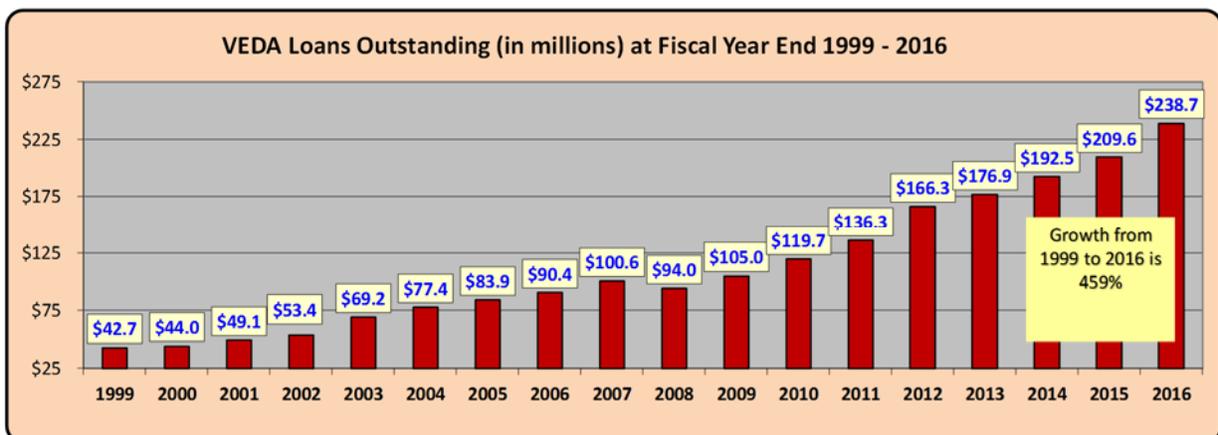




VEDA Quick Facts:

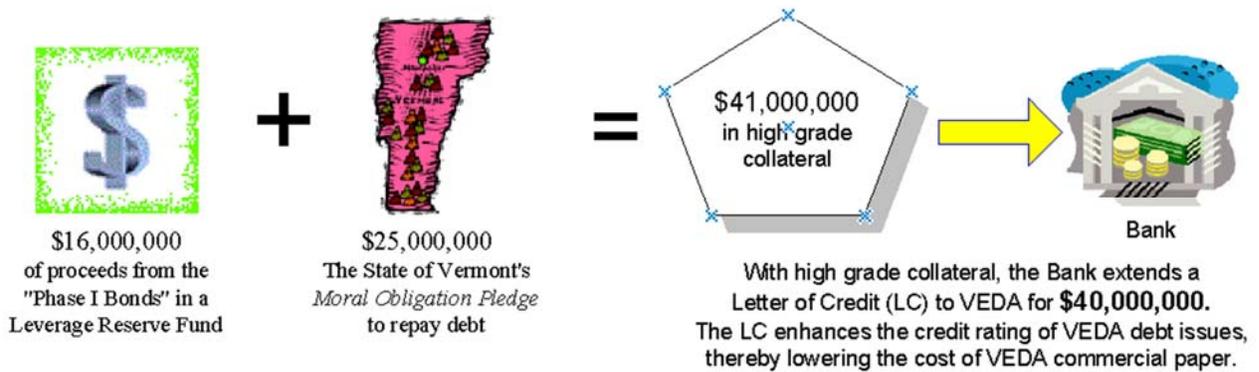
- Vermont’s statewide economic development lender;
- Formed in 1974 a public instrumentality;
- Board consists of 15 members;
- Five State officials include:
 - State Treasurer;
 - Secretary of Commerce and Community Development;
 - Secretary of Agriculture, Food and Markets;
 - Commissioner of Public Service; and
 - Commissioner of Forests, Parks and Recreation;
- Ten citizens appointed by the Governor;
- Includes 45 full-time staff;
- In addition to VEDA, operates three non-profit corporations:
 - Vermont Agricultural Credit Corporation (VACC);
 - Vermont Small Business Development Corporation (VSBDC);
 - Vermont 504 Corporation;
- Total assets of \$275 million and loans of \$239 million;
- Commercial loans totaling \$100 million;
- Agricultural loans totaling \$91 million;
- Energy loans totaling \$24 million; and
- Small business loans totaling \$25 million.
- Operates nine different financing programs;





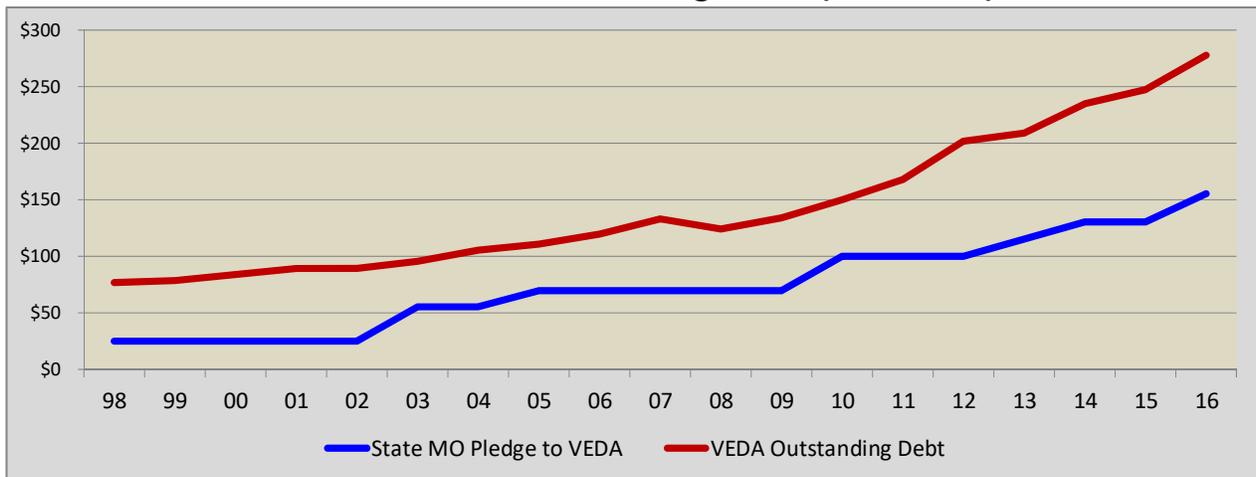
VEDA Recapitalization – 1998:

In 1997, VEDA, in cooperation with the Treasurer and the State’s Financial Advisor, developed a financing plan to end VEDA’s direct borrowing from the State. The “recapitalization plan” created \$40 million of funding capacity through the issuance of commercial paper (CP). The \$40 million program was supported by the State’s Moral Obligation Pledge (MO) of \$25 million plus a \$16 million securities portfolio and the underlying loans funded with the CP proceeds. The MO provides credit support for a bank letter of credit which in turn backs the issuance of VEDA Commercial Paper Notes.



This initial recapitalization process using MO and securities to support the issuance of VEDA debt which in turn funds the Authority’s economic development loans continues to this day. The chart below shows VEDA’s aggregate debt and use of the State’s MO pledge to support a portion of that debt. The MO available to VEDA totals \$155 million. The Authority’s portfolio of securities available to pledge in conjunction with MO totals \$22.5 million.

State of Vermont Moral Obligation Pledge To VEDA and VEDA Outstanding Debt at Fiscal Year End 1998 through 2016 (in millions)





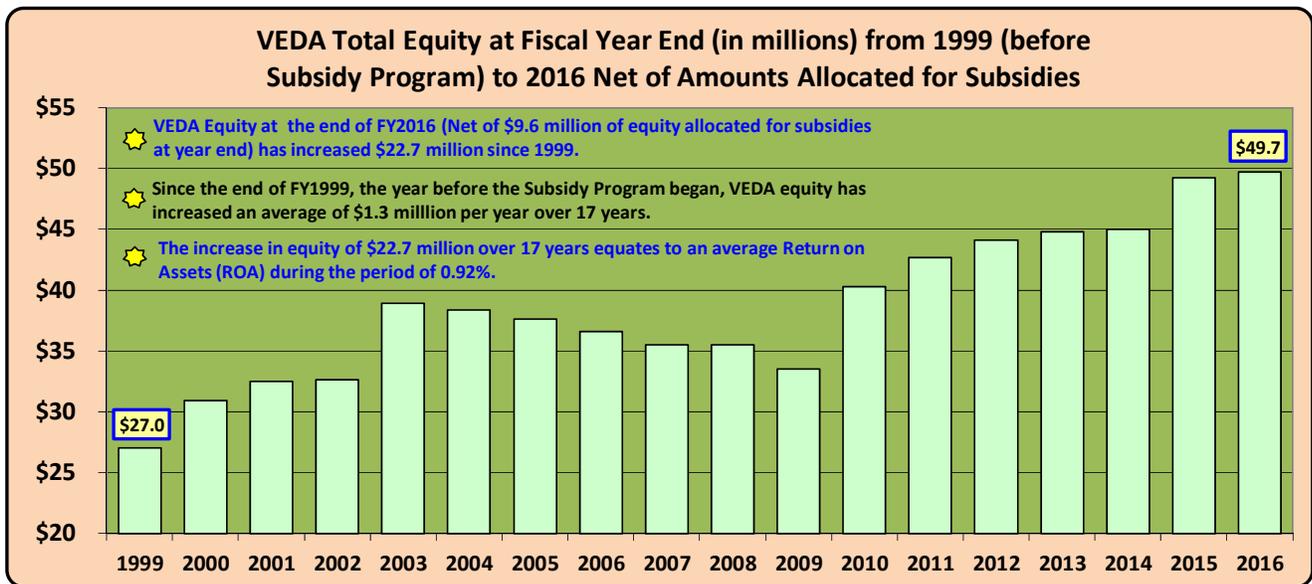
Loan Subsidies:

The core of the Authority’s business, and the primary source of its total operating revenue, comes from interest from its borrower’s loans. VEDA must set the interest rates on its loans at a level that will generate sufficient revenues, when combined with interest on cash and investments and other revenue, to offset the Authority’s interest expense, loan losses and overhead costs.

In an effort to foster economic development, to stimulate economic activity, and to provide assistance to targeted businesses, VEDA uses state and federal resources for an interest rate subsidy program. The resources allow VEDA to offer loan rates that are below the level that is necessary to fully cover the Authority’s operating costs (a “subsidy”).

The lower rates help VEDA to grow its programs and deliver low cost financing to Vermont businesses. The subsidy funds provide needed capital to allow VEDA to grow.

VEDA Impact:



VEDA FINANCINGS BY FISCAL YR	2012	2013	2014	2015	2016	TOTAL
# OF BORROWERS	161	110	136	144	174	725
# FINANCINGS MADE	267	202	248	238	298	1,253
\$\$ OF FINANCING (in millions)	\$87.3	\$60.2	\$59.6	\$77.3	\$84.7	\$369.1
\$\$ PRIVATE CAPITAL (in millions)	\$89.8	\$110.6	\$77.1	\$87.1	\$127.4	\$492.0
\$\$ OF PROJECTS	\$177.1	\$170.8	\$136.7	\$164.4	\$212.1	\$861.1



VEDA Impact (continued):

VEDA NEW FINANCINGS BY FISCAL YEAR

LOAN GROUP	\$\$ in '000	2012	2013	2014	2015	2016
COMMERCIAL	AVERAGE	\$446	\$692	\$635	\$390	\$632
	MEDIAN	\$190	\$321	\$210	\$221	\$494
AGRICULTURE	AVERAGE	\$96	\$95	\$120	\$112	\$121
	MEDIAN	\$50	\$50	\$65	\$50	\$65
SM. BUSINESS	AVERAGE	\$69	\$119	\$134	\$156	\$155
	MEDIAN	\$50	\$98	\$93	\$118	\$150

VEDA EMPLOYMENT DATA:	2012	2013	2014	2015	2016	TOTAL
FTE AT APPLICATION	1,244	741	382	357	84	2,807
FTE JOBS ADDED	1,506	767	622	540	112	3,548
JOBS IMPACTED	2,750	1,508	1,005	896	196	6,355
# OF HOURLY JOBS ADDED	1,402	530	394	247	59	2,633
AVERAGE HOURLY WAGE	\$14.93	\$16.36	\$15.09	\$15.48	\$13.70	\$15.27
# OF SALARY JOBS ADDED	104	238	228	292	53	915
AVERAGE HOURLY WAGE	\$76.15	\$31.26	\$25.14	\$22.02	\$27.52	\$31.67
TOTAL JOBS ADDED	1,506	767	622	540	112	3,548
AVERAGE HOURLY WAGE	\$19.16	\$20.97	\$18.77	\$19.02	\$20.23	\$19.49
AVG BENEFITS AS % OF WAGES	21.6%	20.0%	15.9%	17.2%	19.2%	19.5%
AVERAGE WAGE w/BENEFITS	\$23.29	\$25.15	\$21.76	\$22.30	\$24.12	\$23.30

AGRICULTURAL JOBS IMPACTED AT VEDA BORROWERS	FULL-TIME	PART-TIME	SEASONAL	TOTAL
	673	223	294	1,190

VEDA ENERGY LENDING 2013 - 2016	# LOANS	VEDA TOTAL	PROJECT TOTAL	MMBTU ¹	CO ₂ (T) ²
GENERATION & DISTRIBUTION	49	\$28,280,992	\$86,276,974	47,191	8,812
CONSERVATION & EFFICIENCY	10	818,530	1,326,046	3,012	289
VEDA TOTALS FOR 2014 - 2016	59	\$29,099,522	\$87,603,020	50,202	9,101

¹MMBTU stands for one million British Thermal Units (BTU). The BTU is the basic measure of heat energy (generated or saved). According to Efficiency Vermont, a typical home might require 60 to 90 MMBtu per year. The MMBTUs generated or saved by the VEDA Energy Program projects in since 2013 (50,202) is approximately equal to the energy consumed to heat 670 homes for one year.

²CO₂ is carbon dioxide measured in tons; the 9,101 tons of CO₂ emissions saved by the VEDA Energy program projects since 2013 is approximately equal to the emissions created from burning nearly 1 million gallons of regular gasoline.