



## Board Meeting

20 Winooski Falls Way, Winooski, Vermont

October 27, 2014

### Meeting Minutes

**Board Members:** David Beatty (designee of Jeb Spaulding); Kenneth Gibbons; Cathy Hilgendorf (designee of Rebecca Holcombe) Kenneth Linsley; James Potvin; Edward Ogorzalek; Robert Roberts (designee of Harry Chen); Neal Robinson; and Steve Wisloski (designee of Beth Pearce).

**Staff:** Robert W. Giroux

**Consultants:** Matt Hughey and Larry Bauer (Sidley Austin); and James Foley (Deppman & Foley)

**Guests:** None

The meeting was called to order by Mr. Potvin, at 8:30 am.

#### Mt. Ascutney Hospital

Mr. Giroux briefly reviewed the need for the Board to act on Mt. Ascutney's request to reduce the interest rate on its 2010 Series A bond with TD Bank, N.A. The 25 basis point decrease in the loan rate does not constitute a refunding under Internal Revenue Service rules and regulations. However, because the Agency is a party to the Bond Purchase Agreement ("BPA"), the Agency must agree to the reduced rate.

Mr. Bauer agreed with Mr. Giroux's assessment. Any changes to the BPA must be approved and signed by the Agency, the borrower and the lender. The Resolution included in the Board packet authorizes Agency representatives to sign the amended BPA.

***Motion:** Mr. Gibbons moved to authorize the Chair, Treasurer, Secretary and Executive Director of the Agency to execute amendments to the outstanding 2010 Series A Bond Purchase Agreement with Mt. Ascutney Hospital and TD Bank, N.A. The motion was seconded by Mr. Beatty.*

*A roll call of Board members attending the meeting was taken and all voted in the affirmative for the motion.*

# VERMONT EDUCATION AND HEALTH BUILDINGS FINANCING AGENCY

## Other Business

Mr. Giroux reported that due to a change in jobs, Cathy Hilgendorf will no longer be representing the Secretary of Education on the VEHBFA Board. The Board thanked Cathy for her years of service and dedication to Vermont's educational and healthcare communities.

There being no further business, the meeting was adjourned.

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These Minutes were approved by the Board of Directors at a duly warned meeting on \_\_\_\_\_, 2014.

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## **Board Meeting Notice**

October 27 2014

VEHBFA Offices

20 Winooski Falls Way, Winooski, VT

Conference Calling Instructions -

Access Number: 800-747-5150

Access Code: 2232717

### **Agenda**

8:30 am

Call to Order and Introductions

1. Mt. Ascutney Hospital's Request to Amend 2010 Series A Bond

- Bond counsel's legal summary & recommended motions (Sidley Austin)
- Consider motions to approve the requested amendment

2. Other Business

3. Adjourn



October 10, 2014

Robert W. Giroux, Executive Director  
Vermont Educational and Health Buildings Financing Agency  
20 Winooski Falls Way  
Winooski, VT 05404

Re. VEHBFA - Mt. Ascutney Hospital, Series 2010

Dear Mr. Giroux:

TD Bank, N.A. has agreed to reduce the interest rate on the subject bond by 25 basis points. No other terms are being changed. We hereby respectfully request that the Agency approve this change, effective November 1, 2014.

We thank you for your consideration of this important matter to our hospital.

Very truly yours,

A handwritten signature in black ink, appearing to read "DS", is written over the closing text.

David C. Sanville,  
Chief Financial Officer

Attachment: Draft First Amendment to Bond Purchase Agreement

Mt. Ascutney Savings:

<u>Payment Date</u>	<u>Loan Balance</u>	<u>0.25% Reduction</u>
12/1/2014	\$8,267,214.96	\$ 1,722.34
1/1/2015	8,247,622.18	1,718.25
2/1/2015	8,227,947.77	1,714.16
3/1/2015	8,208,191.38	1,710.04
4/1/2015	8,188,352.68	1,705.91
5/1/2015	8,168,431.31	1,701.76
6/1/2015	8,148,426.94	1,697.59
7/1/2015	8,128,339.21	1,693.40
8/1/2015	8,108,167.79	1,689.20
9/1/2015	8,087,912.32	1,684.98
10/1/2015	8,067,572.45	1,680.74
11/1/2015	8,047,147.83	1,676.49
12/1/2015	8,026,638.11	1,672.22
1/1/2016	8,006,042.93	1,667.93
2/1/2016	7,985,361.94	1,663.62
3/1/2016	7,964,594.78	1,659.29
4/1/2016	7,943,741.09	1,654.95
5/1/2016	7,922,800.50	1,650.58
6/1/2016	7,901,772.67	1,646.20
7/1/2016	7,880,657.22	1,641.80
8/1/2016	7,859,453.79	1,637.39
9/1/2016	7,838,162.01	1,632.95
10/1/2016	7,816,781.51	1,628.50
11/1/2016	7,795,311.93	1,624.02
12/1/2016	7,773,752.90	1,619.53
1/1/2017	7,752,104.03	1,615.02
2/1/2017	7,730,364.96	1,610.49
3/1/2017	7,708,535.31	<u>1,605.94</u>
Dollar Savings		<u>\$46,625.29</u>
NPV	4.00%	<u>\$27,926.97</u>

Windsor Hospital Corporation (d/b/a Mt. Ascuteny and Health Care Center)  
Resolution Summary

In March 2010, the Agency issued its Revenue Bond (Mt. Ascuteny Hospital Project) 2010 Series A (the "Bond") on behalf of Windsor Hospital Corporation (d/b/a Mt. Ascuteny Hospital and Health Center) (the "Corporation"). The Bond was purchased by TD Bank, N.A. (in such capacity, the "Purchaser") pursuant to the terms of a Bond Purchase Agreement, dated as of February 1, 2010 (the "Bond Purchase Agreement"), among the Agency, the Corporation and the Purchaser, and a Loan Agreement, dated as of February 1, 2010, between the Agency and the Corporation. The Corporation and the Purchaser have negotiated a reduction in the spread to the London Interbank Offered Rate ("LIBOR") used to calculate the interest rate payable on the Bond, which resets monthly. This reduction would effectively lower the interest rate that would otherwise be payable on the Bond.

The reduction in the spread to LIBOR requires an amendment to the Bond Purchase Agreement and the delivery of a replacement bond. The provisions of the Bond Purchase Agreement require that any amendment to the Bond Purchase Agreement be signed by the Agency, the Corporation and the Purchaser. A draft of such amendment (the "Amendment") has been prepared by counsel to the Purchaser. The resolution authorizes certain officers of the Agency and the Executive Director to execute the Amendment and to execute such other documents and take such other actions, including the delivery of the replacement Bond with the new interest rate formula, as may be reasonably necessary in connection therewith.

RESOLUTION AUTHORIZING THE EXECUTION OF  
AN AMENDMENT TO THE BOND PURCHASE AGREEMENT RELATING TO  
VERMONT EDUCATIONAL AND HEALTH BUILDINGS  
FINANCING AGENCY REVENUE BOND  
(MOUNT ASCUTNEY HOSPITAL PROJECT) 2010 SERIES A

WHEREAS, Windsor Hospital Corporation, doing business as Mt. Ascutney Hospital and Health Care Center (the "Corporation"), is a private, nonprofit corporation duly incorporated and validly existing under and by virtue of the laws of the State of Vermont, and owns and operates an acute-care hospital located in Windsor, Vermont; and

WHEREAS, Vermont Educational and Health Buildings Financing Agency (hereinafter sometimes called the "Agency") previously issued its Revenue Bond (Mt. Ascutney Hospital Project) 2010 Series A (the "Bond"), pursuant to a Bond Purchase Agreement, dated as of February 1, 2010 (the "Original Bond Purchase Agreement"), among the Agency, the Corporation and TD Bank, N.A., as purchaser (TD Bank, N.A., in such capacity, the "Purchaser"), and a Loan Agreement (the "Loan Agreement"), between the Agency and the Corporation; and

WHEREAS, the Purchaser and the Corporation have agreed to reduce the spread to London Interbank Offered Rate ("LIBOR") used to calculate the interest rate payable on the Bond, effectively reducing that would otherwise be payable on the Bond; and

WHEREAS, the reduction in the spread to LIBOR requires an amendment to the Original Bond Purchase Agreement and the delivery of a replacement bond (the "Replacement Bond"); and

WHEREAS, there has been previously presented to the staff of the Agency a form of First Amendment to Bond Purchase Agreement (the "Amendment" and, the Original Bond Purchase Agreement, as so amended, the "Bond Purchase Agreement") among the Agency, the Corporation and the Purchaser; and

WHEREAS, the Agency is not now obligated, nor will it will be obligated after the execution of the Amendment, to pay the purchase price or principal of and redemption price, if any, and interest on the Bond except from the revenues and funds pledged therefor under the Trust agreement, and neither the faith and credit nor the taxing power of the State of Vermont or of any political subdivision thereof is pledged as security for the payment of the purchase price or principal of or redemption premium, if any, or the interest on the Bond;

NOW, THEREFORE, THE BOARD OF VERMONT EDUCATIONAL AND HEALTH BUILDINGS FINANCING AGENCY HEREBY RESOLVES, as follows:

Section 1. Capitalized words and terms used in this Resolution and not defined herein shall have the same meanings in this Resolution as such words and terms are given in the Bond Purchase Agreement or the Loan Agreement.

Section 2. The Amendment is hereby approved in all respects, and the Chairman or Treasurer or Executive Director and the Secretary of the Agency are hereby authorized and directed to execute and deliver the Amendment in substantially the form previously presented to the staff of the Agency, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary and appropriate; such execution and delivery to be conclusive evidence of the approval of any such changes, modifications or deletions.

Section 3. The Chairman, Treasurer, Secretary and Executive Director of the Agency are authorized and directed to take such action and to execute and deliver any such other documents, certificates, undertakings, agreements or other instruments, , including the delivery of a replacement Bond reflecting the revised interest rate formula set forth in the Amendment, as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by the Amendment.

Section 4. This Resolution shall take effect immediately upon its passage.



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## FIRST AMENDMENT TO BOND PURCHASE AGREEMENT

This First Amendment to Bond Purchase Agreement is by and between TD Bank, N.A. (the “Purchaser”), Windsor Hospital Corporation, d/b/a Mt. Ascutney Hospital and Health Care Center (the “Corporation”), and Vermont Educational and Health Buildings Financing Agency (the “Agency”) and is made as of the \_\_\_\_ day of October, 2014.

WHEREAS, the parties hereto entered into a Bond Purchase Agreement, dated February 1, 2010 (the “Bond Purchase Agreement”); and

WHEREAS, the Borrower has requested a reduction in the interest rate on the Bond; and

WHEREAS, the Bank has agreed to reduce the interest rate by amending the Bond, subject to the terms hereof; and

WHEREAS, all capitalized terms used herein shall bear the definitions thereof contained in the Bond Purchase Agreement unless otherwise defined herein.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Interest Rate.** The per annum interest rate on the Bond shall be reduced from “69% of the sum of (1) USD-LIBOR-BBA (as defined in the Bond) with a designated maturity of one month, and (2) 350 basis points per annum” to “the sum of (1) 69% of USD-LIBOR-BBA (as defined in the Bond) with a designated maturity of one month, and (2) 216.5 basis points.”
2. **Bond.** Exhibit A to the Bond Purchase Agreement shall be replaced by Exhibit A attached hereto (the “Replacement Bond”).
3. **Issuance.** Upon the execution and delivery of this First Amendment to Bond Purchase Agreement by the parties hereto, the Agency shall issue the Replacement Bond in accordance with Section 2 of the Bond Purchase Agreement and all referenced to “Bond” in the Bond Purchase Agreement, as amended hereby, and in the future, the Agreement, Supplement No. 5 and Obligation No. 5 shall apply to the Replacement Bond.
4. **Representations and Warranties.** All the representations and warranties of the Corporation set forth in the Bond Purchase Agreement are hereby confirmed as true and correct as of the date hereof.

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All other terms and conditions of the Bond Purchase Agreement not amended hereby remain unchanged.

SIGNED as of the date set forth above.

*Signature Page Follows*

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TD Bank, N.A.

By: \_\_\_\_\_  
Mary W. McLaughlin, Senior Vice President

Windsor Hospital Corporation,  
d/b/a Mt. Ascutney Hospital and Health Center

By: \_\_\_\_\_  
David Sanville, Chief Financial Officer &  
Duly Authorized Agent

Vermont Educational and Health Buildings Finance Agency

By: \_\_\_\_\_  
\_\_\_\_\_  
Duly Authorized Agent

No. 5

\$9,244,000

United States of America  
State of Vermont

Vermont Educational and Health Buildings  
Financing Agency Revenue Bond  
(Mt. Ascutney Hospital Project) 2010 Series A

Vermont Educational and Health Buildings Financing Agency, a body corporate and politic constituting a public instrumentality of the State of Vermont (herein sometimes called the “Agency”), for value received, hereby promises to pay to TD BANK, N.A., Burlington, Vermont (the “Purchaser”), or registered assigns or legal representative, in any coin or currency in the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, the principal sum of Nine Million Two Hundred Forty- four Thousand Dollars (\$9,244,000), together with interest on the unpaid principal from the date hereof until payment in full at the rate or rates per annum set forth below. Interest shall be computed on a simple interest basis on an actual/actual basis.

This bond shall bear interest at a rate equal to the sum of (1) 69% of USD-LIBOR-BBA (as defined in the Bond) with a designated maturity of one month, and (2) 216.5 basis points. The adjustment date for USD-LIBOR-BBA shall be the 1st day of each month (the “Reset Date”).

**“USD-LIBOR-BBA”** (United States Dollar-London Interbank Offered Rate-British Bankers Association) means that the rate for a Reset Date will be the rate for deposits in U.S. Dollars for a period equal to one month which appears on the Reuters Screen LIBOR01 Page as of 11:00 a.m., London time, on the day that is two London Banking Days preceding that Reset Date. If such rate does not appear on the Reuters Screen LIBOR01 Page, the rate for that Reset Date will be the arithmetic mean of the rates quoted by major banks in London, selected by TD Bank, N.A., for a period equal to one month, as of 11:00 AM, London time, on the day that is two London Banking Days prior to the Reset Date.

**“London Banking Day”** means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

**“Reuters Screen”** means, when used in connection with any designated page, the display page so designated on the Reuters service, or any Successor Source.

**“Successor Source”** means, in relation to any display page, other published source, information vendor, service or provider: (i) the successor display page, other published source, information vendor, service or provider that has been officially designated by the sponsor of the original page or source; or (ii) if the sponsor has not officially designated a successor display page, other published source, service or provider (as the case may be), the

successor display page, other published source, service or provider, if any, designated by the relevant information vendor, service or provider (if different from the sponsor).

“**LIBOR**” means the London Inter-Bank Offered Rate as published from time to time by the British Bankers Association.

Upon an Event of Default under the terms of the “Loan Agreement” or the “Master Indenture” as defined below, this bond shall bear additional interest at a rate of four percent (4.00%) per annum until satisfied in full.

The principal amount of this bond shall be payable in monthly installments on the 1st day of each month, commencing April 1, 2010, and ending March 1, 2030, as outlined in the attached amortization schedule. The interest accruing on this bond shall be payable on the 1st day of each month, beginning April 1, 2010. Prepayments of principal of this bond shall be applied to reduce the principal of thereof as directed by the Corporation.

Notwithstanding anything herein to the contrary, the entire principal balance, together with all interest accrued hereon and related costs and expenses, shall be due and payable in full upon demand of the Purchaser on March 1, 2017 or March 1, 2024 (and if either date shall not constitute a business day for banks in the State, the next succeeding business day), provided the Purchaser delivers notice, in writing, to the Corporation at least one hundred and twenty (120) days in advance.

This bond shall not be a debt of the State of Vermont nor shall the State be liable thereon nor shall this bond be payable out of any funds other than those of the Agency derived from the Loan Agreement and Obligation No. 5.

Both the principal of and the interest on this bond shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. All payments of interest and principal on this bond shall be made to the Purchaser by check or account debit which will provide immediately available funds when such payment is due, delivered or mailed to the office of the Purchaser in Montpelier, Vermont; provided, however, that the Agency’s obligations hereunder to pay principal, premium and interest, and its right to prepay principal as herein provided, shall be satisfied upon the receipt by the Purchaser of payments from the Corporation (hereinafter mentioned) pursuant to the Loan Agreement and Obligation No. 5. Upon final payment, this bond shall be surrendered to the Agency.

This bond is issued in the principal amount of \$9,244,000 and is known as Vermont Educational and Health Buildings Financing Agency Revenue Bond (Mt. Ascutney Hospital Project) 2010 Series A (the “Bond”) issued for the purpose of refinancing the Refunded Bonds (as defined in the Loan Agreement).

The Agency has entered into a Bond Purchase Agreement, dated as of February 1, 2010 (the “Agreement”), with TD Bank, N.A. as the purchaser of this bond (the “Purchaser”) and Windsor Hospital Corporation, d/b/a Mt. Ascutney Hospital and Health Center, a private, nonprofit corporation organized and existing under the laws of the State of Vermont (herein called the “Corporation”), providing for the issuance and sale by the Agency, and the purchase

by the Purchaser, of this bond upon the terms and conditions therein provided. Reference is hereby made to the Agreement for the provisions, among others, with respect to the custody and application of the proceeds of this bond, the collection and disposition of payments under the Loan Agreement and other revenues, the nature and extent of the security, the terms and conditions under which this bond is issued, the rights, duties and obligations of the Agency and of the Purchaser and the rights of the holders of this bond, and, by the acceptance of this bond, the holder hereof assents to all of the provisions of the Agreement.

This bond is issued and the Agreement was authorized, executed and delivered under and pursuant to the Constitution and laws of the State of Vermont, particularly Chapter 131, Sections 3851 to 3862, inclusive, of Title 16, Vermont Statutes Annotated, as amended (the "Act").

The Agency has entered into a Loan Agreement, dated as of February 1, 2010 (herein called the "Loan Agreement"), with the Corporation, under the provisions of which the Agency has agreed to lend to the Corporation certain proceeds of this bond to refund the Refunded Bonds. The Loan Agreement provides that the Corporation shall make payments at the times required and in amounts sufficient to pay the principal of and premium, if any, and interest on this bond as the same shall become due and payable and certain fees and expenses of the Agency. The Loan Agreement provides that the payments in respect of this bond shall be made directly to the Purchaser for the account of the Agency, and that the Corporation's obligation to make such payments shall be absolute and unconditional.

The Loan Agreement further obligates the Corporation to perform, observe and comply with certain covenants, conditions and agreements set forth in a Master Trust Indenture, dated as of December 1, 2004 (the "Master Trust Indenture" and, together with all such supplements and amendments thereto as therein permitted, the "Master Indenture"), by and between the Corporation and People's United Bank (as successor to Chittenden Trust Company), Burlington, Vermont, as master trustee (the "Master Trustee"), including covenants, conditions and agreements with respect to the operation of the Members of the Obligated Group (as defined in the Master Indenture).

As evidence of its obligations under the Loan Agreement, the Corporation has executed and delivered to the Agency its Obligation No. 5 ("Obligation No. 5"). Obligation No. 5 is issued under and secured by the Master Indenture which provides that the Corporation and any other Members of the Obligated Group may incur additional indebtedness, including notes, guaranties and other indebtedness secured by the security for Obligation No. 5 on a pari passu basis for the purposes, under the terms and conditions and to the extent described in the Master Indenture.

Pursuant to the Agreement, the Agency has, for the benefit of the owners of this bond, assigned all of the Agency's right, title and interest in and to the Loan Agreement (subject to the reservation of certain rights of the Agency, including its rights to notices, payment of certain expenses and indemnity), all of the Agency's right, title and interest in and to Obligation No. 5, all of the Agency's rights under the Master Indenture as the owner of Obligation No. 5 and all moneys and securities in all of the funds or accounts established under the Agreement, to the Purchaser in trust.

Reference is hereby made to the Agreement, the Loan Agreement, Master Indenture and Obligation No. 5, and to all amendments and supplements thereto for a description of the rights and the provisions, among others, with respect to the nature and extent of such security, the rights, duties and obligations of the Agency, the Corporation and the Purchaser and the rights of the holder of this bond with respect thereto.

If the Corporation exercises its option to prepay the Loan in full or in part as provided in Section 7.02 of the Loan Agreement, this bond is also required to be redeemed in whole if the Loan is prepaid in full, or in part if the Loan is prepaid in part, on any date, at the direction of the Corporation Representative, and in either case at a redemption price equal to the principal amount of this bond to be redeemed, plus accrued interest to the redemption date, without premium.

Any such redemption, either in whole or in part, shall be made upon at least fifteen (15) days' prior notice by mail to the holder, and shall be made in the manner and under the terms and conditions provided in the Agreement. On the date designated for redemption, notice having been sent as provided in the Agreement, this bond or portion thereof so called for redemption shall become and be due and payable at the redemption price provided for redemption of this bond or such portion thereof on such date, and, if moneys for payment of the redemption price and the accrued interest are held by the Purchaser, as provided in the Agreement, interest on this bond or such portion thereof so called for redemption shall cease to accrue, this bond or such portion thereof so called for redemption shall cease to be entitled to any benefit or security under the Agreement, and the holder thereof shall have no rights in respect of this bond or such portion thereof so called for redemption except to receive payment of the redemption price thereof and the accrued interest.

Any notice of redemption at the option of the Corporation may state that the redemption to be effected is, and such redemption shall be, conditioned upon the receipt by the Agent on or prior to the redemption date of moneys sufficient to pay the principal of and premium, if any, and interest on this bond or portion thereof to be redeemed and that if such moneys are not so received such notice shall be of no force or effect and this bond or portion thereof shall not be redeemed.

Payment of or on account of the principal of and premium, if any, and interest on this bond shall be made only to or upon the order of the Purchaser regardless of any disposition of the bond.

In certain events, on the conditions, in the manner and with the effect set forth in the Agreement, the principal installments of this bond may become or may be declared due and payable before the stated maturities thereof, together with the interest accrued thereon.

Modifications or alterations of the Agreement, or of any agreement supplemental thereto, may be made by the Agency and the Purchaser only to the extent and in the circumstances permitted thereunder.

This bond, notwithstanding the provisions for transfer stated in the Agreement, shall have all the qualities and incidents, including negotiability, of an investment security under

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the Uniform Commercial Code of the State of Vermont and is issued with the intent that the laws of the State of Vermont shall govern its construction.

All acts, conditions and things required by the Constitution and laws of the State of Vermont and the rules and regulations of the Agency to happen, exist and be performed precedent to and in connection with the issuance of this bond and the execution and delivery of the Agreement and the Loan Agreement have happened, exist and have been performed as so required.

IN WITNESS WHEREOF, Vermont Educational and Health Buildings Financing Agency has caused this bond to be signed by the Chairman of the Board and the Executive Director of said Agency, and its corporate seal to be impressed hereon, all as of the date of the delivery thereof and payment therefor.

VERMONT EDUCATIONAL AND HEALTH  
BUILDINGS FINANCING AGENCY

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

By: \_\_\_\_\_  
Executive Director

[SEAL]