



2010 ANNUAL REPORT

ENABLING LEGISLATION

10 VSA, Chapter 12

“The Legislature finds that it is necessary to alleviate and prevent unemployment and underemployment and to raise the per capita income within the state, that the development and increase of industry, including the further processing of agricultural products, within the state will promote the prosperity and general welfare of all citizens, and that this chapter is necessary and desirable in order to accomplish these purposes.”

MISSION

The mission of the Vermont Economic Development Authority shall be to contribute to the creation and retention of quality jobs in Vermont by providing loans and other financial support to eligible and qualified Vermont industrial, commercial and agricultural enterprises.

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Letter of Transmittal

The Honorable James H. Douglas
Governor, State of Vermont
Pavilion Office Building
Montpelier, Vermont

Dear Governor Douglas:

The Staff and Members of the Vermont Economic Development Authority (VEDA) are pleased to submit to you our Annual Report for the fiscal year ended June 30, 2010.

Emerging from the deepest national recession since the 1930's has been difficult, and fiscal year 2010 was another challenging year. Nonetheless, improvements in both the state and national economies give us hope that recovery will be achieved through a sustained period of economic growth. VEDA's role in helping to stimulate that economic growth in Vermont is once again evident in the numbers. Loans closed in FY2010 numbered 322, topping the record of 314 closings in 2009. Financings closed during the period totaled nearly \$80 million. The average hourly wage of the jobs created at these companies was \$24.19.

The true Vermont heroes behind these numbers are the courageous and entrepreneurial business leaders who chose to continue making investments in the face of economic uncertainty. We salute them. We also want to gratefully acknowledge the contributions of VEDA's dedicated Staff, who work so diligently to meet the needs of the Authority's borrowers, helping them to meet their business financing goals.

VEDA's work helping to stimulate economic activity in Vermont received boosts both from State and Federal dollars in FY2010. For this fiscal year, the Authority received \$1.950 million in State funding, helping VEDA to reduce interest rates and pass these savings on to Vermont businesses and farmers. Through the American Recovery and Reinvestment Act (ARRA), VEDA's federal tax-exempt bond capacity was increased by \$135 million – an amount VEDA worked successfully to allocate in its entirety prior to the federal deadline. These Recovery Zone Facility Bonds enabled VEDA to greatly expand its loan eligibility requirements, and to assist businesses which the Authority had previously not been able to serve.

VEDA's agricultural financing program, the Vermont Agricultural Credit Corporation (VACC), outpaced its FY2009 loan volume, helping to sustain the operations of Vermont farmers still struggling in the face of drastically-reduced milk prices. In FY2010, VACC made 208 low-interest agricultural loans totaling \$17.6 million.

Over the years, as Vermont's economy has fluctuated in response to national economic trends, VEDA has consistently offered innovative and flexible, yet prudent, financing alternatives to Vermont businesses. Since its inception in 1974, the Authority has provided over \$1.7 billion in financing assistance to thousands of eligible Vermont manufacturers, small businesses, and family farms.

Thank you, Governor, for your strong support of VEDA's work over the years. We also wish to thank the members of the Vermont General Assembly, and our committed Board of Directors for supporting the Authority in its mission to help create jobs and ensure the vitality of Vermont's economy.

Sincerely,



A handwritten signature in black ink that reads "Rosalea W. Bradley".

Rosalea 'Jo' Bradley
Chief Executive Officer

A handwritten signature in black ink that reads "John D. Hashagen, Jr.".

John D. Hashagen, Jr.
Chair



DIRECT LOAN PROGRAM 2010 FEATURED BORROWERS AND LOAN APPROVALS

This program assists borrowers in financing fixed assets. It is utilized in cooperation with commercial banks. VEDA may either make its own direct loan or may purchase a portion of a bank loan.

BRATTLEBORO CARBON HARVEST ENERGY, LLC BRATTLEBORO, VT



Begun in 2009, Carbon Harvest Energy, LLC develops methane gas-to-energy projects integrated with agricultural systems that convert waste and pollutants into valuable green products for the community. With the help of a \$360,000 direct loan from VEDA and \$500,000 from the Clean Energy Development Fund, Carbon Harvest Energy was able to partially fund Phases I and II of a \$1 million project to acquire, restore and upgrade an existing gas-to-energy plant at the Brattleboro landfill.



The Brattleboro Carbon Harvest project will capture landfill gas currently emitted by the Brattleboro landfill through an upgraded gas collection system, and build a new 310 kW combined heat and power generation plant. The project eventually will generate up to 560 kW of electricity to be sold to Central Vermont Public Service. The Brattleboro project is one of six methane gas-to-energy projects that Carbon Harvest hopes to develop within the Vermont-New Hampshire-Northern New York area in the next five years.



BENNINGTON IRONWORKS BENNINGTON, VT

Established in 1968, Bennington Ironworks designs, details, fabricates and erects structural steel, steel bar joists, metal decking and miscellaneous products. The company's 60,000 square foot facility on 17 acres provides the capacity for their 45 employees to fabricate up to 500 tons of structural steel each week. VEDA provided \$70,800 in financing assistance as part of a \$177,000 project to help Bennington Ironworks purchase specialized production machinery and equipment.



Bennington Ironworks



Bennington Ironworks

SUGARBUSH RESORT (SUMMIT VENTURES, NE, LLC) WARREN, WAITSFIELD AND FAYSTON, VT



First opened in 1958, Sugarbush Resort is now a 5,100 acre, four season resort in Warren, Waitsfield and Fayston with ski base areas on both Lincoln Peak and Mt. Ellen. Over the past several years, resort owners, Summit Ventures, have undertaken a comprehensive redevelopment project at the Lincoln Peak Base Area. VEDA provided \$1.3 million in financing assistance for a two-part \$8.86 million construction and land improvement project to complete the redevelopment of that area.

The first part of the project included construction of two new skier services buildings at Lincoln Peak Base Area, including a new 13,000 square foot building to provide space for the children’s ski school programs. The second part of the project involved the replacement of two pipelines critical to the Resort’s snowmaking capabilities: one bringing water to the Lincoln Peak Base Area from the Mad River, and the other bringing water to the Mt. Ellen Base Area from Slide Brook. Financing for the project also included participation by NBT Bank and equity funding under the federal government’s EB5 Investor Visa Program.



COMMONWEALTH DAIRY, LLC BRATTLEBORO, VT

Commonwealth Dairy is an exciting new Brattleboro company being formed to produce yogurt primarily using Vermont milk. The project is a joint venture between Erhmann, AG, a well-established German yogurt manufacturer, and several U.S. investors with experience in American dairy production industries and markets. Commonwealth Dairy is constructing a 39,000 square foot yogurt production facility on 5.9 acres of land in the Delta Campus at the southern end of Brattleboro.

VEDA approved a \$1.3 million loan as part of a \$26.3 million financing package utilizing the U.S. Treasury Department's New Market Tax Credits to provide a portion of the equity funding for the project. Also participating in the project are Wainwright Bank and U.S. Bankcorp.



When Commonwealth Dairy reaches production capacity, the new facility is projected to purchase approximately 30 million pounds of Vermont milk annually and produce over 50 million pounds of yogurt each year. Within three years of start-up, it is projected that Commonwealth Dairy will create 24 jobs at the plant.

2010 DIRECT LOAN PROGRAM APPROVALS

Name	Town	County	Loan Amount
Ascutney Mountain Resort	Brownsville	Windsor	\$ 1,450,000.00
Bennington Iron Works, Inc.	Bennington	Bennington	70,800.00
BLI Hospitality Group, Ltd. d/b/a Brass Lantern Inn and Lewis, George M. and Mary Anne	Stowe	Lamoille	346,500.00
Brattleboro Carbon Harvest, LLC	Brattleboro	Windham	360,000.00
Commonwealth Dairy, LLC	Brattleboro	Windham	1,300,000.00
Essex Inn Partners, Ltd.	Essex	Chittenden	300,000.00
Essex Inn Partners, Ltd.	Essex	Chittenden	1,000,000.00
Ferrisburg Solar Farm, LLC	Ferrisburg	Addison	1,300,000.00
Flex-A-Seal, Inc.	Essex Junction	Chittenden	51,176.00
Flex-A-Seal, Inc.	Essex Junction	Chittenden	122,000.00
Golden Stage Inn (The)	Proctorsville	Windsor	202,500.00
Green Mountain Urology, Inc. and GMU, LLC	Middlebury	Addison	130,781.00
Gristmill Properties, LLC	Stowe	Lamoille	331,026.00
Injections, Inc. d/b/a Denmark Plastics	North Ferrisburg	Addison	258,600.00
Inner Traditions International, Ltd.	Rochester	Windsor	20,000.00
L. Brown & Sons Printing, Inc.	Barre	Washington	460,000.00

2010 DIRECT LOAN PROGRAM APPROVALS, continued

Name	Town	County	Loan Amount
Long Point Road, LLC	North Ferrisburg	Addison	200,000.00
Montchilly, Inc. d/b/a Northern Lights Lodge	Stowe	Lamoille	490,000.00
New England Supply, Inc.	Williston	Chittenden	380,000.00
Queen City Printers, Inc.	Burlington	Chittenden	127,600.00
Rhapsody Natural Foods, Inc.	Cabot	Washington	62,906.00
Rhapsody Natural Foods, Inc.	Cabot	Washington	13,246.00
Skinny Pancake, Inc. (The), The Skinny Pancake - Montpelier, LLC and Local Foodhub, LLC	Burlington	Chittenden	154,560.00
Sugarsnap, LLC	Burlington	Chittenden	75,000.00
Summit Ventures NE, LLC	Warren	Washington	1,300,000.00
Sunrise Development, LLC	Morristown/Hyde Park	Lamoille	825,000.00
Three Lemnah Drive, LLC	St. Albans	Franklin	210,000.00
Veremedy, LLC	Hartford	Windsor	312,000.00
Vermont Butter & Cheese Company, Inc.	Barre	Washington	250,000.00
Vermont Renewable Energy Company, LLC	Island Pond	Essex	1,300,000.00
Vermont Wildwoods, LLC	Marshfield	Washington	74,400.00
Vermont Wood Pellet Company, LLC	Clarendon	Rutland	100,000.00
Vt. Sports Car	Colchester	Chittenden	1,200,000.00
Woodlan Tool & Machine Co., Inc.	Bellows Falls	Windham	<u>96,329.63</u>
Total 2010 Direct Lending			\$14,874,424.63

VERMONT AGRICULTURAL CREDIT CORPORATION (VACC) 2010 FEATURED BORROWERS AND LOAN APPROVALS

VACC is a nonprofit corporation which provides credit to farmers and agricultural facilities who are not having their financing needs fully met by conventional agricultural credit sources. Loans are available from VACC to strengthen existing farm operations, encourage diversification, support beginning farmers and to encourage marketing and processing of Vermont agricultural products. In the last five years, VACC has made \$61 million in loans to Vermont family farms.

VALLEY DREAM FARM, LLC CAMBRIDGE, VT

Joe and Anne Tisbert, together with their son, Jay, operate Valley Dream Farm, a 300-acre organic vegetable farm in Cambridge and Underhill. Formerly operated by the Tisberts as a dairy farm, Valley Dream Farm has been diversified to produce vegetables for local food cooperatives, farmers' markets, and Community Supported Agriculture shares. The farm property includes two homes, barn space for vegetable processing and storage, an attractive roadside farm stand, four greenhouses (three of which are heated), and several smaller outbuildings for equipment storage and shop work.





Valley Dream Farm

VACC financing provided the \$394,000 in capital that the Tisbert family needed to continue to grow and successfully manage their organic farm operation.



JOHN AND BILLIE JO FORGUES ADDISON, VT



Transfer of an Addison family dairy farm from one generation to another was achieved utilizing \$620,000 in financing through the Vermont Agricultural Credit Corporation. The \$1.2 million project enabled John 'Jack' and Billie Jo Forgues to purchase the attractive 381-acre, 210-cow farm on Route 17 from Jack's parents. Jack has worked for his parents on the farm for the past seventeen years. Along with his wife, Billie Jo, Jack now owns the farm's real estate, cattle, machinery and crops. The farm has three full-time employees.



JEREMY AND JENNIFER LEATHER NEWPORT CENTER, VT

Utilizing \$249,500 in VACC financing, Jeremy and Jennifer Leather were able to strengthen their farm operation through refinancing prior debt and making capital improvements. The Leathers operate an 89-cow, 48-acre dairy in Newport Center on the farm they had formerly leased. The facility includes a farmhouse, conventional tie-stall barn served by a milking pipeline and bedded pack, and hoop-style heifer barn with room for 50 heifers. Since owning the farm, the Leathers have improved their mostly Jersey herd's health and milk quality, with milk production now projected at 12,500 pounds per cow annually.



2010 VACC LOAN PROGRAM APPROVALS

Name	Town	County	Loan Amount
Addison County Harvesters, LLP and Hotte, Lucien J. (Jr.) and Jesse J.	Bridport	Addison	\$ 184,500.00
Aines, Dale R. and Tina M.	Rupert	Bennington	15,000.00
Aines, Dale R. and Tina M.	Rupert	Bennington	40,000.00
Auger, Norman	West Glover	Orleans	23,000.00
B and B Nurseries, LLC and Bruce E. Tomlinson	Morristown	Lamoille	71,400.00
Balfe, Robert J. and Susan L.	Orwell	Addison	65,500.00
Balfe, Robert J. and Susan L.	Orwell	Addison	203,000.00
Bathalon, Karen R. and Allan P.	Troy	Orleans	150,000.00
Benjamin, Michael P. and Denna J.	Franklin	Franklin	100,000.00
Benjamin, Michael P. and Denna J.	Franklin	Franklin	100,000.00
Bisson, Gregory and Irish-Bisson, Kimberly	Barre Town	Washington	10,000.00
Bittersweet Farm of Vermont, LLC and Reynolds, Jennifer M. and David A.	St. Albans	Franklin	469,500.00
Bobo's Mountain Sugar, LLC and Chalmers, John Skye	Weston	Windsor	50,000.00
Bodette Farm, LLC and Bodette, Raymond H. and Suzanne M.	Addison	Addison	295,000.00
Boudreau, Louis J. and Francine J.	Irasburg	Orleans	28,200.00
Boutin, Sarah E.	Newport	Orleans	15,075.00
Boyd, Dannie J. and Janet L.	Wilmington	Windham	25,000.00
Boyd, Dannie J. and Janet L.	Wilmington	Windham	216,800.00
Branon Enterprises, Inc. and Branon, Eugene and Desiree	Fairfield	Franklin	510,000.00
Bread & Butter Farm, LLC and Wilson, Adam D. and Pierce, E. Coria	Shelburne	Chittenden	186,500.00
Brooks, Jack A. and Jacoby, Laura B. d/b/a Laughing Brooks Farm and Forest	Albany	Orleans	16,250.00
Brosseau, Roger S. and Simonne M.	Enosburg	Franklin	11,500.00
Browe, Richard P. and Stephanie	Wells	Rutland	30,000.00
Brown, Gary K. and McCoy, Julie A.	Hardwick	Caledonia	31,500.00
Brown, Michael A.	East Montpelier	Washington	12,000.00
Bucossi, Brandon S.	Randolph	Orange	80,400.00
Butler, John A. and Penberthy Butler, Carol A.	Underhill	Chittenden	67,500.00
Carabeau, Larry G. and Cristine H.	Tinmouth	Rutland	86,000.00
Carrier, Charles P.	Williamstown	Orange	15,000.00
Chappelle, Robert N.	Williamstown	Orange	5,000.00
Chaput Family Farms Partnership, Chaput, Reg O. and Michael R.	Troy/Newport Center	Orleans	42,500.00
Chimney Point Farm Limited Partnership and Smith, Robert, Rita, Peter and Dawn	Addison	Addison	22,000.00
Chimney Point Farm Limited Partnership and Smith, Robert, Rita, Peter and Dawn	Addison	Addison	66,000.00
Chimney Point Farm Limited Partnership and Smith, Robert, Rita, Peter and Dawn	Addison	Addison	13,100.00

2010 VACC LOAN PROGRAM APPROVALS

Name	Town	County	Loan Amount
Choate, Alexander I. and Matthew A.	Barnet	Caledonia	238,000.00
Colvin, Gerald E. and Diane L.	Wallingford	Rutland	12,000.00
Crazy 8 Farm, Inc. and Brasseur, Roland J. and Suzanne F.	Newport Center	Orleans	153,150.00
Crazy 8 Farm, Inc. and Brasseur, Roland J. and Suzanne F.	Newport Center	Orleans	35,000.00
D & N Farm Partnership and Mead, Dale E. and Neil F.	East Charleston	Orange	15,000.00
Davenport, Alan D. and Christine H.	Wallingford	Rutland	12,000.00
Davis, Gary L. and Tammy L.	Jericho	Chittenden	50,000.00
Davis, Gary L. and Tammy L.	Jericho	Chittenden	10,000.00
Davis, Gary L. and Tammy L.	Jericho	Chittenden	25,000.00
de la Bruere, Paul	Swanton	Franklin	12,000.00
Decker, Daryl W. and Sherri J.	Jeffersonville	Lamoille	120,000.00
Decker, Daryl W. and Sherri J.	Jeffersonville	Lamoille	25,500.00
East Shore Vineyard, LLC and Livingstone, Robert S. and Linda A.	Grand Isle	Grand Isle	60,000.00
Fair Food Farm, LLC; Yetman, Matthew T. and Curtis-Murphy, Emily	East Calais	Washington	9,000.00
Farmer, Andrew P. and India B.	Pawlet	Rutland	31,500.00
Fay, James M. and Marie D.	Guildhall	Essex	50,000.00
Finnell Hollow Farm, Inc. and Moyer, Ernest K. (Sr.), Kenneth and Richard	Rutland	Rutland	20,000.00
Fish, Marcus S. and Maria A.	Tinmouth	Rutland	15,000.00
Forgues, John E. and Billie Jo C.	Addison	Addison	270,000.00
Forgues, John E. and Billie Jo C.	Addison	Addison	250,000.00
Forgues, John E. and Billie Jo C.	Addison	Addison	100,000.00
Forrest, Theresa J.	Florence	Rutland	50,000.00
Gagne, Roger G.	Franklin	Franklin	25,000.00
Gagne, Roger G.	Franklin	Franklin	14,000.00
Gaines, Robert E. (Jr.) and Jacqueline A.	Guilford	Windham	25,000.00
Gates Farm, LLC	Cambridge	Lamoille	96,500.00
Gaylord, Hadley M. (Jr.)	Waitsfield	Washington	28,500.00
Gaylord, Hadley M. (Jr.)	Waitsfield	Washington	20,500.00
Gingue Brothers Dairy, LLC, Gingue, Daniel G. and Shawn P.	Fairfax	Franklin	400,000.00
Gingue Brothers Dairy, LLC, Gingue, Daniel G. and Shawn P.	Fairfax	Franklin	350,000.00
Gingue Brothers Dairy, LLC, Gingue, Daniel G. and Shawn P.	Fairfax	Franklin	100,000.00
Gleason, Randy L. and Heidi L.	Derby	Addison	33,750.00
Glen-Mar Dairy; Hayward, Glen C. and Martha G.	Castleton	Rutland	50,000.00
Graham Farms Partnership and Graham, Rodney P. and Barbara C.	Williamstown	Orange	110,000.00
Graham Farms Partnership and Graham, Rodney P. and Barbara and Couillard, Matthew T.	Williamstown	Orange	23,500.00
Graham Farms Partnership and Graham, Rodney P. and Barbara and Couillard, Matthew T.	Williamstown	Orange	25,000.00

2010 VACC LOAN PROGRAM APPROVALS, continued

Name	Town	County	Loan Amount
Guillemette, Bernard A. and Joanne H.	Shelburne	Chittenden	36,700.00
Hammond, Leonard S. and Joanne L.	Newport Center	Orleans	35,800.00
Hammond, Leonard S. and Joanne L.	Newport Center	Orleans	7,500.00
Harvey Farms, A Partnership and Harvey, N. Kimber and Matthew P.	Pittsford	Rutland	450,000.00
Harvey Farms, A Partnership and Harvey, N. Kimber and Matthew P.	Pittsford	Rutland	83,500.00
Hastings, Dana R.	Windsor	Windham	45,800.00
Hastings, Thomas Mark d/b/a Black Bear Sugarworks	Brattleboro	Windham	96,000.00
Hastings, Thomas Mark d/b/a Black Bear Sugarworks	Brattleboro	Windham	20,000.00
Howrigan's Maple Orchard, LLC, Howrigan, Ryan F. and Samuel W.	Fairfield	Franklin	63,000.00
Howrigan's Maple Orchard, LLC, Howrigan, Ryan F. and Samuel W.	Fairfield	Franklin	77,275.00
Huestis, Arthur W. and Joan R.	Bridport	Addison	160,000.00
Hunt, Robert J. and Suzanne B.	Addison	Addison	80,000.00
Islandacres Farm, LLC	South Hero	Grand Isle	40,000.00
J & M Ladd Families Farm; Ladd, Jedediah P. (Sr.) and Mary L.	Alburg	Grand Isle	30,000.00
J & M Ladd Families Farm; Ladd, Jedediah P. (Sr.) and Mary L.	Alburg	Grand Isle	35,500.00
Joneslan Farm, LLC and Jones, Brian A. and Steven R.	Hyde Park	Lamoille	39,000.00
Lake Home Farm, Inc. and Audet, Gerry J.	Orwell	Addison	13,000.00
Lake Home Farm, Inc. and Audet, Gerry J. and Cheryl A.	Orwell	Addison	10,000.00
Lake Home Farm, Inc. and Audet, Gerry J. and Cheryl A.	Orwell	Addison	8,200.00
Lapointe, Tami R. and Estate of Richard Lapointe	Holland	Orleans	7,200.00
Leather, Jeremy M. and Jennifer L.	Newport Center	Orleans	22,000.00
Leather, Jeremy M. and Jennifer L.	Newport Center	Orleans	15,500.00
Leather, Jeremy M. and Jennifer L.	Newport Town	Orleans	212,000.00
Leblanc, Roger R. and Patricia A.	Hardwick	Caledonia	108,000.00
Leblanc, Jonathan M.	Hardwick	Caledonia	20,000.00
Lee, Joseph P.	Marshfield	Washington	10,000.00
Lilyquest, LLC; Satz, Jonathan E. and Courtney M.	Brandon	Rutland	100,000.00
Lindstrom Farm, LLC	Cabot	Washington	240,000.00
Lussier Dairy at Lone Pine Farm, Inc. and Lussier, Paul M. and Kari Lee	Benson	Rutland	108,200.00
Machia, Thomas J.	St. Albans Town	Franklin	30,000.00
Marchant, David J. and Sorensen, Jane T.	Fairfax	Franklin	10,000.00
Marszalkowski, Richard R.	Panton	Addison	50,000.00
Masse, Marcel R. and Paula M.	Craftsbury	Orleans	12,000.00
Masse, Ronald E.	Wolcott	Lamoille	10,000.00
McCullough, Burton H. and Shirley A.	Proctor	Rutland	25,000.00
McNaughten, Neal H. and Harris, Gwyneth E.	Wolcott	Lamoille	170,000.00

2010 VACC LOAN PROGRAM APPROVALS, continued

Name	Town	County	Loan Amount
MD Howrigan, Inc.	Enosburg	Franklin	9,000.00
MD Howrigan, Inc. and Howrigan, Michael D. and Judith B.	Enosburg	Franklin	50,000.00
MD Howrigan, Inc. and Howrigan, Michael D. and Judith B.	Enosburg	Franklin	825,000.00
MD Howrigan, Inc. and Howrigan, Michael D. and Judith B.	Enosburg	Franklin	30,000.00
Middlebrook Farm, Inc.; deBoer, Joannes J. and Tini	Waltham	Addison	50,000.00
Mierop Farms, Inc. and Mierop, David W. and Abraham J.	Bristol	Addison	114,800.00
Miller, Nathan	Weybridge	Addison	137,700.00
Miller, Nathan	Weybridge	Addison	15,500.00
Morin, John G.	Derby Line	Orleans	50,000.00
Morse, David F. and Kathryn M.	Calais	Washington	45,000.00
Munger, Randall Lee	Bridport	Addison	7,000.00
Myrick, Wright S.	Bridport	Addison	20,000.00
Myrick, Wright S.	Bridport	Addison	10,000.00
Newell, Brent O.	Wardsboro	Windham	41,000.00
Newton Farms, Inc. and Ellis, William J., Anne E., Daniel and Pamela	Georgia	Franklin	65,700.00
Newton, Stephen P. and Denise M.	Marshfield	Washington	10,000.00
Nor-Dic Farm, Inc. and Thurber, Richard N. and Linda L.	Panton	Addison	90,500.00
Olcott, Gary A. and Veronica E.	St. Johnsbury/Kirby	Caledonia	28,500.00
Oscielowski, John P.	West Rutland	Rutland	12,600.00
Oscielowski, John P.	West Rutland	Rutland	144,200.00
Oscielowski, John P.	West Rutland	Rutland	30,000.00
Peaslee, Janice L.	Guildhall	Essex	50,000.00
Pelletier, Marilyn C. d/b/a Breezy Acres Garden Center	St. Albans	Franklin	39,300.00
Pine Hill View Farm II, LLC and Strohmaier, Henry M.	Bennington	Bennington	50,000.00
Pullman, David L.	Williamstown	Orange	10,000.00
Pullman, David L.	Williamstown	Orange	50,000.00
Pullman, David L.	Williamstown	Orange	291,000.00
Purinton, Scott M. and Mary L.	Bristol	Addison	35,000.00
Purinton, Scott M. and Mary L.	Bristol	Addison	15,000.00
Pyle, Michael L. and Julie L.	Bridport	Addison	300,000.00
Pyle, Michael L. and Julie L.	Bridport	Addison	282,000.00
Pyle, Michael L. and Julie L.	Bridport	Addison	400,000.00
Pyle, Michael L. and Julie L.	Bridport	Addison	140,000.00
Quesnel, Randall M. and Jean M. and L & R Farms, LLC	Cornwall	Addison	161,000.00
Quesnel, Randall M. and Jean M.	Salisbury	Addison	40,600.00
Rapanotti, Gary A.	Chester/Rockingham	Windsor	376,000.00
Rapanotti, Gary A.	Chester/Rockingham	Windsor	26,500.00
Reed, Allen G. and Janet M.	Craftsbury Common	Orleans	12,150.00
Reed, Allen G. and Janet M.	Craftsbury Common	Orleans	12,500.00

2010 VACC LOAN PROGRAM APPROVALS, continued

Name	Town	County	Loan Amount
Reising, David K.	Cornwall	Addison	5,000.00
Roberts, John D. E. and Elizabeth W.	Cornwall	Addison	50,000.00
Robeth Holsteins, LLC and Kennett, Robert G., Elizabeth G., Thomas G. and David G.	Rochester	Windsor	845,000.00
Rolling Acres Farm, A Partnership; Sunderland, L. Harold & Larry E.	Bridport	Addison	50,000.00
Roy, Moses L.	East Ryegate	Caledonia	42,200.00
Roy, Moses L.	East Ryegate	Caledonia	15,000.00
Rozendaal, Eric W. and Keenann K. d/b/a Rockville Market Farm	Starksboro	Addison	40,000.00
Russo, Jeremy C. and Jennie C.	Pawlet	Rutland	14,500.00
Sartelle, David A. and Patricia A.	Danville	Caledonia	13,500.00
Scholten, Roger H. and Patricia J.	Weybridge	Addison	434,150.00
Scotch Burn Farm, LLC and Nelson, Fremont R., Marsha H., Ethan R. and Erin S.	Ryegate	Caledonia	25,000.00
Scotch Burn Farm, LLC and Nelson, Fremont R., Marsha H., Ethan R. and Erin S.	Ryegate	Caledonia	28,000.00
Scribner, Stanley R. and Catherine J.	Middlesex	Washington	71,000.00
Shatney, Ray V.	Greensboro	Orleans	38,000.00
Shatney, Ray V.	Greensboro	Orleans	11,000.00
Shatney, Ray V.	Greensboro	Orleans	8,500.00
Sidelands Sugarbush, A Partnership	Westminster	Windham	20,000.00
Smart, Nathan L. and Darcy R.	Brunswick	Essex	95,000.00
Solheimar, LLC; Brickner, Jason A. and Brynjarsdottir, Sigrun M.	Tunbridge	Orange	424,500.00
Steel, Troy G. and Jessica C.	Jeffersonville	Lamoille	254,000.00
Stone, Paul A. and Frances L.	Orwell	Addison	34,500.00
Stone, Paul A. and Frances L.	Orwell	Addison	73,200.00
Summerwood Farm, LLC; Rice, Nathan M. and Sarah	Shelburne	Chittenden	542,000.00
Sweet, Kenneth A. and Ducey, Janette M.	Berkshire	Franklin	68,000.00
Sweet, Ronnie J. and Carol A.	Georgia	Franklin	28,000.00
Symon, Glenn R. and Judith T.	Shoreham	Addison	35,200.00
Tamarack Tunis, LLC and Machin, Ben E.	Corinth	Orange	100,000.00
Tanguay, Michael J.	Brunswick	Essex	50,000.00
Tanner, Hayden L. (Jr.) and Hubbard, Elizabeth O.	Sutton	Caledonia	180,000.00
Terrier, Lee F. and Lisa M.	Middlebury	Addison	23,000.00
Thomas, Brad D. and Jill C.	Orwell	Addison	22,000.00
Toof, Kyle C. and Laurie S.	Fairfield	Franklin	26,300.00
Triple A Landscaping, LLC and Ackermann, James A. and Ian R.	Cabot	Washington	175,000.00
Urie, Bruce A. and Elizabeth D.	Craftsbury	Orleans	16,000.00
Urie, Bruce A. and Elizabeth D.	Craftsbury	Orleans	14,500.00
Valley Dream Farm LLC; Tisbert, Joseph M. and Anne M.	Cambridge	Lamoille	319,645.00
Valley Dream Farm LLC; Tisbert, Joseph M. and Anne M.	Cambridge	Lamoille	75,000.00
Vandeweert, Timothy J.	Ferrisburg	Addison	30,000.00
Vandeweert, Timothy J.	Ferrisburg	Addison	82,400.00

2010 VACC LOAN PROGRAM APPROVALS, continued

Name	Town	County	Loan Amount
Vandeweert, Timothy J.	Ferrisburg	Addison	20,000.00
Vermont Compost Company	Montpelier	Washington	203,000.00
Vermont Compost Company	Montpelier	Washington	150,000.00
Vermont Compost Company	Montpelier	Washington	100,000.00
Vermont Herb & Salad Company and McDermott, Jared and Heather	Benson	Rutland	130,500.00
Vermont Shepherd, LLC	Putney	Windham	100,000.00
Wetherby, Ronald L. and Marybeth E.	Fair Haven	Rutland	20,000.00
Wetherby, Ronald L. and Marybeth E.	Fair Haven	Rutland	220,000.00
Whistlepig, LLC d/b/a Whistlepig Farm and Bhakta, Raj P.	Shoreham	Addison	275,000.00
Whistlepig, LLC d/b/a Whistlepig Farm and Bhakta, Raj P.	Shoreham	Addison	100,000.00
Woodnotch Farms, Inc.; Wood, Loren C., Gail S., Lance C., Leslie C., and Loren C. (Jr.)	Shoreham	Addison	25,000.00
Woods, David L. and Ardith L.	Berkshire	Franklin	100,000.00
Young, Alan H.	Craftsbury	Orleans	2,000.00
Young, Jason W. and Jeremy W.	Berlin	Washington	19,400.00
Young, Jason W. and Jeremy W.	Berlin	Washington	19,500.00
Zaun, Peter W. and Dorene D.	Granby	Essex	48,500.00
Zaun, Peter W. and Dorene D.	Granby	Essex	<u>77,800.00</u>
Total 2010 VACC Lending			\$18,670,645.00



VERMONT SMALL BUSINESS LOAN PROGRAM 2010 FEATURED BORROWERS AND LOAN APPROVALS

This program is designed to help small businesses acquire working capital, and financing for fixed assets needs. One of VEDA's fastest-growing programs, the Small Business Loan Program has grown by 200% over the last five years.

TERRY PRECISION BICYCLES FOR WOMEN, INC. SOUTH BURLINGTON, VT

VEDA provided 50% of the financing for a \$350,000 working capital project to relocate a women's bicycle company from New York to Vermont. Started in 1985, Terry Precision Bicycles for Women, Inc. has become the pioneer in bicycles and equipment designed especially for women. Terry Precision Bicycles will use the \$175,000 in VEDA small business financing, as well as a matching amount provided by the Vermont Community Loan Fund, to invest in the company's marketing program, boost sales, and fund relocation expenses. Expected employment at the company, which will be located in South Burlington, is sixteen positions.



INN VICTORIA CHESTER, VT

Dan and Penny Cote had dreamed of owning their own inn or bed & breakfast. When the Inn Victoria in Chester came on the market, the Cotes purchased the property. Utilizing a \$200,000 loan from VEDA's Small Business Loan Program as part of their financing package, the Cotes bought the 6,500 square foot inn on .28 acres, complete with owner's quarters, and a separate 350 square foot outbuilding with retail potential. The Inn



has undergone extensive renovations over the past five years, making it a turnkey operation, and the Cotes are confident they will be able to grow the already successful business.



2010 VERMONT SMALL BUSINESS LOAN PROGRAM APPROVALS

Name	Town	County	Loan Amount
1824 North, Inc. and C & D Enterprises North, LLC	Waitsfield	Washington	\$ 200,000.00
33 Blair Park, LLC	Williston	Chittenden	52,833.00
40 Farrell Street Property, LLC	Charlotte	Chittenden	75,396.00
Adams Granite Co., Inc.	Barre Town	Washington	38,000.00
Allen Pond Dental PLC	Rutland	Rutland	192,230.00
Bagel Store (The)	Montpelier	Washington	84,000.00
Bagel Works, Inc.	Brattleboro	Windham	78,204.00
BPRF Holdings, Inc. d/b/a Blue Planet Reef Farms	Winooski	Chittenden	106,500.00
Caledonia Spirits, Inc. and Thornhill Farm, LLC	Hardwick	Caledonia	88,750.00
Carpenter, Brian R. and Provost, Joshua	Derby	Orleans	200,000.00
Christopher and Linda Francis Corporation d/b/a Ye Olde England Inne	Stowe	Lamoille	150,000.00
Compass School, Inc. (The)	Westminster	Windham	100,000.00
Cornell Main Street, LP	Burlington	Chittenden	50,000.00
Cornerstone Restoration Corporation, LLC	Hardwick	Caledonia	200,000.00
Corsones, Christopher T. d/b/a Corsones & Corsones	Rutland	Rutland	10,125.00
D & P Hawk North Management, LLC	Stockbridge/Rochester	Rutland	144,000.00
Earth Brothers, Ltd. d/b/a Black River Produce and Curran-Birge Real Estate Partnership, LLC	Springfield	Windsor	98,453.00
EDW Realty, Inc.	Brattleboro	Windham	100,000.00
Farmer, Andrew P. and India B. d/b/a Northeastern Vine Supply	W. Pawlet	Rutland	31,500.00
Fave, Inc. d/b/a Pie In The Sky	Stowe	Lamoille	18,000.00
Field House, LLC	Shelburne	Chittenden	64,152.00
Good Times Ludlow, LLC d/b/a Ludlow Country Store and Dilworth, Cynthia A. and Chiari, Angelo	Ludlow	Windsor	120,000.00
Grow Compost of Vermont, LLC	Moretown	Washington	100,000.00
Hands off My Cheese, LLC	Waterbury	Washington	141,000.00
Highland Sugarworks, Inc.	Barre	Washington	55,000.00
Hooker Estates, Inc.	Shelburne	Chittenden	50,000.00
HRH Management, LLC	North Bennington	Bennington	145,053.00
Inn Victoria Realty, LLC	Chester	Windsor	200,000.00
Inner Traditions International, Ltd.	Rochester	Windham	20,250.00
J.G.F., LLC d/b/a Carpet Network	Colchester	Chittenden	50,000.00
Julianne Jones Living, LLC	Vergennes	Addison	50,000.00
KLW Properties, LLC	Essex	Chittenden	89,000.00
Lajeunesse Interiors, Inc. and Hutchins Building 996 East Barre, LLC	Barre Town	Washington	78,000.00
Moriah South, LLC	Bristol	Addison	250,000.00
Mountain Wastewater Treatment, Inc.	Warren	Washington	32,250.00
Nash, Lisa G.	Putney	Windham	28,200.00
Newhouse Shelburne, LLC	Shelburne	Chittenden	200,000.00

2010 VERMONT SMALL BUSINESS LOAN PROGRAM APPROVALS, continued

Name	Town	County	Loan Amount
Pommoff Group, LLC (The)	Bristol	Addison	122,000.00
Premium Properties Northfield, LLC and Premium Properties, LLC	Northfield	Washington	200,000.00
Rainbow Pediatrics, P.C.	Middlebury	Addison	40,000.00
Ryan, Deborah C. and Michael J.	Springfield	Windsor	176,500.00
Senesac Lawn & Garden, Inc. d/b/a Exit 18 Equipment	Georgia	Franklin	8,000.00
Sports and Fitness, Inc.	Williston	Chittenden	200,000.00
Sterling House, LLC	Richmond	Chittenden	200,000.00
Summit Ventures NE, LLC	Warren	Washington	40,875.00
Temperature Controls of Vermont, Inc. and MS&MW Properties, LLC	Essex Junction	Chittenden	152,000.00
Terry Precision Bicycles For Women, Inc.	South Burlington	Chittenden	175,000.00
Terry Precision Bicycles For Women, Inc.	South Burlington	Chittenden	175,000.00
Thomas Hirchak Company, Inc.	Essex	Chittenden	200,000.00
Thompson, Roy, Janice, Bruce and Beth and Thompson Hill Campground & Country Store, LLC	Topsham	Orange	150,000.00
Turning Point Recovery Center of Springfield, Vt., Inc.	Springfield	Windsor	32,000.00
Vaillancourt Transport, LLC and Ms Weld Ventures LLC	Enosburg Falls	Franklin	200,000.00
Village Enterprises, LLC	Tunbridge	Orange	50,000.00
Woodlan Tool & Machine Co., Inc.	Bellows Falls	Windham	<u>70,000.00</u>
Total 2010 Small Business Lending			\$5,882,271.00

REVENUE BOND PROGRAM

VEDA's Tax-Exempt Revenue Bond Program is designed to aid certain qualified entities by VEDA's issuance of tax-exempt bonds. In these projects, VEDA acts as a conduit issuer, thereby enabling eligible borrowers to access the tax-exempt bond market. Because income earned by purchasers of these bonds is exempt from federal and, in some cases, state tax, these bonds traditionally carry lower interest rates and may carry longer terms than conventional bank loans.

Name	Town	County	Loan Amount
Central Vermont Public Service Corporation *	East Barnet	Caledonia	\$ 25,000,000.00
Community College of Vermont *	Rutland	Rutland	5,895,596.00
Green Mountain Power Corporation - Series A **	Colchester	Chittenden	25,000,000.00
Green Mountain Power Corporation - Series B **	Colchester	Chittenden	5,000,000.00
Heritage Flight *	South Burlington	Chittenden	6,000,000.00
King Arthur Flour Company, Inc. *	Norwich	Windsor	15,000,000.00
Mount Snow, Ltd. *	West Dover	Bennington	25,000,000.00
Skypoint Solar, Inc. *	Essex Junction	Chittenden	25,000,000.00
Southern Vermont College *	Bennington	Bennington	8,500,000.00
St. Albans Cooperative Creamery, Inc. *	St. Albans	Franklin	2,300,000.00
Vt. Center for the Deaf and Hard of Hearing **	Brattleboro	Windham	3,000,000.00
Weidmann Electrical Technology, Inc. *	St Johnsbury	Caledonia	<u>25,000,000.00</u>
Total 2010 Revenue Bond Financing			\$170,695,596.00

* Inducement ** Final Approval

RECOVERY ZONE FACILITY BOND PROGRAM 2010 FEATURED BORROWER

VEDA's Tax-Exempt Recovery Zone Facility Bond Program (RZFB) was enabled by the American Recovery and Reinvestment Act of 2009 (ARRA) and is designed to aid certain businesses through the issuance of tax-exempt bonds. The RZFB Program offers tax-exempt financing for large fixed-asset projects such as manufacturing facilities, other commercial establishments and office buildings.

GREEN MOUNTAIN POWER CORPORATION COLCHESTER, VT

In FY2010, Green Mountain Power (GMP) received VEDA financing assistance to undertake a significant infrastructure improvement project over the next two years. VEDA approved \$25 million in Recovery Zone Facility Bonds, utilizing federal tax exemptions provided through the American Recovery and Reinvestment Act, and an additional \$5 million in taxable bonds to support planned project expenditures.

GMP's planned project improvements in Chittenden, Addison, Caledonia, Washington, Windham and Windsor counties include substation upgrades, renewable energy deployment, hydro-dam refurbishing, and reliability and transmission projects. Total project costs are anticipated to



be \$31.7 million in 2010, with an additional \$46.6 million in capital expenditures in 2011.

GMP serves 122 Vermont communities across nine counties in the state. The electric utility's use of Recovery Zone Facility Bond financing will enable them to complete reliability and renewable generation projects at a lower cost for their customers. In addition, communities will benefit because many of these projects will add to the local property tax base. GMP has 191 employees.

TECHNOLOGY LOAN PROGRAM 2010 FEATURED BORROWERS AND LOAN APPROVALS

This program provides financing to eligible for-profit and non-profit corporations offering technology-based goods and services to consumers located both inside and outside Vermont.

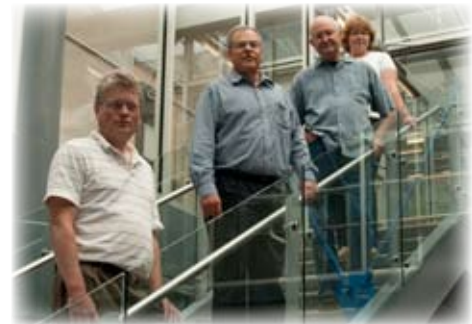
NUMIA MEDICAL TECHNOLOGY, LLC LYNDONVILLE, VT

Numia Medical Technology is a fast-growing company founded in 2005 to design, develop and manufacture state-of-the-art medical drug infusion devices. VEDA approved \$100,000 in technology financing to Numia to help the company purchase new equipment and software used in the manufacture of their products. Numia's syringe and pump systems are designed for continuous infusion of small volume IV medications and fluids at a controlled rate, providing an alternative to other methods of intermittent drug therapies. Numia employs 27 people, a number expected to grow to 35 as a result of the project.



VERMEDX, INC. BURLINGTON, VT

Vermedx began operations in 2006, distributing a decision support software system which improves treatment options for individuals with certain chronic medical conditions. The Vermedx Diabetes Information System enables primary care providers to offer better care to their patients. Through VEDA's Technology Loan Program, a \$100,000 working capital loan was approved, enabling Vermedx to expand the company's production platform and distribution channels. Vermedx employs six people, a number expected to grow to nine within three years of the project.



WATTMETRICS, LLC RANDOLPH, VT

WattMetrics was founded in 2008 to provide turn-key solutions for measuring energy production and demand at homes and businesses. The company's product is an embedded device installed at a customer site that aggregates data from solar power inverters, power meters, and environmental sensors, and interprets that data using online services. The WattMetrics online visualization tools provide homeowners, managers and energy efficiency consultants with detailed, real-time energy profiles of a residence or facility through a simple web connection. With several beta units installed, WattMetrics was ready to take the next step in its business through a plan for increased marketing and sales. With a \$60,000 loan through VEDA's Technology Loan Program, WattMetrics was able to take that step. Within three years, the company hopes to increase employment from two to seven positions.



2010 TECHNOLOGY LOAN PROGRAM APPROVALS

Name	Town	County	Loan Amount
Green Mountain Antibodies, Inc.	Burlington	Chittenden	\$ 45,000.00
Hesfield Enterprises, Incorporated d/b/a Computer Care	Colchester	Chittenden	31,500.00
Numia Medical Technology, LLC	Lyndonville	Caledonia	100,000.00
Semiprobe, LLC	Colchester	Chittenden	150,000.00
Standards Technology Group, Inc.	Jericho	Chittenden	100,000.00
Vermedx, Inc.	Burlington	Chittenden	100,000.00
Wattmetrics, LLC	Randolph	Orange	<u>60,000.00</u>
Total 2010 Technology Lending			\$586,500.00

LOCAL DEVELOPMENT CORPORATION LOAN PROGRAM 2010 FEATURED BORROWER AND LOAN APPROVALS

This program provides financing to non-profit local and regional development corporations to build facilities for lease to identified eligible tenants, or to plan and/or develop industrial parks.

FRANKLIN COUNTY INDUSTRIAL DEVELOPMENT CORPORATION ST. ALBANS, VT

Several decades ago, the Franklin County Industrial Development Corporation (FCIDC) established the 78-acre St. Albans Town Industrial Park, further expanding it in 1981 and 1991 as more employers were attracted by the region's level of support, services, and quality workforce. In 2006, in an effort to continue supporting the growth of manufacturing in Franklin County, FCIDC acquired an adjacent 93-acre parcel of land to expand the park. Significant infrastructure upgrades were needed to accommodate future business development opportunities in the new sections of the park. In FY2010, VEDA



financing of \$1.76 million was approved to help FCIDC expand their inventory of developable land. The \$2.3 million project will extend the road and services from the existing park to the expansion site, creating a number of new lots available for commercial development in future years.

2010 LOCAL DEVELOPMENT CORPORATION LOAN PROGRAM APPROVALS

Name	Town	County	Insured Amount
Bennington County Industrial Corporation	Bennington	Bennington	\$ 22,650.00
Bradford Community Development Corporation	Bradford	Orange	100,000.00
Brattleboro Development Credit Corporation	Brattleboro	Windham	230,000.00
Brattleboro Development Credit Corporation	Brattleboro	Windham	246,000.00
Cynosure, Inc.	Milton	Chittenden	80,000.00
Franklin County Industrial Development Corporation	St. Albans	Franklin	<u>1,766,220.00</u>
Total 2010 Local Development Corporation Lending			\$2,444,870.00

CLEAN ENERGY DEVELOPMENT FUND

VEDA underwrites loans made through the State's Clean Energy Development Fund (CEDF). The purpose of the CEDF is to promote the development and deployment of cost-effective and environmentally sustainable electric power and thermal energy or geothermal resources and emerging energy-efficient technologies – primarily with respect to renewable energy resources, and the use of combined heat and power (CHP) technologies – for the long-term benefit of Vermont consumers.

Name	Town	County	Loan Amount
Brattleboro Carbon Harvest, LLC	Brattleboro	Windham	\$ 500,000.00
Catamount/Bolton Wind, LLC	Bolton	Chittenden	206,200.00
Draker Laboratories, Inc.	Burlington	Chittenden	425,790.00
Eaton Energy, Inc., Auburn Star Farm, Inc.	Lunenburg	Essex	500,000.00
Pellergy, LLC	Montpelier	Washington	<u>250,000.00</u>
Total 2010 Clean Energy Development Fund Lending			\$1,881,990.00



MORTGAGE INSURANCE PROGRAM

This program is designed to aid businesses by insuring loans made by commercial banks to fund working capital or the acquisition of land, buildings, machinery and equipment. Insurance contracts issued by VEDA ensure repayment to banks of commercial loans made for these purposes.

Name	Town	County	Insured Amount
Bradford Veneer & Panel Co., Inc.	Bradford	Orange	\$ 174,000.00
Cabot Hosiery Mills, Inc.	Northfield	Washington	190,039.00
Vermont Composites, Inc.	Bennington	Bennington	1,000,000.00
Vermont Machine Tool, Inc.	Springfield	Windsor	<u>810,000.00</u>
Total 2010 Mortgage Insurance Financing			\$2,174,039.00



VERMONT 504 LOAN PROGRAM

The Vermont 504 Corporation, with SBA's approval, makes SBA 504 loans to eligible and qualified borrowers. To fund these loans, the SBA guarantees debentures which are sold to private investors.

Name	Town	County	Loan Amount
Allen Pond, PLC	Rutland	Rutland	<u>\$ 244,000.00</u>
Total 2010 Vermont 504 Fund Lending			\$ 244,000.00

DRINKING WATER STATE REVOLVING LOAN FUND

This program provides funds to repair or improve existing privately-owned drinking water systems. Borrowers must be reviewed and recommended by the Agency of Natural Resources. Funds may be used to obtain requisite permits, or to design, plan, construct, repair, or improve an existing eligible water system to comply with federal and state standards. Since its inception in 2008, the Drinking Water State Revolving Loan Fund has made \$12.8 million to drinking water cooperatives, mobile home parks and community water systems.

Name	Town	County	Loan Amount
Addison County Community Trust - Lindale	Middlebury	Addison	\$ 26,576.00
Addison County Community Trust - Lindale	Middlebury	Addison	573,424.00
Birch Landing Homeowners Association	Plymouth	Windsor	27,862.00
Bristol Family Center	Bristol	Addison	14,391.00
Dairy Center Enterprises	Enosburg	Franklin	293,283.00
Georgia Industrial Development Corporation	Georgia	Franklin	350,000.00
Green Mountain Camp, Inc.	Dummerston	Windham	107,920.00
Housing Foundation, Inc.	Dummerston	Windham	9,800.00
Mansfield View Water Corporation	Stowe	Lamoille	169,714.00
Mansfield View Water Corporation	Stowe	Lamoille	31,040.00
Mountain Water Company	Warren	Washington	290,000.00
Okemo Village Owners' Association, Inc.	Ludlow	Windsor	211,600.00
Orchard Valley Waldorf School, Inc.	East Montpelier	Washington	11,801.00
Pico Village Water Corporation	Killington	Rutland	90,068.00
Royal Pine Villa, Inc. and Roy, Marcein L. and Mary Ann	Pownal	Bennington	4,925.00
Tara Townhouse Owners' Association, Inc.	West Dover	Windham	113,195.00
The Red Cedar School, Inc.	Bristol	Addison	5,423.00
The Red Cedar School, Inc.	Bristol	Addison	2,755.00
Thetford Academy	Thetford	Orange	129,799.00
Thetford Water Cooperative, Inc.	Thetford	Orange	73,540.00
Thetford Water Cooperative, Inc.	Thetford	Orange	17,114.00
Vermont Elks Charities, Inc.	Ripton	Addison	142,671.00
Whiting Water Corporation	Whiting	Addison	<u>513,780.00</u>
Total 2010 Drinking Water State Revolving Loan Fund Lending			\$3,210,681.00

BROWNFIELDS REVITALIZATION FUND LOAN PROGRAM

This program is designed to provide funding to assist in the redevelopment of contaminated properties. The Brownfields Revitalization Fund (BRF) was established in Vermont statute as part of the State's voluntary contaminated properties cleanup program, known as the Redevelopment of Contaminated Properties Program. In making loans under the program, the BRF utilizes the cooperative expertise of VEDA, the Vermont Agency of Commerce and Community Development and the Vermont Agency of Natural Resources.

Name	Town	County	Loan Amount
Johnson Community Housing Limited Partnership	Johnson	Lamoille	<u>\$182,000.00</u>
Total 2010 Brownfields Revitalization Fund Lending			\$182,000.00

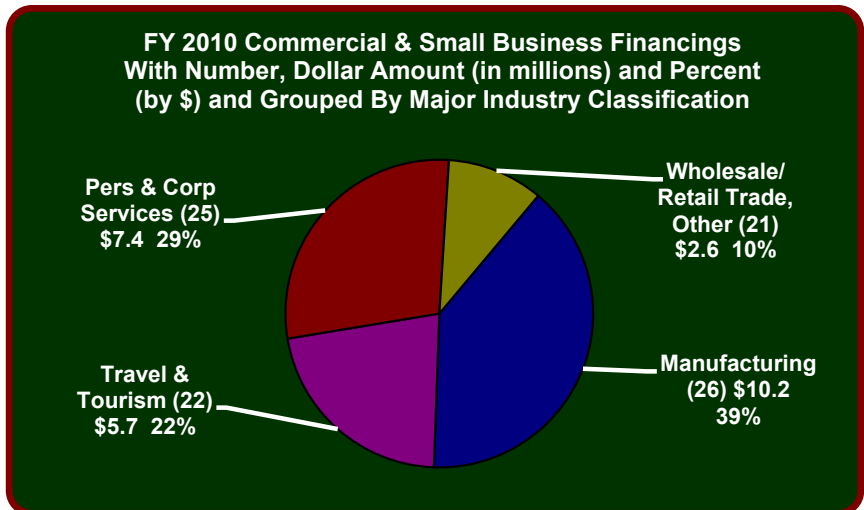


Fiscal Year 2010 Management Analysis

Financings Closed

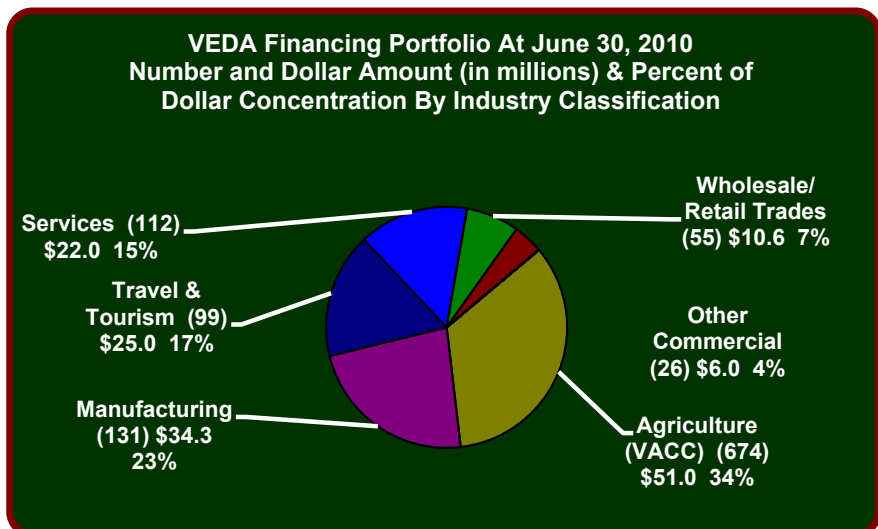
VEDA financing activity in 2010 nearly matched the record year in 2009. Financings in 2010 numbered 322 and totaled \$79.9 million compared with 315 closings totaling \$94.4 million in 2009. Industrial Development Bonds (IDBs) made up the largest dollar amount of activity with \$36.0 million closed and agricultural loans were the greatest in number with 208 loans closed totaling \$17.6 million.

Commercial and small business loans closed in 2010 numbered 94 and totaled \$26.3 million. This compares to 100 closings totaling \$19.4 million in 2009. The commercial and small business financings can be broken into four major industry classifications: manufacturing, travel and tourism, personal and corporate service providers, and wholesale/retail trades and other as shown in the chart to the right.



Combined Portfolio

The combined portfolio of VEDA commercial, agriculture and small business financings outstanding as of June 30, 2009 covers a wide spectrum of industry classifications. The number of outstanding financings increased from 970 and a total of \$138.6 million at June 30, 2009 to 1,097 and a total of \$148.9 million at June 30, 2010. The breakout of financings outstanding at June 30, 2010 by major industry classification is shown to the right.



Fiscal Year 2010 Management Analysis

Interest Rate Subsidy Program: The Effect on Changes in Net Assets (Net Income or Loss)

The core of the Authority's business, and the primary source of its total revenue, comes from notes receivable interest (interest on 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 other overhead costs.

In an effort to foster economic development, the State has provided the Vermont Jobs Fund (VJF) and the Vermont Agricultural Credit Corporation (VACC), the Authority's two largest programs with resources for interest rate subsidy programs. The resources allow the VJF and VACC to offer loan rates below the level necessary to fully cover operating costs (a "subsidy").

Table 1 shows the resources provided by the State since fiscal year 2000, through a combination of appropriations and debt forgiveness totaling almost \$9.0 million to the VJF and VACC for the interest rate subsidy programs. In legislation effective in fiscal 2010, VEDA was provided with an additional \$2.95 million from the State for subsidies.

Table 1: Resources For Subsidies

Resources Provided By the State of Vermont and Dedicated for Interest Rate Subsidies (Amounts in Thousands)			
Yr/Fund	VJF	VACC	TOTAL
2000	\$2,666	\$0	\$2,666
2001	0	250	250
2003	3,050	1,450	4,500
2007	0	100	100
2008	0	165	165
2009	24	1,000	1,024
2010	2,006	950	2,956
Total	\$7,746	\$3,915	\$11,661

Table 2: Change in Net Assets Adjusted For Subsidies

Amounts in thousands	2008	2009	2010
Revenues	\$7,613	\$4,842	\$7,142
Expenses	(8,411)	(8,401)	(6,273)
Operating Loss	(798)	(3,559)	869
Non-operating revenues (expenses)	(252)	1,584	5,888
Change in Net Assets	(\$1,050)	(\$1,975)	\$6,757
Adjustment for Subsidies	850	620	550
Change in Net Assets (Adjusted)	(\$200)	(\$1,355)	\$7,307

Table 2 reports the effect on the change in total net assets in each year by adjusting for the interest lost by subsidizing VJF and VACC loans.

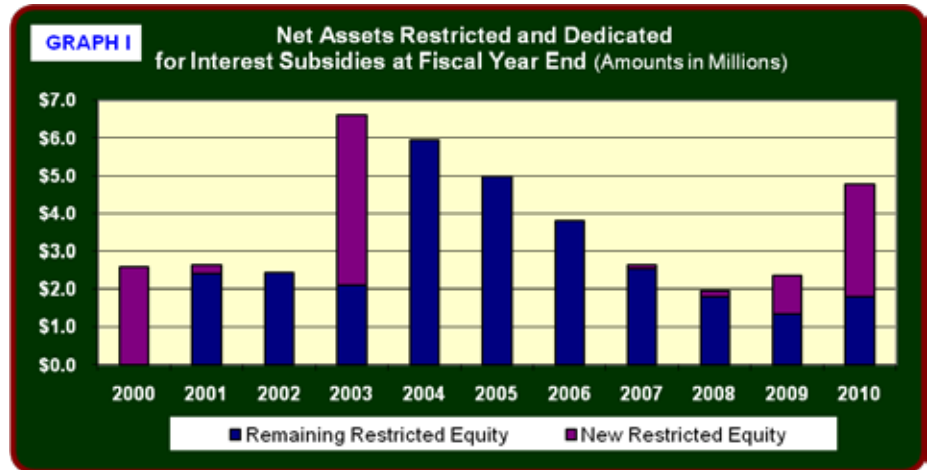
In 2010, investment values rebounded and the Authority benefited from very low interest rates to improve its net interest margin. In 2009, net interest investment and loan losses significantly

impacted revenues and expenses. In 2008, legislation authorized VEDA to grant or distribute the assets, liabilities and net assets of the Job Start Program in its entirety to a non-governmental entity in Vermont. The transfer resulted in a negative change to net assets of \$685 thousand; if not for this non-operating expense, the adjusted change in net assets in 2008 would have been a positive \$485 thousand.

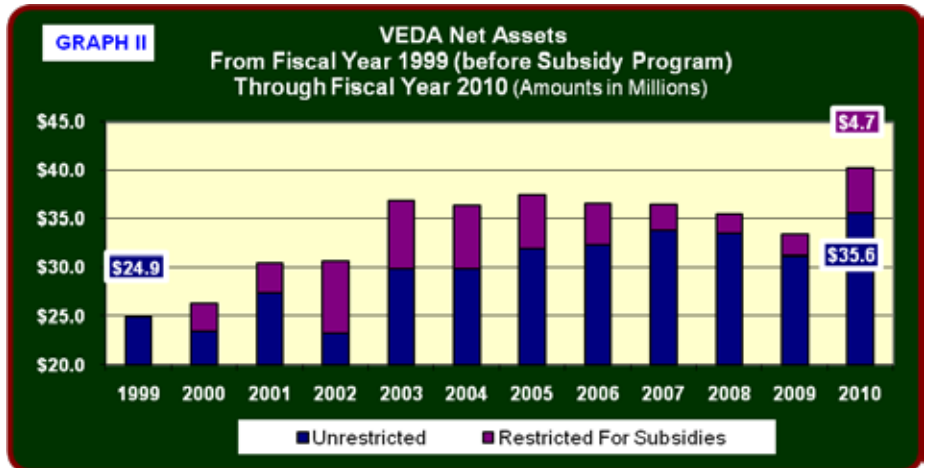
Fiscal Year 2010 Management Analysis

GRAPH I illustrates the amount of net assets added each year for the interest subsidy programs (purple) plus the amount of any net assets restricted for the subsidy programs and unused from prior years (blue).

Each year a portion of the net assets restricted for the subsidy program is “used,” reflecting the amount of interest that would have been earned on the subsidized loans if borrowers were charged an interest rate sufficient to cover operating costs.



GRAPH II illustrates the changes in total VEDA Net Assets since 1999 (the year before the subsidy program began) through fiscal 2010. At the end of fiscal 1999, VEDA net assets totaled \$24.9 million. At the end of 2010, VEDA net assets totaled \$40.3 million, of which \$4.7 million is restricted for the subsidy program (purple), leaving \$35.6 million of non-subsidy related net assets. Therefore, since 1999, VEDA has effectively grown its net assets by \$10.7 million over the eleven years 2000-2010.



Fiscal Year 2010 Management Analysis

Credit Risk Management

Credit risk is the risk that a borrower will default on the obligation to repay their debts. To provide for this risk the Authority maintains allowances for losses (reserves) on specific notes receivable where a loss is determined to be probable. It also maintains general reserves that are estimated based on historical loss experience, economic conditions, industry concentration and other pertinent factors.

Table 3 details the amount of specific and non-specific (“general”) allowance for loan losses (“reserves”) and the total reserves as a percentage of outstanding notes receivable balances at June 30, 2008 through 2010.

Table 3: Specific and General Reserves for Loan Losses at June 30

Total for Years Ending	Total Notes Receivable at June 30:	Specific Reserves at June 30:	General Reserves at June 30:	Total Reserves at June 30:	Reserves for Loan Losses as a % of Total Notes Receivable		
					Specific	General	Total
2010	\$ 119,709,038	\$ 2,081,925	\$ 1,751,800	\$ 3,833,725	1.74%	1.46%	3.20%
2009	\$ 104,980,156	\$ 1,968,100	\$ 1,348,400	\$ 3,316,500	1.87%	1.28%	3.15%
2008	\$ 93,955,805	\$ 1,004,600	\$ 1,164,700	\$ 2,169,300	1.07%	1.24%	2.31%

Integral to VEDA’s mission is the challenge of meeting its economic development objectives while utilizing prudent lending practices.

The Authority’s reserves at June 30, 2010 totaled \$3,833,725, or 3.20% of outstanding notes receivable. This compares to an allowance of \$3,316,500, or 3.15% of the outstanding notes receivable at the end of 2009 and to an allowance of \$2,169,300, or 2.31% of the outstanding notes receivable at the end of 2008.

Capital Adequacy

Table 4 details the Authority’s net assets, (equity or capital) as a percentage of total assets at June 30, 2008 through 2010 for the VJF, VACC and VEDA combined. At June 30, 2009, VEDA’s combined net assets totaled \$40.3 million, or 27% of total assets. This compares to \$33.8 million, or 25% at the end of 2009 and \$35.5 million, or 29% of total assets at the end of 2008.

Table 4: Net Assets as a % of Total Assets

As of June 30:	VJF	VACC	VEDA
2010	32%	20%	27%
2009	28%	21%	25%
2008	31%	24%	29%

The VJF and VACC, require strong capital levels to borrow funds in the private sector. The net asset to asset ratios for the VJF and VACC were 32% and 20%, respectively at June 30, 2010, 28% and 21%, respectively at June 30, 2009 and 31% and 24%, respectively at June 30, 2008. The change in net assets as a percent of total assets in 2008 and 2009 was due more to the change in the total assets than the change in net assets.

Fiscal Year 2010 Management Analysis

Fiscal Year Summary

Fiscal 2010 was another difficult year for the economy: economic conditions in the State and the nation, while marginally better than 2009, will require considerable economic growth to recover from the recession. Fortunately, interest rates remain low which allows the Authority to offer attractive interest rates to its Borrower to add jobs and stimulate commercial activity.

VEDA's funding cost remains very low. The cost of VEDA commercial paper was 0.50% and 0.53% at June 30, 2010 and 2009, respectively. This allows VEDA to keep the rates it offers to borrowers low. The Authority received an allocation of \$135 million in Recovery Zone Facility Bonds through the American Recovery and Reinvestment Act and worked successfully to get the entire allocation committed prior to the statutory deadline. VEDA also received \$2.95 million in federal and state resources for the interest subsidy program that has proven successful in assisting Vermont companies. Financing volume continued to be strong in 2010, breaking the 2009 record for the number of financings (322 compared to 315 in 2009) and closing nearly \$80 million.

36 Year History

VEDA began providing financing assistance to Vermont businesses in 1974. At that time it had only major programs: tax-exempt conduit bonds (Subchapter 4) and commercial financings either through a bank (Subchapters 2 and 5) or through one of the local or regional development corporations (Subchapter 3).

For the first ten years, the Authority's financing products remained the same. In 1985, VEDA formed a certified development corporation called Vermont 504 to participate in the Small Business Administration (SBA) 504 lending program which offers long-term fixed rate loans guaranteed by the SBA. VEDA is currently servicing 75 of these loans totaling \$24.2 million in outstanding balances.

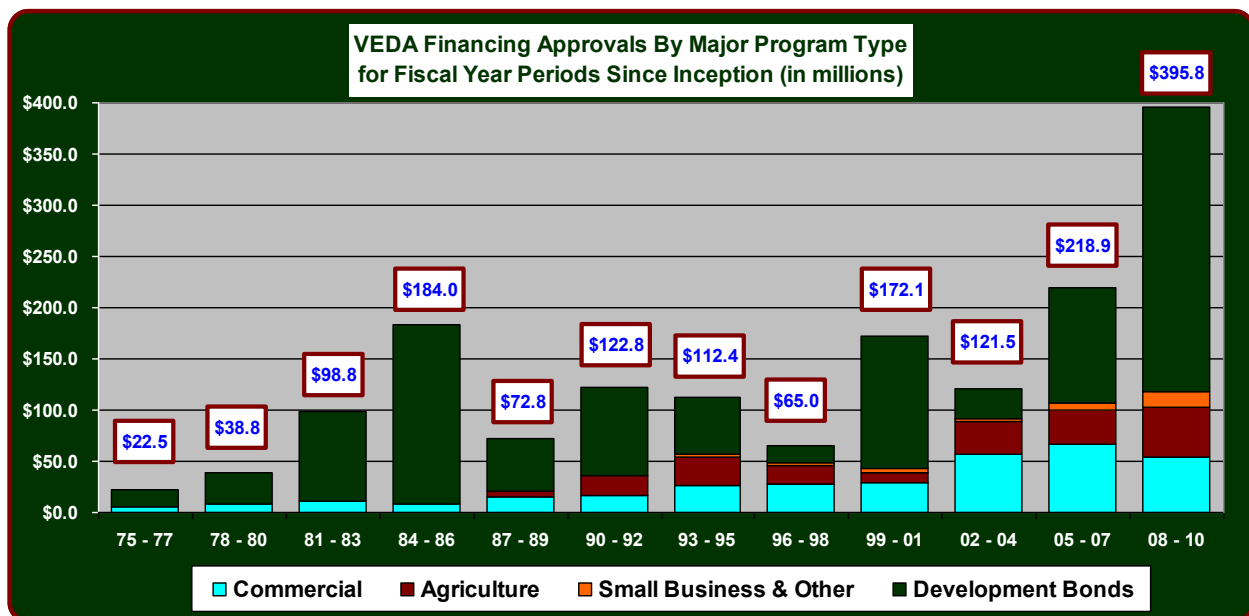
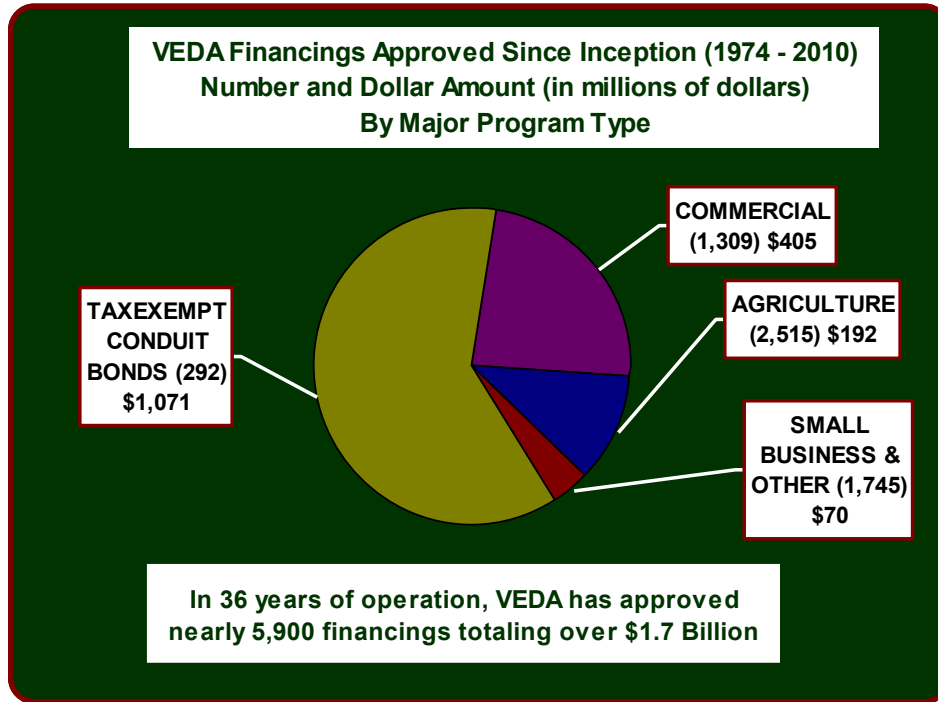
In 1988, the Authority began its first agricultural loan program; since then, agricultural loans have grown to number 585 loans totaling \$43 million or 41% of VEDA's direct loans outstanding.

In 1999, VEDA formed the Vermont Agricultural Credit Corporation with substantial new capital to allow growth and expansion of agricultural lending.

In 1989, VEDA began making small business loans through its Small Business Development Corporation. In 1994, VEDA added the Job Start Program to assist low and moderate income Vermonters to start their own businesses as well as the Financial Access Program to encourage banks to make small business loans to higher risk profile borrowers.

In 36 years of operation, VEDA has made nearly 5,900 approvals totaling over \$1.7 Billion!

Fiscal Year 2010 Management Analysis



FINANCIAL STATEMENTS

Vermont Economic Development Authority
(A Component Unit of the State of Vermont)
Balance Sheet (Unaudited)
as of June 30, 2010 and 2009

<u>Assets</u>	June 30, 2010	June 30, 2009
Cash and cash equivalents		
Unrestricted	\$ 1,904,867	\$ 2,829,916
Restricted	<u>274,849</u>	<u>314,094</u>
Total cash and cash equivalents	2,179,716	3,144,010
Restricted Investments	25,295,559	22,603,111
Notes receivable	119,709,038	104,980,156
less allowance for loan losses	<u>3,833,725</u>	<u>3,316,500</u>
Notes receivable, net of allowance	<u>115,875,313</u>	<u>101,663,656</u>
Accrued interest receivable	163,192	241,405
Other assets	1,300,185	888,108
Fixed assets, net of accumulated depreciation	<u>4,852,331</u>	<u>4,866,318</u>
Total Assets	<u>\$ 149,666,296</u>	<u>\$ 133,406,608</u>
 <u>Liabilities</u>		
Commercial Paper	\$ 84,500,000	\$ 82,800,000
Notes payable	22,150,012	14,228,103
Escrow and reserve accounts	186,389	183,786
Accounts payable and accrued expenses	566,624	626,345
Due to State of Vermont	35,827	68,357
Other Liability - State of Vermont	1,450,206	1,571,940
Fair Value of Derivative Instrument	401,879	314,895
Accrued interest payable	<u>104,912</u>	<u>100,554</u>
Total Liabilities	<u>109,395,849</u>	<u>99,893,980</u>
 Net Assets		
Unrestricted	12,543,958	11,078,979
Restricted	<u>27,726,489</u>	<u>22,433,649</u>
Total Net Assets	<u>40,270,447</u>	<u>33,512,628</u>
 Total Liabilities and Net Assets	 <u>\$ 149,666,296</u>	 <u>\$ 133,406,608</u>

Audited financial statements are available upon request at VEDA's website, www.veda.org.

FINANCIAL STATEMENTS

Vermont Economic Development Authority

(A Component Unit of the State of Vermont)

Statement of Revenues, Expenses and Changes in Net Assets *(Unaudited)*

For the Years Ending June 30, 2010 and 2009

<u>Operating Revenues</u>	2010	2009
Cash and investment interest	\$ 643,313	\$ 815,565
Net decrease in the fair value of investments	1,346,631	(905,599)
Notes receivable interest	4,096,108	3,890,466
Non-interest income	<u>1,056,399</u>	<u>1,041,216</u>
Total Operating Revenues	<u>7,142,451</u>	<u>4,841,648</u>
 <u>Operating Expenses</u>		
Interest expense	1,136,793	2,126,261
Provision for loan losses	1,024,785	1,931,423
Provision for losses on insured loans	69,670	520,682
Staff salaries, expenses and benefits	2,499,353	2,132,384
Professional fees	696,180	714,055
Office and administrative expenses	644,788	799,025
Depreciation expense	<u>201,414</u>	<u>176,771</u>
Total Operating Expenses	<u>6,272,983</u>	<u>8,400,601</u>
Net Operating Income (Loss)	869,468	(3,558,953)
 Non-Operating Revenues (Intergovernmental Transfers):		
Appropriation from State of Vermont	5,850,000	1,000,000
Operating transfer from State of Vermont	<u>38,351</u>	<u>583,794</u>
Total Non-Operating Income	<u>5,888,351</u>	<u>1,583,794</u>
Net decrease in net assets	<u>\$ 6,757,819</u>	<u>\$ (1,975,159)</u>
Net assets at beginning of year	\$ 33,512,628	\$ 35,487,787
Net assets at end of year	<u>\$ 40,270,447</u>	<u>\$ 33,512,628</u>

Audited financial statements are available upon request at VEDA's website, www.veda.org.

VEDA BOARD OF DIRECTORS



Back row: (l to r) Steven Bourgeois (Treasurer), Nathaniel Hayward, Daniel Kurzman, Kevin Dorn, John (Rick) Hashagen (Chair), Kenneth McEwan and George (Jeb) Spaulding. *Front row:* (l to r) Rachel Schumacher, Leon Graves, Rosalea (Jo) Bradley (CEO) and Robert Britt (Vice Chair). *Missing:* Roger Allbee

VEDA MANAGEMENT



Standing: (l to r) Steven Greenfield, Chief Operating Officer and David Carter, Chief Financial Officer. *Seated:* Jo Bradley, Chief Executive Officer

VEDA STAFF



Back row:

(l to r) Jay Stewart, Loan Closing Officer; Alice Ennis, Administrative Assistant; Peter Fitzgerald, Credit Specialist; Gerrie Rogers, Loan Closing Assistant; Barry Koch, IT Manager; Kelly Leonard, Commercial Loan Assistant; Peter Bendoris, Commercial Loan Officer; Margaret Baird, Agricultural Administrative Assistant; Charles Keeler, Agricultural Loan Officer; Sarah Isham, Sr. Agricultural Loan Officer; Thomas Firluk, Controller and David Lane, Agricultural Loan Officer.

Front row:

(l to r) Heidi van Gulden, Loan Closing Specialist; Ruth Tucker, Loan Closing Officer; Louise Anair, Sr. Loan Closing Officer; Thomas Porter, Commercial Loan Officer; Melanie Scott, Agricultural Loan Assistant; Sandy Croft, Commercial Loan Officer; Nancy Gonville, Systems Specialist; Mariah Miller, Receptionist/Administrative Assistant; Angela Roy, Intern; Carol Brown, Office Manager and Bill Roberts, Commercial Loan Officer.

Missing:

Patricia Duffy, Agricultural Loan Officer; Florence Lussier, Sr. Accountant and Marie Dussault, Commercial Loan Officer.



VEDA is an Equal Opportunity Provider and Employer



Vermont Economic Development Authority

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