,093)
Right-to-Use Asset - Building	(57,838)	(15,088)	-	(72,926)
Total Accumulated Depreciation/Amortization	(115,006)	(45,093)	-	(160,099)
Capital Assets, Net	$ 112,354	$ 78,013	$ -	$ 190,367

NOTE 7 BOND LIABILITY ACTIVITY

Bond liability activity for the year ended December 31, 2025, was as follows:

	January 1, 2025	Additions	Reductions	December 31, 2025	Amounts Due Within One Year
Bonds and Notes Payable	$ 715,297,010	$ 217,593,000	$ (129,759,228)	$ 803,130,782	$ 55,485,085
Plus Unamortized Premium (Discount)	49,091,210	13,582,851	(11,852,891)	50,821,170	-
Total Bonds and Notes Payable	764,388,220	231,175,851	(141,612,119)	853,951,952	55,485,085
Accrued Arbitrage Rebate	49,419	270,552	(15,976)	303,995	-
Total	$ 764,437,639	$ 231,446,403	$ (141,628,095)	$ 854,255,947	$ 55,485,085

NOTE 8 BONDS PAYABLE

Bonds payable as of December 31, 2025 consist of the following:

Issuance	Maturity Date	Interest Rate (%)	Outstanding at January 1, 2025	Issued	Redeemed	Outstanding at December 31, 2025
Term Bonds:						
2008 Series 2 Bonds	12/01/32	6.25%	$ 4,445,000	$ -	$ (330,000)	$ 4,115,000
2010 Series 2 Bonds	12/01/25	5.12%	450,000	-	(450,000)	-
2010 Series 2 Bonds	12/01/30	5.738%	1,845,000	-	-	1,845,000
2010 Series 3 Bonds	12/01/26	5.388%	1,365,000	-	-	1,365,000
2010 Series 5 Bonds	12/01/35	6.036%	8,150,000	-	-	8,150,000
2010 Series 5 Bonds	12/01/40	6.186%	495,000	-	-	495,000
2011 Series 1 Bonds	12/01/25	5.66%	9,500,000	-	(9,500,000)	-
2011 Series 3 Bonds	12/01/27	4.749%	2,940,000	-	-	2,940,000
2012 Series 2 Bonds	12/01/27	3.513%	300,000	-	-	300,000
2012 Series 2 Bonds	12/01/32	3.960%	8,555,000	-	-	8,555,000
2012 Series 4 Bonds	12/01/43	3.375%	365,000	-	-	365,000
2014 Series 3 Bonds	12/01/44	5.00%	-	-		-
2015 Series 1 Bonds	12/01/37	3.75%	695,000	-	(695,000)	-
2015 Series 2 Bonds	12/01/45	4.00%	1,445,000	-	295,000	1,740,000
2015 Series 5 Bonds	12/01/39	4.00%	2,080,000	-	-	2,080,000
2016 Series 1 Bonds	12/01/41	5.00%	3,145,000	-	-	3,145,000
2016 Series 1 Bonds	12/01/46	5.00%	1,240,000	-	-	1,240,000
2016 Series 2 Bonds	12/01/41	3.00%	2,165,000	-	-	2,165,000
2017 Series 1 Bonds	12/01/47	3.75%	4,420,000	-	-	4,420,000
2017 Series 2 Bonds	12/01/47	3.75%	1,755,000	-	-	1,755,000
2017 Series 3 Bonds	12/01/47	5.00%	3,895,000	-	-	3,895,000
2017 Series 4 Bonds	12/01/37	3.25%	360,000	-	-	360,000
2017 Series 4 Bonds	12/01/43	4.00%	640,000	-	-	640,000
2018 Series 1 Bonds	12/01/38	3.375%	1,310,000	-	-	1,310,000
2018 Series 1 Bonds	12/01/44	3.50%	1,685,000	-	-	1,685,000
2018 Series 2 Bonds	12/01/43	3.375%	755,000	-	-	755,000
2019 Series 1 Bonds	12/01/44	3.50%	4,195,000	-	-	4,195,000
2019 Series 1 Bonds	12/01/49	4.00%	3,740,000	-	-	3,740,000
2019 Series 2 Bonds	12/01/44	3.00%	1,280,000	-	-	1,280,000
2019 Series 2 Bonds	12/01/49	3.00%	800,000	-	-	800,000
2020 Series 1 Bonds	12/01/45	3.00%	2,000,000	-	-	2,000,000
2020 Series 1 Bonds	12/01/50	4.00%	1,815,000	-	-	1,815,000
2020 Series 2 Bonds	12/01/45	4.00%	965,000	-	-	965,000
2020 Series 2 Bonds	12/01/50	4.00%	835,000	-	-	835,000
2021 Series 1 Bonds	12/01/46	2.375%	1,660,000	-	-	1,660,000
2021 Series 1 Bonds	12/01/51	2.50%	1,510,000	-	-	1,510,000
2021 Series 3 Bonds	12/01/38	2.00%	2,925,000	-	-	2,925,000
2021 Series 3 Bonds	12/01/41	2.00%	2,695,000	-	-	2,695,000
2022 Series 1 Bonds (1)	12/01/46	1.95%	7,065,000	-	(436,000)	6,629,000
2022 Series 2 Bonds	12/01/42	5.00%	1,850,000	-	-	1,850,000
2022 Series 3 Bonds	12/01/42	4.00 - 5.00%	2,045,000	-	-	2,045,000
2023 Series 1 Bonds	12/01/48	4.17%	1,535,000	-	-	1,535,000
2023 Series 1 Bonds	12/01/53	4.22%	585,000	-	-	585,000
2023 Series 2 Bonds	12/01/48	4.15%	3,875,000	-	-	3,875,000
2023 Series 2 Bonds	12/01/53	4.18%	890,000	-	-	890,000
2024 Series 1 Bonds	12/01/49	5.25%	6,950,000	-	-	6,950,000
2024 Series 1 Bonds	12/01/54	4.13%	6,830,000	-	-	6,830,000
2024 Series 2 Bonds	12/01/49	4.00%	725,000	-	-	725,000
2024 Series 2 Bonds	12/01/54	4.00%	1,215,000	-	-	1,215,000
2025 Series 1 Bonds	12/01/50	5.00%	-	8,405,000	-	8,405,000
2025 Series 1 Bonds	12/01/55	4.38%	-	9,475,000	-	9,475,000
2025 Series 2 Bonds	12/01/50	5.00%	-	7,355,000	-	7,355,000
2025 Series 2 Bonds	12/01/55	5.00%	-	3,470,000	-	3,470,000
Serial Bonds:						
2010 Series 5 Bonds	12/01/25	5.454 - 5.604%	1,185,000	-	(1,185,000)	-
2014 Series 3 Bonds	12/01/34	5.00%	-	-	-	-
2015 Series 2 Bonds	12/01/35	2.00 - 5.00%	3,955,000	-	(3,235,000)	720,000
2016 Series 1 Bonds	12/01/36	2.00 - 5.00%	22,565,000	-	(1,780,000)	20,785,000

NOTE 8 BONDS PAYABLE (CONTINUED)

Issuance	Maturity Date	Interest Rate (%)	Outstanding at January 1, 2025	Issued	Redeemed	Outstanding at December 31, 2025
2017 Series 1 Bonds	12/01/37	2.50 - 5.00%	$ 20,145,000	$ -	$ (1,320,000)	$ 18,825,000
2017 Series 2 Bonds	12/01/30	2.25 - 5.00%	2,030,000	-	(335,000)	1,695,000
2017 Series 3 Bonds	12/01/37	5.00%	16,195,000	-	(1,260,000)	14,935,000
2018 Series 1 Bonds	12/01/34	4.00 - 5.00%	3,335,000	-	(3,335,000)	-
2018 Series 2 Bonds	12/01/38	2.25 - 5.00%	23,920,000	-	(19,315,000)	4,605,000
2019 Series 1 Bonds	12/01/39	3.00 - 5.00%	13,215,000	-	(760,000)	12,455,000
2019 Series 2 Bonds	12/01/39	3.00 - 5.00%	22,615,000	-	(1,710,000)	20,905,000
2020 Series 1 Bonds	12/01/40	2.00 - 5.00%	15,700,000	-	(915,000)	14,785,000
2020 Series 2 Bonds	12/01/40	2.00 - 5.00%	12,935,000	-	(755,000)	12,180,000
2021 Series 1 Bonds	12/01/41	2.125 - 5.00%	23,580,000	-	(1,255,000)	22,325,000
2021 Series 3 Bonds	12/01/35	4.00 - 5.00%	9,710,000	-	(815,000)	8,895,000
2022 Series 2 Bonds	12/01/43	3.50 - 5.00%	19,470,000	-	(945,000)	18,525,000
2023 Series 1 Bonds	12/01/46	4.00 - 5.00%	12,275,000	-	(95,000)	12,180,000
2023 Series 2 Bonds	12/01/40	5.00%	20,070,000	-	(1,540,000)	18,530,000
2024 Series 1 Bonds	12/01/44	5.00%	52,235,000	-	(1,510,000)	50,725,000
2024 Series 2 Bonds	12/01/44	5.00%	46,540,000	-	(2,130,000)	44,410,000
2025 Series 1 Bonds	12/01/45	5.00%	-	49,445,000	(1,005,000)	48,440,000
2025 Series 2 Bonds	12/01/45	5.00%	-	63,475,000	(740,000)	62,735,000
Refunding Bonds:						
2014 Series 4 Bonds	12/01/26	3.00 - 5.00%	-	-		-
2015 Series 1 Bonds	12/01/27	1.875 - 5.00%	8,015,000	-	(8,015,000)	-
2015 Series 3 Bonds	12/01/25	2.00 - 3.00%	110,000	-	(110,000)	-
2015 Series 5 Bonds	12/01/35	2.00 - 5.00%	24,730,000	-	(24,155,000)	575,000
2016 Series 2 Bonds	12/01/36	5.00%	36,375,000	-	(4,130,000)	32,245,000
2017 Series 4 Bonds	12/01/33	3.125 - 5.00%	23,215,000	-	(2,340,000)	20,875,000
2021 Series 4 Bonds	12/01/33	4.00 - 5.00%	915,000	-	(105,000)	810,000
2022 Series 3 Bonds	12/01/33	4.00 - 5.00%	16,555,000	-	(1,875,000)	14,680,000
2023 Series 3 Bonds	12/01/33	5.00%	17,685,000	-	(2,730,000)	14,955,000
2024 Series 3 Bonds	12/01/38	5.00%	28,150,000	-	(4,095,000)	24,055,000
2025 Series 3 Bonds	12/01/37	5.00%	-	52,580,000	(5,605,000)	46,975,000
Special Obligation Bonds - VSCS:						
2017 Series A Bonds	12/01/37	4.00 - 5.00%	56,365,000	-	(3,195,000)	53,170,000
2020 Series A Bonds	12/01/37	3.00 - 5.00%	22,640,000	-	(1,195,000)	21,445,000
MCRF Fund - OST Loan (1)						
5 Year Loan	04/01/29	1.00%	9,436,900	-	(9,436,900)	-
7 Year Loan	04/01/31	1.50%	5,563,100	-	(5,563,100)	-
5 Year Loan	04/01/30	1.00%	-	12,583,000	-	12,583,000
7 Year Loan	04/01/32	1.50%	-	7,417,000	-	7,417,000
EEPF Fund - USDA Loan (1)						
Special Advance	10/01/44	0.00%	1,600,000	-	-	1,600,000
Loan Draw 1	12/18/34	0.00%	282,010	-	(28,438)	253,572
Loan Draw 2	06/16/35	0.00%	-	2,475,000	(124,790)	2,350,210
Loan Draw 3	12/11/35	0.00%	-	518,000	-	518,000
Loan Draw 4	12/19/35	0.00%	-	395,000	-	395,000
Subtotal Long-Term Debt			715,297,010	217,593,000	(129,759,228)	803,130,782
Unamortized Premium			49,091,210	13,582,851	(11,852,891)	50,821,170
Total			$ 764,388,220	$ 231,175,851	$ (141,612,119)	$ 853,951,952

(1) Bonds from direct borrowing

NOTE 8 BONDS PAYABLE (CONTINUED)

The annual requirements to amortize bonds payable as of December 31, 2025 are as follows:

	Total	
Year Ending December 31,	Principal	Interest
2026	$ 55,485,085	$ 35,959,794
2027	60,938,085	33,264,626
2028	57,943,085	30,393,710
2029	57,132,085	27,662,180
2030	55,390,085	24,983,200
2031 to 2035	237,503,357	88,439,155
2036 to 2040	144,886,000	45,324,470
2041 to 2045	74,116,000	22,563,358
2046 to 2050	38,322,000	9,566,552
2051 to 2055	21,415,000	2,699,381
Total	803,130,782	318,157,046
Unamortized Premium	50,821,170	-
Total	$ 853,951,952	$ 318,157,046

The deferred outflow at December 31, 2025 consists of the deferred loss on refunding of debt related to the following issuances:

Refundings:	
2016 Series 2	$ 4,465,334
2017 Series 4	1,645,001
Total	$ 6,110,335

2025 Refunding

The Bond Bank issued $52,580,000 of 2025 Series 3 General Obligation Refunding Bonds, dated December 1, 2025, for the purpose of refunding of $3,335,000 of the 2018 Series 1 Bonds, $19,315,000 of 2018 Series 2 Bonds, $8,710,000 of 2015 Series 1 Refunding Bonds, $2,940,000 of the 2015 Series 2 Bonds, and $24,155,000 of 2015 Series 5 Refunding Bonds. The interest rate on the bonds is 5%. Payments to bondholders are scheduled to commence on December 1, 2025, and terminate on December 1, 2037. As a result of the refunding transaction, the Bond Bank reduces its total debt service payments over the next 20 years by $4,952,800 and achieves an economic gain of $1,803,768.

A deferred inflow related to the gain on the 2025 Series 3 refunding of bonds payable of $1,522,699 is reported as of December 31, 2025.

NOTE 8 BONDS PAYABLE (CONTINUED)

Special Obligation Fund - Vermont State College System

In May 2017 and January 2020, the Vermont Bond Bank issued $67,660,000 2017 Series A Bonds and $24,185,000 2020 Series A Bonds, respectively, for the purpose of issuing loans to the Vermont State College System. The bonds were issued under the 2017 General Vermont State Colleges System Bond Resolution allowing for multiple series of parity bonds that will constitute special not general obligations of the Vermont Bond Bank. The bonds are direct obligations of the Vermont Bond Bank payable solely from the funds and accounts established by the General Resolution for the VSCS Program. None of the funds and accounts established under the Bond Fund, or any other funds of the Vermont Bond Bank not held under the General Resolution for the VSCS Program, are pledged to the security of the Bonds. At December 31, 2025, the VSCS outstanding bonds payable were $53,170,000 of 2017 VSCS Series A Bonds and $21,445,000 of 2020 VSCS Series A under this resolution.

MCRF Fund – State of Vermont Office of the Treasurer

In March 2024, the Vermont Bank and the State of Vermont Office of the State Treasurer (OST) entered into a loan agreement under 10 V.S.A. § 10; which authorizes the OST to establish a credit facility in the amount of up to 10% of the state's cash balance. The notes constitute general obligations of the Vermont Bond Bank. Upon an event of default, the OST may, in its sole discretion, declare the entire unpaid principal balance and any accrued interest as immediately due, and the Vermont Bond Bank will be required to pay such amounts. At December 31, 2025, outstanding notes totaled $20,000,000.

EEPF Fund – USDA

In October 2024, the Vermont Bond Bank entered into a loan agreement with the USDA's Rural Utilities Service (RUS) for the purpose of providing financing to eligible customers for energy efficiency measures under the Rural Energy Savings Program (RESP) pursuant to Title 7, Part 1719 of the *U.S. Code of Federal Regulations.* The agreement allows the Vermont Bond Bank to requisition funds from RUS which are secured by a zero percent interest note not to exceed $40 million. Upon an event of default of the Vermont Bond Bank, RUS may declare all outstanding principal as immediately due and payable and may pursue all rights and remedies specified in the loan agreement; including, but not limited to, the suspension of advances or suit for specific performance, injunctive relief, or damages. At December 31, 2025, outstanding notes totaled $5,116,782.

NOTE 9 RESERVE REQUIREMENT

The Bond Bank is required to maintain certain amounts in reserve funds. The Trustees' evaluation of the reserve fund and the reserve requirements are summarized as follows:

Reserve Fund:	
Amortized Value	$ 59,408,430
Reserve Requirement	50,838,218
Excess Above Requirement	$ 8,570,212

The value includes amortization of premium or discount and accrued interest on securities held in the reserve funds. Restricted cash of $1,318,417 is included in the amortized value at December 31, 2025.

NOTE 10 INTERFUND ACTIVITY

Interfund transfer activity for the year ended December 31, 2025 is presented as follows:

	Transfers In:			
Transfers Out:	Operating Fund	Municipal Climate Recovery Fund	Total	
Bond Fund	$ 677,475	$ -	$ 677,475	(1)
Operating Fund	-	4,064	4,064	(2)
Energy Efficiency Program Fund	17,623	-	17,623	(3)
Total	$ 695,098	$ 4,064	$ 699,162	

(1) Represents the transfer of Qualified School Construction Bond (QSCB) interest.
(2) Represents operating subsidy to the MCRF for administrative costs of implementation.
(3) Represents the return of interest earnings on previous cash advances from the operating fund.

As of December 31, 2025, the Operating Fund reports a "Due from other funds" in the amount of $140,461; which was advanced to the EEPF ($41,354) and SCRP ($99,107) funds for program implementation expenses which are expected to be reimbursed.

NOTE 11 LEASES

Lessee

In 2025, the Vermont Bond Bank renewed its five-year lease agreement as lessee for the use of office space. The renewal period is effective March 1, 2026 and continues through July 2031. The right-to-use lease asset and related accumulated amortization are detailed in Note 6.

Total future minimum lease payments under lease agreements are as follows:

	Operating Fund Activities	
Year Ending December 31,	Principal	Interest
2026	$ 17,924	$ 2,566
2027	21,730	2,858
2028	22,390	2,198
2029	23,071	1,517
2030	23,773	815
2031	14,218	142
Total Minimum Lease Payments	$ 123,106	$ 10,096

Total occupancy expense was $18,857 for the fiscal year ended December 31, 2025.

Lessor

In 2022, the Vermont Bond Bank began contract leasing a portion of its leased office space to a third party. The original five-year lease was renewed through July 2031 with the first monthly payment to occur in March 2026. The Vermont Bond Bank recognized $12,256 in lease revenue during the year related to this lease; which includes revenue from variable components of the lease totaling $6,810. As of December 31, 2025, the balance of the deferred inflow of resources was $48,286. The lease provides that the lessee will pay common area maintenance in monthly installments at a rate per square foot documented in the lease and pay a pro rata share of real estate taxes and insurance based on the percentage of property leased. The lessee is responsible for payment directly for all charges for telecommunications, utilities, cleaning, and trash services used in connection with the premises.

NOTE 12 RETIREMENT PLAN

As of December 31, 2025, the Bond Bank had a simplified employee pension (SEP) plan for regular employees. In 2025, the Bond Bank's policy was to contribute 10% of annual compensation. To be eligible, an active employee must be 21 years of age and have been employed by the Bond Bank for over one year. In 2025, the Bond Bank contributed to retirement plans in the amount of $42,340.

NOTE 13 RELATED PARTY TRANSACTIONS

The Bond Bank receives reimbursements from the State of Vermont and VEHBFA for general and administrative services. The amount of related party reimbursements was $347,622 for the year ended December 31, 2025. The total amount receivable in the Operating Fund as of December 31, 2025 was $159,958 from these related parties.

NOTE 14 DEFICIT FUND NET POSITION

At December 31, 2025, the Special Obligation Fund reported a deficit net position of $4,587,551. This deficit is the result of the unamortized bond premiums associated with the VSCS 2017 Series A and 2020 Series A issuances and will be amortized in future years as a component of interest expense.

At December 31, 2025, the Energy Efficiency Program Fund reported a deficit net position of $437,166. This deficit is the result of initial implementation costs of the program and will be funded by borrower interest revenue in future years.

NOTE 15 COMMITMENTS

The Rural Utilities Service of the United State Department of Agriculture approved a loan commitment for the Bond Bank in the amount of $40 million (the USDA Loan) in August 2023. The interest free loan will be used by the Bond Bank to make low interest loans to governmental units to implement durable cost-effective energy efficient measures and to fund program expenses. The USDA Loan will be payable from different funds and assets than, and not on parity with General Resolution Bonds, including the Bonds. The Vermont Bond Bank has requisitioned $5,116,782 from USDA as of December 31, 2025. The Bond Bank also obtained a $20 million standby letter of credit with JPMorgan Chase Bank, N.A. provided in connection with the low interest loans to be issued by the Bond Bank. The reimbursement obligation for the letter of credit is secured by the Series 2024 Bonds which were authorized by the Energy Efficiency Program Resolution dated September 26, 2024.

NOTE 16 SUBSEQUENT EVENTS

On March 5, 2026, the Vermont Bond Bank issued the 2026 Series 1 and 2 Bonds in the amount of $39,175,000 and $17,630,000 with an interest rate of 5% and a maturity date of December 1, 2046 and December 1, 2056 respectively. The bonds were issued under the Amended and Restated General Bond Resolution, as adopted on May 3, 1988, as amended and restated as of December 1, 2025; and are designated as Community Revenue Bonds to make loans to Governmental Units through the purchase of Municipal Bonds issued by such Governmental units.

The Bond Bank has evaluated subsequent events through April 17, 2026, the date on which the financial statements were available to be issued.

Global
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Appendix E

Continuing Disclosure Undertaking

Vermont Bond Bank

Enhanced Community Revenue Bonds, 2026 Series 5
(collectively, the "Bonds")

Continuing Disclosure Undertaking

Prior to the issuance of the Bonds, the Vermont Bond Bank (the "Bank") and U.S. Bank Trust Company, National Association, as dissemination agent (the "Dissemination Agent") will enter into a continuing disclosure agreement (the "Disclosure Agreement") setting forth the undertakings of the Bank regarding continuing disclosure with respect to the Bonds. In the Disclosure Agreement, the Bank will undertake for the benefit of the registered owners and Beneficial Owners (the "owners") of the Bonds to provide to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), within the meaning of the Rule, not later than September 1 of each year, (i) the annual financial information described below relating to such fiscal year, together with audited financial statements of the Bank for such fiscal year if audited financial statements are then available, provided, however, that if audited financial statements of the Bank are not then available, such audited financial statements shall be delivered to EMMA when they become available (but in no event later than December 1 of each year) or (ii) notice of the Bank's failure, if any, to provide any such information. The annual financial information to be provided as aforesaid shall include financial information and operating data, in each case updated through the last day of such fiscal year unless otherwise noted, relating to the Bank, in each case substantially in the same level of detail as is found in the referenced Official Statement, including in any event an update of the information set forth in Appendix B of the final Official Statement.

In addition, the annual financial information shall contain the following information received by the Bank from each Obligated Person, if any, pursuant to the Loan Agreements: (a) the financial statements of each Obligated Person, if any, for the most recently ended fiscal year, prepared in accordance with generally accepted accounting principles as in effect from time to time or otherwise in accordance with applicable state law, if any, and (b) operating data for each Obligated Person, if any, for the most recently ended prior fiscal year which will include, to the extent applicable to the Obligated Person: (1) tax base and rates and collection percentages; (2) service charges, fees or rates and use data; (3) number of customers or students; (4) number of employees; (5) material changes in service delivery capacity; and (6) gain or loss of contracts having or projected to have a material impact on its financial position. "Obligated Person" means the Bank and any Municipality that has issued Municipal Bonds purchased by the Bank in an amount which exceeds in the aggregate 15% of the total principal amount outstanding as of September 1 of each year of Municipal Bonds purchased by the Bank under the Bank's General Bond Resolution adopted on May 3, 1988, as amended and restated as of December 1, 2025.

Any or all of the items listed above may be included by reference to other documents, including official statements pertaining to debt issued by the Bank or any such Obligated Person, which have been submitted to EMMA. If the document incorporated by reference is a Final Official Statement within the meaning of the Rule, it will also be available from the MSRB. The Bank's annual financial statements for each fiscal year shall consist of the balance sheet of the Bank and the related statements of revenue, expenses and changes in fund balances and statement of cash flows prepared in accordance with generally accepted accounting principles in effect from time to time. Such financial statements shall be audited by a firm of certified public accountants appointed by the Bank.

In the Disclosure Agreement, the Bank also will undertake for the benefit of the owners of the Bonds to provide to EMMA in a timely manner, not in excess of ten business days after the occurrence of the event,

notice of any of the following events with respect to the Bonds or with respect to any Municipal Bonds in accordance with the Loan Agreements:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(vii) modifications to rights of security holders, if material;

(viii) bonds calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution or sale of property securing repayment of the securities, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of an Obligated Person;

(xiii) the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of an Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) the incurrence of a financial obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of an Obligated Person, any of which affect security holders, if material; and

(xvi) the default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of an Obligated Person, any of which reflect financial difficulties.

For the purposes of the event identified in subparagraph (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or

business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person. For purposes of the events identified in subparagraphs (xv) and (xvi), the term "financial obligation" (A) means (i) a debt obligation, (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii) and (B) excludes municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Nothing in the Disclosure Agreement shall preclude the Bank from disseminating any information in addition to that required under the Disclosure Agreement. If the Bank disseminates any such additional information, nothing in the Disclosure Agreement shall obligate the Bank to update such information or include it in any future materials disseminated.

To the extent permitted by law, the provisions of the Disclosure Agreement shall be enforceable against the Bank in accordance with the terms thereof by any owner of a Bond, including any beneficial owner acting as a third-party beneficiary (upon proof of its status as a beneficial owner reasonably satisfactory to the Bank). To the extent permitted by law, any such owner shall have the right, for the equal benefit and protection of all owners of the Bonds, by mandamus or other suit or proceeding at law or in equity, to enforce its rights against the Bank and to compel the Bank and any of its officers, agents or employees to perform and carry out their duties under the foregoing provisions as aforesaid, provided, however, that the sole remedy in connection with such undertakings shall be limited to an action to compel specific performance of the obligations of the Bank in connection with such undertakings and shall not include any rights to monetary damages. The Bank's obligations in respect of the Disclosure Agreement shall terminate if no Bonds remain outstanding (without regard to an economic defeasance) or if the provisions of the Rule concerning continuing disclosure are no longer effective, whichever occurs first. The provisions of the Disclosure Agreement may be amended by the Bank and the Dissemination Agent, without the consent of, or notice to, any owners of the Bonds, (a) to comply with or conform to the provisions of the Rule or any amendments thereto or authoritative interpretations thereof by the Securities and Exchange Commission or its staff (whether required or optional), (b) to add a dissemination agent for the information required to be provided by such undertakings and to make any necessary or desirable provisions with respect thereto, (c) to add to the covenants of the Bank for the benefit of the owners of the Bonds, (d) to modify the contents, presentation and format of the annual financial information from time to time as a result of a change in circumstances that arises from a change in legal requirements, or (e) to otherwise modify the undertakings in a manner responding to the requirements of the Rule concerning continuing disclosure; provided, however, that in the case of any amendment pursuant to clause (d) or (e), (i) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the offering of the Bonds, after taking into account any amendments or authoritative interpretations of the Rule, as well as any change in circumstances, and (ii) the amendment does not materially impair the interests of the owners of the Bonds, as determined either by a party unaffiliated with the Bank (such as Bank bond counsel) or by the vote or consent of owners of a majority in outstanding principal amount of the Bonds affected thereby at or prior to the time of such amendment.

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Appendix F

Refunded Bonds

REFUNDED BONDS

The following is a list of bonds to be refunded with the proceeds of Bonds and other available funds.

2015 Series 5 Refunding Bonds

CUSIP*	Maturity (December 1)	Interest Rate	Par Amount	Redemption Date
924214WM7	2035	3.875%	$575,000	October 12, 2026
924214WGO	2039+	4.000	2,080,000	October 12, 2026

2016 Series 1 Bonds

CUSIP*	Maturity (December 1)	Interest Rate	Par Amount	Redemption Date
924214WZ8	2026	3.000%	$1,780,000	-
924214XA2	2027	5.000	1,705,000	December 1, 2026
924214XB0	2028	5.000	1,735,000	December 1, 2026
924214XC8	2029	5.000	1,765,000	December 1, 2026
924214XD6	2030	5.000	1,790,000	December 1, 2026
924214XE4	2031	5.000	1,775,000	December 1, 2026
924214XF1	2032	5.000	2,040,000	December 1, 2026
924214XG9	2033	5.000	2,075,000	December 1, 2026
924214XH7	2034	5.000	2,025,000	December 1, 2026
924214XJ3	2035	5.000	2,065,000	December 1, 2026
924214XK0	2036	5.000	2,030,000	December 1, 2026
924214XL8	2041+	5.000	3,145,000	December 1, 2026
924214XM6	2046+	5.000	1,240,000	December 1, 2026

2016 Series 2 Refunding Bonds

CUSIP*	Maturity (December 1)	Interest Rate	Par Amount	Redemption Date
924214XV6	2026	5.000%	$4,340,000	-
924214XW4	2027	5.000	4,395,000	December 1, 2026
924214XX2	2028	5.000	4,545,000	December 1, 2026
924214XY0	2029	5.000	4,405,000	December 1, 2026
924214XZ7	2030	5.000	4,370,000	December 1, 2026
924214YA1	2031	5.000	2,725,000	December 1, 2026
924214YB9	2032	5.000	2,020,000	December 1, 2026
924214YC7	2033	5.000	1,950,000	December 1, 2026
924214YD5	2034	5.000	1,760,000	December 1, 2026
924214YE3	2035	5.000	1,005,000	December 1, 2026
924214YF0	2036	5.000	730,000	December 1, 2026
924214YG8	2041+	3.000	2,165,000	December 1, 2026

+ Constitutes a Term Bond.

* CUSIP is a registered trademark of the American Bankers Association. CUSIP numbers herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc., solely for the convenience of the Owners of the Refunded Bonds and the Bond Bank is not responsible for the selection or correctness of the CUSIP numbers printed herein and does not make any representation with respect to such numbers or undertake any responsibility for their accuracy.

2019 Series 1 Bonds (Local Investment Bonds)

CUSIP*	Maturity (December 1)	Interest Rate	Par Amount	Redemption Date
924214N70	2026	5.000%	$780,000	-
924214N88	2027	5.000	800,000	December 1, 2026
924214N96	2028	5.000	815,000	December 1, 2026
924214P29	2029	5.000	1,010,000	December 1, 2026
924214P37	2030	5.000	850,000	December 1, 2026
924214P45	2031	5.000	860,000	December 1, 2026
924214P52	2032	5.000	875,000	December 1, 2026
924214P60	2033	5.000	885,000	December 1, 2026
924214P78	2034	3.000	190,000	December 1, 2026
924214P86	2034	5.000	705,000	December 1, 2026
924214P94	2035	3.125	195,000	December 1, 2026
924214Q28	2035	5.000	710,000	December 1, 2026
924214Q36	2036	4.000	910,000	December 1, 2026
924214Q44	2037	4.000	1,155,000	December 1, 2026
924214Q51	2038	4.000	920,000	December 1, 2026
924214Q69	2039	3.375	795,000	December 1, 2026

2019 Series 2 Bonds (Local Investment Bonds)

CUSIP*	Maturity (December 1)	Interest Rate	Par Amount	Redemption Date
924214R76	2026	3.000%	$1,510,000	-
924214R84	2027	5.000	1,530,000	December 1, 2026
924214R92	2028	5.000	1,520,000	December 1, 2026
924214S26	2029	5.000	1,730,000	December 1, 2026
924214S34	2030	5.000	1,495,000	December 1, 2026
924214S42	2031	4.000	1,475,000	December 1, 2026
924214S59	2032	4.000	1,450,000	December 1, 2026
924214S67	2033	4.000	1,460,000	December 1, 2026
924214S75	2034	4.000	1,425,000	December 1, 2026
924214S83	2035	4.000	1,425,000	December 1, 2026
924214S91	2036	4.000	1,435,000	December 1, 2026

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Vermont
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