


MEMORANDUM

TO: VSCS Board of Trustees

FROM: Steve Wisloski 

DATE: January 2, 2020

SUBJ: Joint Special Meeting of the Board of Trustees and Finance & Facilities
Committee to Authorize Series 2020A Bond Sale (via conference call)

A joint Special Meeting of the Board of Trustees and the Finance and Facilities Committee will convene from **3:00 p.m. to 4:00 p.m. on Monday, January 6, 2020** via conference call:

Dial-in: 800-747-5150
Passcode: 6189752#

The purpose of the meeting is to review and approve the refinancing (also called a “refunding”) of the Vermont State Colleges System’s Series 2010B Bonds. The 2010B Bonds were issued in December 2010 in the amount of \$30,265,000, of which \$27,645,000 remains outstanding.

The 2010B Bonds will be refinanced via the sale of approximately \$28.8 million of Series 2020A Bonds through the Vermont Bond Bank. In addition to repaying the remaining principal on the 2010B Bonds, the Series 2020A Bonds will pay for \$940,000 of interest due on July 1, 2020, and bond issuance costs of approximately \$370,000.

The refinancing conceptually is very similar to a mortgage refinancing, and currently is estimated to provide over \$4 million of interest savings over the life of the bonds. However, the amount of savings is dependent upon interest rates, and will decrease if interest rates rise from current levels. Specifically, each one-eighth of one percent or 0.125% increase in rates will reduce the estimated savings by approximately \$250,000. The Series 2020A Bonds currently are scheduled to be priced on Thursday, January 23, at which point the interest rates and corresponding amount of savings will be “locked in.”

The Series 2020A Bonds will be structured to concentrate the interest savings over the first four years, from fiscal years 2021 through 2024 inclusive, in amounts of between approximately \$700,000 and \$1.25 million per year. For the remaining seventeen years that the bonds are outstanding, through fiscal year 2041, combined principal and interest payments will be less than

or equal to current debt service, but in no cases shall exceed current annual debt service payments.

The Series 2020A Bonds are the second series of the System's bonds to be issued through the Vermont Bond Bank (the inaugural 2017 Series A in the amount of \$67,660,000 was issued in May of that year). By issuing through the Bond Bank, the System leverages the State of Vermont's statutory "intercept" mechanism, by which the State Treasurer is empowered to divert the System's State appropriation directly to bondholders in the event the System is late making a debt service payment. The intercept structure thus achieves a substantially higher credit rating, in the AA category, as compared to the System's underlying A- credit rating. The higher credit rating in turn lowers the System's borrowing cost by an estimated 0.25% to 0.35%, which accounts for approximately \$500,000 to \$700,000 of the estimated \$4 million of overall savings.

An executive summary explaining the transaction is included as **Attachment 1**. The interest savings for the transaction will be allocated to the Colleges in proportion to the amounts borrowed under the 2010B Bonds; these percentages are approximately 11% for CCV, 38% for Castleton, 23% for NVU and 28% for Vermont Tech. An estimate of annual savings for the System and by College is included as **Attachment 2**. A detail of the refinancing numerical schedules (also called a "numbers run") including each of the principal amounts, maturities, and interest rates of the refunded 2010B Bonds; estimates of the similar amounts, prices and yields for the 2020 Series A Bonds; and other detailed financial information is included for reference, and discussion if desired, as **Attachment 3**. The Authorizing Resolution and Bond Resolution, which are the legal documents requiring the Board's approval, are included as **Attachment 4**. Finally, a proposed motion approving the Resolutions, and the sale of the Series 2020A Bonds generally, is included as **Attachment 5**.

Should you have any questions regarding these materials or any other matter, please contact me at stephen.wisloski@vsc.edu or (802) 224-3022. Thank you.

Attachments

cc: VSC Board of Trustees, Council of Presidents and Business Affairs Council

**Vermont State Colleges Board of Trustees and
Finance and Facilities Committee Special Meeting
January 6, 2020**

AGENDA

1. Call to order
2. Review of Proposed Debt Refinancing
3. **Vote** to Approve Authorizing Resolution and Bond Resolution
4. Other business
5. Public comment
6. Adjourn

MEETING MATERIALS

1. Executive summary of bond refinancing
2. Estimated annual savings overall and by college
3. Detailed pro-forma “numbers run” (for information and discussion if desired)
4. Authorizing Resolution and Bond Resolution
5. Draft motion

Attachment 1: Executive Summary of Refinancing

EXECUTIVE SUMMARY

Vermont Bond Bank
Vermont State Colleges System Bonds
 2020 Series A (Refinancing of \$30,265,000 Revenue Bonds, Series 2010B,
 Federally Taxable - Build America Bonds)

The System plans to sell approximately \$29 million of long term fixed rate bonds to refinance its existing Revenue Bonds, Series 2010B to provide annual debt service savings.

The total dollar savings is estimated at over \$4 million over the life of the existing bond issue through fiscal year 2041. Savings will be concentrated in the first four fiscal years that the bonds are outstanding by deferring principal repayments in those years, and in the remaining seventeen years the debt service will be slightly less than or equal to, but no greater than current levels. The bonds have been approved by the Bond Bank's Board of Directors, and are expected to receive a favorable opinion as to federal and State of Vermont income tax exemption from the Bond Bank's tax counsel.

The System currently is rated A- with a stable outlook by Standard & Poor's, and could execute this refinancing using its underlying credit rating. However, by selling bonds through the Vermont Bond Bank, the System anticipates receiving a rating of Aa2 from Moody's, which is expected to reduce the bonds' interest rate by between 0.25% and 0.35%, which corresponds to \$1 million to \$1.4 million of interest payment savings over the 21-year life of the bonds.

The Bond Bank created a new and separate bond program for the System in spring 2017, which relies entirely upon the State Treasurer's statutory ability to "intercept" the System's state appropriation (see 24 V.S.A. § 4455) in the event the System fails to pay its debt service when due.

The bonds will NOT be obligations of the State of Vermont or of the Bond Bank, nor will the bonds rely upon the State of Vermont's "moral obligation" that otherwise is extended to Bond Bank bonds through 24 V.S.A. § 4675.

Estimated Debt Payment Schedule*				Sources and Uses of Funds*	
Fiscal Year	Existing 2010B Payments	Estimated 2020 Series A Payments	Estimated Refinancing Savings		
2021	2,480,571	1,318,490	1,162,081	Par Amount	22,875,000
2022	2,410,344	1,143,750	1,266,594	Premium	5,906,378
2023	2,409,608	1,143,750	1,265,858	Total Sources:	28,781,378
2024	2,411,724	1,699,500	712,224	Uses	
2025	2,377,305	2,373,000	4,305	Prior Bond Repayment Cost:	
2026	2,102,080	2,098,875	3,205	Cash Deposit	0
2027	2,097,582	2,093,875	3,707	Securities	<u>28,406,903</u>
2028	2,102,826	2,101,000	1,826		28,406,903
2029	1,851,291	1,846,500	4,791	Bond Issuance Costs:	
2030	1,848,322	1,845,750	2,572	Underwriter	100,082
2031	1,848,168	1,847,375	793	Bond Bank Attorney	149,313
2032	1,849,224	1,846,250	2,974	Bond Bank Financial Advisor	65,000
2033	1,846,312	1,842,375	3,937	Bond Bank Service Charge	35,000
2034	1,845,620	1,845,500	120	Trustee/Escrow Agent	10,000
2035	1,846,905	1,845,375	1,530	VSC Attorney	<u>10,000</u>
2036	1,845,046	1,842,000	3,046		369,394
2037	1,844,924	1,840,250	4,674	Additional Proceeds/Rounding	5,081
2038	1,846,295	1,844,750	1,545	Total Uses:	28,781,378
2039	1,844,039	1,840,375	3,664		
2040	1,838,156	1,837,125	1,031		
2041	1,838,404	1,834,750	3,654		
	<u>42,384,744</u>	<u>37,930,615</u>	<u>4,454,130</u>		

* Pro-forma provided by the Vermont Bond Bank as of December 27, 2019.

**Attachment 2:
Estimated Annual Savings Overall and by College**

ESTIMATED SAVINGS BY COLLEGE					
Fiscal Year	System 100%	CCV 11%	Castleton 38%	NVU 23%	VTC 28%
FY2021	1,162,081	126,371	442,221	266,322	327,167
FY2022	1,266,594	137,736	481,993	290,274	356,591
FY2023	1,265,858	137,656	481,712	290,106	356,384
FY2024	712,224	77,451	271,031	163,225	200,516
FY2025	4,305	468	1,638	987	1,212
FY2026	3,205	349	1,220	735	902
FY2027	3,707	403	1,411	849	1,044
FY2028	1,826	199	695	418	514
FY2029	4,791	521	1,823	1,098	1,349
FY2030	2,572	280	979	589	724
FY2031	793	86	302	182	223
FY2032	2,974	323	1,132	682	837
FY2033	3,937	428	1,498	902	1,109
FY2034	120	13	46	27	34
FY2035	1,530	166	582	351	431
FY2036	3,046	331	1,159	698	858
FY2037	4,674	508	1,778	1,071	1,316
FY2038	1,545	168	588	354	435
FY2039	3,664	398	1,394	840	1,031
FY2040	1,031	112	392	236	290
FY2041	3,654	397	1,390	837	1,029
	4,454,131	484,367	1,694,985	1,020,784	1,253,995

**Attachment 3:
Detailed Pro-Forma “Numbers Run”
(for information)**



SOURCES AND USES OF FUNDS

Vermont State Colleges
 Refunding of VSC BABs 10 08 2019 with MS Rates
 MMD Rates on 12/27/2019
 Maximize Upfront Savings

Sources:

Bond Proceeds:	
Par Amount	22,875,000.00
Premium	5,906,378.25
	<u>28,781,378.25</u>

Uses:

Refunding Escrow Deposits:	
Cash Deposit	0.30
SLGS Purchases	<u>28,406,903.00</u>
	28,406,903.30
Delivery Date Expenses:	
Cost of Issuance	269,312.50
Underwriter's Discount	<u>100,081.78</u>
	369,394.28
Other Uses of Funds:	
Additional Proceeds	5,080.67
	<u>28,781,378.25</u>

Note: MMD Rates on 12/27/2019



BOND SUMMARY STATISTICS

Vermont State Colleges
 Refunding of VSC BABs 10 08 2019 with MS Rates
 MMD Rates on 12/27/2019
 Maximize Upfront Savings

Dated Date	02/06/2020
Delivery Date	02/06/2020
First Coupon	10/01/2020
Last Maturity	10/01/2040
Arbitrage Yield	1.970027%
True Interest Cost (TIC)	2.649286%
Net Interest Cost (NIC)	3.071717%
All-In TIC	2.743295%
Average Coupon	5.000000%
Average Life (years)	13.163
Weighted Average Maturity (years)	13.228
Duration of Issue (years)	10.186
Par Amount	22,875,000.00
Bond Proceeds	28,781,378.25
Total Interest	15,055,614.58
Net Interest	9,249,318.11
Total Debt Service	37,930,614.58
Maximum Annual Debt Service	2,373,000.00
Average Annual Debt Service	1,836,586.58
Underwriter's Fees (per \$1000)	
Average Takedown	3.000000
Other Fee	1.375160
Total Underwriter's Discount	4.375160
Bid Price	125.382717

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Refunding Serials	22,875,000.00	125.820	5.000%	13.163	04/05/2033	22,313.15
	22,875,000.00			13.163		22,313.15

	TIC	All-In TIC	Arbitrage Yield
Par Value	22,875,000.00	22,875,000.00	22,875,000.00
+ Accrued Interest			
+ Premium (Discount)	5,906,378.25	5,906,378.25	5,906,378.25
- Underwriter's Discount	-100,081.78	-100,081.78	
- Cost of Issuance Expense		-269,312.50	
- Other Amounts			
Target Value	28,681,296.47	28,411,983.97	28,781,378.25
Target Date	02/06/2020	02/06/2020	02/06/2020
Yield	2.649286%	2.743295%	1.970027%



SUMMARY OF REFUNDING RESULTS

Vermont State Colleges
 Refunding of VSC BABs 10 08 2019 with MS Rates
 MMD Rates on 12/27/2019
 Maximize Upfront Savings

Dated Date	02/06/2020
Delivery Date	02/06/2020
Arbitrage yield	1.970027%
Escrow yield	1.556086%
Value of Negative Arbitrage	46,909.14
Bond Par Amount	22,875,000.00
True Interest Cost	2.649286%
Net Interest Cost	3.071717%
Average Coupon	5.000000%
Average Life	13.163
Par amount of refunded bonds	27,645,000.00
Average coupon of refunded bonds	7.077910%
Average life of refunded bonds	11.093
PV of prior debt to 02/06/2020 @ 1.970027%	35,123,521.51
Net PV Savings	4,453,844.16
Percentage savings of refunded bonds	16.110849%
Percentage savings of refunding bonds	19.470357%



SUMMARY OF BONDS REFUNDED

Vermont State Colleges
 Refunding of VSC BABs 10 08 2019 with MS Rates
 MMD Rates on 12/27/2019
 Maximize Upfront Savings

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
VSC Series 2010B Federally Taxable Build America Bonds, 2010B:					
SER	07/01/2020	5.101%	1,180,000.00		
TERM25	07/01/2021	6.101%	1,215,000.00	07/01/2020	100.000
	07/01/2022	6.101%	1,265,000.00	07/01/2020	100.000
	07/01/2023	6.101%	1,320,000.00	07/01/2020	100.000
	07/01/2024	6.101%	1,340,000.00	07/01/2020	100.000
	07/01/2025	6.101%	1,115,000.00	07/01/2020	100.000
TERM30	07/01/2026	6.861%	1,160,000.00	07/01/2020	100.000
	07/01/2027	6.861%	1,220,000.00	07/01/2020	100.000
	07/01/2028	6.861%	1,020,000.00	07/01/2020	100.000
	07/01/2029	6.861%	1,065,000.00	07/01/2020	100.000
	07/01/2030	6.861%	1,115,000.00	07/01/2020	100.000
TERM40	07/01/2031	7.211%	1,170,000.00	07/01/2020	100.000
	07/01/2032	7.211%	1,225,000.00	07/01/2020	100.000
	07/01/2033	7.211%	1,285,000.00	07/01/2020	100.000
	07/01/2034	7.211%	1,350,000.00	07/01/2020	100.000
	07/01/2035	7.211%	1,415,000.00	07/01/2020	100.000
	07/01/2036	7.211%	1,485,000.00	07/01/2020	100.000
	07/01/2037	7.211%	1,560,000.00	07/01/2020	100.000
	07/01/2038	7.211%	1,635,000.00	07/01/2020	100.000
	07/01/2039	7.211%	1,710,000.00	07/01/2020	100.000
	07/01/2040	7.211%	1,795,000.00	07/01/2020	100.000
			27,645,000.00		



SAVINGS

Vermont State Colleges
 Refunding of VSC BABs 10 08 2019 with MS Rates
 MMD Rates on 12/27/2019
 Maximize Upfront Savings

Date	Prior Debt Service	Prior BABs Subsidy	Prior Net Cash Flow	Refunding Debt Service	Present Value Savings @ 1.9700268%	to 02/06/2020
06/30/2021	2,420,384.99	60,185.77	2,480,570.76	1,318,489.58	1,162,081.18	1,158,939.90
06/30/2022	2,410,344.49		2,410,344.49	1,143,750.00	1,266,594.49	1,237,524.56
06/30/2023	2,409,608.20		2,409,608.20	1,143,750.00	1,265,858.20	1,213,038.93
06/30/2024	2,411,723.81		2,411,723.81	1,699,500.00	712,223.81	674,241.36
06/30/2025	2,377,305.06		2,377,305.06	2,373,000.00	4,305.06	14,751.07
06/30/2026	2,102,080.23		2,102,080.23	2,098,875.00	3,205.23	12,235.41
06/30/2027	2,097,581.65		2,097,581.65	2,093,875.00	3,706.65	12,407.41
06/30/2028	2,102,825.82		2,102,825.82	2,101,000.00	1,825.82	10,556.95
06/30/2029	1,851,290.92		1,851,290.92	1,846,500.00	4,790.92	11,801.89
06/30/2030	1,848,322.07		1,848,322.07	1,845,750.00	2,572.07	9,713.29
06/30/2031	1,848,167.58		1,848,167.58	1,847,375.00	792.58	8,067.36
06/30/2032	1,849,224.23		1,849,224.23	1,846,250.00	2,974.23	9,648.50
06/30/2033	1,846,312.45		1,846,312.45	1,842,375.00	3,937.45	10,198.92
06/30/2034	1,845,619.93		1,845,619.93	1,845,500.00	119.93	7,073.33
06/30/2035	1,846,904.87		1,846,904.87	1,845,375.00	1,529.87	7,994.48
06/30/2036	1,845,046.38		1,845,046.38	1,842,000.00	3,046.38	8,943.92
06/30/2037	1,844,923.55		1,844,923.55	1,840,250.00	4,673.55	9,939.13
06/30/2038	1,846,294.58		1,846,294.58	1,844,750.00	1,544.58	7,531.48
06/30/2039	1,844,038.57		1,844,038.57	1,840,375.00	3,663.57	8,841.54
06/30/2040	1,838,155.52		1,838,155.52	1,837,125.00	1,030.52	6,851.94
06/30/2041	1,838,403.62		1,838,403.62	1,834,750.00	3,653.62	8,462.13
	42,324,558.52	60,185.77	42,384,744.29	37,930,614.58	4,454,129.71	4,448,763.49

Savings Summary

PV of savings from cash flow	4,448,763.49
Plus: Refunding funds on hand	5,080.67
Net PV Savings	4,453,844.16



PRIOR BOND DEBT SERVICE

Vermont State Colleges
 Refunding of VSC BABs 10 08 2019 with MS Rates
 MMD Rates on 12/27/2019
 Maximize Upfront Savings

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	BABs Subsidy Cash Flow	Total	Annual Total	Bond Balance	Total Bond Value
02/06/2020									27,645,000	27,645,000
07/01/2020	1,180,000	5.101%	939,811.23	2,119,811.23		-309,526.83	1,810,284.40		26,465,000	26,465,000
01/01/2021			909,715.33	909,715.33		-299,614.74	610,100.59		26,465,000	26,465,000
06/30/2021					3,029,526.56			2,420,384.99	26,465,000	26,465,000
07/01/2021	1,215,000	6.101%	909,715.33	2,124,715.33		-299,614.74	1,825,100.59		25,250,000	25,250,000
01/01/2022			872,651.75	872,651.75		-287,407.85	585,243.90		25,250,000	25,250,000
06/30/2022					2,997,367.08			2,410,344.49	25,250,000	25,250,000
07/01/2022	1,265,000	6.101%	872,651.75	2,137,651.75		-287,407.85	1,850,243.90		23,985,000	23,985,000
01/01/2023			834,062.93	834,062.93		-274,698.63	559,364.30		23,985,000	23,985,000
06/30/2023					2,971,714.68			2,409,608.20	23,985,000	23,985,000
07/01/2023	1,320,000	6.101%	834,062.93	2,154,062.93		-274,698.63	1,879,364.30		22,665,000	22,665,000
01/01/2024			793,796.33	793,796.33		-261,436.82	532,359.51		22,665,000	22,665,000
06/30/2024					2,947,859.26			2,411,723.81	22,665,000	22,665,000
07/01/2024	1,340,000	6.101%	793,796.33	2,133,796.33		-261,436.82	1,872,359.51		21,325,000	21,325,000
01/01/2025			752,919.63	752,919.63		-247,974.08	504,945.55		21,325,000	21,325,000
06/30/2025					2,886,715.96			2,377,305.06	21,325,000	21,325,000
07/01/2025	1,115,000	6.101%	752,919.63	1,867,919.63		-247,974.08	1,619,945.55		20,210,000	20,210,000
01/01/2026			718,906.55	718,906.55		-236,771.87	482,134.68		20,210,000	20,210,000
06/30/2026					2,586,826.18			2,102,080.23	20,210,000	20,210,000
07/01/2026	1,160,000	6.861%	718,906.55	1,878,906.55		-236,771.87	1,642,134.68		19,050,000	19,050,000
01/01/2027			679,112.75	679,112.75		-223,665.78	455,446.97		19,050,000	19,050,000
06/30/2027					2,558,019.30			2,097,581.65	19,050,000	19,050,000
07/01/2027	1,220,000	6.861%	679,112.75	1,899,112.75		-223,665.78	1,675,446.97		17,830,000	17,830,000
01/01/2028			637,260.65	637,260.65		-209,881.80	427,378.85		17,830,000	17,830,000
06/30/2028					2,536,373.40			2,102,825.82	17,830,000	17,830,000
07/01/2028	1,020,000	6.861%	637,260.65	1,657,260.65		-209,881.80	1,447,378.85		16,810,000	16,810,000
01/01/2029			602,269.55	602,269.55		-198,357.48	403,912.07		16,810,000	16,810,000
06/30/2029					2,259,530.20			1,851,290.92	16,810,000	16,810,000
07/01/2029	1,065,000	6.861%	602,269.55	1,667,269.55		-198,357.48	1,468,912.07		15,745,000	15,745,000
01/01/2030			565,734.73	565,734.73		-186,324.73	379,410.00		15,745,000	15,745,000
06/30/2030					2,233,004.28			1,848,322.07	15,745,000	15,745,000
07/01/2030	1,115,000	6.861%	565,734.73	1,680,734.73		-186,324.73	1,494,410.00		14,630,000	14,630,000
01/01/2031			527,484.65	527,484.65		-173,727.07	353,757.58		14,630,000	14,630,000
06/30/2031					2,208,219.38			1,848,167.58	14,630,000	14,630,000
07/01/2031	1,170,000	7.211%	527,484.65	1,697,484.65		-173,727.07	1,523,757.58		13,460,000	13,460,000
01/01/2032			485,300.30	485,300.30		-159,833.65	325,466.65		13,460,000	13,460,000
06/30/2032					2,182,784.95			1,849,224.23	13,460,000	13,460,000
07/01/2032	1,225,000	7.211%	485,300.30	1,710,300.30		-159,833.65	1,550,466.65		12,235,000	12,235,000
01/01/2033			441,132.93	441,132.93		-145,287.13	295,845.80		12,235,000	12,235,000
06/30/2033					2,151,433.23			1,846,312.45	12,235,000	12,235,000
07/01/2033	1,285,000	7.211%	441,132.93	1,726,132.93		-145,287.13	1,580,845.80		10,950,000	10,950,000
01/01/2034			394,802.25	394,802.25		-130,028.12	264,774.13		10,950,000	10,950,000
06/30/2034					2,120,935.18			1,845,619.93	10,950,000	10,950,000
07/01/2034	1,350,000	7.211%	394,802.25	1,744,802.25		-130,028.12	1,614,774.13		9,600,000	9,600,000
01/01/2035			346,128.00	346,128.00		-113,997.26	232,130.74		9,600,000	9,600,000



PRIOR BOND DEBT SERVICE

Vermont State Colleges
 Refunding of VSC BABs 10 08 2019 with MS Rates
 MMD Rates on 12/27/2019
 Maximize Upfront Savings

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	BABs Subsidy Cash Flow	Total	Annual Total	Bond Balance	Total Bond Value
06/30/2035					2,090,930.25			1,846,904.87	9,600,000	9,600,000
07/01/2035	1,415,000	7.211%	346,128.00	1,761,128.00		-113,997.26	1,647,130.74		8,185,000	8,185,000
01/01/2036			295,110.18	295,110.18		-97,194.54	197,915.64		8,185,000	8,185,000
06/30/2036					2,056,238.18			1,845,046.38	8,185,000	8,185,000
07/01/2036	1,485,000	7.211%	295,110.18	1,780,110.18		-97,194.54	1,682,915.64		6,700,000	6,700,000
01/01/2037			241,568.50	241,568.50		-79,560.59	162,007.91		6,700,000	6,700,000
06/30/2037					2,021,678.68			1,844,923.55	6,700,000	6,700,000
07/01/2037	1,560,000	7.211%	241,568.50	1,801,568.50		-79,560.59	1,722,007.91		5,140,000	5,140,000
01/01/2038			185,322.70	185,322.70		-61,036.03	124,286.67		5,140,000	5,140,000
06/30/2038					1,986,891.20			1,846,294.58	5,140,000	5,140,000
07/01/2038	1,635,000	7.211%	185,322.70	1,820,322.70		-61,036.03	1,759,286.67		3,505,000	3,505,000
01/01/2039			126,372.78	126,372.78		-41,620.88	84,751.90		3,505,000	3,505,000
06/30/2039					1,946,695.48			1,844,038.57	3,505,000	3,505,000
07/01/2039	1,710,000	7.211%	126,372.78	1,836,372.78		-41,620.88	1,794,751.90		1,795,000	1,795,000
01/01/2040			64,718.73	64,718.73		-21,315.11	43,403.62		1,795,000	1,795,000
06/30/2040					1,901,091.51			1,838,155.52	1,795,000	1,795,000
07/01/2040	1,795,000	7.211%	64,718.73	1,859,718.73		-21,315.11	1,838,403.62			
06/30/2041					1,859,718.73			1,838,403.62		
	27,645,000		21,888,553.67	49,533,553.67	49,533,553.67	-7,208,995.15	42,324,558.52	42,324,558.52		



BOND PRICING

Vermont State Colleges
 Refunding of VSC BABs 10/08/2019 with MS Rates
 MMD Rates on 12/27/2019
 Maximize Upfront Savings

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Refunding Serials:									
	10/01/2020		5.000%	5.000%	100.000				
	10/01/2021		5.000%	5.000%	100.000				
	10/01/2022		5.000%	5.000%	100.000				
	10/01/2023	570,000	5.000%	1.210%	113.501				76,955.70
	10/01/2024	1,290,000	5.000%	1.240%	116.946				218,603.40
	10/01/2025	1,075,000	5.000%	1.290%	120.161				216,730.75
	10/01/2026	1,125,000	5.000%	1.360%	123.076				259,605.00
	10/01/2027	1,190,000	5.000%	1.470%	125.459				302,962.10
	10/01/2028	990,000	5.000%	1.550%	127.834				275,556.60
	10/01/2029	1,040,000	5.000%	1.650%	129.777				309,680.80
	10/01/2030	1,095,000	5.000%	1.750%	131.458				344,465.10
	10/01/2031	1,150,000	5.000%	1.870%	130.102 C	2.078%	10/01/2030	100.000	346,173.00
	10/01/2032	1,205,000	5.000%	1.960%	129.096 C	2.331%	10/01/2030	100.000	350,606.80
	10/01/2033	1,270,000	5.000%	2.040%	128.209 C	2.541%	10/01/2030	100.000	358,254.30
	10/01/2034	1,335,000	5.000%	2.100%	127.549 C	2.709%	10/01/2030	100.000	367,779.15
	10/01/2035	1,400,000	5.000%	2.140%	127.111 C	2.842%	10/01/2030	100.000	379,554.00
	10/01/2036	1,470,000	5.000%	2.180%	126.675 C	2.959%	10/01/2030	100.000	392,122.50
	10/01/2037	1,550,000	5.000%	2.220%	126.241 C	3.064%	10/01/2030	100.000	406,735.50
	10/01/2038	1,625,000	5.000%	2.260%	125.809 C	3.158%	10/01/2030	100.000	419,396.25
	10/01/2039	1,705,000	5.000%	2.300%	125.378 C	3.243%	10/01/2030	100.000	432,694.90
	10/01/2040	1,790,000	5.000%	2.330%	125.056 C	3.315%	10/01/2030	100.000	448,502.40
		22,875,000							5,906,378.25

Dated Date	02/06/2020	
Delivery Date	02/06/2020	
First Coupon	10/01/2020	
Par Amount	22,875,000.00	
Premium	5,906,378.25	
Production	28,781,378.25	125.820233%
Underwriter's Discount	-100,081.78	-0.437516%
Purchase Price	28,681,296.47	125.382717%
Accrued Interest		
Net Proceeds	28,681,296.47	



BOND DEBT SERVICE

Vermont State Colleges
 Refunding of VSC BABs 10/08/2019 with MS Rates
 MMD Rates on 12/27/2019
 Maximize Upfront Savings

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value
02/06/2020						22,875,000	22,875,000
10/01/2020			746,614.58	746,614.58		22,875,000	22,875,000
04/01/2021			571,875.00	571,875.00		22,875,000	22,875,000
06/30/2021					1,318,489.58	22,875,000	22,875,000
10/01/2021			571,875.00	571,875.00		22,875,000	22,875,000
04/01/2022			571,875.00	571,875.00		22,875,000	22,875,000
06/30/2022					1,143,750.00	22,875,000	22,875,000
10/01/2022			571,875.00	571,875.00		22,875,000	22,875,000
04/01/2023			571,875.00	571,875.00		22,875,000	22,875,000
06/30/2023					1,143,750.00	22,875,000	22,875,000
10/01/2023	570,000	5.000%	571,875.00	1,141,875.00		22,305,000	22,305,000
04/01/2024			557,625.00	557,625.00		22,305,000	22,305,000
06/30/2024					1,699,500.00	22,305,000	22,305,000
10/01/2024	1,290,000	5.000%	557,625.00	1,847,625.00		21,015,000	21,015,000
04/01/2025			525,375.00	525,375.00		21,015,000	21,015,000
06/30/2025					2,373,000.00	21,015,000	21,015,000
10/01/2025	1,075,000	5.000%	525,375.00	1,600,375.00		19,940,000	19,940,000
04/01/2026			498,500.00	498,500.00		19,940,000	19,940,000
06/30/2026					2,098,875.00	19,940,000	19,940,000
10/01/2026	1,125,000	5.000%	498,500.00	1,623,500.00		18,815,000	18,815,000
04/01/2027			470,375.00	470,375.00		18,815,000	18,815,000
06/30/2027					2,093,875.00	18,815,000	18,815,000
10/01/2027	1,190,000	5.000%	470,375.00	1,660,375.00		17,625,000	17,625,000
04/01/2028			440,625.00	440,625.00		17,625,000	17,625,000
06/30/2028					2,101,000.00	17,625,000	17,625,000
10/01/2028	990,000	5.000%	440,625.00	1,430,625.00		16,635,000	16,635,000
04/01/2029			415,875.00	415,875.00		16,635,000	16,635,000
06/30/2029					1,846,500.00	16,635,000	16,635,000
10/01/2029	1,040,000	5.000%	415,875.00	1,455,875.00		15,595,000	15,595,000
04/01/2030			389,875.00	389,875.00		15,595,000	15,595,000
06/30/2030					1,845,750.00	15,595,000	15,595,000
10/01/2030	1,095,000	5.000%	389,875.00	1,484,875.00		14,500,000	14,500,000
04/01/2031			362,500.00	362,500.00		14,500,000	14,500,000
06/30/2031					1,847,375.00	14,500,000	14,500,000
10/01/2031	1,150,000	5.000%	362,500.00	1,512,500.00		13,350,000	13,350,000
04/01/2032			333,750.00	333,750.00		13,350,000	13,350,000
06/30/2032					1,846,250.00	13,350,000	13,350,000
10/01/2032	1,205,000	5.000%	333,750.00	1,538,750.00		12,145,000	12,145,000
04/01/2033			303,625.00	303,625.00		12,145,000	12,145,000
06/30/2033					1,842,375.00	12,145,000	12,145,000
10/01/2033	1,270,000	5.000%	303,625.00	1,573,625.00		10,875,000	10,875,000
04/01/2034			271,875.00	271,875.00		10,875,000	10,875,000
06/30/2034					1,845,500.00	10,875,000	10,875,000
10/01/2034	1,335,000	5.000%	271,875.00	1,606,875.00		9,540,000	9,540,000
04/01/2035			238,500.00	238,500.00		9,540,000	9,540,000
06/30/2035					1,845,375.00	9,540,000	9,540,000
10/01/2035	1,400,000	5.000%	238,500.00	1,638,500.00		8,140,000	8,140,000
04/01/2036			203,500.00	203,500.00		8,140,000	8,140,000
06/30/2036					1,842,000.00	8,140,000	8,140,000
10/01/2036	1,470,000	5.000%	203,500.00	1,673,500.00		6,670,000	6,670,000
04/01/2037			166,750.00	166,750.00		6,670,000	6,670,000
06/30/2037					1,840,250.00	6,670,000	6,670,000
10/01/2037	1,550,000	5.000%	166,750.00	1,716,750.00		5,120,000	5,120,000
04/01/2038			128,000.00	128,000.00		5,120,000	5,120,000
06/30/2038					1,844,750.00	5,120,000	5,120,000
10/01/2038	1,625,000	5.000%	128,000.00	1,753,000.00		3,495,000	3,495,000
04/01/2039			87,375.00	87,375.00		3,495,000	3,495,000
06/30/2039					1,840,375.00	3,495,000	3,495,000
10/01/2039	1,705,000	5.000%	87,375.00	1,792,375.00		1,790,000	1,790,000



BOND DEBT SERVICE

Vermont State Colleges
 Refunding of VSC BABs 10 08 2019 with MS Rates
 MMD Rates on 12/27/2019
 Maximize Upfront Savings

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value
04/01/2040			44,750.00	44,750.00		1,790,000	1,790,000
06/30/2040					1,837,125.00	1,790,000	1,790,000
10/01/2040	1,790,000	5.000%	44,750.00	1,834,750.00			
06/30/2041					1,834,750.00		
	22,875,000		15,055,614.58	37,930,614.58	37,930,614.58		



ESCROW DESCRIPTIONS

Vermont State Colleges
 Refunding of VSC BABs 10 08 2019 with MS Rates
 MMD Rates on 12/27/2019
 Maximize Upfront Savings

	Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Feb 6, 2020:	SLGS	Certificate	07/01/2020	07/01/2020	28,406,903	1.570%	1.570%
					28,406,903		

SLGS Summary

SLGS Rates File	27DEC19
Total Certificates of Indebtedness	28,406,903.00



ESCROW COST

Vermont State Colleges
 Refunding of VSC BABs 10 08 2019 with MS Rates
 MMD Rates on 12/27/2019
 Maximize Upfront Savings

Type of Security	Maturity Date	Par Amount	Rate	Total Cost
SLGS	07/01/2020	28,406,903	1.570%	28,406,903.00
		28,406,903		28,406,903.00

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
02/06/2020	28,406,903	0.30	28,406,903.30	1.556086%
	28,406,903	0.30	28,406,903.30	



ESCROW CASH FLOW

Vermont State Colleges
 Refunding of VSC BABs 10 08 2019 with MS Rates
 MMD Rates on 12/27/2019
 Maximize Upfront Savings

Date	Principal	Interest	Net Escrow Receipts	Present Value to 02/06/2020 @ 1.5560858%
07/01/2020	28,406,903.00	177,907.93	28,584,810.93	28,406,903.00
	28,406,903.00	177,907.93	28,584,810.93	28,406,903.00

Escrow Cost Summary

Purchase date	02/06/2020
Purchase cost of securities	28,406,903.00
Target for yield calculation	28,406,903.00



ESCROW SUFFICIENCY

Vermont State Colleges
 Refunding of VSC BABs 10 08 2019 with MS Rates
 MMD Rates on 12/27/2019
 Maximize Upfront Savings

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
02/06/2020		0.30	0.30	0.30
07/01/2020	28,584,811.23	28,584,810.93	-0.30	
	28,584,811.23	28,584,811.23	0.00	



ESCROW STATISTICS

Vermont State Colleges
 Refunding of VSC BABs 10 08 2019 with MS Rates
 MMD Rates on 12/27/2019
 Maximize Upfront Savings

	Total Escrow Cost	Modified Duration (years)	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
Global Proceeds Escrow:	28,406,903.30	0.400	1.556086%	1.556086%	28,359,994.16	46,909.14	
	28,406,903.30				28,359,994.16	46,909.14	0.00

Delivery date 02/06/2020
 Arbitrage yield 1.970027%



PROOF OF COMPOSITE ESCROW YIELD

Vermont State Colleges
 Refunding of VSC BABs 10 08 2019 with MS Rates
 MMD Rates on 12/27/2019
 Maximize Upfront Savings

All restricted escrows funded by bond proceeds

Date	Security Receipts	Present Value to 02/06/2020 @ 1.5560858038%
07/01/2020	28,584,810.93	28,406,903.00
	28,584,810.93	28,406,903.00

Escrow Cost Summary

Purchase date	02/06/2020
Purchase cost of securities	28,406,903.00
Target for yield calculation	28,406,903.00



UNDERWRITER'S DISCOUNT

Vermont State Colleges
 Refunding of VSC BABs 10 08 2019 with MS Rates
 MMD Rates on 12/27/2019
 Maximize Upfront Savings

Underwriter's Discount	\$/1000	Amount
Average Takedown	3.00000	68,625.00
Underwriters' Counsel	1.09290	25,000.00
Day Loan	0.03495	799.49
Ipreo - Dalnet Book Running System	0.06631	1,516.93
Ipreo - Game Day	0.03219	736.38
Ipreo - News Services Charge	0.00214	48.99
Ipreo - Dalnet Wire Charges	0.00428	97.99
DTC Charges	0.03497	800.00
CUSIP Fees	0.04031	922.00
CUSIP Disclosure Fee	0.00153	35.00
Travel / Pricing / Closing	0.06557	1,500.00
	4.37516	100,081.78



COST OF ISSUANCE

Vermont State Colleges
 Refunding of VSC BABs 10 08 2019 with MS Rates
 MMD Rates on 12/27/2019
 Maximize Upfront Savings

Cost of Issuance	\$/1000	Amount
Cost of Issuance	10.27322	235,000.00
Issuer Fee	1.50000	34,312.50
	11.77322	269,312.50



FORM 8038 STATISTICS

Vermont State Colleges
 Refunding of VSC BABs 10 08 2019 with MS Rates
 MMD Rates on 12/27/2019
 Maximize Upfront Savings

Dated Date 02/06/2020
 Delivery Date 02/06/2020

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Refunding Serials:						
	10/01/2020		5.000%	100.000		
	10/01/2021		5.000%	100.000		
	10/01/2022		5.000%	100.000		
	10/01/2023	570,000.00	5.000%	113.501	646,955.70	570,000.00
	10/01/2024	1,290,000.00	5.000%	116.946	1,508,603.40	1,290,000.00
	10/01/2025	1,075,000.00	5.000%	120.161	1,291,730.75	1,075,000.00
	10/01/2026	1,125,000.00	5.000%	123.076	1,384,605.00	1,125,000.00
	10/01/2027	1,190,000.00	5.000%	125.459	1,492,962.10	1,190,000.00
	10/01/2028	990,000.00	5.000%	127.834	1,265,556.60	990,000.00
	10/01/2029	1,040,000.00	5.000%	129.777	1,349,680.80	1,040,000.00
	10/01/2030	1,095,000.00	5.000%	131.458	1,439,465.10	1,095,000.00
	10/01/2031	1,150,000.00	5.000%	130.102	1,496,173.00	1,150,000.00
	10/01/2032	1,205,000.00	5.000%	129.096	1,555,606.80	1,205,000.00
	10/01/2033	1,270,000.00	5.000%	128.209	1,628,254.30	1,270,000.00
	10/01/2034	1,335,000.00	5.000%	127.549	1,702,779.15	1,335,000.00
	10/01/2035	1,400,000.00	5.000%	127.111	1,779,554.00	1,400,000.00
	10/01/2036	1,470,000.00	5.000%	126.675	1,862,122.50	1,470,000.00
	10/01/2037	1,550,000.00	5.000%	126.241	1,956,735.50	1,550,000.00
	10/01/2038	1,625,000.00	5.000%	125.809	2,044,396.25	1,625,000.00
	10/01/2039	1,705,000.00	5.000%	125.378	2,137,694.90	1,705,000.00
	10/01/2040	1,790,000.00	5.000%	125.056	2,238,502.40	1,790,000.00
		22,875,000.00			28,781,378.25	22,875,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	10/01/2040	5.000%	2,238,502.40	1,790,000.00		
Entire Issue			28,781,378.25	22,875,000.00	13.2278	1.9700%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	369,394.28
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00
Proceeds used to refund prior tax-exempt bonds	28,406,903.30
Proceeds used to refund prior taxable bonds	0.00
Remaining WAM of prior tax-exempt bonds (years)	11.0931
Remaining WAM of prior taxable bonds (years)	0.0000
Last call date of refunded tax-exempt bonds	07/01/2020

2011 Form 8038 Statistics

Proceeds used to currently refund prior issues	0.00
Proceeds used to advance refund prior issues	28,406,903.30
Remaining weighted average maturity of the bonds to be currently refunded	0.0000
Remaining weighted average maturity of the bonds to be advance refunded	11.0931



FORM 8038 STATISTICS

Vermont State Colleges
 Refunding of VSC BABs 10 08 2019 with MS Rates
 MMD Rates on 12/27/2019
 Maximize Upfront Savings

Refunded Bonds

Bond Component	Date	Principal	Coupon	Price	Issue Price
VSC Series 2010B Federally Taxable Build America Bonds:					
SER	07/01/2020	1,180,000.00	5.101%	100.000	1,180,000.00
TERM25	07/01/2021	1,215,000.00	6.101%	100.000	1,215,000.00
TERM25	07/01/2022	1,265,000.00	6.101%	100.000	1,265,000.00
TERM25	07/01/2023	1,320,000.00	6.101%	100.000	1,320,000.00
TERM25	07/01/2024	1,340,000.00	6.101%	100.000	1,340,000.00
TERM25	07/01/2025	1,115,000.00	6.101%	100.000	1,115,000.00
TERM30	07/01/2026	1,160,000.00	6.861%	100.000	1,160,000.00
TERM30	07/01/2027	1,220,000.00	6.861%	100.000	1,220,000.00
TERM30	07/01/2028	1,020,000.00	6.861%	100.000	1,020,000.00
TERM30	07/01/2029	1,065,000.00	6.861%	100.000	1,065,000.00
TERM30	07/01/2030	1,115,000.00	6.861%	100.000	1,115,000.00
TERM40	07/01/2031	1,170,000.00	7.211%	100.000	1,170,000.00
TERM40	07/01/2032	1,225,000.00	7.211%	100.000	1,225,000.00
TERM40	07/01/2033	1,285,000.00	7.211%	100.000	1,285,000.00
TERM40	07/01/2034	1,350,000.00	7.211%	100.000	1,350,000.00
TERM40	07/01/2035	1,415,000.00	7.211%	100.000	1,415,000.00
TERM40	07/01/2036	1,485,000.00	7.211%	100.000	1,485,000.00
TERM40	07/01/2037	1,560,000.00	7.211%	100.000	1,560,000.00
TERM40	07/01/2038	1,635,000.00	7.211%	100.000	1,635,000.00
TERM40	07/01/2039	1,710,000.00	7.211%	100.000	1,710,000.00
TERM40	07/01/2040	1,795,000.00	7.211%	100.000	1,795,000.00
		27,645,000.00			27,645,000.00

	Last Call Date	Issue Date	Remaining Weighted Average Maturity
VSC Series 2010B Federally Taxable Build America Bonds	07/01/2020	12/08/2010	11.0931
All Refunded Issues	07/01/2020		11.0931

Attachment 4:
Authorizing Resolution and Bond Resolution

VSC Board of Trustees
Special Meeting Materials

January 6, 2020

RESOLUTION AUTHORIZING AGREEMENTS, AND THE EXECUTION AND DELIVERY THEREOF, TO REFUND CERTAIN OUTSTANDING OBLIGATIONS THROUGH THE NOT TO EXCEED \$30,000,000.00 VERMONT STATE COLLEGES GENERAL OBLIGATION REFUNDING BOND, SERIES 2020A

WHEREAS, the Board of Trustees ("Board") of the Vermont State Colleges (the "Corporation") heretofore has found and determined, and hereby finds and determines, that the interests of the Corporation will be served by the refunding of certain outstanding obligations identified on Exhibit A, the proceeds of which have been fully expended for the purpose of constructing capital improvements that have been placed in, and remain in, service by the Corporation; and

WHEREAS, on November 30, 1988, the Board adopted a Bond Resolution Authorizing and Securing Vermont State College Revenue Bonds, and supplemented the same on October 24, 1997 (collectively, the "VSC General Bond Resolution"); and

WHEREAS, in order to have funds available to redeem and retire such outstanding obligations, the Board proposes to issue and sell a series of general obligation bonds under the VSC General Bond Resolution designated the Vermont State Colleges General Obligation Refunding Bond, Series 2020A (the "Bond"); and

WHEREAS, in connection with the authorization, issuance and sale of the Bond, the Corporation has or will enter into a Loan Agreement with the Vermont Municipal Bond Bank, the terms of which provide, inter alia, that the Loan made to the Corporation thereunder be evidenced by the Bond; and

WHEREAS, on March 30, 2017, the Board of Directors of the Vermont Municipal Bond Bank approved and adopted its General Bond Resolution for Vermont State Colleges System and on December 18, 2019, it adopted and approved its "Series Resolution Authorizing the Issuance of \$ _____ Vermont Bond Bank, Vermont State Colleges System Bonds, 2020 Series A", the proceeds of which will fund the Loan to the Corporation; and

WHEREAS, in addition to the above-referenced Loan Agreement, in offering the Bond for sale to the Vermont Municipal Bond Bank, the Corporation will be required to enter into or approve certain contracts, agreements and undertakings, and to make certain representations, certifications and commitments, all of which being embodied in certain "Financing Documents", among them being:

- (1) Letter of Representations.
- (2) Bond Purchase Agreement between the Vermont Municipal Bond Bank, Morgan Stanley & Co., LLC, and Citigroup Global Markets, Inc.
- (3) Series 2020A Bond Resolution.
- (4) Vermont Bond Bank Preliminary and Final Official Statements.
- (5) Continuing Disclosure Agreement.
- (6) Tax Certificate and Post-Issuance Compliance Procedures.
- (7) Escrow Agreement.
- (8) Such other instruments as may be necessary or convenient to effectuate the intent and purpose of these presents; and

VSC Board of Trustees
Special Meeting Materials

January 6, 2020

WHEREAS, the Board has determined that it is in the best interest of the Corporation to proceed with the issuance and sale of the Bond to the Vermont Municipal Bond Bank for the aforesaid purpose, and to take such action as may be necessary in connection therewith, including payment and performance of the Corporation's obligations, commitments and undertakings set forth in the Loan Agreement, and secured as provided in the VSC General Bond Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Corporation as follows:

Section 1. The Board Chair, Chancellor and the Chief Financial Officer, each being a "Delegate", as defined in the Bond Resolution and a "Corporation Representative" under the VSC General Bond Resolution, are authorized to execute and deliver the Financing Documents on behalf of the Corporation, together with such changes not inconsistent with the general tenor of the same as said officers, with the advice of counsel and/or the Executive Committee, may deem necessary or appropriate, such execution and delivery to be conclusive evidence of authorization and approval thereof by the Corporation.

Section 2. The form, terms and provisions of the Bond as set out in the Bond Series 2020A Resolution, with such changes not inconsistent with the general tenor of the same as the Board Chair, the Chancellor and the Chief Financial Officer, with the advice of counsel and/or the Executive Committee, may deem necessary or appropriate, are hereby approved.

Section 3. With respect to the issuance and sale of its Series 2020A Vermont Bond Bank Bonds, Vermont State Colleges System Issue, the form, terms and provisions of all Vermont Municipal Bond Bank offering and disclosure materials relating to the Corporation are hereby approved. The use of such instruments together with such changes as the Board Chair, the Chancellor and the Chief Financial Officer, with the advice of counsel and/or the Executive Committee, may deem necessary or appropriate in connection with the issuance and sale of the Bond are hereby approved.

Section 4. The Board Chair, the Chancellor and the Chief Financial Officer, with the advice of counsel and/or the Executive Committee, are hereby authorized to do any and all other things and perform any and all other actions on behalf of the Corporation necessary or convenient for the issuance, execution and delivery of any and all additional agreements, documents, certificates, statements or other instruments as may be necessary to effectuate any of the foregoing, and such execution and delivery shall be conclusive evidence of authorization and approval thereof by the Corporation.

Section 5. This Resolution shall take effect immediately upon its passage.

Adopted at a meeting of the Board of Trustees of the Vermont State Colleges duly noticed and held on January 6, 2020.

ATTEST: _____
Secretary

EXHIBIT A

1. Vermont State Colleges Revenue Bonds, Series 2010B (Federally Taxable – Build America Bonds).

Vermont State Colleges
RESOLUTION
Adopted January 6, 2020
Relating to the Issuance of
Vermont State Colleges
General Obligation Refunding Bond, Series 2020A

TABLE OF CONTENTS

ARTICLE I	1
DEFINITIONS	1
Section 1.01. Definitions	1
Section 1.02. Rules of Construction	2
ARTICLE II	2
ISSUANCE OF BONDS AND FORMS AND DETAILS OF BONDS	2
Section 2.01. Issuance of Bonds.....	2
Section 2.02. Forms and Details of Bonds	2
ARTICLE III	3
REDEMPTION OF BONDS	3
Section 3.01. Optional Redemption.....	3
Section 3.02. Notice of Redemption.....	3
Section 3.03. Payment of Redeemed Bond	3
ARTICLE IV	3
FUNDS AND ACCOUNTS	3
Section 4.01. Establishment of Certain Fund	3
Section 4.02. Redemption of the Prior Bonds	3
Section 4.03. Cost of Issuance.....	3
Section 4.04. Payments by Corporation	3
ARTICLE V	3
RESERVED	
ARTICLE VI	4
AWARD OF BOND AND DISCLOSURE UNDERTAKING	4
Section 6.01. Delegation and Standards: Award of Bond	4
Section 6.02. Disclosure Undertaking	4
Section 6.03. Official Statement.....	4
ARTICLE VII	5
MISCELLANEOUS PROVISIONS	5
Section 7.01. Manner of Giving Notice.....	5
Section 7.02. Corporation, Bond Trustee and Bank Alone Have Rights under Resolutions.....	6
Section 7.03. State Law Governs.....	6
Section 7.04. Headings Not Part of Resolution	6
Section 7.05. Further Acts	6
Section 7.06. Additional Legislation	7
Section 7.07. Resolution Effective	7

RESOLUTION RELATING TO THE ISSUANCE OF VERMONT STATE COLLEGES GENERAL OBLIGATION REFUNDING BOND, SERIES 2020A, PROVIDING FOR THE AWARD OF SUCH BOND AT NEGOTIATED SALE AND APPROVING AND AUTHORIZING CERTAIN ACTIONS AND DOCUMENTS RELATED THERETO.

WHEREAS, under Sections 2171 to 2186, inclusive, of Title 16 of Vermont Statutes Annotated, as amended (the "Act"), there has been created, as a part of the educational system of the State of Vermont and as an instrumentality of such State, a public corporation under the name of "Vermont State Colleges" (hereinafter sometimes called the "Corporation") to plan, supervise, administer and operate facilities for education above the high school level supported in whole or in substantial part with State funds; and

WHEREAS, Section 2171(e) of the Act authorizes Corporation "to borrow money for building purposes, to give security that may be required, and to executed related instruments"; and

WHEREAS, pursuant to Section 2171(e) of the Act, certain obligations of the Corporation (as more fully described in Section 1.01, the "Prior Obligations") have been issued for the purpose of providing funds, with other available funds, for paying the cost of capital improvements dedicated to the furtherance of the Corporation's purpose, the proceeds of such Prior Obligations having been fully expended for the purposes for which they were issued; and

WHEREAS, the Board has determined that it is desirable and in the public interest to refund the Prior Obligations and, thereby, to further the purposes of the Corporation; and

WHEREAS, the Board has determined to issue a general obligation bond of the Corporation (as more fully defined in Section 1.01 hereof, the "Bond") to provide funds, together with other available moneys, (i) to refund the Prior Obligations; and (ii) to pay costs of issuance of the Bond, including without limitation costs of issuing Bond Bank bonds issued to finance the Bond; and

WHEREAS, the Board has determined to issue the Bond pursuant to this Bond Resolution as a general obligation of the Corporation payable and secured and having such terms and details as provided in this Bond Resolution and a series certificate to be delivered by the Delegates of the Corporation (the "Series Certificate") to be delivered prior to the issuance of such Bond as hereinafter provided; and

WHEREAS, the Board has determined that a negotiated sale of the Bond to the Vermont Municipal Bond Bank (the "Bond Bank") is in the best interest of the Corporation and in connection therewith has determined to provide for the award of the Bond at private sale and to approve and authorize certain actions and documents related thereto as hereinafter provided;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Vermont State Colleges:

ARTICLE I.

DEFINITIONS

Section 1.01. Definitions. Terms not defined herein shall have the meanings assigned to such terms in the Bond Bank Resolution and the Loan Agreement. In addition to words and terms defined in the Bond Bank Resolution, Loan Agreement or elsewhere defined in this Bond Resolution, the following words and terms as used in this Bond Resolution shall have the following meanings, unless some other meaning is plainly intended:

"Bond" means the Vermont State Colleges General Obligation Refunding Bond, Series 2020A issued pursuant to this Bond Resolution.

"Bond Bank" means the Vermont Municipal Bond Bank.

"Bond Bank Resolution" means, collectively, the Vermont Municipal Bond Bank General Bond Resolution for the Vermont State Colleges System adopted March 30, 2017, and the Vermont Municipal Bond Bank Series Resolution adopted December 18, 2019 authorizing the issuance of Vermont Municipal Bond Bank Vermont State Colleges System Refunding Bonds, 2020 Series A.

"Bond Fund" means the Vermont State Colleges General Obligation Refunding Bond, Series 2020A Bond Fund created and so designated under Section 4.01 of this Resolution.

"Bond Resolution" means this Vermont State Colleges Resolution Relating to the Issuance of Vermont State Colleges General Obligation Refunding Bond, Series 2020A, adopted by the Board on January 6, 2020.

"Bond Trustee" means the trustee appointed by the Vermont Municipal Bond Bank under the Bond Bank Resolution.

"Cost of Issuance Account" means the Vermont State Colleges General Obligation Refunding Bond, Series 2020A Cost of Issuance Fund created and so designated under Section 4.01 of this Resolution.

"Delegates" mean those officers of the Corporation so designated under Section 6.01.

"Escrow Agent" means the Bank of New York Mellon Trust Company, N.A., as trustee for the Prior Obligations.

"Interest Payment Date" means each date upon which interest on the Bond is due, including without duplication September 1 and March 1 of each year and each Principal Payment Date.

"Loan Agreement" means the Loan Agreement between the Corporation and the Bond Bank in the form attached as Exhibit B.

"Prior Obligations" means those obligations of the Corporation identified on Exhibit A.

"Principal Payment Date" means each date upon which an installment of principal on the Bond is due, whether at maturity, by redemption or otherwise.

"Redemption Account" means the Vermont State Colleges General Obligation Refunding Bond, Series 2020A Redemption Fund created and so designated under Section 4.01 of this Resolution.

"Series Certificate" means the certificate delivered by the Delegates of the Corporation pursuant to Section 6.01 hereof.

"Tax Certificate" means the Tax Certificate and Agreement, dated the date of issuance of the Bond, concerning certain matters pertaining to the use and investment of the proceeds of the Bond executed by the Corporation, including any and all exhibits thereto.

Section 1.02. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words used herein shall include the plural as well as the singular number. The word "person" shall include any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

ARTICLE II.

ISSUANCE OF THE BOND AND FORMS AND DETAILS OF THE BOND

Section 2.01. Issuance of the Bond.

The undertaking of the refunding of the Prior Obligations is hereby approved, ratified and confirmed and there shall be issued under and secured by this Bond Resolution and the Series Certificate a Bond of the Corporation to be designated "Vermont State Colleges General Obligation Refunding Bond, Series 2020A" for the purpose of providing funds, together with any other available funds, (i) to redeem prior to maturity all of the Prior Obligations, including the payment of any redemption premium thereon, if any, and any interest that will accrue on such Prior Obligations to the redemption date or stated maturity date or dates and any expenses incurred in connection with such refunding, and (ii) pay certain expenses incurred in connection with the issuance of the Bond, including without limitation the cost of issuing the Bond Bank bonds issued to finance the purchase of the Bond by the Bond Bank.

Section 2.02. Forms and Details of Bond. The definitive Bond shall be a single instrument issued in fully registered form in an amount not to exceed \$30,000,000 and shall be substantially in the form set forth in Exhibit C hereto, with such variations, omissions and insertions as may be necessary or appropriate to conform to the provisions of this Bond Resolution, the Series Certificate, and the Loan Agreement. The Bond may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or of any securities exchange on which the Bond may be listed or any usage or requirement of law with respect thereto.

ARTICLE III.

REDEMPTION OF BONDS

Section 3.01. Optional Redemption. The Bond may be redeemed only as provided in the Loan Agreement and in the Bond Bank Resolution.

Section 3.02. Notice of Redemption. Notice of redemption of the Bond shall be given as provided in the Bond Bank Resolution and in the Loan Agreement.

Section 3.03. Payment of Redeemed Bond. In the event the Bond is redeemed, payment therefor shall be effected as provided in the Bond Bank Resolution and in the Loan Agreement.

ARTICLE IV.

FUNDS AND ACCOUNTS

Section 4.01. Application of Proceeds of the Bond. The proceeds of the sale of the Bond shall be applied (1) to refund the Prior Obligations, and (2) to pay costs of issuing the Bond, including without limitation costs of issuing the bonds of the Bond Bank issued to finance the purchase of the Bond by the Bond Bank, all as set forth in the Loan Agreement.

Section 4.02. Application of Money in Certain Funds Relating to Prior Obligations. At the time of issuance of the Bond, money in any fund or on deposit regarding any Prior Obligation shall be transferred to the Escrow Agent. Any such transferred moneys shall be applied on the next (and if necessary on each succeeding) Interest Payment Date or Principal Payment Date first, to the payment of interest coming due on the Bond and then, to principal coming due on the Bond.

Section 4.03. Cost of Issuance. Costs associated with the authorization and issuance of the Bond, payable by the Corporation, including without limitation the cost of issuing the Bond Bank bonds issued to finance the purchase of the Bond by the Bond Bank, shall be paid as provided in the Loan Agreement and the Bond Bank Resolution.

Section 4.04. Payments by Corporation. Following the issuance of the Bond, the Corporation shall make payments to the Bond Trustee in accordance with the Loan Agreement from available moneys of the Corporation to the extent necessary to make the deposits described below at the times indicated as follows:

- (a) on or before each Interest Payment Date, an amount which, together with any amount on deposit therein, will be sufficient to pay the interest on the Bond on such Interest Payment Date; and
- (b) on or before each Principal Payment Date an amount which together with any amount on deposit therein will be sufficient to pay the principal of such Bond due on such Principal Payment Date.

ARTICLE V.

RESERVED

ARTICLE VI.

AWARD OF BOND AND DISCLOSURE UNDERTAKING

Section 6.01. Delegation and Standards: Award of Bond. The Board has determined that flexibility is required with respect to the offering and award of the Bond in order to attain the lowest interest cost with respect to the Bond. Accordingly, the Board has, by resolution adopted this date, determined to delegate certain authority relating to the sale and issuance of the Bond to the Chancellor of the Corporation, the Chief Financial Officer and Chairman of the Board (each individually a "Delegate" and collectively, the "Delegates").

- (a) To provide greater specificity regarding the scope of such delegation, the Board hereby delegates to each Delegate the power to do and carry out the following:
 - (1) To determine the aggregate principal amount of the Bond, in an amount not to exceed the amount authorized in Section 2.02 hereof, and to determine that the proceeds to be derived from the issuance of such Bond will be sufficient for the related purposes described in Section 2.01(a) of this Bond Resolution;
 - (2) To determine the maturity and payment schedule of the Bond, provided that the maturity of any Bond may not extend beyond October 1, 2040;
 - (3) To determine the terms of redemption of the Bond;
 - (4) To determine the interest rate or rates for the Bond, provided that the interest rate on the Bond shall not exceed 6 % per annum;
 - (5) To determine the redemption provisions of the Bond in accordance with the provisions of Article III hereof;
 - (6) To determine the dated date of the Bond;
 - (7) To determine the date or dates of sale and issuance of the Bond;
 - (8) To determine whether the Bond, or any portion thereof, shall benefit from the issuance of an insurance policy or other form of credit enhancement; and
 - (9) If a form of credit enhancement supports the payment of the principal of and interest on all or a portion of the Bond, to accept provisions which are a condition precedent to the issuance of the form of credit enhancement to the extent such provisions are not inconsistent with this Bond Resolution.

(b) The Delegates shall execute a Series Certificate and such other instruments evidencing determinations or other actions taken pursuant to the authority granted hereby and the satisfaction of conditions precedent to the issuance and sale of the Bond, and such Certificate shall be conclusive evidence of the action or determination of the Delegates as stated therein.

(c) The Board has received from the Bond Bank the Loan Agreement for the purchase of the Bond, a copy of which is attached to this Resolution as Exhibit B. The Board has considered and hereby approves and accepts such form of Loan Agreement, and the instruments referred to therein, including the Corporation's Tax Certificate to be executed and delivered coincident with the issuance and sale of the Bond. The Board hereby authorizes the Delegates to execute and deliver the Loan Agreement and the instruments referred to therein in substantially the form appearing as Exhibit B hereto, with such changes as may be approved with the advice of counsel. The execution by the Delegates of the Loan Agreement and the instruments referred to therein shall be conclusive evidence of his approval of any such changes.

Section 6.02. Disclosure Undertaking. The Corporation hereby undertakes, for the benefit of the Bond Bank, to provide such reports, data and information as called for in the Loan Agreement, including without limitation the execution and delivery of the Continuing Disclosure Agreement described herein.

Section 6.03. Official Statement. The Corporation approves and authorizes the inclusion of financial, organizational and managerial information relating to the Corporation in the Preliminary Official Statement and Official Statement (including without limitation Appendix A thereto) prepared and disseminated by the Bond Bank in connection with its Vermont State Colleges System Refunding Bonds, 2020 Series A.

ARTICLE VII.

MISCELLANEOUS PROVISIONS

Section 7.01. Manner of Giving Notice. Any notice, demand, direction, request or other instrument authorized or required by this Bond Resolution to be given to or filed with the Corporation, the Bond Trustee or the Bond Bank shall be deemed to have been sufficiently given or filed for all purposes of this Bond Resolution if and when sent by registered or certified mail, return receipt requested:

- (a) to the Corporation, if addressed to
Vermont State Colleges
P.O. Box 7
Montpelier, Vermont 05601-0007
Attention: Chief Financial Officer
- (b) to the Bond Trustee, if addressed to

U.S. Bank National Association
1 Federal Street
Mail Room 3rd Floor
Boston, MA 02110-2014

- (c) to the Bond Bank, if addressed to

Vermont Municipal Bond Bank
20 Winooski Falls Way #305
Winooski, VT 05404-2228

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by telephone, telex or telecopy at such number as such party shall supply and shall be deemed to be properly given or made at the time of such transmission; provided, however, that if such notice, demand or request is made by telephone then such transmission shall be confirmed in writing not later than one business day following such transmission and sent as specified above.

The Corporation shall promptly notify Moody's Investors Service ("Moody's"), if the Bond is then rated by Moody's, and S&P Global Ratings ("S&P"), if the Bond is then rated by S&P, upon the happening of the following events:

- (a) any change in Bond Trustee pursuant to the Bond Bank Resolution;
- (b) any supplement to this Bond Resolution (which notice shall include a copy of any such supplement); and
- (c) any acceleration of the Bond.

All documents received by the Bond Trustee under the provisions of this Bond Resolution, or photographic copies thereof, shall be retained in its possession until this Resolution shall be released or cancelled, subject at all reasonable times to the inspection of the Corporation, any Owner and the agents and representatives thereof.

Section 7.02. Corporation, Bond Trustee and Bond Bank Have Rights under Resolution. Except as herein otherwise expressly provided, nothing in this Bond Resolution or the Series Certificate, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the Corporation, the Bond Trustee and the Bond Bank, any right, remedy or claim, legal or equitable, under or by reason of this Bond Resolution and the Series Certificate or any provision hereof or thereof, this Bond Resolution and the Series Certificate and all their provisions being intended to be and being for the sole and exclusive benefit of the Corporation, the Bond Trustee and the Bond Bank.

Section 7.03. State Law Governs. This Resolution is adopted with the intent that the laws of the State shall govern its construction.

Section 7.04. Headings Not Part of Resolution. Any heading preceding the text of the several articles and sections hereof, table of contents, marginal notes, or footnotes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Resolution, nor shall they affect its meaning, construction or effect.

Section 7.05. Further Acts. The Delegates are each hereby designated a Corporation representatives to act on behalf of the Corporation under this Bond Resolution.

The officers, employees, agents and persons otherwise acting on behalf of the Board, the Corporation, the Bond Trustee are hereby authorized and directed to do all acts and things required of them for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bond, this Bond Resolution and the Series Certificate.

Section 7.06. Additional Legislation. If a court of the State finds any agreement of the Corporation in this Bond Resolution or the Series Certificate to be invalid, then the Corporation will use its best efforts to cause such legislation as may be appropriate authorizing the Corporation to make such agreement to be enacted.

Section 7.07. Resolution Effective. This Bond Resolution shall take effect immediately upon its adoption by the Board.

EXHIBIT A

1. Vermont State Colleges Revenue Bonds, Series 2010B (Federally Taxable – Build America Bonds).

No. R-1

VERMONT STATE COLLEGES
GENERAL OBLIGATION REFUNDING BOND
SERIES 2020 A

CERTIFICATE OF REGISTRATION

It is hereby certified that this bond is a registered bond, the principal and interest due thereon payable only to the holder of record as appears in the office of the Chief Financial Officer of the issuing Corporation. This bond may be transferred by presentation of the same with an assignment in writing signed by the registered holder. Presentation shall be made to the Chief Financial Officer of the Corporation at his/her office who shall record such transfer in the records of the Corporation and on the bond. The name and address of the original registered owner of this bond is Vermont Municipal Bond Bank, 20 Winooski Falls Way #305, Winooski, VT 05404-2228.

Dated as of the _____ day of _____, 2020

Chief Financial Officer

ASSIGNMENT SEPARATE FROM BOND

FOR VALUE RECEIVED, the Vermont Municipal Bond Bank (the "Bond Bank") hereby pledges, assigns and transfers unto U.S. Bank National Association, Boston, Massachusetts, as Trustee for the benefit of holders of bonds of the Bond Bank issued under the Bond Bank's General Bond Resolution for Vermont State Colleges System Bonds, adopted March 30, 2017, as amended and supplemented, one general obligation refunding bond of

VERMONT STATE COLLEGES

in the principal amount of \$ XX,000,000.00, Series 2020A, No. R-1 herewith, outstanding in the name of the Bond Bank on the books of the Vermont State Colleges.

Dated: February __, 2020

VERMONT MUNICIPAL BOND BANK

By: _____
Executive Director

CERTIFICATE OF REGISTRATION OF TRANSFERS

The Bond is registered in the name of the transferee noted hereon on the books of the Corporation it kept by the Chief Financial Officer as transfer agent.

<u>Name of Transferee</u>	<u>Date of Registration of Transfer</u>	<u>Date to Which Interest Paid</u>	<u>Aggregate Principal Paid</u>	<u>Balance of Principal Due</u>	<u>Signature of Treasurer</u>
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U.S. Bank National Association, as Trustee for the Vermont Municipal Bond Bank

EXHIBIT B
FORM OF LOAN AGREEMENT

LOAN AGREEMENT

(VERMONT STATE COLLEGES SYSTEM)

This Loan Agreement dated as of February 1, 2019 (this "Agreement") is between the **Vermont Municipal Bond Bank**, a body corporate and politic constituted as an instrumentality of the State of Vermont (the "State") exercising public and essential governmental functions and doing business as the Vermont Bond Bank (the "Bond Bank"), created pursuant to the provisions of 24 V.S.A., Chapter 119, as amended (the "Bond Bank Act"), having its principal place of business at Winooski, Vermont, and the **Vermont State Colleges**, a body corporate and politic constituted as an instrumentality of the State and also known as the Vermont State Colleges System ("VSCS"), created pursuant to the provisions of 16 V.S.A., Chapter 72 (the "VSCS Act").

WHEREAS, pursuant to the VSCS Act, VSCS is authorized to issue bonds and to sell the same to the Bond Bank; and

WHEREAS, pursuant to the Bond Bank Act, the Bank is authorized to issue bonds and to use the proceeds thereof to make loans to Governmental Units (as defined in the Bond Bank Act); and

WHEREAS, VSCS is a Governmental Unit and, pursuant to the Bond Bank Act, is authorized to accept a loan from the Bank, to be evidenced by its bonds (being Municipal Bonds as defined in the Bond Bank Act) purchased by the Bank,

WHEREAS, VSCS has applied to and has requested of the Bank a loan as described herein (the "Loan") and VSCS will apply the proceeds of the Loan to pay the costs ("Project Costs") of (i) refinancing debt originally issued by VSCS to finance certain capital improvements and (ii) to pay certain costs of issuance (collectively, and as more fully described in the Tax Certificate described below, the "Project"), and VSCS has duly authorized the issuance of bonds in the principal amount of \$_____, of which a bond in the amount of \$_____ (the "VSCS Bond") is to be purchased by the Bank as evidence of the Loan in accordance with this Agreement, which VSCS Bond shall be in substantially the form appended hereto by VSCS as Exhibit A; and

WHEREAS, to provide for the issuance of bonds of the Bank (the "Bank Bonds") in order to obtain from time to time monies with which to make the Loan and other loans to VSCS, the Bank adopted a General Bond Resolution for Vermont State Colleges System (the "General Bond Resolution") on March 30, 2017, and a Series Resolution adopted on December 18, 2019 authorizing the making of the Loan and purchasing the VSCS Bond (the "Series Resolution");

NOW, THEREFORE, the Bank and VSCS agree:

1. The Loan. The Bank hereby makes the Loan and VSCS accepts the Loan in the amount of \$_____. As evidence of the Loan, VSCS hereby sells to the Bank the VSCS Bond in the principal amount of \$_____. The VSCS Bond shall bear interest at the rates set forth in Exhibit A hereto from the date of its delivery to the Bank. Notwithstanding the foregoing, the VSCS Bond shall bear interest at such rate or rates as shall be required for the VSCS Bond to comply with Section 6.1.2 of the General Bond Resolution.

2. Application of Proceeds. Proceeds of the Loan will be applied by VSCS as follows:

#

(a) \$ _____ shall be deposited in the Escrow Agreement among the Bond Bank, VSCS and _____, as escrow agent to pay the Prior VSCS Bonds (as defined in the Tax Certificate referred to below), will be applied to pay such Prior VSCS Bonds;

(b) \$ _____, the remaining proceeds of the Loan, will be applied to pay costs of issuing the Bank Bonds issued to finance the Loan and the VSCS Bond:

(i) Pending their disbursement, such proceeds will be held by U.S. Bank National Association, as Trustee under the Resolutions. From time to time VSCS and the Bank will requisition from the Trustee portions of such proceeds as are necessary to pay costs of issuance. Such requisitions shall be made in the form attached hereto as Exhibit C. VSCS shall certify to the Bank and to the Trustee the name(s) and the title(s) of the person(s) authorized to execute and submit such requisitions.

(ii) Such proceeds held by the Trustee shall be invested by the Trustee at the direction of VSCS in accordance with the provisions of the Tax Certificate and the Resolutions, consistent with the Investment Policy of the Bank.

3. Required Proceedings. VSCS has adopted all necessary resolutions and taken all proceedings required by law to enable it to enter into this Agreement and issue its binding obligations to the Bank.

4. Payment Dates. On or prior to the first (1st) day of each March and September (each an, "Interest Payment Date"), VSCS shall make available to the Bank sufficient funds to pay interest as the same becomes due. On or prior to the first (1st) day of each September ("Principal Payment Date"), VSCS shall make available to the Bank sufficient funds to pay principal as the same becomes due (based upon the maturity schedule provided by and for VSCS and appended hereto as Exhibit B). All payments will be made by Automated Clearing House (ACH) unless otherwise directed by the Bank.

5. Fees and Charges. The Bank shall have the right to request VSCS make payment of fees and charges to the Bank (the "Fees and Charges"). In the event the Bank exercises this right, VSCS will be obligated to pay such Fees and Charges within thirty (30) days after request. Such Fees and Charges actually collected from VSCS shall be in an amount sufficient, together with other monies available therefor, including any grants made by the United States of America or any agency or instrumentality thereof or by the State or any agency or instrumentality thereof:

(a) To pay, as the same becomes due, the administrative expenses of the Bank related to Loan, the VSCS Bond, or the Resolutions;

(b) To pay the financing costs incurred with respect to a series of Bank Bonds, including fees and expenses of the attorney or firm of attorneys of recognized standing in the field of municipal law selected by the Bank, trustees' and paying agents' fees and expenses, costs and expenses of financial consultants, underwriters or placement agencies, printing costs and expenses, the payment to any officers, departments, boards, agencies, divisions and commissions of the State of any statement of cost and expense rendered to the Bank pursuant to Section 4556 of the Bond Bank Act, and all other financing and other miscellaneous costs.

(c) To pay an amount equal to a reasonable estimate of the interest that could have been earned by the Bank on any funds advanced by the Bank for the purposes described in 5(a) and 5(b) above, calculated at a rate equal to the highest rate on the Bank's unrestricted investments

for the period during which such advances remain outstanding.

6. Payment Obligation. VSCS is obligated to make the principal portion of the VSCS Bond payments scheduled by the Bank on an annual basis and is obligated to make the interest portion of the VSCS Bond payments on a semi-annual basis and to pay the Fees and Charges imposed by the Bank as set forth in Section 5 hereof.

7. Redemption. The Bank shall not sell and VSCS shall not redeem any part of the VSCS Bond prior to the date on which the outstanding Bank Bonds issued to finance the VSCS Bond are redeemable. In the event of any sale or redemption prior to maturity of the VSCS Bond thereafter, the same shall be in an amount equal to the aggregate of (i) the principal amount, interest accrued to the redemption date and redemption premium, if any, needed to redeem a sufficient amount of Bank Bonds to assure Bank compliance with Section 6.1.2 of the General Bond Resolution and (ii) the costs and expenses of the Bank in effecting the redemption of Bank Bonds so to be redeemed, less the amount of monies available in the applicable sub-account or sub-accounts in the redemption account established by the General Bond Resolution and available for application to the redemption of Bank Bonds so to be redeemed in accordance with the terms and provisions of the General Bond Resolution and the Series Resolution, as determined by the Bank.

VSCS may make a request to the Bank for redemption of the VSCS Bond pursuant to this section at any time, but in no event shall any such redemption be effected without the written agreement and consent of both parties hereto, which agreement shall specify the dollar amount to be paid by VSCS.

8. Conditions Precedent. The Bank and VSCS agree that the obligation of the Bank to purchase the VSCS Bonds and to make the Loan is conditioned upon the sale by the Bank of the Bank Bonds and the receipt by the Bank of the proceeds thereof sufficient in time and amount for such purpose. The obligations of the Bank under this Agreement are subject to the following additional conditions:

(a) that (i) all representations made by VSCS to the Bank herein and in connection with its application for Bank assistance shall be certified as true and correct as of the date hereof, (ii) VSCS has performed all commitments made by it in its application and supporting documents, and performed all obligations required by the terms of this Agreement, the General Bond Resolution, and the Series Resolution;

(b) that the Bank shall receive the following documents, each dated as of the date hereof (except as otherwise indicated below), in form and substance satisfactory to the Bank and its counsel:

(i) copies, certified by an appropriate officer of VSCS, of the resolutions of VSCS authorizing the issuance of the VSCS Bond and this Agreement;

(ii) the original, executed VSCS Bond;

(iii) the final, unqualified approving opinion of Primmer, Piper, Eggleston & Cramer, P.C., as bond counsel to VSCS ("VSCS Bond Counsel"), in the form attached hereto as Exhibit D;

(iv) payoff letters stating that no additional amounts are owing from T.D. Bank, N.A. with respect to the Prior Obligations and with respect to the interest rate swap

agreements related to the Prior Obligations; and

(v) such additional certificates, instruments or opinions as Bank Bond Counsel or VSCS Bond Counsel may deem reasonably necessary or desirable to evidence the due authorization, execution and delivery of the VSCS Bond and the conformity of the VSCS Bond and the resolution authorizing the same with the terms thereof as described in the Official Statement for the Bank Bonds.

9. Invoices for Payment. Invoices for the payment of interest and principal will be addressed to VSCS as follows: Stephen T. Wisloski, Chief Financial Officer, Vermont State Colleges System, P. O. Box 7, Montpelier, VT 05601-007, or to such other official as VSCS directs in writing to the Bank and the Trustee at least thirty (30) days prior to each Interest Payment Date.

10. Severability. If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Agreement and this Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

11. Counterparts; Further Assurances. This Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments, and take such other actions as are necessary, to give effect to the terms of this Agreement.

12. Waivers. No waiver by either party of any term or condition of this Agreement will be deemed or construed as a waiver of any other terms or conditions, nor will a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase, or other provision of this Agreement.

13. Entire Agreement. This Agreement merges and supersedes all prior negotiations, representations, and agreements between the parties hereto relating to the subject matter hereof and constitutes the entire agreement between the parties hereto in respect thereof.

14. Obligations with Respect to Tax-Exemption of Bank Bonds. (a) VSCS covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of interest on the Bank Bonds under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder (collectively, the "Code"). In furtherance of the foregoing covenant, VSCS covenants to comply with the Tax Certificate.

(b) VSCS agrees to provide to the Bank such information and detailed records as is required, and not otherwise available from the Trustee, for the calculation by the Bank of the rebate requirement imposed by Section 148 of the Code which, in part, will require a determination of the difference between the Bond Bank actual aggregate earnings of the investment of the proceeds of the VSCS Bond financed with an issue of Bank Bonds and the amount of such earnings assuming a rate of return equal to the yield on such issue of Bank Bonds.

(c) In the event the proceeds of the VSCS Bond are no longer expected to be expended for the purpose(s) for which they were issued, VSCS shall promptly endeavor to find an alternate expenditure of such proceeds that complies with the requirements of the Code, the

covenants in the Tax Certificate and the other tax covenants contained in this Agreement. Any such substitute expenditure shall be reported promptly to the Bank and shall be accompanied by a Counsel's Opinion (as defined in the General Bond Resolution) certifying to the legality of such substitute expenditure and to the effect that the substitution shall not have a material adverse effect on the continuing exclusion of interest paid and to be paid on the Bank Bond for federal income tax purposes.

(d) VSCS shall comply with and perform its undertakings set forth in the Tax Certificate, including without limitation the VSCS Bond Post-Issuance Compliance Procedures attached thereto. VSCS shall retain all records of expenditures for a period of not less than three (3) years after the payment of the Bank Bond and furnish the Bank with any and all documents necessary upon its request in order to show the compliance of the Bank Bonds financing the VSCS Bond with the provisions of the Code.

(e) Notwithstanding anything in this Agreement to the contrary, the obligation of VSCS to comply with all tax covenants contained or referenced in this Agreement shall survive the defeasance or payment in full of the VSCS Bond.

15. Additional Information. VSCS agrees to provide to the Bank upon request such certifications and information as the Bank may reasonably request in order for the Bank to verify at any time the representations, expectations, procedures and covenants set forth in the Tax Certificate.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

VERMONT MUNICIPAL BOND BANK

By: _____
David R. Kimel
Chair

By: _____
Michael Gaughan
Executive Director

VERMONT STATE COLLEGES

By: _____
Stephen T. Wisloski
Chief Financial Officer

DRAFT

EXHIBIT A

FORM OF VSCS BOND

No. R-1 UNITED STATES OF AMERICA \$ _____
 VERMONT STATE COLLEGES
 GENERAL OBLIGATION REFUNDING BOND
 SERIES 2020A
 BOND DATE: _____, 2020

The Vermont State Colleges (hereinafter called the (“Corporation”), a body corporate and a political subdivision of the State of Vermont, promises to pay to the Vermont Municipal Bond Bank, or registered assigns, the sum of _____ Dollars (\$ _____) in installments on September 1 of each year as set forth below, with interest on each installment at the rate per annum set forth below opposite the year in which the installment becomes due:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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The interest rate of each installment shall run from the dated date of the original delivery of this Bond to the Vermont Municipal Bond Bank and payment therefor and until September 1 of the stated year or, if later, until payment of each installment and such interest shall be payable semi- annually on September 1 and March 1 of each year commencing _____, 2020 in the amounts set forth in Exhibit A of the Loan Agreement with respect to this Bond between the Corporation and the Vermont Municipal Bond Bank. Both principal and interest on this Bond are payable in lawful money of the United States at U.S. Bank National Association, in the City of Boston, State of Massachusetts, or at its successor as Trustee under the General Bond Resolution of the Vermont Municipal Bond Bank adopted March 30, 2017 and a Series Resolution of the Vermont Municipal Bond Bank adopted December 18, 2019 (collectively, the “Bond Bank Resolution”). Final payment of the interest and principal of this Bond shall be made upon surrender of this Bond for cancellation at the bank or trust company at which this Bond is then payable.

This Bond may be redeemed only as provided in the Bond Bank Resolution and in the Loan Agreement.

This Bond is issued by the Corporation for the purpose of refunding outstanding obligations, the proceeds of which have been fully expended for the purpose of making capital improvements under and by virtue of Chapter 72 of Title 16, Vermont Statutes Annotated, and Resolutions duly adopted by its Board of Trustees on May 9, 2017 and _____.

This Bond is transferable only upon presentation to the Chief Financial Officer of the Corporation with a written assignment duly acknowledged or proved. No transfer hereof shall be effectual unless made on the books of the Corporation kept by the Chief Financial Officer as transfer agent and noted hereon by the Chief Financial Officer with a record of payments as provided hereon.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuing of this Bond have been done, have happened, and have been performed in regular and due form, as required by such law and the Resolution.

This Bond is a general obligation of the Corporation payable from available moneys of the Corporation. In addition, moneys in certain funds and accounts established by the Resolution relating to this Bond is subject to a lien and charge in favor of the Owners of the Bond to the extent provided in the Resolution and held in trust for the security of such Owners until applied or transferred as provided in the Resolution.

The Corporation has no taxing power, and nothing in this Bond or the Resolution shall be deemed to constitute an obligation of the State of Vermont or to be secured by a pledge of the faith and credit of the State of Vermont nor shall the Bond ever be or become a charge against the State of Vermont. The Bond shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Corporation or upon its income, receipts, or revenues, except to the extent provided in the Resolution.

IN TESTIMONY WHEREOF, the Corporation has caused this Bond to be signed by its Chancellor and its Chief Financial Officer as of _____, 2020.

VERMONT STATE COLLEGES

By: _____
Chancellor

And by: _____
Chief Financial Officer

EXHIBIT B DEBT SERVICE SCHEDULE

Period Ending	Principal	Interest	Total Debt Service



DRAFT

EXHIBIT C
FORM OF REQUISITION

[Date]

U.S. Bank National Association
One Federal Street
Boston, MA 02110

Pursuant to Section 302 of the Series Resolution of the Vermont Municipal Bond Bank (the “Bank”) authorizing the issuance of the Bank’s Vermont State Colleges System Bonds, 2020 Series A (the “Bonds”) adopted on December 18, 2019, you are hereby instructed to make the following debits from the General Account of the Revenue Fund as shown on Schedule A hereto.

VERMONT MUNICIPAL BOND BANK

By: _____
Michael Gaughan
Secretary and Executive Director

VERMONT STATE COLLEGES

By: _____
STEPHEN T. WISLOSKI
Chief Financial Officer

Schedule A

Debits from the General Account of the Revenue fund are approved as follows:

<u>Payee</u>	<u>Amount</u>
	\$

DRAFT

EXHIBIT D
FORM OF OPINION OF VSCS BOND COUNSEL

<6.;9:56yE#

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EXHIBIT C

FORM OF THE BOND

No. R-1 UNITED STATES OF AMERICA \$XX,000,000
 VERMONT STATE COLLEGES
 GENERAL OBLIGATION REFUNDING BOND
 SERIES 2020A
 BOND DATE: FEBRUARY __, 2020

The Vermont State Colleges (hereinafter called the ("Corporation"), a body corporate and a political subdivision of the State of Vermont, promises to pay to the Vermont Municipal Bond Bank, or registered assigns, the sum of XXX Million and 00/100 Dollars (\$XX,000,000.00) in installments on September 1 of each year as set forth below, with interest on each installment at the rate per annum set forth below opposite the year in which the installment becomes due:

Year Rate	Principal Amount	Interest Rate	Principal Year	Interest Amount
2020	\$		2031	\$
2021			2032	
2022			2033	
2023			2034	
2024			2035	
2025			2036	
2026			2037	
2027			2038	
2028			2039	
2029			2040	
2030				

The interest rate of each installment shall run from the dated date of the original delivery of this Bond to the Vermont Municipal Bond Bank and payment therefor and until payment of each installment and such interest shall be payable semi- annually on September 1 and March 1 of each year commencing September 1, 2020 in the amounts set forth in Exhibit A of the Loan Agreement with respect to this Bond between the Corporation and the Vermont Municipal Bond Bank dated February 1, 2020 (the "Loan Agreement"). Both principal and interest on this Bond are payable in lawful money of the United States at U.S. Bank National Association, in the City of Boston, State of Massachusetts, or at its successor as Trustee under the General Bond Resolution of the Vermont Municipal Bond Bank adopted March 30, 2017 and a Series Resolution of the Vermont Municipal Bond Bank, adopted December 18, 2019 (collectively, the "Bond Bank Resolution"). Final payment of the interest and principal of this Bond shall be made upon surrender of this Bond for cancellation at the bank or trust company at which this Bond is then payable

This Bond may be redeemed only as provided in the Bond Bank Resolution and in the Loan Agreement.

This Bond is issued by the Corporation for the purpose of refunding outstanding obligations, the proceeds of which have been fully expended for the purpose of making capital improvements under and by virtue of Chapter 72 of Title 16, Vermont Statutes Annotated, and a Resolution duly adopted by its Board of Trustees on January 6, 2020 (the "Resolution").

This Bond is transferable only upon presentation to the Chief Financial Officer of the Corporation with a written assignment duly acknowledged or proved. No transfer hereof shall be effectual unless made on the books of the Corporation kept by the Chief Financial Officer as transfer agent and noted hereon by the Chief Financial Officer with a record of payments as provided hereon.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuing of this Bond have been done, have happened, and have been performed in regular and due form, as required by such law and the Resolution.

This Bond is a general obligation of the Corporation payable from available moneys of the Corporation. In addition, moneys in certain funds and accounts established by the Resolution relating to this Bond is subject to a lien and charge in favor of the Owners of the Bond to the extent provided in the Resolution and held in trust for the security of such Owners until applied or transferred as provided in the Resolution.

The Corporation has no taxing power, and nothing in this Bond or the Resolution shall be deemed to constitute an obligation of the State of Vermont or to be secured by a pledge of the faith and credit of the State of Vermont nor shall the Bond ever be or become a charge against the State of Vermont. The Bond shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Corporation or upon its income, receipts, or revenues, except to the extent provided in the Resolution.

IN TESTIMONY WHEREOF, the Corporation has caused this Bond to be signed by its Chancellor and its Chief Financial Officer as of February __, 2020.

VERMONT STATE COLLEGES

By: _____
Chancellor

And by: _____
Chief Financial Officer

Mintz draft December 7, 2019

ESCROW AGREEMENT

by and among

VERMONT STATE COLLEGES SYSTEM,

VERMONT MUNICIPAL BOND BANK

and

_____, as Escrow Agent

dated February 6, 2020

for defeasance of

Vermont State Colleges
Revenue Bonds, Series 2010B
(Federally Taxable – Build America Bonds)

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated February 6, 2020, is by and among the Vermont State Colleges, also known as the Vermont State Colleges System (“VSCS”), the Vermont Municipal Bond Bank (d/b/a the Vermont Bond Bank (the “Bond Bank”) and _____, the trustee under the hereinafter defined Resolution, as escrow agent (the “Escrow Agent”).

WHEREAS, concurrently with the execution hereof, the Bond Bank is issuing its \$_____ Vermont State Colleges System Bonds, 2020 Series A (the “Bonds”) to make a loan to the VSCS to be used to current refund in full \$_____ outstanding principal of Vermont State Colleges Revenue Bonds, Series 2010B, (Federally Taxable – Build America Bonds) maturing on and after July 1, 2020 (the “Refunded Bonds”).

WHEREAS, VSCS, the Bond Bank and the Escrow Agent are authorized to enter into this Escrow Agreement, and all things required to be done as a condition precedent to entering into this Escrow Agreement have been done.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants herein set forth, the parties hereto agree as follows:

ARTICLE I Definitions

Section 1.1. In addition to words and terms elsewhere defined in this Escrow Agreement, the following words and terms shall have the following meanings:

“Escrow Securities” means direct, non-callable obligations of the United States government (excluding money market mutual funds that invest in direct, non-callable obligations of the United States government), which constitute “Defeasance Obligations” as defined in the Resolutions.

“Redemption Date” means, with respect to the Refunded Bonds, July 1, 2020.

“Redemption Price” means, with respect to the Refunded Bonds, the principal amount of the Refunded Bonds to be redeemed on the Redemption Date.

“Resolutions” means the VSCS Bond Resolution adopted on November 30, 1988, as amended and supplemented (the “Bond Resolution”), and a series resolution adopted on November 4, 2010.

ARTICLE II Creation of Escrow Fund

Section 2.1. There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund (the “Escrow Fund”) to be held in the custody of the Escrow Agent as a trust fund for the benefit of the holders of the Refunded Bonds, to the extent set forth in Section 4.1 hereof, separate and apart from other funds, including those of VSCS, the Bond Bank or of the Escrow Agent, for the purpose of paying maturing principal and accrued interest and the Redemption Price on the Refunded Bonds on the Redemption Date, as set forth in Exhibit A hereto.

Section 2.2. There is deposited with the Escrow Agent, and the Escrow Agent hereby accepts and acknowledges the receipt and deposit to the credit of the Escrow Fund, the sum of \$_____ from the proceeds of the Bonds.

Section 2.3. Immediately upon receipt thereof, the Escrow Agent shall apply \$_____ of the amount on deposit in the Escrow Fund to purchase certain Escrow Securities, as described in Exhibit B hereto and the same shall be held by the Escrow Agent in the Escrow Fund. The remaining \$___ of the amount received under Section 2.2 shall be held uninvested as cash in the Escrow Fund.

Section 2.4. In accordance with the Escrow Fund Cash Flow included in Exhibit C hereto, the Escrow Agent shall collect and receive the interest accruing and payable on the Escrow Securities and the maturing principal amounts of the Escrow Securities as the same are paid and credit the same to the Escrow Fund, so that the interest on and principal of the Escrow Securities, as such are paid, together with other available monies on deposit in the Escrow Fund, will be available to make the payments required pursuant to Section 3.1 hereof. The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to this Escrow Agreement.

ARTICLE III
Application of Funds

Section 3.1. On the Redemption Date, the Escrow Agent shall apply moneys in the Escrow Fund to the payment of the maturing principal of, Redemption Price of and interest on the Refunded Bonds as shown in Exhibit C hereto. The Escrow Agent shall make such payments to the registered holders of the Refunded Bonds.

ARTICLE IV
Bondholder Lien

Section 4.1. The Escrow Agent shall hold the Escrow Securities and other moneys in the Escrow Fund, at all times as a special and separate trust fund for the benefit of the holders of the Refunded Bonds, but only to the extent of the payment of interest thereon when due in accordance therewith and the payment of the maturing principal and Redemption Price thereof in accordance herewith as set forth in Exhibit A hereto, wholly segregated from other funds and securities on deposit with it, shall never commingle the Escrow Securities and other moneys with other funds or securities owned or held by it, and shall never at any time use, loan, or borrow the same in any way other than as provided in this Escrow Agreement. A special account for the Escrow Fund evidencing such amounts shall be maintained at all times on the books of the Escrow Agent, together with the Escrow Securities so purchased.

Section 4.2. In the event of the Escrow Agent's failure to account for any of the Escrow Securities or funds received by it, such Escrow Securities or funds shall be and remain the property of VSCS in trust for the holders of the Refunded Bonds, to the extent herein provided, and if for any reason such Escrow Securities or funds cannot be identified, the Escrow Agent shall proceed as promptly as possible to make such identification. The Bondholders shall, to the extent permitted by law, have an express lien on all moneys on all Escrow Securities held in the Escrow Fund until paid out, used and applied in accordance with this Escrow Agreement.

ARTICLE V
Replacement Securities

Section 5.1. At the written request of VSCS and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to sell, transfer or otherwise dispose of or request the redemption of the Escrow Securities acquired hereunder and to substitute for such Escrow Securities other Escrow Securities (such other Escrow Securities are referred to herein as the "Replacement Obligations"), which are not subject to redemption prior to maturity except at the option of the holder thereof. The Escrow

Agent shall either (i) purchase such Replacement Obligations with the proceeds derived from the sale, transfer, disposition or redemption of the Escrow Securities together with any other funds available for such purpose or (ii) acquire such Replacement Obligations in exchange for the transfer of the Escrow Securities identified in the written instructions of VSCS to the Escrow Agent. The foregoing transactions may be effected only if: (i) an independent certified public accountant shall certify that after such transaction the principal amount of and interest income on (without taking into account income on the investment thereof) the Replacement Obligations will, together with any other monies available for the purpose in the Escrow Fund, be sufficient to pay the principal and Redemption Price of and interest on the Refunded Bonds when due, as described in Section 3.1 hereof and (ii) the Escrow Agent shall receive an unqualified opinion of nationally recognized bond counsel to the effect that such disposition and substitution or purchase will not adversely affect the exclusion of interest on the Refunded Bonds or the Bonds from gross income for federal tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder.

ARTICLE VI Escrow Securities

Section 6.1. Records. The Escrow Agent will keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the moneys and Escrow Securities deposited to the Escrow Fund and all proceeds thereof. With respect to each investment of the proceeds of Escrow Securities, the Escrow Agent shall record, to the extent applicable, the purchase price of such investment, its fair market value, accrued interest due on its purchase date, its face amount, its coupon rate, its yield to maturity, the frequency of its interest payment, its disposition price, the accrued interest due on its disposition date and its disposition date. Such books shall be available for inspection at reasonable hours and under reasonable conditions by VSCS, the Bond Bank and the owners of the Bonds and the Refunded Bonds.

Section 6.2. Reports. The Escrow Agent shall prepare and send to VSCS and the Bond Bank within thirty (30) days following July 1, 2020 a written report summarizing all transactions relating to the Escrow Fund, including without limitation credits to the Escrow Fund as a result of interest payments on or maturities of the Escrow Securities and transfers from the Escrow Fund to the registered owners of the Refunded Bonds for payments on the Refunded Bonds or otherwise, together with a detailed statement of all Escrow Securities and the cash balance on deposit in the Escrow Fund as of the end of such period.

ARTICLE VII Escrow Agent

Section 7.1. Limitation on Liability. The liability of the Escrow Agent to transfer funds to the registered owners of the Refunded Bonds for the payment of the interest on and Redemption Price of the Refunded Bonds shall be limited to the proceeds of the Escrow Securities and the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, the Escrow Agent shall have no liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund, other than any insufficiency caused by the negligence or willful misconduct of the Escrow Agent, or any liability whatsoever for the failure of the obligors of the Escrow Securities to make timely payment thereon, except for the obligation to notify VSCS and the Bond Bank promptly of any such occurrence.

The Escrow Agent does not make any representations as to the value, conditions or sufficiency of the Escrow Fund, or any part thereof, or as to the title of VSCS or the Bond Bank thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers as Escrow Agent hereunder other than as required in the ordinary course of business transacted as Escrow Agent.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Escrow Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through its negligence or bad faith.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of VSCS or the Bond Bank with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow fund and to dispose of and deliver the same in accordance with this Escrow Agreement. If, however, the Escrow Agent is called upon by the terms of this Escrow Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from VSCS or the Bond Bank or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, VSCS or the Bond Bank at any time.

The Escrow Agent shall have only such duties as are specifically set forth herein and no implied covenants or obligations shall be read into this Escrow Agreement. The Escrow Agent shall have the right to consult with counsel and the right to act through agents and attorneys. The Escrow Agent shall have the right to rely on opinions, certificates and other documentation which it believes to be genuine and to have been signed or presented by the proper person or parties.

In no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including, but not limited to, lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage. VSCS agrees to indemnify the Escrow Agent and its employees, officers and directors (each an "Indemnified Party") for, hold each Indemnified Party harmless from, and defend each Indemnified Party against any claims, losses, actions, liabilities, costs, damages, and expenses of any nature incurred by any Indemnified Party arising out of or in connection with this Escrow Agreement except to the extent caused by the Indemnified Party's own negligence or willful misconduct. The foregoing indemnification shall survive the termination of this Escrow Agreement and the resignation or removal of the Escrow Agent.

Section 7.2. Successor Escrow Agents. If at any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as Escrow Agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event VSCS shall appoint a successor Escrow Agent to fill such vacancy in accordance with the same provisions of the Resolutions with respect to the appointment of a successor trustee.

Any successor Escrow Agent shall execute, acknowledge and deliver to VSCS, the Bond Bank and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Escrow Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, VSCS shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties. The Escrow Agent shall pay over to its successor Escrow Agent a proportional part of the Escrow Agent's fee hereunder.

The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the trust hereby created by giving not less than sixty (60) days written notice to VSCS and the Bond Bank. No such resignation shall take effect unless a successor Escrow Agent shall have been appointed. If such sixty (60) day period expires with no successor having been appointed, the Escrow Agent at the time has the right to petition a court of competent jurisdiction to appoint a successor.

The Escrow Agent may be removed in accordance with the same provisions of the Resolutions with respect to the removal of trustee.

ARTICLE VIII Termination

Section 8.1. The Escrow Fund shall continue in effect until the date upon which the Escrow Agent makes the final payment of the Refunded Bonds, whereupon the Escrow Agent shall remit to VSCS the amount, if any, then remaining in the Escrow Fund after payment of all expenses related to the defeasance of the Refunded Bonds.

Section 8.2. This Escrow Agreement shall terminate when all transfers required to be made by the Escrow Agent under the provisions hereof shall have been made and any amounts remaining in the Escrow Fund shall have been remitted to VSCS.

ARTICLE IX Fees

Section 9.1. VSCS agrees to pay when billed all reasonable fees and expenses of the Escrow Agent payable under this Escrow Agreement. The Escrow Agent shall have no lien on moneys on deposit in the Escrow Fund.

ARTICLE X Irrevocable Instructions to Trustee as to Refunding of Outstanding Bonds

Section 10.1. VSCS hereby irrevocably instructs the Escrow Agent, as Trustee and Paying Agent under the Resolutions, with respect to the Refunded Bonds:

- (a) to give due notice (the "Notice"), in accordance with Section 405 of the Resolution, of the redemption of the Refunded Bonds on the Redemption Date; and
- (b) to mail a copy of the applicable Notice, postage prepaid to the registered owners of the Refunded Bonds at their last addresses, if any, appearing on the registry books, pursuant to and in accordance with Section 1401 of the Resolution.

ARTICLE XI Miscellaneous

Section 11.1. If any one or more of the covenants or agreements provided in this Escrow Agreement on the part of the Bond Bank or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, (i) such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement and (ii) the Escrow Agent shall immediately notify the following firm of any such severance at the following address

S&P Global Ratings
55 Water Street
New York, New York 10041

Section 11.2. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

Section 11.3. Whenever under the terms of this Escrow Agreement the performance date of any act to be done hereunder shall fall on a day that is not a legal banking day and upon which the Escrow Agent is not open for business, the performance thereof on the next succeeding business day of the Escrow Agent shall be deemed to be in full compliance with this Escrow Agreement. Whenever time is referred to in this Escrow Agreement it shall be the time recognized by the Escrow Agent in the ordinary conduct of its normal business transactions.

Section 11.4. Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Escrow Agreement.

Section 11.5. This Escrow Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective personal representatives, successors, and assigns and the holders of the Refunded Bonds, except as otherwise expressly provided herein.

Section 11.6. This Escrow Agreement shall be construed and enforced in accordance with the laws of the State of Vermont.

Section 11.7. This Escrow Agreement is irrevocable but may, however, be amended as provided in this Section 11.7. This Escrow Agreement may be amended with the consent of VSCS, the Bond Bank and the Escrow Agent, provided that this Escrow Agreement shall not be amended in any manner that would materially adversely affect the holders of the Refunded Bonds; and provided further that this Escrow Agreement shall not be amended unless VSCS and the Bond Bank, respectively, shall certify, based on an opinion of nationally recognized bond counsel, that such amendments will not adversely affect the exclusion of interest on the Refunded Bonds or the Bonds from gross income for federal tax purposes under Section 103 of the Code and the Treasury Regulations promulgated thereunder.

[Remainder of page intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Agreement to be executed by their duly authorized officers and their corporate seals, if any, to be hereunto affixed as of the date first above written.

VERMONT STATE COLLEGES

By: _____
Chief Financial Officer

VERMONT MUNICIPAL BOND BANK

By: _____
Executive Director

_____,
as Escrow Agent

By: _____
Authorized Officer

DRAFT

EXHIBIT A

Refunded Bonds

<u>Maturity Date (July 1)</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP</u>
2020	5.101%	\$1,180,000	*	*	924275 DB3
2025	6.101	6,255,000	7/01/2020	100.000	924275 DC1
2030	6.861	5,580,000	7/01/2020	100.000	924275 DD9
2040	7.211	14,630,000	7/01/2020	100.000	924275 DE7

DRAFT

EXHIBIT B

Escrow Securities

DRAFT

Escrow Fund Cash Flow

DRAFT

Attachment 5: Motion to Approve Resolutions

**Motion to Approve Authorizing Resolution, Bond Resolution, and
Sale of Vermont State Colleges
General Obligation Refunding Bond, Series 2020A**

**Finance and Facilities Committee and
Board of Trustees Special Joint Meeting
Monday, January 6 at 3:00 p.m.**

I move that the Vermont State Colleges System Finance and Facilities Committee, jointly with the Board of Trustees approve both the Authorizing Resolution and the Bond Resolution dated January 6, 2020 in the form as provided to the Finance and Facilities Committee and the Board of Trustees in advance of this meeting, authorizing the sale of the Vermont State Colleges General Obligation Refunding Bond, Series 2020A, for the purpose of refunding the System's Revenue Bonds, 2010 Series B (Federally Taxable – Build America Bonds), and paying related issuance costs, as detailed in those resolutions.

VERMONT TECH

Office of the President
PO Box 500
Randolph Center, Vermont 05061

Tel: 802 728 1252
Email: president@vtc.edu

January 2, 2020

Jeb Spaulding, Chancellor
Vermont State Colleges System
PO Box 7
Montpelier, VT 05601-0007

Dear Chancellor Spaulding,

I am pleased to send to you the New Funding Source Document required for establishing an endowment in the amount of \$14,500, to be named the Promising Programmers Scholarship Fund.

The endowment is funded with \$16,500 donated by faculty members Craig & Leslie Damon. They are withholding \$2,000 from the endowment to award to students while the endowment matures, and will be making further annual payments to fulfill a pledge of \$60,000.

I request that the Vermont State College's Board of Trustees accept these gifts and approve the establishment of the Promising Programmers Scholarship Fund.

Sincerely,



Patricia Moulton
President

VERMONT TECH

- NEW FUNDING SOURCE DOCUMENT - ENDOWMENTS ONLY

Vermont Technical College

(College Name)

Submit to Chancellor's Office for all activities based upon a new funding source.
Place copy in front of any applicable master file.

1) Name of endowment: (type in all CAP'S)

PROMISING PROGRAMMERS

2) Granting agency/donor/other funding source: (Attach supporting Documentation)

Craig & Leslie Damon (faculty)

3) Purpose of endowment: (Attach supporting Documentation)

Scholarships for returning undergrad students in CSE or CPE programs

4) Proper accounting fund:
 Regular Endowment Term Endowment

5) General Ledger Activity Code(s): (as proposed or assigned)

052-58039-00000-22336-000

6a) Date Endowment Reach Endowment Status:

ASAP

7) Reporting requirements: (format/to whom/frequency/other)

Craig & Leslie Damon, annually, from the VTC Development Office

8a) <u>Funding amount:</u> \$14,500	8b) <input type="checkbox"/> One-time - OR <input checked="" type="checkbox"/> <u>Ongoing funding</u> (indicate timeframe:) The Damons and others will contribute annually until the endowment reaches \$60,000, perhaps further
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9a) <u>Is principal use allowed:</u> (w/Board OK?) Not intended	9b) <u>If yes, is replenishment of principal allowed or required:</u>
--	---

10) If investment proceeds generated, indicate intended disposition:
 Per Board Approved Spending Procedure
 Fully expend for program as prescribed
 Increase principal for inflation and expend remainder
 All Investment earnings added for ___ years before expending for endowment purposes begins
 Other (describe:)

11) <u>President:</u> 	12) <u>Date to Ch's Ofc:</u> January 2nd, 2019	13) <u>Date Board Approved:</u>
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