

APPROVING THE REFINANCING OF CERTAIN TAX-EXEMPT  
AIRPORT FACILITY REVENUE BONDS BY THE  
BURLINGTON COMMUNITY DEVELOPMENT CORPORATION  
TO CURRENTLY REFUND AND FINANCE A PORTION OF THE  
COSTS OF CERTAIN AIRPORT FACILITIES

In the year Two Thousand Ten.....

Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, the Burlington Community Development Corporation (“BCDC”) is a non-profit corporation duly authorized and existing under the Vermont Non-Profit Corporation Act; and

WHEREAS, BCDC has financed certain improvements to the Burlington International Airport, consisting of an aviation support hangar, subleased by BCDC to Elan Air, Inc. d/b/a Heritage Flight (the “Project”); and

WHEREAS, BCDC financed a portion of the costs of the Project through tax-exempt airport facility bonds (the “Refunded Bonds”) through the Vermont Economic Development Authority (“VEDA”); and

WHEREAS, BCDC intends to refund currently all or a portion of its loan and obligations with respect to the Refunded Bonds payable to VEDA; and

WHEREAS, the Burlington City Council has been advised that BCDC has received a commitment from Union Bank to finance the refunding of all or a portion of the Refunded Bonds for the Project and to pay certain costs of the financing through VEDA (the “2010 Refunding Bonds”); and

WHEREAS, a commitment letter for financing to BCDC has been presented, a copy of which is attached hereto, with respect to the financing of the Project for the refunding of all or a portion of the Refunded Bonds; and

APPROVING THE REFINANCING OF CERTAIN TAX-EXEMPT AIRPORT FACILITY REVENUE BONDS BY THE BURLINGTON COMMUNITY DEVELOPMENT CORPORATION TO CURRENTLY REFUND AND FINANCE A PORTION OF THE COSTS OF CERTAIN AIRPORT FACILITIES

WHEREAS, as a condition to the financing, Union Bank requires that the Ground Lease and Agency Agreement (the “Ground Lease”) between the City and BCDC be amended to extend the term of the Ground Lease, make certain adjustments in the annual increases to the rental payments, and to modify certain provisions relating to the Ground Lease as collateral security, a copy of which is attached hereto (the “Lease Amendment”);

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Burlington, Vermont, as follows:

Section 1. The Burlington City Council, as the elected legislative body of the City of Burlington, Vermont, hereby approves the execution and delivery by BCDC of a Loan and Trust Agreement to evidence the loan and to secure the repayment of the 2010 Refunding Bonds, the execution and delivery of the leasehold mortgage and collateral assignment of leases by BCDC of the Project property, including a collateral assignment of the sublease to Elan Air, Inc., and a leasehold mortgage and pledge of the building, all to secure the repayment of the 2010 Refunding Bonds, and the execution and delivery of such other documents and instruments as BCDC deems necessary and desirable in connection with the issuance of the 2010 Refunding Bonds; provided that the 2010 Refunding Bonds, and interest thereon, shall be special obligations of the BCDC and shall not constitute a debt of the State of Vermont, the City of Burlington or any political subdivision thereof.

Section 2. In order to provide collateral support, the City may provide a limited guarantee for the payment of BCDC’s obligations with respect to the 2010 Refunding Bonds, in substance and form similar to the limited guarantee provided to VEDA for the Refunded Bonds

APPROVING THE REFINANCING OF CERTAIN TAX-EXEMPT AIRPORT FACILITY REVENUE BONDS BY THE BURLINGTON COMMUNITY DEVELOPMENT CORPORATION TO CURRENTLY REFUND AND FINANCE A PORTION OF THE COSTS OF CERTAIN AIRPORT FACILITIES

(the “Limited Guarantee”), in which any payments under such limited guarantee shall be subject to appropriation on an annual basis by the City Council as a current expense. The Mayor and Chief Administrative Officer are, and each one of them is, hereby authorized and directed to execute and deliver the limited guarantee on behalf of the City as they deem necessary and in the City’s best interest. The Mayor and the Chief Administrative Officer are, and each one of them is, hereby authorized to execute and deliver all other documents and instruments necessary or convenient in connection with the issuance of the 2010 Refunding Bonds and the refunding of the Refunded Bonds.

Section 3. The City Council hereby approves the Lease Amendment by and between the City, as Lessor, and BCDC, as Lessee. The Ground Lease may be collaterally assigned to secure BCDC’s obligations with respect to the 2010 Refunding Bonds. The obligations of BCDC to make payments to the City may be subordinate to the obligations of BCDC to the lenders with respect to the 2010 Refunding Bonds. The Mayor and the Chief Administrative Officer are, and each one of them is, hereby authorized to execute and deliver (i) the Lease Amendment, (ii) the collateral assignment of the Ground Lease, and (iii) a subordination agreement, in such form as they determine to be necessary and in the best interest of the City.

Section 4. The City hereby approves the execution and delivery by BCDC of the Loan and Trust Agreement, the mortgage and the collateral assignments of leases, to secure the repayment of the 2010 Refunding Bonds.

Section 5. This resolution shall take effect immediately.