

**VSAC Finance Committee Meeting
April 15, 2019
11:30 a.m.**

**Boardroom, VSAC Offices
10 East Allen Street
Winooski, Vermont**

Attendance:

Committee Members Present: David Coates, Matt Trieber, and Beth Pearce

Committee Members Absent: Michael Smith

Other Board Members Present: N/A

Staff: Mike Stuart, Tom Little

The meeting was called to order at 12:32 p.m. With a quorum established, Chair *Pro Tempore* Beth Pearce took up the single Agenda business item.

Authorizing Resolution for 2019 Revenue Bonds

Tom Little presented the purpose, economics, and documentation for the proposed 2019 student and parent loan revenue bonds and the Authorizing Resolution, as explained in his previously circulated Memorandum of April 9, 2019. No major changes to the substance of the 2018 Authorizing Resolution are proposed. The Committee then discussed the estimated pricing economics relating to the cash-flow scenarios developed in response to rating agency assumptions, the planned May 7 U.S. Treasury auction of 10-year obligations, and the closing schedule timing. In response to questions, Mike Stuart covered how and when the underwriter for the bonds was chosen, the costs of issuing the bonds, and the project interest rate ranges for the bonds. Tom Little noted that the bonds will not be a general obligation of either the State or VSAC, and said that the Governor's required approval of the VSAC Board's actions to authorize the bonds was expected within a week or so.

Upon a motion made by David Coates and seconded by Matt Trieber, the Finance Committee voted unanimously to approve the 2019 Private Loan Bond Authorizing Resolution as circulated and attached to these Minutes, and to recommend the adoption of the Authorizing Resolution to the full Board of Directors.

Other Business

There being no other business, the meeting adjourned at 12:10 p.m.

Respectfully submitted,

Michael Stuart, Assistant Secretary

AUTHORIZING RESOLUTION
OF THE
VERMONT STUDENT ASSISTANCE CORPORATION

BE IT RESOLVED BY the Board of Directors (the “Board”) of Vermont Student Assistance Corporation (the “Corporation”), this 15th day of April, 2019, as follows:

Section 1. Subject to Section 10 hereof, a supplemental indenture of trust (referred to herein as the “Series 2019 Supplemental Indenture of Trust”) supplementing and amending the Indenture of Trust, dated as of July 1, 2012 (the “2012 Master Indenture” and, together with the Series 2019 Supplemental Indenture of Trust and all other supplements and amendments to the 2012 Master Indenture, the “Indenture”), is hereby adopted in order to provide for the issuance of bonds, notes or other debt obligations (the “Bonds”), the proceeds of which are to be used for the purpose of any, all, or any combination of the following: (i) originating and acquiring education loans (and reimbursing the Corporation for any education loans it makes from its own funds prior to the issuance of the Bonds as may be set forth in a declaration of the Corporation’s official intent made by the Corporation’s Vice President and CFO), (ii) funding reserves and/or interest on the Bonds, (iii) paying costs of issuing the Bonds and (iv) for other purposes allowed by the Indenture, which Series 2019 Supplemental Indenture of Trust shall be substantially in the form presented to this meeting, subject to completion and subject to the parameters set forth in Section 2 hereof.

Section 2. The Bonds shall be issued as fixed rate bonds in one or more series on a tax-exempt basis in an aggregate principal amount not to exceed \$50,000,000. The Bonds may be issued as both senior Bonds (on a parity with other bonds currently outstanding under the Indenture as senior bonds) and subordinate Bonds (on a parity with other bonds currently outstanding under the Indenture as subordinate bonds), in such respective principal amounts as an Authorized Officer (as hereinafter defined), upon advice of counsel, shall approve, the execution and delivery thereof to constitute such person’s approval thereof, except that the aggregate principal amount of any subordinate Bonds shall not exceed \$8,000,000. The maximum yield on the Bonds (giving effect to any original issue discount or original issue premium) shall at no time exceed 7.00% per annum in the case of senior Bonds and 8.00% per annum in the case of any subordinate Bonds. The Bonds shall mature no later than December 31, [2049].

Section 3. The Series 2019 Supplemental Indenture of Trust and the Bonds shall include details with respect to such other matters as the President or any other Authorized Officer, upon advice of counsel, shall approve, with such additional changes as may be approved by the Authorized Officer executing or delivering the Series 2019 Supplemental Indenture of Trust and the Bonds, the execution and delivery thereof to constitute such person’s approval thereof.

Section 4. Each of the Chair, the Vice Chair, the President, the Secretary of the Corporation and each Assistant Secretary of the Corporation is designated an Authorized Officer of the Corporation (“Authorized Officer”) for the purposes of this Authorizing Resolution. Any

action taken or document signed by a person constituting an Authorized Officer at the time of such action or signing of a document authorized by this Authorizing Resolution shall remain effective whether or not such person, at the time of the issuance of the Bonds, is the incumbent of such office when the Bonds are issued.

Section 5. Each Authorized Officer is authorized to execute and deliver to Merrill Lynch, Pierce, Fenner & Smith Incorporated (together with its successors and assigns, the “Underwriter”) a purchase contract or contracts for the Bonds (the “Bond Purchase Contract”) providing for the sale of the Bonds to the Underwriter at a price equal in the aggregate to par less an underwriting discount of not to exceed one percent (1.00%) of the aggregate principal amount of the Bonds (or such amount may be paid as a fee rather than as an underwriting discount), plus any original issue premium and less any original issue discount (provided that the yield on the Bonds, taking into account any such original issue discount and original issue premium, shall not exceed the maximum yield set forth in Section 2 above), plus reasonable costs and fees acceptable to and approved by an Authorized Officer.

Section 6. A Preliminary Official Statement in substantially the form presented at this meeting, with such changes as the President or one or more other Authorized Officers, upon advice of counsel, shall approve for distribution and a final Official Statement, in substantially the form of the Preliminary Official Statement, is hereby approved, with such changes and completions as shall be deemed by the President or one or more other Authorized Officers to be necessary or appropriate. The President of the Corporation is authorized to execute and deliver a final Official Statement. Use by the Underwriter of one or more Preliminary Official Statements, final Official Statements and any supplements thereto in connection with the Bonds is hereby approved.

Section 7. The Bonds shall be special, limited obligations of the Corporation and shall only be payable out of the trust estate pledged therefor pursuant to the Indenture. The Bonds issued under the Indenture shall not constitute a debt, liability or obligation of the State of Vermont or any of its political subdivisions and none of the faith and credit, the taxing power or the moral obligation of the State of Vermont or any political subdivision thereof shall be pledged to the payment of the principal of and the interest on the Bonds. For the sake of clarity, the Bonds shall not be supported by a moral obligation of the State of Vermont under Title 16, Chapter 87, Section 2867 of the Vermont Statutes Annotated.

Section 8. Each Authorized Officer is authorized to execute and deliver such additional documents or certificates as counsel to the Corporation or Kutak Rock LLP, Bond Counsel, shall advise as necessary or desirable, including, without limitation, a tax certificate, one or more continuing disclosure agreements and other closing documents.

Section 9. Any document or certificate executed or delivered by an Authorized Officer, including the Series 2019 Supplemental Indenture of Trust, the Bonds, the Bond Purchase Contract and the final Official Statement, shall be conclusive evidence of the approval of any modifications of terms submitted at this meeting of the Board and of the due authorization, execution and approval by the Corporation of any such document or certificate, subject to the provisions of Sections 2 and 5 hereof.

Section 10. While it is expected that the Bonds will be issued pursuant to the Indenture, including the Series 2019 Supplemental Indenture of Trust, if it is determined by the President or one or more other Authorized Officers after the adoption of this Authorizing Resolution that it is in the best interest of the Corporation to issue the Bonds pursuant to one or more new and separate trusts or pursuant to a supplement to any other previous indenture of the Corporation, the Board hereby authorizes the same, provided that all other provisions and limitations of this Authorizing Resolution are complied with, and provided further that if the Bonds are issued under a new and separate indenture of trust and supplement thereto or pursuant to any other previous indenture of the Corporation, such documents are determined by the President or one or more other Authorized Officers to be substantially similar to the 2012 Master Indenture and the Series 2019 Supplemental Indenture of Trust within the intent of this Authorizing Resolution (but with such changes as may be approved by the President or one or more other Authorized Officers executing or delivering such new and separate indenture of trust and supplement or such supplement to any other previous indenture of the Corporation, which execution or delivery shall be conclusive evidence of such determination and approval of any such new and separate indenture of trust and supplement or any such supplement to any other previous indenture of the Corporation).

Section 11. This Authorizing Resolution shall take effect immediately upon its adoption, provided that the Indenture (or a new and separate indenture of trust and supplement or a supplement to any other previous indenture of the Corporation as referred to in Section 10 hereof) shall take effect immediately upon the delivery of a certified copy of the Indenture or such new and separate indenture of trust or supplement to any other previous indenture to the trustee designated therein.

Section 12. All prior acts and doings of the officers, agents and employees of the Corporation which are in conformity with the purposes and intent of this Authorizing Resolution, and in furtherance of the purposes of this Authorizing Resolution, shall be and the same hereby are in all respects ratified, approved and confirmed.