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June 16, 2022

Tearsa Brannock
Owner/Director
ABC Early Education Daycare and Preschool

RE: VCLF loan request from Tearsa Brannock for possible purchase of Castleton Village School

Tearsa,

Please feel free to share this letter and its contents with any stakeholder you wish to, including the Castleton select board.

I am Daniel Winslow with Vermont Community Loan Fund. I am the Director of Business and Early Care & Learning. For context my organization is a mission-based lender. One of our lending areas is Early Care & Learning (ECL). We have been working with childcares, preschools, and any other type of Vermont organization that is active in the Early Care & Learning Space for the past 16 years. During this time, we have developed a good sense of how to analyze programs to determine if they can be successful while taking on debt. For context our current active portfolio of ECL loans consists of over 3 dozen borrowers with loans outstanding north of \$3.4 million dollars.

My staff and I have been working with Tearsa for several years on her plans to expand her program. Tearsa has proven to be very driven and determined during this time despite multiple setbacks due to a variety of factors, including the pandemic. Due to changes in construction costs, the plan has had to change multiple times and throughout this process Tearsa has remained focused on finding a path forward. In addition to her own judgment, she has consulted with several advisors known and respected by VCLF, including Heather Martin.

I have reviewed the most recent version of the plan centered around the purchase of the Castleton Village school that I received earlier this week. I can state with confidence that this is the most economically viable plan for Tearsa's expansion that we have received. While we have not yet had the opportunity to complete our underwriting process, I am very interested in presenting this proposal to my loan approval committee for possible approval. By acquiring a preexisting building that served a comparable purpose, no construction will be needed and more children will be able to receive education and care.

As I am sure many of you are aware, Vermont is suffering from an ongoing shortage of available childcare. For example, two months ago, I closed a loan for a 50 child ECL facility in Rutland. In the weeks preceding their opening their waitlist had expanded to 84 children. Need for more capacity is critical, and this project could help address it.

Sincerely,

Daniel Winslow
Director of Business and Early Care & Learning Programs