

**Minutes:**

Special Meeting  
Stowe Electric Commissioners'  
February 18, 2011

**Present:**

Art Lloyd, Chairman; Dick Marron; Ellen Burt, General Manager, Pat Householder, Controller;

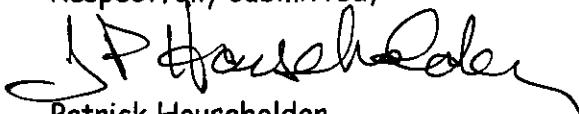
The Chairman called the meeting to order at 1:05 pm.

**SED Refinancing of \$18.7 million bond note:**

Copies of a Refunding Resolution and Certificate and a Certified Copy of Resolution prepared by Stowe's bond counsel had been previously circulated to all commissioners. The documents authorize SED to refinance their currently outstanding Bond note with Key Bank in the amount of \$18.7M. Following discussion upon a motion duly made and seconded, it was resolved to approve and adopt the language of said Resolutions as circulated, and to attach to these minutes said Resolutions and incorporate by reference herein, as if set forth at length. The motion included the condition that approval by the Town of Stowe selectboard and the VT Public Service Board must be obtained before the refinancing can be finalized.

There being no further business the meeting was adjourned at 1:12 pm.

Respectfully submitted,



Patrick Householder  
Secretary Pro Tem

TOWN OF STOWE

REFUNDING RESOLUTION AND CERTIFICATE

We, the Town Clerk of the Town of Stowe (herein the "Town"), and a majority of the Selectboard of the Town (herein the "legislative body"), do certify that the following resolutions were duly adopted at a meeting of the legislative body of the Town, duly noticed, called and held on February 21, 2011, and that the same are duly recorded in the records of the Town and that said resolutions and the actions taken at said meeting have not been rescinded, abridged or modified in any way:

"WHEREAS, there exists unpaid and outstanding indebtedness in the current amount of \$18,700,000 evidencing a valid obligation of the Town, lawfully issued by the Town for the purpose of financing municipal electric department improvements duly authorized and approved by the Town at meetings thereof held on March 4, 2008 and November 4, 2008, which indebtedness is more particularly described by reference to Exhibit A hereof; and

"WHEREAS, the legislative body of the Town hereby finds that the public good and necessity and the best interests of the Town require the issuance of a refunding obligation by the Town, the proceeds of which shall be used to take up and pay off and refund the debt evidenced by the above identified evidence of indebtedness;

"NOW, THEREFORE, BE IT RESOLVED THAT:

"(1) Outstanding indebtedness, as evidenced as aforesaid, be refunded by the issuance of a single obligation of the Town, acting by and through its legislative body, under the provisions of 24 V.S.A., Sections 1771-1772 (herein the "Refunding Note"), the terms of which shall be in accordance with the proposal made to the Town by KeyBank National Association, (herein the "Bank") dated \_\_\_\_\_, 2011, which proposal is hereby accepted, a copy of such proposal being attached hereto as Exhibit A.

"(2) The Refunding Note shall:

- (a) Be fully registered as provided by law initially in the name of the Bank, or registered assigns;
- (b) Bear interest thereon to be paid quarterly at the rate approved on the sale thereof;
- (c) Mature and be payable on December 30, 2018;
- (d) Be payable at such times and place as the registered holder thereof may designate in writing.

“(3) The legislative body hereby determines that the terms under which the Refunding Note is being issued and sold to Bank are in the Town’s best interests.

“(4) The Refunding Note shall not exceed the total unpaid and outstanding indebtedness evidenced as aforesaid, and the costs incurred by the Town in connection with the issuance of the Refunding Note.

“(5) The proceeds derived upon the sale of the Refunding Note shall not be used for any purpose other than paying or retiring such indebtedness, and paying costs associated with the issuance of the Refunding Note.

“(6) The Refunding Note, when issued and delivered pursuant to law and this resolution, shall be the valid and binding general obligation of the Town, payable according to law and the terms and tenor thereof from unlimited ad valorem taxes on the grand list of all taxable property of the Town as established, assessed, apportioned and provided by law.

“(7) In addition to all other taxes, and to the extent necessary to ensure the timely payment of the Refunding Note, annually there shall be assessed and collected in the manner provided by law until the Refunding Note, or any bond or bonds issued to refund or replace the same, and the interest thereon, are fully paid, a tax sufficient to pay the interest on such bond or bonds and such part of the principal as shall become due.

“(8) The legislative body proceed forthwith to cause the Refunding Note to be executed and delivered upon the price and terms to be agreed upon with the Bank, and be registered as the law provides.

“(9) Pursuant to powers vested in them by law, the legislative body enters into a Loan Agreement (Exhibit C) with the Bank respecting a loan from the Bank for the aforesaid purpose in the amount of \$18,700,000 (the “Loan”) repayable, and with interest, as follows:

Payment Due

Principal Amount

Interest Rate

As per Exhibit D attached.

“(10) The Refunding Note to be given by the Town to the Bank at the time of receiving the proceeds of the Loan shall be substantially in the form attached hereto, as Exhibit E.

“(11) Execution of the above-referenced Loan Agreement between the Town and the Bank and the instruments identified therein is hereby authorized, the presiding officer of the legislative body of the Town being directed to execute said Loan Agreement and the instruments identified therein on behalf of the Town and the legislative body thereof.

“(12) The Town expressly incorporates into this resolution each and every term, provision, covenant and representation set forth at length in the above-described Loan Agreement, and the several instruments referred to therein, and the Tax Certificate (Exhibit F) to be delivered in connection with the issuance and sale of the Refunding Note, execution and delivery of each of which is hereby authorized, ratified and confirmed in all respects, and the covenants, representations and undertakings set forth at length in said Loan Agreement, the instruments referred to therein, and in the Tax Certificate are incorporated herein by reference.

“(13) All acts and things heretofore done by the lawfully constituted officers of the Town, and any and all acts or proceedings of the Town and of its legislative body in, about or concerning the Loan, the improvements hereinabove described and of the issuance of the Refunding Note or other evidence of debt in connection therewith, are hereby ratified and confirmed.

“(14) McKee, Giuliani & Cleveland, bond counsel to the Town, is authorized and empowered to take possession of said documents for delivery to the Bank, and to complete the documents identified in the resolution by the inclusion of appropriate dates, amounts, rates of interest and other ministerial changes at the direction of the legislative body of the Town or its designated official, and to acknowledge receipt of the proceeds of the Refunding Note on behalf of the Town.

“(15) The proceeds of the Refunding Note shall be deposited to the credit of the Town in Bank, Account No. \_\_\_\_\_, or such other bank as may be designated by the Town and the Bank, and shall be disbursed as soon as may be practical, but in no event more than thirty (30) days from the date of delivery of the Refunding Note to the Bank, to redeem and repurchase evidences of indebtedness described in Exhibit A hereof.

And we, the undersigned officers, as indicated, hereby certify that we as such officers have signed the Refunding Note dated as of March 1, 2011, payable as aforesaid, and reciting that it is issued under and pursuant to the actions hereinabove mentioned, and we also certify that the Refunding Note is duly registered in the office of the Town Treasurer as prescribed by law.

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

We represent that all information the Town has provided in connection with the Loan, the Refunding Note, the Loan Agreement and all documents, certifications, statements, representations and records identified or referred to therein are true, accurate and complete to the best of our knowledge. We further represent that the Town has disclosed to the Bank and others all information material to the Loan, and has not failed to disclose any information it deems material for such purpose.

We further certify that no litigation is pending or threatened affecting the validity of the Refunding Note nor the levy and collection of taxes, charges or assessments to pay it, nor the works of improvement described herein and financed by the proceeds of the indebtedness identified in Exhibit A and being refunded hereby, and that neither the corporate existence of the Town nor the title of any of us to our respective offices is being questioned.

Dated: February 21, 2011

ATTEST:

TOWN OF STOWE

\_\_\_\_\_  
Clerk

By: \_\_\_\_\_

\_\_\_\_\_

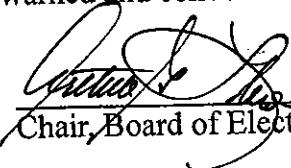
\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
All or a Majority of its Selectboard

And by: \_\_\_\_\_  
Its Treasurer

Adopted in concurrence on February 18, 2011 by the Board of Electric Commissioners of the Town of Stowe at a duly warned and convened meeting thereof

  
\_\_\_\_\_  
Chair, Board of Electric Commissioners

## CERTIFIED COPY OF RESOLUTIONS

The undersigned certifies as follows to **KeyBank National Association ("Bank")**:

1. **Name of Corporation:** Town of Stowe, Vermont acting by and through its Electric Department.
  
2. **Address:** P.O. Box 190  
Stowe, VT 05672
  
3. **I HEREBY CERTIFY**, (i) that I am the duly elected and acting, qualified Chairman of the Board of Electric Commissioners of the Corporation and the official custodian of its corporate records, (ii) that the complete and correct name of the Corporation is as set forth above, (iii) that the Corporation is, and at all times shall be, duly organized and validly existing and in good standing under and by virtue of the laws of the State of Vermont, and (iv) that each officer, employee, and agent named below is duly elected, appointed, or employed by or for the Corporation as the case may be, and occupies the title/position set opposite the name, and the specimen signature shown therewith is his/her actual, genuine signature.

<u>Name</u>	<u>Title/Position</u>	<u>Actual Signature</u>
Ellen L. Burt	General Manager	<u>Ellen L. Burt</u>

4. **I FURTHER CERTIFY** (i) that a meeting of the Board of Directors of the Corporation was duly called and held on February 18, 2011, (ii) that a quorum was present physically or telephonically and voting at such meeting, (iii) that the Corporation's Board of Electric Commissioners duly adopted the following resolutions at such meeting, and (iv) that such resolutions now stand of record on the books of the Corporation, are in full force and effect and have not been modified or revoked in any manner whatsoever.


"BE IT RESOLVED, that any one (1) of the individuals named in Section 3 or any duly authorized attorney-in-fact be and hereby is (are) authorized and empowered, for and on behalf of the Corporation and in its name:

- (A) to obtain financial services and products of any kind from KeyBank National Association (the "Bank"), including but not limited to capital markets services and products, including but not limited to (\_\_\_\_\_) interest rate or currency swaps, futures, options, collars, caps, floors, forward rate or other interest rate protection or similar arrangements, and (\_\_\_\_\_) equity, credit, or commodity swaps of options or other derivative products;

- (G) to take any other action requested, required or deemed advisable by Bank in order to effectuate the foregoing resolutions, all such other actions being hereby approved, ratified and confirmed.

BE IT FURTHER RESOLVED, that the Chair of the Board of Electric Commissioners shall provide a certified copy of these resolutions to the Bank and shall certify to the Bank the names and signatures of the current duly elected officers of the Corporation and that the Bank be and hereby is authorized to rely thereon."

IN WITNESS WHEREOF, and intending to be legally bound hereby, I have hereunto subscribed my name on March 1, 2011.

  
Name: ARTHUR G. LLOYD  
Title: Chair