Policy 433, Debt Management Policy
Post-Issuance Tax Compliance Procedures
For Tax-Exempt Bonds
(as of February 6, 2020)

The purpose of these Post-Issuance Tax Compliance Procedures is to satisfy the Management and Compliance requirement of Vermont State Colleges System Policy 433, Debt Management Policy, and otherwise to establish policies and procedures in connection with tax-exempt bonds issued by the System so as to ensure that the System complies with all applicable post-issuance requirements of federal income tax law needed to preserve the tax-exempt status of any bonds.

As of the date of these Procedures, the System's outstanding tax-exempt bond issues are:

1. Revenue Refunding Bonds, Series 2013 (the "2013 Bonds")
2. Vermont State Colleges System Bonds, 2017 Series A (the "2017 Bonds")
3. Vermont State Colleges System Bonds, 2020 Series A (the "2020 Bonds")

Collectively, these bond issues shall be referred to as the "Bonds."

General

Ultimate responsibility for all matters relating to System financings and re-financings rests with the Chief Financial Officer of the System (the "Administrator"). The Administrator will be assisted by designated personnel within the Office of the Chancellor, to include the System Controller and the Director of Business Services and their designees or successors.

The Administrator shall be informed of requirements of the relevant tax law, and where necessary should seek training to include attendance at educational conferences, as well as regular consultation with attorneys specializing in tax-exempt finance, including those who served as bond counsel or issuer counsel for the issuance of any of the Bonds (collectively, "Bond Counsel") and with the Rebate Service Provider (as defined below) as needed. Contact information for Bond Counsel and a Rebate Service Provider is included as Exhibit A.

Post-Issuance Compliance Requirements

<u>External Advisors / Documentation</u>

The Administrator and other appropriate System personnel shall consult with Bond Counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so

that the Bonds will continue to qualify for the appropriate tax status. These requirements and procedures shall be documented in System resolutions, Tax Certificates and other documents finalized at or before issuance of the Bonds. These requirements and procedures shall include future compliance with applicable arbitrage rebate requirements and all other applicable post-issuance requirements of federal tax law throughout (and in some cases beyond) the term of the Bonds.

The Administrator and other appropriate System personnel also shall consult with Bond Counsel and other legal counsel and advisors, as needed, following issuance of the Bonds to ensure that all applicable post-issuance requirements in fact are met. A checklist from the Government Finance Officers Association (GFOA) and

- during the loan origination period and thereafter, the Administrator and other appropriate System personnel shall monitor the investment and origination of loans with Bond proceeds and shall consult with the Rebate Service Provider to determine compliance with any applicable yield limitations, following the issue date of the Bonds. To the extent loan forgiveness or yield reducti

Exhibit A: Contact Information

Vermont Bond Bank (Conduit Issuer for 2017 Series A and 2020 Series A Bonds)

20 Winooski Falls Way, Suite 305
Winooski VT 05404

Michael Gaughan, Executive Director
(802) 654-7377
michaelg@vtbondagency.org

Lorraine Lydon, Assistant
(617) 832 6431
llydon@mintz.com

Bond Counsel

Stitzel Page & Fletcher (Counsel to VSC for 2020 Series A Bonds)
171 Battery Street
Burlington, VT 05402

Robert Fletcher
(802) 660 2555
rfletcher@firmspf.com

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. (Counsel to Vermont Bond Bank)
One Financial Center
Boston, MA 02111

Meghan Burke, Partner
(617) 348 1663
mbburke@mintz.com

Lorraine Lydon, Assistant
(617) 832 6431
llydon@mintz.com

Locke Lord, LLP (Counsel to State of Vermont)
111 Huntington Avenue (Prudential Center)
Boston, MA 02199

Stephanie Massey, Partner
(617) 239 0558
stephanie.massey@lockelord.com

Jennifer Capasso Mendonça, Partner
(617) 239 0845
jennifer.mendonca@lockelord.com

Rebate Service Provider

Omnicap Group LLC
2286 E. Maple Avenue
El Segundo, CA 90245
Fax: (866) 813 3613

Jeff Smith, President
(310) 318 3095
jsmith@omnicap.net

Eddie McRoberts, Managing Director
(310) 318 3094
emcroberts@omnicap.net

Bond Trustee (for 2017 and 2020 Bonds)

US Bank
One Federal Street, 10th Floor
Boston, MA 02110

Laura Cawley
(617) 603 6452
laura.cawley@usbank.com

Bond Trustee (for 2013 Bonds)

BNY Mellon
500 Ross Street, 12th Floor
Pittsburgh, PA 15262

Michael Jones
(412) 234 8492

Exhibit B: NABL/GFOA Post-Issuance Compliance Checklist

The National Association of Bond Lawyers ³1 $ % /ánd the Government Finance Officers Association ³*) 2 $) have jointly developed the following checklist to assist bond counsel in discussing with issuers and conduit borrowers, as applicable, post-issuance compliance matters. The checklist is divided into three parts: tax, securities and State law matters. The checklist can serve as a framework for discussion at an appropriate time during the transaction or as a written document prepared by bond coun

POST ISSUANCE COMPLIANCE CHECKLIST

TRANSACTION PARTIES	
Overall Responsible Office for Debt Management Activiti	_____
Bond Counsel	_____
Trustee	_____
Paying Agent	_____
Rebate Specialis	_____
Other:_____	_____
Other:_____	

(iii) Proof of filing annual reports of mortgagor income due 8/15. Treas. Reg. § 1.103A-2(k)(2)(ii).

(e) Information required to be provided to NRMSIR and SID:		
(i) Annual Reports.		
(1) Quantitative financial information and operating data disclosed in official statement.		
(2) Audited financial statements.		
(ii) Other information.		
(1) Change of fiscal year.		
(2) Other information specified in CDU.		
(f) Material Event Disclosure. Notification by obligated person to SID and each NRMSIR, in timely manner, of any following events with respect to bonds, if event is material within the meaning of the federal securities laws:		
(i) Principal and interest payment delinquencies.		
(ii) Non-payment related defaults.		
(iii) Unscheduled draws on debt service reserves reflecting financial difficulties.		
(iv) Unscheduled draws on credit enhancements reflecting financial difficulties.		
(v) Substitution of credit or liquidity providers, or their 99 Tm 0 2cp providers, or		

(xi) Rating changes		
(g) Failure of the obligated person to timely file financial information (including audited financial statements) and operating data with SID and each NRMSIR or MSRB.		

2. Notification to Underwriters of Bonds.

Determination of whether bond purchase agreement requires issuer of the bonds to notify underwriters for a specified period of time of any fact of event that might cause the official statement to contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made therein in light of the circumstances in which they were made, not misleading.

C. MISCELLANEOUS STATE LAW AND DOCUMENT REQUIREMENTS		
1. Security.		
(a) Proof of filing UCC statements with appropriate authorities as required by State procedures.		
(i) Initial UCC financing statements filed with appropriate authorities. UCC 9-515(a).		
(ii) Continuation statements filed by fifth anniversary. UCC 9-515(d).		
(iii) Transfer by government or governmental unit not requiring a UCC statement. UCC 9-102(a)(45) (UCC exception adopted in certain jurisdictions)		
(iv) Public finance transaction in connection with debt securities (all or portion of securities have initial stated maturity of 20 years, obligated party is State or State governmental unit) qualifies for 30-year filing. UCC 9-515(b)		
(v) Other local requirements or exceptions.		
(b) Proof of filing recorded mortgages, deeds of trust with appropriate authorities and proof of delivery of originals to trustee or custodian.		
2. Insurance.		
(a) Proof of receipt of final title policy and proof of delivery to trustee or custodian.		
(b) Monitor compliance with property and casualty insurance requirements.		
3. Financial Covenants Monitor compliance with rent covenant or other covenants not included in B(3) above.		
4. Transfer of Property.		
(a) Restrictions on transfer of cash.		
(b) Restrictions on releases of property.		
(c) Restrictions on granting liens or encumbering property.		

5. Investments Compliance with permitted investments.		

6. Derivatives.

Entering into and ongoing compliance of derivatives contracts is complex and a universe in and of itself. GFOA has created a Derivatives Checklist and a Recommended Practice on the Use of Debt-Related Derivatives Products and the Development of a Derivatives Policy to assist issuers with understanding these products. These documents can be found at: