**TENNESSEE STATE SCHOOL BOND AUTHORITY**
**February 10, 2017**

The Tennessee State School Bond Authority ("TSSBA" or the "Authority") met on Friday, February 10, 2017, 10:35 a.m., in the Executive Conference Room, Ground Floor, Tennessee State Capitol, Nashville, Tennessee. The Honorable Justin Wilson, Comptroller, was present and presided over the meeting.

The following members were also present:

Honorable Tre Hargett, Secretary of State of Tennessee
Whitney Goetz, proxy for Honorable David Lillard, State Treasurer
Larry Martin, Commissioner of Finance and Administration
Dick Tracy, proxy for Chancellor Flora Tydings, Tennessee Board of Regents

The following member participated telephonically:

Dr. Joe DiPietro, President, University of Tennessee

The following member was absent:

Honorable Bill Haslam, Governor

Recognizing a physical quorum present, Mr. Wilson called the meeting to order and asked for a motion to approve the minutes of the meeting held on January 5, 2017. Mr. Hargett moved approval of the minutes. Mr. Martin seconded the motion. Mr. Wilson then called upon Sandi Thompson, Director of the Office of State and Local Finance ("OSLF") to call roll:

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| Dr. DiPietro | Aye |
| Mr. Martin | Aye |
| Mr. Wilson | Aye |
| Mr. Hargett | Aye |
| Ms. Goetz | Aye |
| Mr. Tracy | Aye |

Mr. Wilson stated the next item on the agenda was approval of the extension of the Revolving Credit Agreement with Wells Fargo and U.S. Bank (the "Banks"). Mr. Wilson stated the proposed extension would extend the term of the agreement for an additional three years. Mr. Wilson added that the Banks had proposed increases in fees that would be consistent with the current market rates. The proposed fees were outlined on a terms sheet provided by the Banks, and included in the meeting materials distributed to the Authority members.

Mr. Wilson noted that the Banks had also proposed a change in the defined term "Margin Rate Amount Effective Date". Mr. Wilson explained that the agreement contemplated that any change in the federal corporate tax rate would result in a change in the tax-exempt interest rate. Under the existing agreement, the tax-exempt interest rate would not change until 90 days after the effective date of the change in the corporate tax rate. With the change in definition, under the proposed extension, the change in the tax-exempt interest rate would be effective as of the date of the change in the corporate tax rate. Mr. Wilson stated that, according to the Authority's financial advisor, this is consistent with current market practice. Mr. Wilson stated that the Banks had agreed to lower the tax-exempt interest rate by one basis point (from an initially proposed 39.5 basis points to 38.5 basis points) to compensate for this change. (One basis point is equal to one-tenth of one percent, 0.10%.)

Mr. Wilson stated that the members had received a letter from the Authority's financial advisor. The letter stated that the revolving credit facility remains to be the most advantageous short-term financing option for the Authority, and PFM recommended that the Authority extend the agreement for the additional three-year term. Mr. Wilson asked if there were any questions. Mr. Martin asked if there was a change to the

commitment fee. Ms. Thompson stated that the Banks had originally proposed a change of five basis points but this was negotiated to an agreed upon three basis points. This meant that the commitment fee would increase from 20 basis points, under the existing agreement, to 23 basis points, under the proposed extension. Mr. Stivers asked if the Authority had evaluated the credit agreement using the 90-day or 60-day LIBOR rate as an index instead of the 30-day LIBOR rate. Ms. Thompson stated that that the Authority's financial advisor had evaluated multiple indices, but the one-month rate was appropriate for this program.

Mr. Wilson asked for a motion to approve the resolution and to give authority to the Comptroller to finalize the details of the proposed extension. Mr. Hargett moved approval, and Mr. Martin seconded the motion. There being no questions, Ms. Thompson called roll:

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| Dr. DiPietro | Aye |
| Mr. Martin | Aye |
| Mr. Wilson | Aye |
| Mr. Hargett | Aye |
| Ms. Goetz | Aye |
| Mr. Tracy | Aye |

Mr. Wilson asked if there was any other business to be presented. Mr. Hargett moved to adjourn. Mr. Wilson seconded the motion. There being no questions, Mr. Wilson called roll:

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| Dr. DiPietro | Aye |
| Mr. Martin | Aye |
| Mr. Wilson | Aye |
| Mr. Hargett | Aye |
| Ms. Goetz | Aye |
| Mr. Tracy | Aye |

Approved on this 21st day of March 2017

Respectfully submitted,

Sandra Thompson

Sandra Thompson
Assistant Secretary