

**Advance Agreement Between the
Vermont Economic Development Authority and the State of Vermont
Effective December 26, 2013**

Statutory Authority:

Pursuant to 32 V.S.A Secs. 133(b) and 706(2) and by approval at a meeting of the State of Vermont Emergency Board held on September 6, 2013, a transfer of five million five hundred thousand dollars (\$5,500,000) from the General Fund appropriation for Correctional Services, to the Department of Finance and Management for payment to the Vermont Economic Development Authority ("VEDA" or the "Authority") was authorized. The purpose of the transfer is to allow VEDA to make a \$5,500,000 loan to the developer of the new State Office Building ("SOB") located in St. Albans, Vermont as described in the memorandum dated September 6, 2013 and included herein as APPENDIX A.

The Loan:

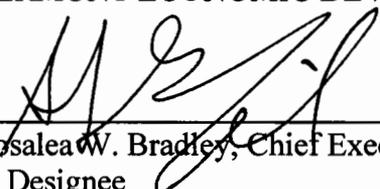
VEDA will make a loan to the private developer (REARCH Company, LLC) as a portion of the total project costs of approximately \$13.6 million for the construction of SOB in St. Albans. The VEDA promissory note (the "Note") shall be in the amount of \$5,500,000 at an interest rate of 0.10% per annum. The Note shall call for 12 months of interest only followed by 239 monthly payments of \$18,564 and a final payment of all unpaid principal and interest due at the end of the twentieth year (approximately \$1,129,645).

Terms of the transferred funds:

1. The \$5,500,000 transferred from the State to VEDA shall be recorded on the records of the Authority as a separate liability to the State and presented under the caption "Other Liability – State of Vermont" in the same fashion as funds previously advanced to VEDA for other programmatic purposes;
2. The Authority shall also establish in its records the "VEDA Capital Account" into which all principal payments received from the developer shall be recorded; this account will be separate from the liability for the original transfer cited in "1" above and can be disbursed at the direction of the State.
3. To offset a portion of the costs incurred by VEDA in approval, origination and servicing of the loan, the Authority shall be entitled to the interest earned on the note as well as interest earned/saved as a result of holding any balances in the VEDA Capital Account.
4. VEDA's responsibility for repayment to the State of the \$5,500,000 is limited to the repayments received pursuant to the VEDA Note to the developer.

Authorized Signatures:

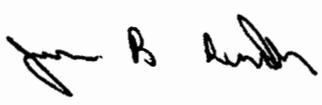
VERMONT ECONOMIC DEVELOPMENT AUTHORITY



Rosalea W. Bradley, Chief Executive Officer
or Designee

12/26/13
Date

STATE OF VERMONT



James B. Reardon, Commissioner of Finance
And Management

12/26/13
Date

Copy: Jeb Spaulding, Secretary of Administration