

**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 19, 2017 at 10:45 a.m., in the Silver Maple Ballroom, 401 Dudley H. Davis Center.

MEMBERS PRESENT: Chair Don McCree, Vice Chair Robert Brennan, President Thomas Sullivan, David Aronoff, John Bartholomew, Johannah Donovan, Bernard Juskiewicz, Ron Lumbra, Ed Pagano, Soraiya Thura and Lisa Ventriss

REPRESENTATIVES PRESENT: Faculty Representatives Andrew Barnaby and Laura Gewissler, Foundation Representative Richard Ader*, Alumni Representative Myron Sopher, Staff Representatives Sonya Stern and Cheryl Herrick, Student Representatives Clark Deng and Reginah Mako, Graduate Student Representatives Nikisha Patal and Roger DaGama

PERSONS ALSO PARTICIPATING: Board Chair David Daigle**, Provost David Rosowsky***, Vice President for Finance and Treasurer Richard Cate, University Budget Director Alberto Citarella, University Controller Claire Burlingham, Vice President for Development and Campaign Director Mark Dorgan, Kaufman Hall Consultants Charles Kim and David Woodward

*participating by conference phone

**joined the meeting at 2:00 p.m.

***attended afternoon budget discussion portion of the meeting

Chair McCree called the meeting to order at 10:55 a.m. He started the meeting by welcoming the new Student Representatives, Clark Deng and Reginah Mako.

Approval of Minutes

A motion was made, seconded and voted to approve the minutes of the April 10, 2017 meeting.

Report of the Investment Subcommittee (ISC)

ISC Chair Robert Brennan noted the ISC held its annual asset allocation meeting in Boston in February. At the meeting, the ISC reviewed the asset allocation targets and decided to leave them unchanged, as reflected in the table below.

| Asset Class | Target (%) | Allowable Range (%) |
|--------------------------------|-------------------|----------------------------|
| Equity Fund | | |
| U.S. Equity | 19.0 | 15-30 |
| Global ex U.S. Equity | 24.00 | 15-45 |
| International Developed Equity | 11.0 | 10-25 |
| Emerging Markets Equity | 13.0 | 5-20 |
| Marketable Alternatives | 21.0 | 15-25 |

| | | |
|----------------------------------|-------------|-------|
| Real Assets (Inflation Hedging) | 13.0 | 10-25 |
| Private Equity / Venture Capital | 13.0 | 5-20 |
| Subtotal Equity | 90.0 | |

Referring to the Cambridge Associates Performance Update (separate distribution) he noted that as of March 31, 2017 the endowment balance was \$469 million.

Review of Projected Outcomes from Strategic Financial Planning Model

Chair McCree started the discussion by reminding Committee members that the consultants from Kaufman Hall, Charles Kim and David Woodward, reported to the Committee in February of this year.

Vice President Richard Cate welcomed the Kaufman Hall consultants and explained that creating a strategic financial planning model was a project his team started a year ago. Through the combined efforts of the Kaufman Hall team and that of the University, a planning model was developed to assess the University's likely financial condition given numerous operating assumptions and strategic assumptions.

Vice President Cate then walked Committee members through the base case assumptions in regards to operating revenue, operating expense, and capital that went into creating the planning model.

Kaufman Hall Consultant Charles Kim next explained the proposed financial targets, noting a sound financial plan will identify adequate sources of cash and assess financial risk. Vice President Cate and the finance team developed proposed targets across the University's three main categories of financial health: operating performance, liquidity, and debt. In general, the targets are set near or better than the FY 2015 medians for Moody's Aa3 institutions and the University's public peers, though below the University's private peers.

When asked if the risk factor associated with each ratio is balanced or if some are more critical than others, Vice President Cate noted that the ratios are not all equal. He explained that the capacity of the planning model allows the Committee to see what different initiatives and activities do to the different ratios.

Mr. Kim explained that three scenarios were compared to the base case projection: deferred maintenance, the Multipurpose Center project, and a combination of scenario one and two to see how UVM would look financially if it took on both initiatives.

The impact of the base case and each scenario in regards to the operating margin is projected to be stable but remain below the 2.5% target. Given conservative assumptions for operating expense, diversifying and increasing revenue is a leading option to increase the margins to the target.

Vice President Cate reminded Committee members that in regards to the Multipurpose Center project, the assumptions are just that, as the actual numbers for this initiative are unknown at this

point. The scenario assumes the debt that would be issued for the Multipurpose Center project would be repaid by means of a Multipurpose Center fee rather than from the General Fund.

In regards to the annual debt service and operating expense, all scenarios result in a ratio within the 5.75% target to FY 2023 and 5% thereafter.

Overall, Mr. Kim emphasized the base case projection suggests the University is financially stable and will retain its Aa3 credit rating.

David Woodward then explained that a sensitivity analysis measures the impact of incremental changes to assumptions, thereby identifying both risks and funding opportunities. He noted the following:

- Zero growth in the state appropriation would cause operating cash to decline significantly below the base case
- Adding 100 undergraduates a year would significantly improve operating performance and liquidity
- A 1.0% annual increase in faculty and staff FTE would cause a significant decline in operating performance and liquidity
- An addition of \$50 million in debt in FY 2020 is projected to result in a debt service ratio of 4.46% in FY 2026

Chair McCree noted that the University's target ratios track closely with Moody's target ratios. Vice President Cate added that Moody has not set these ratios; they are Moody's medians and they will point out deviations if they see them. He noted he met with the rating agencies last week and had very positive conversations with them.

Chair McCree recessed the meeting at 11:47 a.m.

Chair McCree reconvened the meeting at 2:05 p.m.

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

Vice President Cate provided a brief update on the capital project pre-funding account, noting that after the approved transfer to Ifshin Hall on April 10, 2017, the balance of the account is \$0.00.

He also provided an update on the net tuition stabilization fund, noting that as of March 31, 2017, no funds have been spent and the balance remains at \$4.5 million.

Vice President Cate then directed Committee members to the Capital Projects Sources and Uses of Funds spreadsheet attached to his report. This spreadsheet was created to provide transparency regarding the variety of funding mechanisms the University uses for different activities. He emphasized that all of the projects on this spreadsheet are fully funded.

Vice Chair Brennan recommended changing the font color on the spreadsheet when a source of funds is due to be repaid in order to have the number stand out.

University Budget Director Alberto Citarella briefed the Committee on the FY 2017 budget to actuals report as of March 31, 2017, distributed at the meeting, noting that the budget is on track. The University is at 95% of its revenue, as most of the tuition dollars are in and has spent 75% of its expense budget. It is expected the University will end the year with a margin of \$10 million, much of which is subject to reappropriation.

Fundraising Update on Capital Projects

Vice President for Development and Campaign Director Mark Dorgan updated the Committee on fundraising progress on capital projects, including the STEM Complex and Kalkin Hall Expansion.

Director Dorgan explained that the STEM Complex will be funded by a mix of private gifts and non-debt funding. As of April 30, 2017, the Foundation commitments and receipts total \$10.02 million for this project. The remaining non-debt goal is \$15.97 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.

In regards to the Kalkin Hall, of the \$11.0 million non-debt goal and total project cost, \$7.7 million has been committed as of April 30, 2017.

Bond Issuance

Vice President Cate reminded Committee members that at its March 2017 meeting, the full Board authorized him, in consultation with the Bond Work Group, to proceed with preparations to refund \$65 million of the 2007 bonds in order to reduce the interest expense associated with the bonds. This work has been ongoing since that time and the administration is now seeking final authorization to refund the 2007 bonds and issue a new series.

Vice President Cate noted the key elements of the resolution are as follows:

- Par Value of Refunded Bonds - \$65 million
- Total interest cost capped at 5% (actual cost estimated to be much lower)
- Total administrative costs capped at 1.25% of par amount of new issue
- Minimum present value savings equal to no less than 3% of the par value of refunded bonds (current estimate is in excess of 12%)
- Underwriters fee of 0.3% (\$3/bond)
- New bonds will mature no later than the maturity date of the refunded bonds and the weighted average maturity date of the new bonds will not be more than two years later than that of those that are being refunded
- Bond pricing is expected to occur during the week of June 19th with the closing on July 7th
- The Vice President for Finance is authorized to sign all documents associated with the refunding subject to final consultation with the Bond Work Group in advance of the pricing date to be scheduled in early June

The estimated present value savings is somewhat higher than the \$6 million originally projected. In addition, the bankers have structured the new issue such that we can accrue \$4 million of savings over the first two years. This will provide the funding for deferred maintenance that was authorized by the Board in February, while precluding the need to borrow any funds to do so.

Chair McCree then presented the **Resolution Authorizing Bond Issuance** for approval. (*See appendix A at the end of the minutes*).

A motion was made, seconded, and the resolution was unanimously approved as presented.

FY 2018 Budget Discussion

Provost David Rosowsky opened the conversation by stating this year is the lowest tuition increase in years at 2.5 and 2.7% respectively for in and out-of-state students. He noted that this year's selectivity is down to 67% and the yield is up nearly 2.0%. He emphasized the University has seen increased academic quality, diversity, and the number of Vermonters, including low-income Vermonters this year.

Vice President Cate explained that there were no significant changes to the FY 2018 budget premise presented at the April Committee planning meeting.

University Budget Director Citarella noted the general fund budget has increased to \$363.7 million and undergraduate net tuition is increasing by \$9 million.

Regarding General Fund Expense, Budget Director Citarella noted:

- The Wages and Benefits budget is projected to increase by 4.1% driven primarily by an increase in the cost of insurance and wages and salary
- New Facilities is projected to increase by \$1.4 million, driven primarily for the addition of the STEM Complex, Alumni House, Chiller Plant and Taft School

Overall, the University is projected to have a balanced budget with an increase in revenue and expense of \$15 million.

Since the inception of Incentive-based Budgeting (IBB), Vice President Cate explained there has been an increase in the creation of new programming, which enhances the academic experience as well as increases revenue. There are also incentives to grow enrollment in existing programs, which is occurring especially in business and engineering programs.

Budget Director Citarella added that in the last four years, the quality of discussions around the budget and strategic decisions has increased dramatically as more people are involved in thinking about it.

Board Chair David Daigle emphasized that student selectivity is incredibly important and does not hurt prospective Vermont students. President Thomas Sullivan added that by lowering the University's admittance rate, the number of student applicants has increased.

Chair McCree then presented the following resolutions for approval:

Resolution Approving Fiscal Year 2018 Budget Planning Assumptions: General Fund

RESOLVED, that the Board of Trustees hereby approves the budget planning assumptions for Fiscal Year 2018, which lead to a General Fund operating expense budget for the University of \$363,708,000, and hereby authorizes the President to proceed with detailed budget preparation in accordance with these assumptions.

Resolution Approving Tuition Charges for Fiscal Year 2018

RESOLVED, that the Board of Trustees hereby approves increases in the following tuition rates effective with the 2017-2018 academic year:

In-state tuition from \$15,096 to \$15,504 per year, or \$646 per credit hour.

Out-of-state tuition from \$38,160 to \$39,120 per year, or \$1,630 per credit hour.

Medical student in-state tuition from \$34,380 to \$35,380 per year.

Medical student out-of-state tuition from \$59,620 to \$61,260 per year.

Resolution Approving Room and Meal Plan Rates, Fiscal Year 2018

RESOLVED, that the Board of Trustees hereby approves room and meal plan rates for Fiscal Year 2018 as follows:

| | |
|--|-----------------|
| | <u>per year</u> |
| Private Single with Bath | \$9,870 |
| Private Double with Bath | \$8,770 |
| Private Triple with Bath | \$7,270 |
| Suite Single with Shared Bath | \$9,472 |
| Suite Double with Shared Bath | \$8,270 |
| Suite Triple with Bath | \$6,916 |
| Traditional Single | \$9,106 |
| Traditional Double | \$7,900 |
| Traditional Triple | \$6,256 |
| Traditional Quad | \$5,296 |
| | |
| Retail Dining | \$4,122 |
| Residential Unlimited Access (+100 Points) | \$4,122 |
| Residential Unlimited Access (+300 Points) | \$4,606 |

Resolution Approving Student Fees for Fiscal Year 2018

RESOLVED, that the Board of Trustees hereby approves increases to student fees from \$2,204 to \$2,266 effective with the 2017-2018 academic year.

Resolution Approving Graduate Student Senate Fee for Fiscal Year 2018

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 2018

RESOLVED, that the Board of Trustees approves a continuation of a varying Graduate Continuous Registration fee, effective with the 2017-2018 academic year, as follows:

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

A motion was made, seconded, and the six resolutions were unanimously approved as presented.

Review of Work Plan

Chair McCree reminded Committee members that once a year, the Committee reviews the work plan. He 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 2:57 p.m.

Respectfully Submitted,

Don McCree, Chair

Appendix A

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

**GENERAL OBLIGATION BONDS,
SERIES 2017**

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”), Series 2015 (the “Series 2015 Bonds”) and Series 2016 (the “Series 2016 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, the Series 2015 and Tenth Supplemental Indenture dated as of July 15, 2015 and the Series 2016 and Eleventh Supplemental Indenture dated as of July 28, 2016 (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 University’s Board of Trustees (the “Bond Work Group”) was consulted, and, due to favorable market conditions, recommends to the University’s Board of Trustees (the “Board”) that the University refund all or a portion of the outstanding Series 2007 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 2017 Bonds (as defined below); and

WHEREAS, the Board has determined that in order to refund the Refunded Bonds and pay associated administrative costs, it is necessary and desirable to authorize (i) the issuance by the University of its General Obligation Bonds, Series 2017 in an amount not to exceed \$70 million aggregate principal amount (the “Series 2017 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 2017 Bonds and (ii) the execution of a supplemental indenture between the University and the Trustee, establishing the amount of the Series 2017 Bonds and the details thereof and describing the Refunded Bonds; and

WHEREAS, the Board proposes to issue the Series 2017 Bonds on a parity with the outstanding Series 2007 Bonds, Series 2009 Bonds, Series 2010 Bonds, Series 2012A Bonds, Series 2014 Bonds, Series 2015 Bonds and Series 2016 Bonds (the Series 1990 Bonds, the Series 1998 Bonds, the Series 2002 Bonds and the Series 2005 Bonds being no longer outstanding) pursuant to the terms of the Indenture and one or more Supplemental Indentures thereto relating to the Series 2017 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 (collectively, the “Bond Purchase Agreements”) among the University, Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated (the “Underwriters”), pursuant to which the University will sell the Series 2017 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 the Refunded Bonds, pursuant to which the University will direct the Trustee to purchase certain Eligible Securities (as defined in the Indenture) and deposit funds necessary to pay the principal and interest on the 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 2017 Bonds, one or more Preliminary Official Statements (collectively, the “Preliminary Official Statements”) 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 2017 Bonds and the security for the Series 2017 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 2017 Bonds.

The Board hereby approves and confirms the issuance by the University of the Series 2017 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 2017 Bonds). The Series 2017 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 Series 2017 Bonds shall be in the initial principal amount of not more than \$70 million, shall mature not later than the final maturity date of the Refunded Bonds and shall have a weighted average maturity not exceeding the weighted average maturity of the Refunded Bonds by more than two years. If the Series 2017 Bonds are issued at more than one time, each issuance of the Series 2017 Bonds shall comply with the limitations contained in this Resolution; provided that the aggregate principal amount of Series 2017 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 2017 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 2017 Bonds in two or more sub-series, issued together or at different times, will facilitate debt management or marketing of the Series 2017 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 2017 Bonds and the terms of the sale of the Series 2017 Bonds (including the maturity dates and amounts, the interest rates, the original issue premium or discount, the redemption provisions of the Series 2017 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 2017 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 2017 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 2017 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 2017 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 2017 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 2017 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 2017 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 2017 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 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 2017 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 2017 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 2017 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 2017 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.