



BOARD MEETING

June 14, 2023 – 2:00 p.m.

100 Bank St, Suite 401 / Burlington, VT and via Zoom

MEETING MINUTES

Board Members Participating & Voting: Bill Bates (as designee for Secretary Bouchey), Anita Bourgeois, Sean Brown (as designee for Secretary Clouser), Fritz Burkhardt, Mario Hankerson, Ken Linsley, Peter Moino (as designee for Secretary Samuelson), Ed Ogorzalek, Treasurer Mike Pieciak, Neal Robinson, Stuart Weppler, and Lauren Wobby

Board Members Absent: Ken Gibbons

Staff Participating: Michael Gaughan, Elizabeth King, and Ken Linge

Guests: Alberto Citarella – Middlebury College, Derek Hammel – Middlebury College, Larry Bauer – Norton Rose Fulbright, Matt Hughey – Norton Rose Fulbright, Andrew Estrada- PFM, Joe DaBreo – PFM, Kati Small – Yuba Group, and Scott Baker – State Treasurer’s Office

The meeting was called to order by Mr. Burkhardt at 2:02 p.m. He asked if there were any changes to the meeting agenda.

Approve May 16, 2023 Board Minutes

Mr. Burkhardt introduced the need to approve the minutes of the prior meeting. Ms. Wobby and Mr. Bates abstained from the vote.

Motion: Mr. Linsley moved and Mr. Robinson seconded the motion to approve the May 16, 2023 meeting minutes. The minutes were approved unanimously following a roll call vote with abstentions noted.

Consideration of the Middlebury College Application

Mr. Burkhardt introduced representatives from Middlebury College who provided an overview of the application's purpose and the related project. Members asked questions of the college.

Mr. Foley and Mr. Hankerson entered the meeting at 2:15 pm.

Mr. Estrada then reviewed PFM's credit analysis and positive recommendation for approving the transaction. Members asked questions related to larger trends in higher education.

Mr. Bauer introduced the approval and authorizing resolutions.

Motion: Mr. Robinson moved and Mr. Linsley seconded a motion to adopt the attached resolution approving the Middlebury College financing. The motion was approved unanimously following a roll call vote.

Motion: Mr. Wepler moved and Mr. Ogorzalek seconded a motion to adopt the attached resolution certifying the transaction. The motion was approved unanimously following a roll call vote.

There being no other business to come before the Board, Mr. Linsley moved and Ms. Wobby seconded a motion to adjourn.

These Minutes were approved by the Board of Directors at a duly warned meeting on September 20, 2023.

RESOLUTION RELATING TO THE ISSUANCE AND AWARD OF VERMONT
EDUCATIONAL AND HEALTH BUILDINGS
FINANCING AGENCY REVENUE BONDS
(MIDDLEBURY COLLEGE PROJECT) SERIES 2023

WHEREAS, The President and Fellows of Middlebury College (the “College”) is a private, nonprofit corporation duly incorporated and validly existing under and by virtue of the laws of the State of Vermont, which corporation operates a college in Middlebury, Vermont; and

WHEREAS, the College desires to (i) pay, or reimburse the College for paying, a portion of the cost of acquiring, constructing, renovating or equipping a new dormitory consisting of approximately 298 beds and 87,000 square feet and decommissioning and demolition of Battell Hall dormitory (collectively, the “Project”); and (ii) finance the payment of a portion of certain expenses incurred in connection with the issuance of the Bonds (hereinafter defined); and

WHEREAS, the College has made application to Vermont Educational and Health Buildings Financing Agency (herein sometimes called the “Agency”) for assistance under Title 16, Chapter 131, Sections 3851-3862, Vermont Statutes Annotated, as amended (the “Act”), for financing all or a portion of the costs of the Project by the Agency’s issuance of its Revenue Bonds (Middlebury College Project), Series 2023 (the “Bonds”) and lending to the College sufficient funds for paying, together with other available funds, such costs; and

WHEREAS, the Agency has considered such application of the College and all other pertinent information, data and materials respecting the need for, and the feasibility and the desirability of financing all or a portion of the costs the Project and has determined that such financing is necessary and desirable and will effectuate the purposes of the Act and otherwise serve the public interest; and

WHEREAS, the Agency will certify to the Governor of the State, prior to the issuance of the Bonds, that in its opinion the Project is needed and will provide adequate revenue derived from rents or otherwise to repay the Bonds and the interest thereon when due; and

WHEREAS, there have previously been presented to the staff of the Agency copies of forms of the following documents relating to the issuance of the Bonds:

(a) the Bond Indenture (the “Indenture”), between the Agency and The Bank of New York Mellon Trust Company, N.A., as Bond Trustee (the “Bond Trustee”), the provisions of which relate to the issuance of and security for the Bonds;

(b) the Loan Agreement (the “Loan Agreement”), between the Agency and the College, pursuant to which the Agency will lend the proceeds of the Bonds to the College;

(c) a Contract of Purchase (the “Contract of Purchase”), relating to the Bonds, between the Agency and Goldman Sachs & Co. LLC, the underwriter of the Bonds (the “Underwriter”); and

(d) the Preliminary Official Statement of the Agency relating to the Bonds (the “Preliminary Official Statement”); and

WHEREAS, the Agency will not be obligated to pay the principal or purchase or redemption price, if any, of and interest on the Bonds except from the revenues and funds derived from the Loan Agreement or the promissory note of the College delivered in accordance therewith, and neither the faith and credit nor the taxing power of the State of Vermont or of any political subdivision thereof is pledged as security for the payment of the purchase price or principal of or redemption price, if any, or interest on the Bonds; and

WHEREAS, the Agency has determined that the College is financially responsible and capable of fulfilling its obligations under the Loan Agreement;

NOW, THEREFORE, THE BOARD OF VERMONT EDUCATIONAL AND HEALTH BUILDINGS FINANCING AGENCY HEREBY RESOLVES, as follows:

Section 1. Capitalized words and terms used in this Resolution and not defined herein shall have the same meanings in this Resolution as such words and terms are given in the Indenture or the Loan Agreement, as the case may be.

Section 2. Pursuant to the authority granted to it by the Act, the Agency hereby authorizes the issuance of not to exceed \$50,000,000 aggregate principal amount of the Bonds, consisting of serial Bonds or term Bonds, dated as of such dates, maturing on such dates in such years not later than November 1, 2053 and in such principal amounts and bearing interest at such rate or rates (none of such rates to exceed 8% per annum), all as contemplated by the Indenture and as determined by the Chairman, the Secretary or the Executive Director (each, a "Delegate") of the Agency, in consultation with Agency staff, financial advisor and counsel, prior to the award of the Bonds.

Section 3. The Bonds shall be subject to redemption at such times, upon such terms and conditions, and at such prices (none of such prices to exceed 103% of the principal amount of the Bonds being redeemed, provided that notwithstanding such maximum price, a make-whole or cost-of-funds premium shall be permitted if, in the opinion of the College's financial advisor, such premium is advantageous given market conditions and is consistent with comparable bonds issued by borrowers comparable to the College), all as determined by a Delegate, in consultation with Agency staff, financial advisor and counsel, prior to the award of the Bonds. The term Bonds shall have such amortization requirements, if any, as determined by a Delegate, in consultation with Agency staff, financial advisor and counsel, prior to the award of the Bonds or as may be otherwise set forth in the Indenture.

Section 4. The aggregate proceeds of the Bonds (including accrued interest, if any) shall be applied to pay, or reimburse the College for payment of, costs of the Project and for such other purposes as shall be set forth in the Indenture.

Section 5. The forms, terms and provisions of the Indenture, the Loan Agreement and the Contract of Purchase, are hereby approved in all respects, and a Delegate is hereby authorized and directed to execute and deliver the Indenture, the Loan Agreement and the Contract of Purchase in substantially the forms previously presented to the staff of the Agency, together with such changes, modifications and deletions as the Delegate, with the advice of counsel, may deem

necessary and appropriate; such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Agency and of such changes, modifications and deletions.

Section 6. The form of the Bonds set forth in the Indenture is hereby approved in all respects, and the Chairman and the Executive Director are hereby authorized and directed to execute by facsimile signature, to attest to the seal of the Agency and to deliver to the Bond Trustee, for authentication on behalf of the Agency, the Bonds in definitive form, which shall be in substantially the form previously presented to the staff of the Agency, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary and appropriate and consistent with the Indenture; such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Agency and of such changes, modifications and deletions.

Section 7. The Agency hereby awards the Bonds to the Underwriter in the aggregate principal amount determined pursuant to Section 2 of this Resolution and at the interest rates determined pursuant to said Section 2 at such purchase price or purchase prices determined by the Chairman or the Treasurer of the Agency (any such price not to be less than 93% of said aggregate principal amount nor more than 145% of said aggregate principal amount of the Bonds and resulting in a true interest cost for the Bonds of not in excess of 8%), plus accrued interest, if any.

Section 8. Upon their execution in the form and manner set forth in the Indenture, the Bonds shall be deposited with the Bond Trustee for authentication, and the Bond Trustee is hereby authorized and directed to authenticate and, upon due and valid execution and acceptance of the Contract of Purchase, the Indenture and the Loan Agreement by the proper parties thereto, the Bond Trustee shall deliver the Bonds at one time or from time to time to or for the account of the Underwriter against payment therefor in accordance with and subject to the provisions of the Indenture.

Section 9. An official statement, in substantially the form of the Preliminary Official Statement (the "Official Statement"), is hereby approved in all respects, and each Delegate is hereby authorized and directed to execute such official statement and any supplement thereto, in such forms as he or she, with the advice of counsel, may approve, such execution to be conclusive evidence of the approval thereof by the Agency. The Agency hereby approves and authorizes the distribution and use of copies of the Preliminary Official Statement, the Official Statement, any supplement thereto, the Indenture, the Loan Agreement and the other documents mentioned in Section 5 hereof by the Underwriter in connection with the offering of the Bonds.

Section 10. The Chairman, Treasurer, Secretary and Executive Director are each hereby appointed Agency Representatives, as that term is defined in the Indenture, with full power to carry out the duties set forth therein.

Section 11. Each Delegate is authorized and directed (without limitation except as may be expressly set forth herein) to take such action (including the holding of and supervising at a public hearing in respect of the Bonds as such officer being advised by counsel shall determine) and to execute and deliver any such documents, certificates (including a certificate that the parameters set forth above in respect of the terms of the Bonds have been satisfied), undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary or

appropriate to effect the transactions contemplated by the Indenture, the Loan Agreement, the Contract of Purchase and the Official Statement.

Section 12. This Resolution shall take effect immediately upon its passage.

RESOLUTION APPROVING CERTIFICATION
TO THE GOVERNOR

WHEREAS, the Board of the Vermont Educational and Health Buildings Financing Agency (herein sometimes called the “Agency”) has adopted a resolution authorizing the issuance and sale of its Vermont Educational and Health Buildings Financing Agency Revenue Bonds (Middlebury College Project) Series 2023 (the “Bonds”) in an aggregate principal amount not to exceed \$50,000,000; and

WHEREAS, all or a portion of the proceeds of the Bonds will be used to (i) pay, or reimburse The President and Fellows of Middlebury College (the “College”) for paying, all or a portion of the cost of acquiring, constructing, renovating or equipping a new dormitory consisting of approximately 298 beds and 87,000 square feet and decommissioning and demolition of Battell Hall dormitory (collectively, the “Project”); and (ii) to finance the payment of a portion of certain expenses incurred in connection with the issuance of the Bonds; and

WHEREAS, Section 3856 of Title 16, Vermont Statutes Annotated, as amended, provides that no bonds of the Agency may be issued to acquire or construct any facilities unless the Agency first certifies to the Governor of the State of Vermont that in its opinion such facilities are needed and will provide adequate revenue derived from rents or otherwise to repay such bonds and the interest thereon when due; and

WHEREAS, the Board has considered pertinent information, data and material respecting the need for and the feasibility and desirability of issuing the Bonds; and

WHEREAS, the Board has examined the financial records of the College relating to its ability to make payments under the Loan Agreement mentioned in said resolution to repay the Bonds and the interest thereon when due; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), provides that, under such circumstances, approval by an “applicable elected representative” following a duly noticed public hearing must be obtained prior to the issuance of obligations such as the Bonds if such obligations are to be treated as qualified bonds for purposes of the Code; and

WHEREAS, the Agency conducted a duly noticed public hearing on June 14, 2023;

WHEREAS, the Governor is, for purposes of the Code, the “applicable elected representative” for purposes of Section 147(f)(2)(C) of the Code; and

WHEREAS, there has been prepared and submitted to the Board a form of certification to the Governor required under the Code; and

WHEREAS, the Board has examined and considered said form of certification;

NOW, THEREFORE;

BE IT RESOLVED, by the Board of Vermont Educational and Health Buildings Financing Agency that the certification in connection with the issuance pursuant to such plan of financing of Vermont Educational and Health Buildings Financing Agency Revenue Bonds (Middlebury College Project) Series 2023, in an aggregate principal amount not to exceed \$50,000,000 is hereby approved in substantially the form presented to this meeting, with such changes, insertions and omissions as may be approved by the Chairman, Treasurer, Secretary or Executive Director of the Agency, his signing of such certification to be conclusive evidence of his approval of any such changes, insertions and omissions, and said Chairman, Treasurer, Secretary or Executive Director is hereby authorized and directed to sign said certification in the name of and on behalf of the Agency and to deliver or cause to be delivered said certification to the Governor of the State of Vermont.

_____, 2023

Honorable Philip Scott
Governor, State of Vermont
Pavilion Office Building
109 State Street
Montpelier, VT 05602

Re: NOT TO EXCEED \$50,000,000 VERMONT EDUCATIONAL AND HEALTH BUILDINGS FINANCING AGENCY REVENUE BONDS (MIDDLEBURY COLLEGE PROJECT) SERIES 2023

Dear Governor Scott:

Vermont Educational and Health Buildings Financing Agency proposes to issue its Revenue Bonds (Middlebury College Project) Series 2023 (together, the “Bonds”), on behalf of The President and Fellows of Middlebury College (the “College”), a private, nonprofit corporation incorporated and existing under the laws of the State of Vermont, and an eligible institution within the meaning of said term as defined in Section 3851 of Title 16, Vermont Statutes Annotated, as amended, to provide funds to the College for the purpose of (i) paying, or reimbursing the College for paying, all or a portion of the cost of acquiring, constructing, renovating or equipping a new dormitory consisting of approximately 298 beds and 87,000 square feet and decommissioning and demolition of Battell Hall dormitory (collectively, the “Project”), and (ii) paying, or reimbursing the College for paying, certain costs incurred in connection with the issuance of the Bonds.

The Agency proposes to enter into a Loan Agreement with the College providing for the loan of the proceeds of the Bonds to the College, which Loan Agreement requires the College, among other things, to make payments sufficient to pay the principal of and premium, if any, and interest on the Bonds as the same become due and payable. The College will bear all costs incurred in connection with, and will pay certain costs and expenses of the Agency relating to, the Project.

Further, the Agency has determined to accept the proposal of Goldman Sachs & Co. LLC (the “Underwriter”), which Underwriter has been selected by the College, to purchase the Bonds.

Based on the foregoing and, among other things, the proposal of Underwriter, to purchase the Bonds, in compliance with the provisions of Section 3856 of Title 16, Vermont Statutes Annotated, as amended, the Agency hereby certifies that it has conducted a duly noticed public hearing with respect to the issuance of one or more series of the Bonds pursuant to a plan of financing in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended, the Project is needed, and the College will generate sufficient revenues from all operations to meet its obligations under the Loan Agreement in order to repay the Bonds and the interest thereon when due.

Vermont Educational and Health
Buildings Financing Agency

Executive Director

[LETTERHEAD OF STATE OF VERMONT
OFFICE OF THE GOVERNOR]

_____, 2023

Vermont Educational and Health
Buildings Financing Agency
100 Bank Street, Suite 401
Burlington, Vermont 05401

**RE: VERMONT EDUCATIONAL AND HEALTH BUILDINGS FINANCING
AGENCY REVENUE BONDS
(MIDDLEBURY COLLEGE PROJECT) SERIES 2023**

Ladies and Gentlemen:

I hereby approve the issuance of the above Bonds for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended.

Governor Philip Scott