

OFFICIAL NOTICE OF SALE

\$13,825,000*
VERMONT BOND BANK
2023 SERIES 1 BONDS

February 23, 2023

NOTICE IS HEREBY GIVEN that electronic bids will be received by the Vermont Municipal Bond Bank (d/b/a the Vermont Bond Bank) (the “Bond Bank”), for the purchase of all of the 2023 Series 1 Bonds (the “Bonds”), of the Bond Bank to be sold in an aggregate principal amount of \$13,825,000*. Bids for the purchase of the Bonds will be submitted via Parity. No other method of submitting bids will be accepted. The bids will be received via Parity up to the time described below under the captions “*Time*” and “*Procedures for Electronic Bidding.*”

The Bonds are general obligations of the Bond Bank and are secured on a parity with other bonds issued and to be issued (collectively, the “General Resolution Bonds”) under the Bond Bank’s General Bond Resolution adopted on May 3, 1988, as amended (the “General Resolution”). The General Resolution Bonds are secured by a pledge of the municipal bonds issued by to counties, municipalities or other public bodies of the State of Vermont (the “State”), including public school districts (the “Governmental Units”) and purchased by the Bond Bank (“Municipal Bonds”) and the amounts required to be paid by such Governmental Units to the Bond Bank pursuant to loan agreements for principal and interest on the Municipal Bonds (“Municipal Bonds Payments”). The General Resolution Bonds are further secured under 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”) by an intercept by the State Treasurer funding to any Governmental Units that are in default on their Municipal Bonds Payments. The General Resolution Bonds are further 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.

Time. Bids will be received by the Bond Bank via Parity at 10:00 a.m. (Eastern Standard Time) on March 8, 2023 (subject to the provisions described below under the caption “*Procedures for Electronic Bidding*”) or at such later date and/or other time as shall be established by the Bond Bank and communicated on Thomson Municipal Market Monitor News (www.tm3.com) (“TM3”), as described herein under the caption “*Change of Bid Date and Time.*” If no legal bid or bids are received for the Bonds on March 8, 2023, an alternative date and time may be designated by the Bond Bank and communicated on TM3.

Details of the Bonds. The Bonds will be dated and bear interest, calculated on the basis of 30-day months and a 360-day year, from the date of delivery, at the rate per annum per maturity specified by the successful bidder, payable semiannually on June 1 and December 1 in each year, commencing June 1, 2023, and at maturity. The Bonds shall mature or come due through mandatory sinking fund redemptions on the dates shown below, subject to change as set forth in this Official Notice of Sale, in the principal amounts specified by the successful bidder:

* Preliminary, subject to change.

APPENDIX F

| <u>Maturity Date (December 1)*</u> | <u>Principal Amounts*</u> | <u>Maturity Date (December 1)*</u> | <u>Principal Amounts*</u> |
|--|---------------------------|--|---------------------------|
| 2023 | \$15,000 | 2039 | \$685,000 |
| 2024 | 50,000 | 2040 | 575,000 |
| 2025 | 40,000 | 2041 | 575,000 |
| 2026 | 35,000 | 2042 | 580,000 |
| 2027 | 485,000 | 2043 | 740,000 |
| 2028 | 515,000 | 2044 | 545,000 |
| 2029 | 550,000 | 2045 | 550,000 |
| 2030 | 550,000 | 2046 | 555,000 |
| 2031 | 550,000 | 2047 | 555,000 |
| 2032 | 555,000 | 2048 | 990,000 |
| 2033 | 555,000 | 2049 | 110,000 |
| 2034 | 555,000 | 2050 | 115,000 |
| 2035 | 740,000 | 2051 | 115,000 |
| 2036 | 565,000 | 2052 | 115,000 |
| 2037 | 565,000 | 2053 | 125,000 |
| 2038 | 570,000 | | |

The Bonds will be issued as serial bonds or as a combination of serial bonds and up to four term bonds in accordance with the bid submitted by the successful bidder (see “*Bidding Parameters*” below).

The Bonds will be issued by means of a book-entry-only system evidencing ownership therein, in principal amounts of \$5,000 or integral multiples thereof, and transfer thereof on the records of The Depository Trust Company (“DTC”) and its participants. The book-entry-only system is more fully described in the Preliminary Official Statement.

Redemption^{*f2}

Optional Redemption. The Bonds maturing prior to December 1, 2032 are not subject to redemption. The Bonds maturing on and after December 1, 2032 are subject to redemption at the option of the Bond Bank, at any time on and after June 1, 2032, either as a 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.

Sinking Fund Redemption. Bids may provide for all of the Bonds to be issued as serial bonds only, or may designate consecutive annual principal amounts (bearing interest at the same rate) to be combined into no more than four term bonds. Any such term bonds shall be subject to mandatory sinking fund redemption commencing on December 1 of the first year in which maturities have been combined to form such term bonds and continuing on December 1 of each such year thereafter until the stated maturity date of such term bond.

Procedures for Electronic Bidding. A prospective electronic bidder must register electronically to bid for the Bonds via Parity pursuant to this Official Notice of Sale. By submitting its bid for the Bonds, a prospective bidder represents and warrants to the Bond Bank that such bidder’s bid for the purchase of any of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Bonds.

* Preliminary, subject to change.

Each prospective electronic bidder shall be solely responsible to register to bid via Parity. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to access Parity for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale. Neither the Bond Bank nor Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the Bond Bank nor Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by Parity. The Bond Bank is using Parity as a communication mechanism, and not as the Bond Bank's agent, to conduct the electronic bidding for the Bonds. The Bond Bank is not bound by any advice and determination of Parity to the effect that any particular bid complies with the terms of this Official Notice of Sale. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via Parity are the sole responsibility of the bidders, and the Bond Bank is not responsible, directly or indirectly, for any such costs or expenses. To the extent that any instructions or directions set forth in Parity conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for the Bonds, such bidder should telephone Parity's new issues desk at (212) 849-5021 and notify the Bond Bank's financial advisor, Jeff Smith, Omnicap Group LLC, by telephone at (310) 318-3095.

Electronic bids must be submitted for the purchase of the Bonds via Parity by 10:00 a.m. (Eastern Standard Time) on March 8, 2023. Bids submitted after such time will not be deemed received via Parity for the purposes of this bidding process. Bids will be communicated electronically to the Bond Bank at 10:00 a.m. (Eastern Standard Time), on March 8, 2023. Prior to that time, an eligible prospective bidder may (i) input the proposed terms of its bid via Parity, (ii) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds, or (iii) withdraw its proposed bid. Once the bids are communicated electronically via Parity to the Bond Bank, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on Parity shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Bond Bank, as described under "*Basis of Award*" set forth below, represented by the rate or rates of interest and the bid price specified in their respective bids.

Adjustments to Principal Amount and Maturity Dates.

Changes Prior to Bidding. Prior to accepting bids, the Bond Bank reserves the right to change the principal amount of the Bonds and/or the maturity dates, and to change certain terms of the Bonds as described herein. Notice of a change will be announced via TM3 prior to the commencing of bidding. Such notice will specify the revised principal amounts or terms, if any.

Changes to Winning Bid. After selecting the winning bid, the Bond Bank will determine the final aggregate principal amount of the Bonds and each final annual principal amount and maturity dates (the "Final Aggregate Principal Amount" and the "Final Annual Principal Amounts," respectively; collectively, the "Final Amounts"). The proceeds of the Bonds are expected to be used to fund certain loans to Governmental Unites as described in the Preliminary Official Statement. The Bond Bank reserves the right to modify the Final Amounts in order to obtain the necessary amount of bond proceeds, and properly structure the loans based on the bid submitted by the successful bidder. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES (AS HEREIN DEFINED) AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNTS WITHIN THESE LIMITS.

The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the Final Amounts. Such adjusted bid price will reflect changes in the dollar amount of the underwriter's

APPENDIX F

discount and original issue discount/premium, if any, but will not change the selling compensation per \$1,000 of par amount of the Bonds from the selling compensation that would have been received based on the purchase price in the winning bid and the initial reoffering prices. The interest rate specified by the successful bidder for each maturity as the initial reoffering prices will not change. The Final Amounts and the adjusted bid price will be communicated to the successful bidder by 5:00 p.m. (Eastern Standard Time) on the bid date.

Bidding Parameters. Bids must state a single fixed interest rate for each maturity of the Bonds. The rate of interest stated for any given maturity shall be in a multiple of 1/8 or 1/20 of 1% per annum and may not be in excess of 5% per annum or less than 3% per annum. No bid may be for less than all of the Bonds offered or for a price less than 100% of the aggregate principal amount plus accrued interest, if any.

Bids may not include any conditions not otherwise expressly provided for herein.

Good Faith Deposit. Upon notification from the Bond Bank, the successful bidder shall wire transfer to the Bond Bank an amount equal to \$138,000 (the “Good Faith Deposit”), in immediately available funds, no later than 2:45 p.m. (Eastern Standard Time) on the bid date. The Bond Bank will provide wiring instructions for the Good Faith Deposit to the successful bidder upon verification and award. In the event that the Bond Bank has not received such funds by the time stated, the Bond Bank may revoke its acceptance of the bid. No interest on the Good Faith Deposit will accrue to the successful bidder. The Good Faith Deposit will be applied to the purchase price of the Bonds. If the successful bidder fails to honor its accepted bid, the Good Faith Deposit will be retained by the Bond Bank.

Basis of Award. The Bond Bank reserves the right to reject any or all proposals and to waive any irregularity or informality with respect to any proposal.

The Bonds will be awarded to the bidder offering to purchase the Bonds at the lowest true interest cost (TIC) to the Bond Bank. The TIC (expressed as an annual interest rate) will be determined as being twice that factor or discount rate, compounded semiannually, which, when applied against each semiannual debt service payment (interest, or principal and interest, as due) for the Bonds, will cause the sum of such discounted semiannual payments to be equal to the total purchase price. The TIC shall be calculated from the expected settlement date of the Bonds (March 16, 2023). If this procedure produces a tie, the Bonds will be awarded and sold to bidders as the discretion of the Bond Bank.

Credit Enhancement. The Bond Bank has not contracted for the issuance of any credit enhancement for the Bonds. If the Bonds qualify for any credit enhancement, any purchase of such credit enhancement shall be at the sole option and expense of the successful bidder, and any increased costs of issuance or delivery of the Bonds resulting by reason of such credit enhancement shall be assumed by such bidder. Bids shall not be conditioned upon the issuance of any such credit enhancement. Any failure of the Bonds to be enhanced or of any such credit enhancement to be issued shall not in any way relieve the successful bidder of its contractual obligations arising from the acceptance of its bid for the purchase of the Bonds.

Official Statement. The Preliminary Official Statement dated February 23, 2023 (the “Preliminary Official Statement”) and the information contained therein have been deemed final by the Bond Bank within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (“Rule 15c2-12”) with permitted omissions, but are subject to change without notice and to completion or amendment in the Official Statement in final form (the “Final Official Statement”). The Preliminary Official Statement is available via Parity and via the Electronic Municipal Market Access (EMMA) system established by the Municipal Securities Rulemaking Board at www.emma.msrb.org.

The Bond Bank does not intend to print physical copies of the Final Official Statement but instead will make available to the successful bidder an electronic version of the Final Official Statement via the EMMA system. The Bond Bank will post the Final Official Statement within seven business days of the date of sale but no later than two business days prior to settlement. Any successful bidder shall be required to cooperate in providing the information necessary to complete the Final Official Statement.

The successful bidder shall comply with the requirements of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board, including an obligation, if any, to update the Final Official Statement.

Continuing Disclosure. To assist the initial Underwriter of the Bonds in complying with paragraph (b)(5) of Rule 15c2-12, the Bond Bank will undertake to provide notices of certain events. A description of this undertaking is set forth in Appendix E of the Preliminary Official Statement and will also be set forth in the Final Official Statement.

Expenses. Each bid will be deemed to be an all-in bid. The successful bidder will be under no obligation to pay the Bond Bank's issuance costs. The Bond Bank will not pay any expenses of any bidder, whether or not successful, in connection with the issuance or purchase of the Bonds.

Reoffering Price Certification. The successful bidder shall assist the Bond Bank in establishing the issue price of the Bonds and shall execute and deliver to the Bond Bank at Closing an "issue price" certificate, substantially in the form attached to this Notice of Sale as Exhibit 1, setting forth the reasonably expected initial offering prices to the public of the Bonds awarded to it, together with the supporting pricing wires or equivalent communications, with such modifications to the certificate as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the Bond Bank and Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Bond Counsel. All actions to be taken by the Bond Bank under this Notice of Sale to establish the issue price of the Notes may be taken on behalf of the Bond Bank by the Bond Bank's municipal advisor identified herein and any notice or report to be provided to the Bond Bank may be provided to the Bond Bank's municipal advisor.

The Bond Bank intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Bonds (the "competitive sale requirements") because (i) the Bond Bank has disseminated this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters; (ii) all bidders shall have an equal opportunity to bid; (iii) the Bond Bank expects to receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and (iv) the Bond Bank anticipates awarding the sale of the Bonds to the bidders who submit firm offers to purchase the Bonds or portions thereof at the highest price (or lowest interest cost), as set forth in this Notice of Sale. Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

Settlement. The Bonds will be delivered on March 16, 2023, to DTC or its custodial agent against payment of the purchase price therefor (less the amount of the Good Faith Deposit). The successful bidder must make payment of the purchase price of the Bonds by 10:00 a.m. (Eastern Standard Time) on March 16, 2023 in immediately available funds.

There will be furnished to the successful bidder without cost, the executed Bonds to be delivered to DTC or its custodial agent and the usual closing certificates, including a certificate that there is no litigation pending or threatened affecting the validity of the Bonds.

APPENDIX F

Legal Opinion. The approving opinion of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Boston, Massachusetts, Bond Counsel, in substantially the form set forth in the Preliminary Official Statement, will be furnished to the successful bidder.

CUSIP Numbers. Omnicap Group LLC, financial advisor to the Bond Bank in connection with the Bonds, will timely apply for CUSIP numbers with respect to the Bonds as required by MSRB Rule G-34. The successful bidder will be responsible for the cost of assignment of such CUSIP numbers. The successful bidder will be responsible for notifying CUSIP Global Services of any changes in structure and shall add or cancel CUSIP numbers as needed to conform to the final structure. The Bond Bank will assume no obligation for the assignment or printing of such CUSIP numbers on the Bonds or for the correctness of such numbers. Neither failure to print such numbers on any Bond nor any error with respect thereto shall constitute a failure or refusal by the successful bidder to accept delivery of or make payment for the Bonds.

Right to Modify or Amend Notice of Sale. The Bond Bank reserves the right to modify or amend this Official Notice of Sale in any respect prior to the bid date. If any modifications occur, supplemental information with respect to the Bonds will be communicated by posting on TM3 not later than 9:30 a.m. (Eastern Standard Time) on any announced date for receipt of bids, and bidders shall bid upon the Bonds based upon the terms thereof set forth in this Official Notice of Sale, as so modified by such supplemental information.

Change of Bid Date and Time. The Bond Bank reserves the right to change the date and/or time established for the receipt of bids. Any such change will be announced by posting on TM3 prior to commencement of the bidding. If any date and/or time fixed for the receipt of bids and the sale of the Bonds is changed, an alternative sale date and time will be announced at least one business day prior to such alternative sale date. On any such alternative sale date and time, any bidder may submit bids electronically as described above for the purchase of the Bonds in conformity in all respects with the provision of this Official Notice of Sale, except for the date and/or time of sale and except for any changes announced by posting on TM3 at the time the sale date and/or time are announced.

Additional Information. Further information concerning the Bond Bank and the Bonds is contained in the Preliminary Official Statement, to which prospective bidders are directed, and to which this Official Notice of Sale is attached. The Preliminary Official Statement is provided for informational purposes only and is not a part of this Official Notice of Sale.

The Bond Bank reserves the right to reject any and/or all bids and to waive any irregularities in a submitted bid. Any disputes arising hereunder shall be governed by the laws of the State of Vermont, and any party submitting a bid agrees to be subject to jurisdiction and venue of the federal and state courts within Vermont with regard to such dispute. The Bond Bank's acceptance through Parity of a successful bidder's proposal for the purchase of the Bonds shall constitute a contract between the Bond Bank and the successful bidder for the purchase of the Bonds, subject to the Bond Bank's right to modify the total amount of the Bonds and the amount of any maturity as described under "**Adjustments to Principal Amount and Maturity Dates**" in this Official Notice of Sale.

VERMONT MUNICIPAL BOND BANK

By: /s/ Michael Gaughan

Michael Gaughan
Executive Director

FORM OF ISSUE PRICE CERTIFICATE

\$13,825,000*
VERMONT BOND BANK
2023 SERIES 1 BONDS

To: Vermont Bond Bank
Burlington, VT

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
Boston, MA

Re: Vermont Bond Bank 2023 Series 1 Bonds (the “Bonds”)

The undersigned, on behalf of _____ (the “Underwriter”), hereby certifies as set forth below with respect to the sale of the Bonds issued by the Vermont Municipal Bond Bank (d/b/a the Vermont Bond Bank) (the “Bond Bank”).

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering price of the Bonds to the Public by the Underwriter are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Underwriter in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Underwriter to purchase the Bonds.

(b) The Underwriter was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Underwriter constituted a firm bid to purchase the Bonds.

(d) The Underwriter has an established industry reputation for underwriting new issuances of municipal bonds.

2. Defined Terms.

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(b) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Bond Bank (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

* Preliminary, subject to change.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the Bonds. The Sale Date of the Bonds is March 8, 2023.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Bond Bank with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., bond counsel to the Bond Bank, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Bond Bank from time to time relating to the Bonds.

[SUCCESSFUL BIDDER], as Underwriter

By: _____

Name: _____

March __, 2023