

**BUDGET, FINANCE AND INVESTMENT COMMITTEE  
BOARD OF TRUSTEES  
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE**

A meeting of the Budget, Finance and Investment Committee of the Board of Trustees of the University of Vermont State and Agricultural College was held on Friday, May 20, 2016 at 10:15 a.m., in the Silver Maple Ballroom, 401 Dudley H. Davis Center.

**MEMBERS PRESENT:** Chair Donald McCree, Vice Chair Robert Brennan, President Thomas Sullivan, David Brandt, Bernie Juskiewicz, Joan Lenes, Ed Pagano, Lisa Ventriss, and Jeff Wilson

**REPRESENTATIVES PRESENT:** Faculty Representatives Andrew Barnaby and Laura Gewissler, Alumni Representative Myron Sopher, Staff Representatives Sonya Stern, and Graduate Student Representative Mairi-Jane Fox

**PERSONS ALSO PARTICIPATING:** Provost David Rosowsky, Vice President for Finance and Treasurer Richard Cate, University Budget Director Alberto Citarella, and Vice President for Development and Alumni Relations Rich Bundy

**ABSENT:** Trustee David Aronoff, Staff Representative Cheryl Herrick, Student Representatives Jake Guarino and Andrew Dazzo, Graduate Student Representative Nikisha Patal, and Foundation Representative Richard Ader

Chair McCree called the meeting to order at 10:31 a.m.

Chair McCree began the meeting by welcoming new Student Representative Andrew Dazzo.

**Approval of Minutes**

A motion was made, seconded and voted to approve the minutes of the April 13, 2016 meeting.

**Report of the Investment Subcommittee (ISC)**

ISC Chair Rob Brennan noted the ISC held its annual asset allocation meeting in Boston in February. The portfolio is materially at the target allocations that were modestly adjusted at that time.

He then reviewed the Cambridge Report, dated May 20, 2016.

- **Asset Allocations**

At the February ISC Asset Allocation meeting, the ISC decided to update the policy benchmark weights as shown in the table below.

	<b>Current Policy Target (%)</b>	<b>New Target (%)</b>	<b>Effective Change (%)</b>
US Equity	20	19	-1
Global ex-US – Developed	12	11	-1
Global ex-US – Emerging Mkts	13	13	0
Marketable Alternatives	22	21	-1

Venture Capital/Private Equity	11	13	+2
Real Assets	12	13	+1
Fixed Income	10	10	0
Cash	0.0	0.0	0.0
	100%	100%	0.0

- **Endowment Performance Update**

Referring to the Cambridge Associates Performance Update (separate distribution) he continued with the following updates:

- As of April 30<sup>th</sup> the endowment balance was \$435.5 million
- The endowment year-to-date 2016 had a return of 1.3%

Chair Brennan noted that the University's portfolio has performed well in relation to its peers, based on Cambridge Associates' FY 2015 peer data.

In regards to comingled funds, Trustee Jeff Wilson added that he is pleased that, based on the preliminary analysis of the data compiled by Cambridge Associates', very little of the University's endowment is invested in tobacco companies, cluster munitions manufacturers or companies that do business in Sudan.

### **Vice President's Report/Third-Quarter General Fund Budget to Actuals**

Vice President Cate provided brief updates on the capital project pre-funding account and the net tuition stabilization fund. As of March 31, 2016, no money from either of these accounts has been spent this year.

Vice President Cate then walked Committee members through the Capital Projects Sources and Uses of Funds spreadsheet. This spreadsheet was created, per the request of former BFI Committee Chair David Daigle, to provide transparency regarding the variety of funding mechanisms the University uses for different activities.

President Tom Sullivan clarified that the "President's Strategic Initiatives Fund" heading on the Capital Projects Sources and Uses spreadsheet is different than the President and Provost's Strategic Investment Fund for academic initiatives.

Vice President Cate briefed the Committee on the FY 2016 budget to actuals report as of March 31, 2016, distributed at the meeting, noting that the budget is on track. He emphasized the revenues are exceeding budgeted amounts and expenses are under budget.

### **Fundraising Update on Capital Projects**

UVM Foundation President and CEO Rich Bundy updated the Committee on fundraising progress on Capital Projects, including the STEM Facility and Alumni House.

Mr. Bundy explained that the STEM Facility will be funded by a mix of private gifts and non-debt funding. As of April 30, 2016, the Foundation had already secured \$7.5 million in non-debt funding. The remaining non-debt goal is \$18 million. The donor pipeline remains robust, and the

Foundation remains confident that a high percent of the non-debt goal will be achieved through donor funding.

Chair McCree reminded Committee members that some donors are funding the STEM project long-term and there will be a period of time before the funds are received in full. Therefore, the Board had previously approved a plan for providing the cash necessary to fund the project until all gift funds are received. For this reason, the Committee started looking at net assets and created the minimum liquidity rule this year.

Mr. Bundy emphasized that the way the STEM project has been structured, with both institutional money and commitments from donors, allows donors to fund the project over a period of time and creates flexibility in the Foundation's fundraising tools.

In regards to the Alumni House, of the \$11.2 million non-debt goal and total project cost, all of which is anticipated to be privately funded, as of April 30, 2016, \$9.4 million has been raised in non-debt funding. The Foundation is using \$1.8 million of its own resources, and is continuing efforts to raise the remaining \$1.7 million.

### **UVM Rescue Facility Project**

Vice President Cate explained the Board is being asked to approve the spending of \$1.625 million for the construction of a new UVM Rescue Facility.

Per the UVM Rescue presentation at the Committee of the Whole meeting, he reminded Committee members that the UVM Rescue is a student-run, SGA recognized club providing advanced life support ambulance services to the campus and greater Chittenden County. The existing Rescue quarters are undersized and inadequate. The ambulance bay is too small for a modern ambulance.

A proposed combination of funds would cover the costs (\$925,000 from Rescue funds on-hand, \$300,000 from the President's Strategic Initiatives Fund, and \$400,000 from FY16 General Fund utility savings) with UVM Rescue repaying a total of \$700,000 over the next 10 years at a rate of \$70,000 per year.

Chair McCree then presented the following resolution for approval:

#### **Resolution Approving UVM Rescue Facility Project**

WHEREAS, on February 5, 2016 the Educational Policy & Institutional Resources Committee reviewed the strategic and operational need for the UVM Rescue Facility Project and approved the associated program scope for referral to the Budget, Finance & Investment Committee for financial review; and

WHEREAS, the administration today reported on the estimated cost for the completion of the UVM Rescue Facility Project and presented a funding plan;

THEREFORE, BE IT RESOLVED, that the Committee hereby recommends to the Board of Trustees authorization of the Vice President for Finance and Treasurer or his designee to expend \$1,625,000 for project costs, to be expended in a manner consistent with the report made on this date; and

BE IT FURTHER RESOLVED, that the \$1,625,000 of funds for such expenditures be drawn from the Rescue Funds, President's Strategic Initiative, and General Funds, and that UVM Rescue repay the funds used from the President's Strategic Initiatives Fund and the General Fund over a period of 10 years via annual payments of \$70,000 per year.

There being no further discussion, a motion was made, seconded, and the Trustees voted on the resolution as follows: Donald McCree – Aye, Robert Brennan – Aye, Thomas Sullivan – Aye, David Brandt – Aye, Bernie Juskiewicz – Aye, Joan Lenes – Aye, Ed Pagano – Aye, Lisa Ventriss – Aye, and Jeff Wilson – Aye. The resolution was unanimously passed as presented.

### **FY 2017 Budget Discussion**

Vice President Cate opened the conversation by explaining that there were no significant changes to the FY 2017 budget premise presented at the April planning meeting which is based on a 3% tuition increase.

He noted Incentive-based Budgeting has been a key factor in the growth of graduate programs and the student enrollment. IBB has provided more incentives for colleges and schools to grow programs, which in turn enhances academic opportunities for students and increases revenue. Two contributing factors to the reduction in the number of in-state students and the increase in out-of-state students are the cumulative and continuing decline in the number of graduating high school seniors in Vermont and growth in the University's international student population as a result of the Global Gateway Program.

University Budget Director Citarella noted the general fund budget has increased to \$348 million. In addition:

- Net graduate tuition is projected to increase 29%, a \$2 million increase over last year's budget.
- There is no increase in Non-Degree Tuition, which is projected to come in at budget.
- Summer Tuition is projected to increase \$1 million.
- Unrestricted Endowment is expected to be at budget.
- Unrestricted Annual Giving has decreased \$300,000, but has been offset by a \$400,000 increase in Undergraduate Tuition.
- Other Income is projected to increase \$2.2 million, \$1.5 million of which is an accounting change. Some revenue that was not previously within the general fund will now be in the general fund. The other \$0.5 million is an increase of the Athletics Comprehensive Fee, which was approved in February of this year.

Regarding General Fund Expense, Budget Director Citarella noted:

- The Wages and Benefits budget is projected to increase by 4.5% driven primarily by an increase in staff and faculty salary increases.
- New Facilities is projected to increase by 30%, driven primarily by the expansion of the Chiller Plant.

Vice President Cate noted that over the next seven years, the University is expected to save \$3.4 million in energy costs due to the Chiller Plant.

When asked about health care benefit changes, Vice President Cate explained that health care costs are increasing 5.8%, however the health care plan remains unchanged.

President Tom Sullivan noted that through the action of the faculty and Faculty Senate, the University is beginning to see an expansion of programs, majors, and minors. The creation of new programs will increase the University's revenue.

Vice President Cate reiterated that the University is a tuition-driven institution. However, every year tuition is increased, the percentage increase in financial aid is generally at least double that of the percentage increase in tuition.

Chair McCree then presented the following resolutions for approval:

**Resolution Approving Fiscal Year 2017 Budget Planning Assumptions: General Fund**

RESOLVED, that the Board of Trustees hereby approves the budget planning assumptions for Fiscal Year 2017, which lead to a General Fund operating expense budget for the University of \$348,516,000, and hereby authorizes the President to proceed with detailed budget preparation in accordance with these assumptions.

**Resolution Approving Tuition Charges for Fiscal Year 2017**

RESOLVED, that the Board of Trustees hereby approves increases in the following tuition rates effective with the 2016-2017 academic year:

In-state tuition from \$14,664 to \$15,096 per year, or \$629 per credit hour.

Out-of-state tuition from \$37,056 to \$38,160 per year, or \$1,590 per credit hour.

Medical student in-state tuition from \$33,460 to \$34,380 per year.

Medical student out-of-state tuition from \$58,020 to \$59,620 per year.

**Resolution Approving Global Gateway and Pre-Master's Program International Student Tuition**

WHEREAS, the University, after a request-for-proposal process, entered into an agreement with Study Group, an international private-sector provider of education and

training for international students, to provide services to UVM in support of the University’s Global Gateway Program; and

WHEREAS, this program will prepare undergraduate international students to matriculate to degree status, persist, and graduate, and to support the University’s larger internationalization efforts; and

WHEREAS, in January 2016, the Board approved amendments to the agreement with Study Group, which included additions to the Study Group Agreement to create a Pre-Masters Global Gateway Program; and

WHEREAS, undergraduate students in the Global Gateway Program are charged on a total cost-of-attendance basis that includes tuition, room and board, and all other fees and costs associated with enrollment at the University in a manner in accordance with the terms and conditions set forth in the agreement between the University of Vermont and Study Group; and

WHEREAS, graduate students in the Global Gateway Program will be charged on a total cost-of-attendance basis that includes tuition and all other fees and costs associated with enrollment at the University in a manner in accordance with the terms and conditions set forth in the agreement between the University of Vermont and Study Group;

THEREFORE, BE IT RESOLVED, that the following rates are established for undergraduate students:

<b>For the cohort entering in:</b>	<b>Fall 2016</b>	<b>Spring 2017</b>
Fall ‘16 for the 1 semester program	\$28,477	N/A
Fall ‘16 for the 2 semester program	\$29,012	\$28,483
Fall ‘16 for the 3 semester program	\$16,839	\$28,483
Spring ‘17 for the 1 semester program		\$28,814
Spring ‘17 for the 2 semester program		\$28,814
Spring ‘17 for the 3 semester program		\$16,634

<b>For the cohort that entered (or will enter):</b>	<b>Fall 2016</b>
Spring ‘16 for the 3 semester program	\$28,477
Summer ‘16 for the 2 semester program	\$28,477

All entering undergraduate students to be assessed an additional \$495 acceptance fee their first semester; and

BE IT FURTHER RESOLVED, that the following rates are established for graduate students:

<b>For the cohort entering in:</b>	<b>Fall 2016</b>	<b>Spring 2017</b>
Fall ‘16 for the 2 semester program	\$26,628	\$26,528

**Resolution Approving Room and Meal Plan Rates, Fiscal Year 2017**

RESOLVED, that the Board of Trustees hereby approves room and meal plan rates for Fiscal Year 2017 as follows:

	<u>per year</u>
Private Single with Bath	\$9,538
Private Double with Bath	\$9,316
Suite Single with Shared Bath	\$9,014
Suite Double with Shared Bath	\$7,788
Traditional Single	\$8,798
Traditional Double	\$7,634
Traditional Triple	\$6,092
Retail Dining	\$3,944
Residential Unlimited Access (+100 Points)	\$3,944
Residential Unlimited Access (+300 Points)	\$4,408

**Resolution Approving Student Fees for Fiscal Year 2017**

RESOLVED, that the Board of Trustees hereby approves increases to student fees from \$2,104 to \$2,204 effective with the 2016-2017 academic year.

**Resolution Approving Graduate Student Senate Fee for Fiscal Year 2017**

RESOLVED, that the Board of Trustees approves a continuation of the Graduate Student Senate fee in the amount of \$20 for the academic year.

**Resolution Approving Graduate Continuous Registration Fee for Fiscal Year 2017**

RESOLVED, that the Board of Trustees approves a continuation of a varying Graduate Continuous Registration fee, effective with the 2016-2017 academic year, as follows:

Less than half-time \$100 per semester  
Half to full-time \$200 per semester  
Full-time \$300 per semester

There being no further discussion, a motion was made, seconded, and the Trustees voted on the resolutions as follows: Donald McCree – Aye, Robert Brennan – Aye, Thomas Sullivan – Aye, David Brandt – Aye, Bernie Juskiewicz – Aye, Joan Lenes – Aye, Ed Pagano – Aye, Lisa Ventriss – Aye, and Jeff Wilson – Aye. The seven resolutions were unanimously passed as presented.

## **Bond Refunding**

Chair McCree reminded Committee members that at the April 13, 2016 meeting, the Committee was advised of an opportunity to take advantage of lower interest rates by refunding the bonds issued last year to finance the STEM project.

Vice President Cate explained the resolution, prepared by bond counsel, and distributed at the meeting, would authorize the bond refunding subject to consultation with the Board of Trustees Bond Work Group. Although the resolution authorizes the refunding of \$185 million in 2005, 2007 and 2009 bonds, due to market conditions, it is estimated that approximately \$82 million of 2005 and 2007 bonds will be refunded. The present value savings over the life of the refunded bonds is estimated at between \$7 million and \$9 million, depending on market conditions at the time of the sale. Annual debt service is projected to be reduced by approximately \$400,000.

Vice President Cate noted that in order for the sale to proceed, present value savings must be at least 3% of the par value of the new issue amount (currently estimated at 9% – 11%); administrative costs may not exceed 1.25% of the new issue amount; and the underwriters' discount may not exceed 0.3% (\$3 per \$1,000 bond).

The current plan is to price the bonds in the market the week of June 20, 2016 and to close the deal on July 28<sup>th</sup>. The underwriters and the University's debt advisors advise that there are no current indications there will be a major change in market conditions before the proposed pricing date but, if there are such changes, Vice President Cate will postpone the sale and wait for conditions to improve.

Chair McCree then presented the **Resolution Approving Execution of Bond Refunding** for approval (*see appendix A*):

There being no further discussion, a motion was made, seconded, and the Trustees voted on the resolution as follows: Donald McCree – Aye, Robert Brennan – Aye, Thomas Sullivan – Aye, David Brandt – Aye, Bernie Juskiewicz – Aye, Joan Lenes – Aye, Ed Pagano – Aye, Lisa Ventriss – Aye, and Jeff Wilson – Aye. The resolution was unanimously passed as presented.

## **Review of Work Plan**

Chair McCree reminded Committee members that once a year, the Committee reviews the work plan.

Vice President Cate added that annual reports, policy reviews, new projects, etc. are reflected in the work plan with the goal of transparency and accountability.

## **Adjournment**

There being no further business, the meeting adjourned at 11:47 a.m.

Respectfully Submitted,  
Don McCree, Chair

**The University of Vermont and State Agricultural College  
Board of Trustees**

**For approval: May 21, 2016**

GENERAL OBLIGATION BONDS,  
SERIES 2016

WHEREAS, the University of Vermont and State Agricultural College (the “University”) previously issued its General Obligation Bonds, Series 1990 (the “Series 1990 Bonds”), Series 1998 (the “Series 1998 Bonds”), Series 2002 (the “Series 2002 Bonds”), Series 2005 (the “Series 2005 Bonds”), Series 2007 (the “Series 2007 Bonds”), Series 2009 (the “Series 2009 Bonds”), Series 2010A and Series 2010B (collectively, the “Series 2010 Bonds”), Series 2012A (the “Series 2012A Bonds”), Series 2014 (the “Series 2014 Bonds”) and Series 2015 (the “Series 2015 Bonds”) pursuant to the terms of an Indenture dated as of February 1, 1990 (the “Trust Indenture”) between the University and The Bank of New York Mellon Trust Company, N.A. (as successor to The Bank of New York Trust Company, N.A. and TD Banknorth, N.A.), as trustee (the “Trustee”), as amended and supplemented by the Series 1998 and First Supplemental Indenture dated as of September 1, 1998, the Series 2002 and Second Supplemental Indenture dated as of June 13, 2002, the Series 2005 and Third Supplemental Indenture dated as of September 27, 2005, the Series 2007 and Fourth Supplemental Indenture dated as of July 11, 2007, the Series 2009 and Fifth Supplemental Indenture dated as of April 16, 2009, the Series 2010A and Sixth Supplemental Indenture dated as of February 18, 2010, the Series 2010B and Seventh Supplemental Indenture dated as of February 18, 2010, the Series 2012A and Eighth Supplemental Indenture dated as of August 15, 2012, the Series 2014 and Ninth Supplemental Indenture dated as of October 30, 2014 and the Series 2015 and Tenth Supplemental Indenture dated as of July 15, 2015 (the Trust Indenture, as amended, is hereafter referred to as the “Indenture”); and

WHEREAS, a working group of Trustees appointed by the Chair of the Budget, Finance and Investment Committee of the University’s Board of Trustees (the “Bond Work Group”) met on March 23, 2016, and, due to favorable market conditions, recommends to the University’s Board of Trustees (the “Board”) that the University (i) refund all or a portion of the outstanding Series 2005 Bonds (the “Series 2005 Refunded Bonds”), all or a portion of the outstanding Series 2007 Bonds (the “Series 2007 Refunded Bonds”) and all or a portion of the outstanding Series 2009 Bonds (the “Series 2009 Refunded Bonds” and collectively with the Series 2005 Refunded Bonds and the Series 2007 Refunded Bonds, the “Refunded Bonds”); and

WHEREAS, the Board has determined that it is desirable to authorize the Vice President for Finance and Treasurer, or his successor or designee, to proceed toward the refunding of the Refunded Bonds, in consultation with the Bond Work Group, and to execute any and all contracts and documents necessary for the issuance by the University of the Series 2016 Bonds (as defined below); and

WHEREAS, the Board has determined that in order to (i) refund the Refunded Bonds and (ii) pay associated administrative costs, it is necessary and desirable to authorize (i) the issuance by the University of its General Obligation Bonds, Series 2016 in amounts not to exceed \$15 million aggregate principal amount allocable to the refunding of the Series 2005 Refunded Bonds, \$90 million aggregate principal amount allocable to the refunding of the Series 2007 Refunded Bonds and \$80 million aggregate principal amount allocable to the refunding of the Series 2009 Refunded Bonds (collectively, the “Series 2016 Bonds”), in one or more series, at one or more times, with anticipated net present value savings of not less than 3% of the total par amount of the Refunded Bonds and costs of issuance not to exceed 1.25% of the par amount of the Series 2016 Bonds and (ii) the execution of a supplemental indenture between the University and the Trustee, establishing the amount of the Series 2016 Bonds and the details thereof and describing the Refunded Bonds; and

WHEREAS, the Board proposes to issue the Series 2016 Bonds on a parity with the outstanding Series 2005 Bonds, Series 2007 Bonds, Series 2009 Bonds, Series 2010 Bonds, Series 2012A Bonds, Series 2014 Bonds and Series 2015 Bonds (the Series 1990 Bonds, the Series 1998 Bonds and the Series 2002 Bonds being no longer outstanding) pursuant to the terms of the Indenture and one or more Supplemental Indentures thereto relating to the Series 2016 Bonds (collectively, the “Supplemental Indentures”), between the University and the Trustee; and

WHEREAS, the Board desires to authorize the execution and delivery of one or more Bond Purchase Agreements (together, the “Bond Purchase Agreement”) among the University, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Citigroup Global Markets Inc. (the “Underwriters”), pursuant to which the University will sell the Series 2016 Bonds to the Underwriters in accordance with the terms and conditions set forth therein; and

WHEREAS, the Board desires to authorize the execution and delivery of one or more Escrow Agreements (collectively, the “Escrow Agreements”) between the University and the Trustee, in its capacity as Trustee for each series of the Refunded Bonds, pursuant to which the University will direct the Trustee to purchase state and local government securities and deposit funds necessary to pay the interest on the applicable Refunded Bonds when due and/or the redemption price for the Refunded Bonds on the applicable redemption date; and

WHEREAS, in connection with the issuance and sale of the Series 2016 Bonds, one or more Preliminary Official Statements (collectively, the “Preliminary Official Statement”) and final Official Statements (collectively, the “Official Statements”) will be prepared by the University, which will present information about the University, the terms of the Series 2016 Bonds and the security for the Series 2016 Bonds, among other things; and

WHEREAS, the Board desires to authorize the execution and delivery of one or more Continuing Disclosure Agreements (collectively, the “Continuing Disclosure Agreements”) between the University and the Trustee, pursuant to which the University will be obligated to update certain information in the applicable Official Statement and provide certain other notices to the specified repository in accordance with the terms and conditions set forth therein; and

WHEREAS, copies of the forms of the following documents relating to the transactions described above have been filed with the University:

1. the Supplemental Indentures;
2. the Bond Purchase Agreements;
3. the Escrow Agreements;
4. the Preliminary Official Statements (including Appendix A thereto); and
5. the Continuing Disclosure Agreements;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. Issuance of Series 2016 Bonds. The Board hereby approves and confirms the issuance by the University of the Series 2016 Bonds, in one or more series, at one or more times, to provide funds to refund all or a portion of the outstanding Refunded Bonds of the University (including the costs of issuance and any other related expenses, including the Underwriters' discount and their expenses, provided such costs shall not exceed 1.25% of the par amount of the Series 2016 Bonds). The Series 2016 Bonds shall bear a true interest cost not exceeding 5.00% per annum with net present value savings of not less than 3% of the par amount of the Refunded Bonds. The portion of the Series 2016 Bonds allocable to the refunding of the Series 2005 Refunded Bonds shall be in the initial principal amount of not more than \$15 million, shall mature not later than the final maturity date of the Series 2005 Refunded Bonds and shall have a weighted average maturity not exceeding the weighted average maturity of the Series 2005 Refunded Bonds by more than two years. The portion of the Series 2016 Bonds allocable to the refunding of the Series 2007 Refunded Bonds shall be in the initial principal amount of not more than \$90 million, shall mature not later than the final maturity date of the Series 2007 Refunded Bonds and shall have a weighted average maturity not exceeding the weighted average maturity of the Series 2007 Refunded Bonds by more than two years. The portion of the Series 2016 Bonds allocable to the refunding of the Series 2009 Refunded Bonds shall be in the initial principal amount of not more than \$80 million, shall mature not later than the final maturity date of the Series 2009 Refunded Bonds and shall have a weighted average maturity not exceeding the weighted average maturity of the Series 2009 Refunded Bonds by more than two years. If the Series 2016 Bonds are issued at more than one time, each issuance of the Series 2016 Bonds shall comply with the limitations contained in this Resolution; provided that the aggregate principal amount of Series 2016 Bonds shall not exceed the limitations on principal amount set forth herein. The Board hereby finds and determines that these purposes are necessary and desirable and hereby authorizes the Vice President for Finance and Treasurer, in consultation with the Bond Work Group, to determine (i) whether the Series 2016 Bonds should be issued as two or more sub-series of bonds, issued together or at different times (based on whether the issuance of the Series 2016 Bonds in two or more sub-series, issued together or at different times, will facilitate debt management or marketing of the Series 2016 Bonds or compliance with federal tax law restrictions or is expected to maximize present value savings or otherwise reduce interest rate or other costs) and (ii) the terms of the Series 2016 Bonds and the terms of the sale of the Series 2016 Bonds (including the maturity dates and amounts, the interest rates, the original issue premium or discount, the redemption provisions of the Series 2016 Bonds based on financial or structural benefits to the University and marketing considerations and the underwriters' compensation) subject to the limitations set forth in this resolution and the applicable Supplemental Indenture. The form and content of the Series 2016 Bonds as set forth in the applicable Supplemental Indenture are hereby approved and confirmed. The Vice

President for Finance and Treasurer, and the Secretary or the Assistant Secretary of the Board are authorized and directed to execute and deliver the Series 2016 Bonds for and on behalf of the University, in substantially the form and content set forth in the applicable Supplemental Indenture, but with such changes, additions or deletions as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, additions or deletions.

Section 2. Authorization to Determine Refunded Bond Redemptions. The Board hereby authorizes and directs the Vice President for Finance and Treasurer, in consultation with the Bond Work Group, to determine which maturities (or portions of maturities) of the Refunded Bonds shall be refunded with the proceeds of the Series 2016 Bonds and the dates of redemption of such Refunded Bonds; provided that such refunding results in net present value savings of not less than 3% of the par amount of the Refunded Bonds (from each issuance of Series 2016 Bonds if issued at more than one time).

Section 3. Authorization of Supplemental Indentures. The Board hereby approves and confirms the form and content of one or more Supplemental Indentures. The Vice President for Finance and Treasurer, and the Secretary or Assistant Secretary of the Board are hereby authorized and directed to execute and deliver one or more Supplemental Indentures for and on behalf of the University, in substantially the form and content made available to the Board, but with such changes, additions or deletions as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, additions or deletions. From and after the execution and delivery of the Supplemental Indentures, the Vice President for Finance and Treasurer, and the Secretary or Assistant Secretary of the Board and all other officers of the Board and the University are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Supplemental Indentures as executed.

Section 4. Authorization of Bond Purchase Agreements. The Series 2016 Bonds shall be awarded and sold to the Underwriters pursuant to the terms of one or more Bond Purchase Agreements at an aggregate underwriters' discount or fee to be determined by the Vice President for Finance and Treasurer in consultation with the Bond Work Group, of not more than 0.30% (\$3.00 per \$1,000 bond) plus an additional amount to cover out-of-pocket expenses of the Underwriters. The Series 2016 Bonds shall be authenticated and delivered to or upon the order of the Underwriters upon payment of the purchase price set forth in the Bond Purchase Agreement. The form and content of the Bond Purchase Agreements are hereby approved. The Vice President for Finance and Treasurer is hereby authorized and directed to execute and deliver the Bond Purchase Agreements for and on behalf of the University, in substantially the form and content made available to the University, but with such changes, additions or deletions as shall to him seem necessary, desirable or appropriate, his execution thereof to constitute conclusive evidence of his approval of any and all such changes, additions or deletions therein. From and after the execution and delivery of the Bond Purchase Agreements, the Vice President for Finance and Treasurer and all other officers of the Board and the University are hereby authorized and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Bond Purchase Agreements as executed.

Section 5. Authorization of Escrow Agreements. The form and content of one or more Escrow Agreements are hereby approved. The Vice President for Finance and Treasurer is hereby authorized and directed to execute and deliver one or more Escrow Agreements for and on behalf of the University, in substantially the form and content made available to the Board, but with such changes, additions or deletions as shall to him seem necessary, desirable or appropriate, his execution thereof to constitute conclusive evidence of his approval of any and all such changes, modifications, additions or deletions. From and after the execution and delivery of the Escrow Agreements, the Vice President for Finance and Treasurer and all other officers of the Board and the University are hereby authorized and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Escrow Agreements as executed.

Section 6. Authorization of Continuing Disclosure Agreements. The form and content of one or more Continuing Disclosure Agreements are hereby approved. The Vice President for Finance and Treasurer is hereby authorized and directed to execute and deliver one or more Continuing Disclosure Agreements for and on behalf of the University, in substantially the form and content made available to the Board, but with such changes, additions or deletions as shall to him seem necessary, desirable or appropriate, his execution thereof to constitute conclusive evidence of his approval of any and all such changes, modifications, additions or deletions. From and after the execution and delivery of the Continuing Disclosure Agreements, the Vice President for Finance and Treasurer and all other officers of the Board and the University are hereby authorized and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Agreements as executed.

Section 7. Approval of Preliminary Official Statements and Official Statements. The form, terms and content of the Preliminary Official Statements and the Official Statements in substantially the form of the Preliminary Official Statements (but including the terms of the Series 2016 Bonds) are authorized, approved and confirmed, with such changes, additions or deletions therein as shall seem necessary, desirable or appropriate to the Vice President for Finance and Treasurer. The use of the Preliminary Official Statements and of the Official Statements by the Underwriters in connection with the sale of the Series 2016 Bonds is hereby authorized, approved and confirmed. The Vice President for Finance and Treasurer is authorized to execute the Official Statements on behalf of the University.

Section 8. Tax Certificates. The Vice President for Finance and Administration, and Treasurer of the University is hereby authorized to execute certificates in order to evidence the University's compliance with the Internal Revenue Code of 1986 and the applicable Income Tax Regulations thereunder.

Section 9. No Personal Liability. No stipulation, obligation or agreement herein contained or contained in the Series 2016 Bonds, the Indenture, the Supplemental Indentures, the Bond Purchase Agreements, the Escrow Agreements, the Continuing Disclosure Agreements or any other instrument related to the issuance of the Series 2016 Bonds shall be deemed a stipulation, obligation or agreement of any officer, agent or employee of the University in his or her individual capacity, and no such officer, agent or employee shall be personally liable on the

Series 2016 Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

Section 10. Actions of Officers. The officers of the Board and of the University are hereby authorized and directed to do any and all other acts and to execute any and all other documents, which they, in their discretion, deem necessary and appropriate in order to consummate the transactions contemplated by (i) this Resolution, (ii) the Indenture and the Supplemental Indentures and (iii) the documents presented to this meeting or made available for review: except that none of the above shall be authorized or empowered to do anything or execute any document which is in contravention, in any way of (a) the specific provisions of this Resolution, (b) the specific provisions of the Indenture or the Supplemental Indentures, (c) any agreement to which the University is bound, (d) any rule or regulation of the University or (e) any applicable law, statute, ordinance, rule or regulation of the United States of America or the State of Vermont.

Section 11. Severability of Invalid Provisions. If any one or more of the agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining agreements and provisions and shall in no way affect the validity of any of the other agreements and provisions hereof or of the Series 2016 Bonds authorized hereunder.

Section 12. Conflicting Provisions. All prior resolutions or parts thereof of the University in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 13. Effective Date. This Resolution shall take effect upon its adoption.