



# UNT | SYSTEM™

## Board of Regents Meeting May 15, 2014 Table of Contents

<b>Agenda</b>	2
<b>Consent Agenda Action Items</b>	
2014-34 Approval April 17, 2014 Minutes	5
<b>Finance Action Item</b>	
2014-35 Interim Construction Financing and Approval of the Nineteenth Supplemental Resolution to the Master Resolution Authorizing Issuance, Sale, and Delivery of Board of Regents of the University of North Texas System Revenue Financing System Direct Purchase Bonds, Series Series 2014; and Approving and Authorizing Instruments and Procedures Thereto	6
2014-36 Contract Approval with Deloitte & Touche, LLP for Financial Remediation in Conjunction with UNTS Financial Transformation Projects	93
<b>Audit Action Item</b>	
2014-37 Authorization to Execute an Amendment to the Agreement between UNT System and DeLoitte & Touche, LLP for Audit Readiness Services	96



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## **BOARD OF REGENTS Board Meeting Agenda**

May 15 – 9:00 am  
UNT System Building  
Room 712  
1901 Main Street  
Dallas, Texas

### **1. CALL TO ORDER**

### **2. CONSENT AGENDA**

**2014-34 UNTS      Approve Minutes of April 17, 2014 Board Meeting**

**Recess full Board to Executive Session pursuant to Texas Government Code Chapter 551\***

### **3. EXECUTIVE SESSION (Room 711)**

Government Code, Chapter 551, Section .071\* - Consultation with Attorneys Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers

- Consultation with attorneys regarding confidential legal matters, including pending, threatened, and contemplated litigation or settlement offers; contemplated, ongoing and/or finalized investigations and any findings, conclusions or recommendations related to those investigations; status of negotiations and/or compliance with contracts and agreements, including but not limited to legal obligations and duties and any and all related facts; including but not limited to:
  - Legal issues relating to affiliated foundations, employee benefits, debt and debt financing, and ongoing audits and investigations
  - Legal issues relating to the following action item:
    - **2014-34 UNTS      Interim Construction Financing and Approval of the Nineteenth Supplemental Resolution to the Master Resolution Authorizing the Issuance, Sale, and Delivery of Board of Regents of the University of North Texas System Revenue Financing System Direct Purchase Bonds, Series 2014; and Approving and Authorizing Instruments and Procedures Relating Thereto**

Government Code, Chapter 551, Section .074\* - Personnel Matters Relating to Appointment, Employment, Evaluation, Reassignment, Duties, Discipline, or Dismissal of Officers or Employees

- Consideration of individual personnel matters related to the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of University and System officers and employees

**Reconvene in Open Session (Room 712) to consider action on Executive Session items as necessary**

#### **Chancellor's Remarks**

Lee Jackson, Chancellor

- Financial Transformation and Audit Readiness Projects

**Recess full Board to meetings of the Finance Committee and Audit Committee**

#### **4. COMMITTEE MEETING**

##### **Finance Committee**

May 15 at 11:00 am (*approximate*)

##### **Call to Order**

Approve Minutes of April 17, 2014 meeting

##### **BRIEFINGS**

Financial Transformation Project Update: Progress Report and Remediation

- Janet Waldron, Vice Chancellor for Finance
- Shawn Kilchrist, Director, Deloitte & Touche, LLP

PeopleSoft Financials Upgrade Project Status Update

- Michael DiPaolo, UNT System Associate Vice Chancellor and Chief Information Officer

##### **ACTION ITEMS**

##### **2014-35 UNTS**

**Interim Construction Financing and Approval of the Nineteenth Supplemental Resolution to the Master Resolution Authorizing the Issuance, Sale, and Delivery of Board of Regents of the University of North Texas System Revenue Financing System Direct Purchase Bonds, Series 2014; and Approving and Authorizing Instruments and Procedures Relating Thereto**

**2014-36 UNTS**

**Contract Approval with Deloitte & Touche, LLP for Financial Remediation in Conjunction with UNTS Financial Transformation Projects**

**Recess Finance Committee to lunch and then Audit Committee meeting**

**LUNCH** (12:00 noon *approximate*)

**Audit Committee**

May 15 at 12:30 pm (*approximate*)

**Call to Order**

Approve Minutes of April 17, 2014 meeting

**BRIEFING**

Pre-Audit Readiness Project Report

- Michelle Finley, UNT System Chief Internal Auditor

**ACTION ITEM**

**2014-37 UNTS**

**Authorization to Execute an Amendment to the Agreement between UNT System and Deloitte & Touche LLP for Audit Readiness Services**

**Adjourn Audit Committee and reconvene full Board**

**5. ACTION ITEMS**

***Reported from Finance Committee***

**2014-35 UNTS**

**Interim Construction Financing and Approval of the Nineteenth Supplemental Resolution to the Master Resolution Authorizing the Issuance, Sale, and Delivery of Board of Regents of the University of North Texas System Revenue Financing System Direct Purchase Bonds, Series 2014; and Approving and Authorizing Instruments and Procedures Relating Thereto**

**2014-36 UNTS**

**Contract Approval with Deloitte & Touche, LLP for Financial Remediation in Conjunction with UNTS Financial Transformation Projects**

***Reported from Audit Committee***

**2014-37 UNTS**

**Authorization to Execute an Amendment to the Agreement between UNT System and Deloitte & Touche LLP for Audit Readiness Services**

**6. Adjournment**



## Board Order

**Title:** Approval of the Minutes of the April 17, 2014 Board Meeting

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### Board of Regents Order 2014-34

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on May 15, 2014, pursuant to a motion made by Regent Steve Mitchell and seconded by Regent Don Potts, the Board approved the motion presented below:

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Whereas, the minutes of the April 17, 2014 meeting of the UNT System Board of Regents have been prepared by the Board Secretary and are attached here for Board approval,

Now, Therefore, The Board of Regents approves the following:

1. The minutes of the April 17, 2014 meeting of the UNT System Board of Regents
- 

VOTE:   8   ayes      0   nays           abstentions

### BOARD ACTION:

Attested By:

  
\_\_\_\_\_

Julia A. Boyce, Secretary  
Board of Regents

Approved By:

  
\_\_\_\_\_

Brint Ryan, Chairman  
Board of Regents



## Board Briefing REVISED

**Committee:** Finance

**Date Filed:** May 15, 2014

**Title:** Interim Construction Financing and Approval of the Nineteenth Supplemental Resolution to the Master Resolution Authorizing the Issuance, Sale, and Delivery of Board of Regents of the University of North Texas System Revenue Financing System Direct Purchase Bonds, Series 2014; and Approving and Authorizing Instruments and Procedures Relating Thereto

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### **Background:**

In 2013, the UNT System Board of Regents approved the design and construction of two major capital projects located on the UNT campus.

The first project is the renovation and expansion of the Student Union with a project budget of \$128,400,000. This project was approved by the Texas Higher Education Coordinating Board (THECB) on January 24, 2013. Interim financing was initially proposed to come from \$8,000,000 in proceeds of the first year of a dedicated Student Union Fee of with the balance in short term commercial paper (CP) during the construction period. After construction was complete, CP principal was to be paid or refunded by issuing long term bonds.

The second project is the Rawlins Residence Hall with a project budget of \$37,100,000. This project was reported to the Texas Higher Education Coordinating Board. Interim construction financing may be used for the construction of residence halls, however, in the past UNT has usually assumed the issuance of thirty year long term bonds at the start of construction.

The Student Union construction project is well underway. The Rawlins Hall construction project is beginning site preparation. Moving forward with either or both projects requires that stable interim financing be assured through the construction period in the remainder of 2014 and 2015.

Because of limited opportunities to market additional commercial paper at this time, it is advisable to have authority in place to permit the sale of up to \$120,000,000 in direct purchase bonds to J.P. Morgan Chase.

Direct purchase bonds for the Student Union and Rawlins Hall would be short term, tax exempt, variable rate obligations. When construction is complete, the principal will be paid or refunded by issuing thirty year long term bonds.

The Purchase Agreement and Covenant Agreement included in the Resolution attached to this briefing were in negotiation at the time of submission of these materials. A delegation of authority to the Vice Chancellor for Finance will be necessary to finalize and execute these agreements.

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**Financial Analysis/History:**

During the project construction phase, the direct purchase bonds will be tax exempt with an interest rate calculated at 67% of one month LIBOR plus 48 bps yielding a current estimated rate of 58 bps. The financial impact of direct purchased bonds over traditional commercial paper would be approximately \$370,000 for both projects together.

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untsystem.edu

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Vice Chancellor for Finance

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**Legal Review:**

This item has been reviewed by the UNT System General Counsel and is subject to the confidential legal advice provided to the Board in executive session.

Nancy S. Footer

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email=nancy.footer@untsystem.edu, c=US  
Date: 2014.05.14 19:14:20 -05'00'

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Vice Chancellor/General Counsel

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**Schedule:**

Board of Regents' Approval	May 15, 2015
Attorney General's Approval	Week of June 2 <sup>nd</sup>
Bond Closing and 1 <sup>st</sup> Draw	Week of June 2 <sup>nd</sup>

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**Recommendation:**

It is recommended that the Board of Regents approve the Nineteenth Supplemental Resolution to the Master Resolution Authorizing the Issuance, Sale, and Delivery of Board of Regents of the University of North Texas System Revenue Financing System Direct Purchase Bonds, Series 2014; and Approving and Authorizing Instruments and Procedures Relating Thereto.

**Recommended By:**

Janet Waldron

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Vice Chancellor for Finance

Lee Jackson

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System, ou=Chancellor's Office,  
email=chancellor@unt.edu, c=US  
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Chancellor

Attachments Filed Electronically:

- **Nineteenth Supplemental Resolution to the Master Resolution Authorizing the Issuance, Sale, and Delivery of Board of Regents of the University of North Texas System Revenue Financing System Direct Purchase Bonds, Series 2014; and Approving and Authorizing Instruments and Procedures Relating Thereto**



## Board Order REVISED

**Title:** Interim Construction Financing and Approval of the Nineteenth Supplemental Resolution to the Master Resolution Authorizing the Issuance, Sale, and Delivery of Board of Regents of the University of North Texas System Revenue Financing System Direct Purchase Bonds, Series 2014; and Approving and Authorizing Instruments and Procedures Relating Thereto

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### Board of Regents Order 2014-35

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on May 15, 2014, pursuant to a motion made by Regent Don Potts and seconded by Regent Rusty Reid, the Board approved the motion presented below:

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Whereas, the University of North Texas System Board of Regents approved the development, design, construction, and budget for the Student Union Construction and Renovation and Rawlins Hall projects, and

Whereas, both projects are important to the institutional and student mission, and  
Whereas, it is important that stable interim financing be assured during the construction period,

Now, Therefore, The Board of Regents authorizes and approves the following:

1. Nineteenth Supplemental Resolution to the Master Resolution Authorizing the Issuance, Sale, and Delivery of Board of Regents of the University of North Texas System Revenue Financing System Direct Purchase Bonds, Series 2014; and Approving and Authorizing Instruments and Procedures Relating Thereto.
  2. Delegate authority to the Vice Chancellor for Finance to finalize and execute on behalf of the Board of Regents the Purchase Agreement and Covenant Agreement made a part of the Resolution referenced in 1. above in accordance with the discussion in executive session.
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VOTE:   8   ayes      0   nays           abstentions

**BOARD ACTION:**

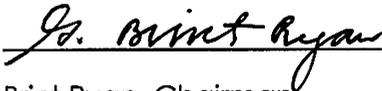
Attested By:



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Julia A. Boyce, Secretary  
Board of Regents

Approved By:



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Brint Ryan, Chairman  
Board of Regents

**NINETEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION  
AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF  
THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM  
DIRECT PURCHASE BONDS, SERIES 2014; AND APPROVING AND AUTHORIZING  
INSTRUMENTS AND PROCEDURES RELATING THERETO**

NINETEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER  
RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF  
BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM  
REVENUE FINANCING SYSTEM DIRECT PURCHASE BONDS, SERIES 2014;  
AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES  
RELATING THERETO

TABLE OF CONTENTS

	<u>Page</u>
PREAMBLE .....	1
Section 1. DEFINITIONS .....	7
Section 2. AMOUNT, PURPOSE, AND DESIGNATION OF THE BONDS.....	7
(a) Amount and Designation of Bonds .....	7
(b) New Money Authorization.....	8
Section 3. DATE, DENOMINATIONS, NUMBERS, MATURITIES, AND TERMS OF BONDS.....	8
(a) Issuance of Bonds .....	8
(b) Sale of Bonds in Best Interests of University System .....	9
(c) In General .....	9
(d) Bond Purchase Agreement.....	9
Section 4. INTEREST.....	9
Section 5. REGISTRATION, TRANSFER, AND EXCHANGE; AUTHENTICATION AND BOOK-ENTRY ONLY SYSTEM.....	10
(a) Paying Agent/Registrar.....	10
(b) Registration Books .....	10
(c) Ownership of Bonds .....	10
(d) Payment of Bonds and Interest.....	11
(e) Authentication .....	11
(f) Transfer, Exchange or Replacement .....	11
(g) Substitute Paying Agent/Registrar .....	12
(h) Issuance of Authorized Installments of the Bonds .....	13
(i) Notice of Redemption .....	13
(j) Book-Entry Only System. ....	14
Section 6. FORM OF BONDS.....	14
Section 7. ESTABLISHMENT OF REVENUE FINANCING SYSTEM AND ISSUANCE OF PARITY OBLIGATIONS.....	14

Section 8.	SECURITY .....	14
Section 9.	PAYMENTS .....	15
Section 10.	DAMAGED, MUTILATED, LOST, STOLEN OR DESTROYED BONDS .....	15
	(a) Replacement Bonds .....	15
	(b) Application for Replacement Bonds .....	15
	(c) Payment in Lieu of Replacement.....	15
	(d) Charge for Issuing Replacement Bonds .....	15
	(e) Authority for Issuing Replacement Bonds.....	16
Section 11.	AMENDMENT OF SUPPLEMENT.....	16
	(a) Amendments Without Consent.....	16
	(b) Amendments With Consent .....	17
	(c) Notice .....	17
	(d) Receipt of Consents.....	18
	(e) Effect of Amendments.....	18
	(f) Consent Irrevocable .....	18
	(g) Ownership .....	18
Section 12.	TAX EXEMPTION .....	18
	(a) General Covenants.....	18
	(b) Allocation of, and Limitation on, Expenditures for the Project .....	20
	(c) Disposition of Project .....	20
	(d) Determination of Taxability .....	21
Section 13.	COVENANT AGREEMENT .....	21
Section 14.	NINETEENTH SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY.....	21
Section 15.	SEVERABILITY OF INVALID PROVISIONS .....	21
Section 16.	PAYMENT AND PERFORMANCE ON BUSINESS DAYS.....	22
Section 17.	LIMITATION OF BENEFITS WITH RESPECT TO THE NINETEENTH SUPPLEMENT .....	22
Section 18.	CUSTODY, APPROVAL, BOND COUNSEL'S OPINION, CUSIP NUMBERS, AND PREAMBLE .....	22

Section 19.	COMPLIANCE WITH RULE 15c2-12.....	22
	(a) Annual Reports.....	22
	(b) Disclosure Event Notices .....	23
	(c) Limitations, Disclaimers, and Amendments .....	24
Section 20.	FURTHER PROCEDURES .....	25
Section 21.	BOND REVIEW BOARD APPROVAL.....	25
Section 22.	PLACEMENT AGENT .....	25
Section 23.	REPEAL OF CONFLICTING RESOLUTIONS.....	25
Section 24.	RULES OF CONSTRUCTION.....	25
Section 25.	PUBLIC NOTICE.....	26
EXHIBIT A	DEFINITIONS.....	A-1
EXHIBIT B	FORM OF BONDS.....	B-1
EXHIBIT C	FORM OF BOND PURCHASE AGREEMENT .....	C-1
EXHIBIT D	FORM OF PAYING AGENT/REGISTRAR AGREEMENT.....	D-1
EXHIBIT E	FORM OF COVENANT AGREEMENT.....	E-1
EXHIBIT F	FORM OF NOTICE OF ISSUANCE OF AUTHORIZED INSTALLMENTS.....	F-1

**NINETEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM DIRECT PURCHASE BONDS, SERIES 2014; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**

WHEREAS, on February 12, 1999, the Board adopted the "*Amended and Restated Master Resolution Establishing the Revenue Financing System Under the Authority and Responsibility of the Board of Regents of the University of North Texas*" (referred to herein as the "Master Resolution"); and

WHEREAS, the Board heretofore has adopted a "**FIRST SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 1997; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "First Supplement") and pursuant to the First Supplement issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 1997**" in the aggregate principal amount of \$4,380,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**SECOND SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 1999; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Second Supplement"); and

WHEREAS, the Second Supplement delegated to a designated Pricing Committee the authority to sell bonds under the terms of the Second Supplement, and pursuant to the terms of the Second Supplement the Pricing Committee authorized the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 1999**" in the aggregate principal amount of \$32,540,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**THIRD SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 1999-A; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Third Supplement"); and

WHEREAS, the Third Supplement delegated to a designated Pricing Committee the authority to sell bonds under the terms of the Third Supplement, and pursuant to the terms of the Third Supplement the Pricing Committee authorized the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 1999-A**" in the aggregate principal amount of \$15,535,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**FOURTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2001; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Fourth Supplement"); and

WHEREAS, the Fourth Supplement delegated to a designated Pricing Committee the authority to sell bonds under the terms of the Fourth Supplement, and pursuant to the terms of the Fourth Supplement the Pricing Committee authorized the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2001**" in the aggregate principal amount of \$33,860,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**FIFTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2002; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Fifth Supplement"); and

WHEREAS, the Fifth Supplement delegated to a designated Pricing Committee the authority to sell bonds under the terms of the Fifth Supplement, and pursuant to the terms of the Fifth Supplement the Pricing Committee authorized the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2002**" in the aggregate principal amount of \$63,470,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**SIXTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2002A; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Sixth Supplement"); and

WHEREAS, the Sixth Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Sixth Supplement, and pursuant to the terms of the Sixth Supplement the Vice Chancellor for Finance for the University System authorized the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF**

***NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2002A*** in the aggregate principal amount of \$9,500,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a **"SEVENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2003; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO"** (defined as the "Seventh Supplement"); and

WHEREAS, the Seventh Supplement delegated to a designated Pricing Committee the authority to sell bonds under the terms of the Seventh Supplement, and pursuant to the terms of the Seventh Supplement the Pricing Committee authorized the sale, and the Board issued its **"BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2003"** in the aggregate principal amount of \$31,180,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted an **"EIGHTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM REFUNDING BONDS, SERIES 2003A; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO"** (defined as the "Eighth Supplement"); and

WHEREAS, the Eighth Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Eighth Supplement, and pursuant to the terms of the Eighth Supplement the Vice Chancellor for Finance for the University System effected the sale, and the Board issued its **"BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM REFUNDING BONDS, SERIES 2003A"** in the aggregate principal amount of \$6,185,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a **"NINTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, TAXABLE SERIES 2003B; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO"** (defined as the "Ninth Supplement"); and

WHEREAS, the Ninth Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Ninth Supplement, and pursuant to the terms of the Ninth Supplement the Vice Chancellor for Finance for the University System effected the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, TAXABLE SERIES 2003B**" in the aggregate principal amount of \$4,980,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**SECOND AMENDED AND RESTATED TENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION ESTABLISHING THE REVENUE FINANCING SYSTEM COMMERCIAL PAPER PROGRAM, AUTHORIZING THE ISSUANCE OF TAX-EXEMPT AND TAXABLE COMMERCIAL PAPER NOTES; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Tenth Supplement") and pursuant to the Tenth Supplement to the Master Resolution has the authority to issue from time to time and at any one time outstanding up to \$100,000,000 in aggregate principal amount of its commercial paper notes as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted an "**ELEVENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 2005; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Eleventh Supplement"); and

WHEREAS, the Eleventh Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Eleventh Supplement, and pursuant to the terms of the Eleventh Supplement the Vice Chancellor for Finance for the University System effected the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 2005**" in the aggregate principal amount of \$76,795,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**TWELFTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM, SERIES 2006; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Twelfth Supplement"); and

WHEREAS, the Twelfth Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Twelfth Supplement, and

pursuant to the terms of the Twelfth Supplement the Vice Chancellor for Finance for the University System effected the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 2007**" in the aggregate principal amount of \$56,050,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**THIRTEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM, SERIES 2009; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Thirteenth Supplement"); and

WHEREAS, the Thirteenth Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Thirteenth Supplement, and pursuant to the terms of the Thirteenth Supplement the Vice Chancellor for Finance for the University System effected the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS REVENUE FINANCING SYSTEM BONDS, SERIES 2009**" in the aggregate principal amount of \$38,650,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**FOURTEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM BONDS, IN ONE OR MORE SERIES; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Fourteenth Supplement"); and

WHEREAS, the Fourteenth Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Fourteenth Supplement, and pursuant to the terms of the Fourteenth Supplement the Vice Chancellor for Finance for the University System effected the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM BONDS, SERIES 2009A**" in the aggregate principal amount of \$159,310,000, its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING BONDS, SERIES 2009B**" in the aggregate principal amount of \$15,800,000, and its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING BONDS, SERIES 2010**" in the aggregate principal amount of \$57,625,000, as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, on August 18, 2011, the Board adopted a "**RESTATED FIFTEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE**

**UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM BONDS, IN ONE OR MORE SERIES; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Fifteenth Supplement"); and

WHEREAS, the Fifteenth Supplement delegated to the Vice Chancellor for Finance for the University System the authority to sell bonds under the terms of the Fifteenth Supplement, and pursuant to the terms of the Fifteenth Supplement the Vice Chancellor for Finance for the University System effected the sale, and the Board issued its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM BONDS, SERIES 2012A**" in the aggregate principal amount of \$75,890,000, and its "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING BONDS, TAXABLE SERIES 2012B**" in the aggregate principal amount of \$4,820,000, as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, on August 16, 2013, the Board adopted a "**SIXTEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM BONDS, IN ONE OR MORE SERIES; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (the "Sixteenth Supplement"); and

WHEREAS, the Sixteenth Supplement authorizes the issuance of bonds in an aggregate principal amount not to exceed \$415,000,000, and none of the bonds authorized by the Sixteenth Supplement have been sold; and

WHEREAS, on February 20, 2014, the Board adopted a "**SEVENTEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION ESTABLISHING THE REVENUE FINANCING SYSTEM COMMERCIAL PAPER PROGRAM, SERIES B; AUTHORIZING THE ISSUANCE OF TAX-EXEMPT AND TAXABLE COMMERCIAL PAPER NOTES; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Seventeenth Supplement") and pursuant to the Seventeenth Supplement to the Master Resolution has the authority to issue from time to time and at any one time outstanding up to \$100,000,000 in aggregate principal amount of its commercial paper notes as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, none of the commercial paper notes authorized by the Seventeenth Supplement have been sold; and

WHEREAS, on February 20, 2014, the Board adopted an "**EIGHTEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NOTH TEXAS SYSTEM REVENUE FINANCING SYSTEM BONDS, IN**

**ONE OR MORE SERIES; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO" (the "Eighteenth Supplement"); and**

WHEREAS, the Eighteenth Supplement authorizes the issuance of bonds in an aggregate principal amount not to exceed \$200,000,000 for the purpose of refinancing commercial paper notes sold under authority of the Tenth Supplement and the Seventeenth Supplement, and none of the bonds authorized by the Eighteenth Supplement have been sold; and

WHEREAS, the Parity Obligations issued under the terms of the First Supplement, the Second Supplement, the Third Supplement, the Fourth Supplement, the Fifth Supplement, the Sixth Supplement, the Seventh Supplement and the Ninth Supplement are no longer outstanding; and

WHEREAS, there are no Prior Encumbered Obligations outstanding; and

WHEREAS, unless otherwise defined herein, terms used herein shall have the meaning given in the Master Resolution; and

WHEREAS, the Master Resolution establishes that the Revenue Financing System is to be comprised of the University, UNT-Dallas, the Health Science Center and the Law School, and pledges the Pledged Revenues to the payment of Parity Obligations to be outstanding under the Master Resolution; and

WHEREAS, the Board has determined to implement the Revenue Financing System in order to establish a system of financing improvements at the University, UNT-Dallas, the Health Science Center and the Law School in a manner consistent with Chapter 55, Texas Education Code; and

WHEREAS, the Board deems it necessary to issue, pursuant to the terms and conditions of this resolution (this "Nineteenth Supplement"), the bonds hereinafter authorized as Parity Obligations issued pursuant to the Master Resolution, for the purposes hereinafter described; and

WHEREAS, the bonds authorized to be issued by this Nineteenth Supplement (the "Bonds") are to be issued and delivered under authority of applicable provisions of Chapter 55, Texas Education Code.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM THAT:**

Section 1. **DEFINITIONS.** In addition to the definitions set forth in the preamble of this Nineteenth Supplement, the terms used in this Nineteenth Supplement (except in the FORM OF BONDS) and not otherwise defined shall have the meanings given in the Master Resolution or in Exhibit "A" to this Nineteenth Supplement attached hereto and made a part hereof.

Section 2. **AMOUNT, PURPOSE, AND DESIGNATION OF THE BONDS.** (a) ***Amount and Designation of Bonds.*** The "**BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM DIRECT PURCHASE BONDS, SERIES 2014**", are hereby authorized to be issued and delivered, in the aggregate principal amount of \$120,000,000, **FOR THE PURPOSE OF (i) ACQUIRING, PURCHASING, CONSTRUCTING, IMPROVING, RENOVATING, ENLARGING OR EQUIPPING PROPERTY, BUILDINGS, STRUCTURES, FACILITIES, ROADS, OR RELATED INFRASTRUCTURE FOR PARTICIPANTS IN THE REVENUE FINANCING SYSTEM, AND (ii) PAYING THE COSTS OF ISSUANCE RELATED TO THE SALE OF THE BONDS.**

(b) ***New Money Authorization.*** The Bonds are being issued by the Board under authority of Chapter 55, Texas Education Code, particularly Section 55.13 hereof. The projects to be financed with the proceeds of the Bonds are the renovation, expansion and equipping of the University Student Union Building and related improvements, and the construction and equipping of the Rawlins Residence Hall and related improvements, each located at the University.

Section 3. **DATE, DENOMINATIONS, NUMBERS, MATURITIES AND TERMS OF BONDS.** (a) ***Issuance of Bonds.*** A non-interest bearing Initial Bond in the amount of \$120,000,000 will be issued on, and will be dated as of, the Original Issue Date. The Initial Bond shall be numbered IB-1. The Initial Bond shall be held by the Paying Agent/Registrar, and concurrently with the delivery of the Initial Bond, the initial Authorized Installment of the Bonds, in the aggregate principal amount of \$15,000,000, will be issued, in accordance with the terms of the Bond Purchase Agreement.

The initial Authorized Installment of the Bonds delivered on the Original Issue Date shall be dated as of the Original Issue Date. An Authorized Installment of the Bonds delivered after the Original Issue Date shall be dated as of its Issue Date. Each Authorized Installment shall mature (subject to prior redemption) on June 30, 2016.

The Authorized Installments shall be numbered consecutively from R-1 upward, payable to the Purchaser, or, to the extent permitted by and in accordance with the terms of the Bond Purchase Agreement, to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the "Registered Owner"), in the denomination of \$5,000 or any integral multiple thereof (an "Authorized Denomination").

After the delivery of the initial Authorized Installment of the Bonds, during the Authorized Installment Draw Period and provided that no Event of Default has occurred and is continuing, Authorized Installments in an amount not to exceed \$120,000,000 in the aggregate may be funded on any Interest Payment Date and bear interest at the Formula Rate so long as the Issuer certifies that (i) no Event of Default shall have occurred and be continuing and (ii) that the approving bond opinion delivered on the Original Issue Date has not been withdrawn. After the delivery of the initial Authorized Installment of the Bonds, the Issuer shall submit three executed copies of a Notice requesting the purchase of an Authorized Installment to the Bank and the Paying Agent/Registrar at

its Notice Address. A Notice requesting the purchase of an Authorized Installment may not be submitted no more frequently than once a calendar month. The Board Representative shall notify the Bank and the Paying Agent/Registrar of the intent to issue an Authorized Installment of the Bonds at least five (5) Business Days prior to the proposed Issue Date by the Issuer filing the executed Notice with the Bank and the Paying Agent/Registrar. The certifications described in clauses (i) and (ii) shall be set forth in the Notice. On the Business Day immediately preceding the applicable Issue Date, upon satisfaction of the conditions specified above and upon receipt of the Notice to authenticate Authorized Installments of Bonds in such Authorized Denominations as permitted herein for delivery to the Purchaser upon payment to the Paying Agent/Registrar, but for the account of the Issuer, of the agreed purchase price thereof as provided in the Bond Purchase Agreement, the Paying Agent/Registrar shall authenticate such Authorized Installment of Bonds as provided in Section 5(h) of this Nineteenth Supplement and deliver such Authorized Installment to the Purchaser on such Issue Date.

(b) ***Sale of Bonds in Best Interests of University System.*** Based on the recommendations made by the University System's financial advisor, the Board determines that approval of the purchase for the Bonds in Authorized Installments, bearing interest at the Formula Rate, at the purchase price and in accordance with the terms set forth in the Bond Purchase Agreement, is in the best interests of the University System.

(c) ***In General.*** The Bonds (i) may and shall be redeemed prior to the respective scheduled maturity date or dates, (ii) may be assigned and transferred, (iii) may be exchanged for other Bonds, (iv) shall have the characteristics, and (v) shall be signed and sealed, and (vi) the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the FORM OF BONDS, as revised to conform the Bonds to the terms of the Bond Purchase Agreement.

(d) ***Bond Purchase Agreement.*** The Vice Chancellor for Finance for the University System, acting for and on behalf of the Board, is authorized to enter into with the Purchaser and carry out the conditions specified in the Bond Purchase Agreement for the sale of the Bonds. The Bond Purchase Agreement is made a part of this Nineteenth Supplement for all purposes.

Section 4. **INTEREST.** The Authorized Installments of the Bonds shall bear interest at the Formula Rate calculated on the basis of the actual number of days and a 360-day year from the Issue Date of an Authorized Installment of the Bonds until payment of the principal amount thereof at Maturity. In no event shall the interest rate borne by the Authorized Installments of the Bonds exceed the Maximum Rate.

The 0.48% interest rate margin in the definition of "Formula Rate" shall increase by 0.10% per annum from and after the date of each Downgrade.

Upon the occurrence of a Determination of Taxability, the Bonds shall bear interest at the Taxable Formula Rate, commencing on the date the Determination of Taxability is established as provided in the definition thereof.

Upon the occurrence and continuation of an Event of Default, the Bonds shall bear interest at the Default Rate, commencing on the date the Event of Default is established in accordance with the terms of the Covenant Agreement.

In the event any interest required to be paid at any time exceeds the Maximum Rate, the portion of such interest required to be paid on a current basis shall equal such Maximum Rate; provided, however, that the differential between the amount of interest payable assuming no Maximum Rate and the amount paid on a current basis after giving effect to the Maximum Rate shall be carried forward and shall be payable on any subsequent date of calculation so as to result in a recovery of interest previously unrealized (because of the limitation dictated by such Maximum Rate) at a rate of interest, and as part of the interest payable, that, after giving effect to the recovery of such excess and all other interest paid and accrued hereunder to the date of calculation, does not exceed such Maximum Rate.

Interest on each outstanding Authorized Installment of the Bonds delivered shall be paid on each Interest Payment Date, commencing, with respect to the Authorized Installment of the Bonds delivered on the Original Issue Date, on July 2, 2014, until Maturity.

After the Original Issue Date, on each Interest Reset Date, the Bank shall determine the Formula Rate based on the LIBOR rate that exists on such Interest Reset Date. The Bank shall notify the Issuer and the Paying Agent/Registrar of such rate by overnight mail at their respective Notice Addresses. The Formula Rate shall apply to the Interest Period on the Bonds commencing after such Interest Reset Date.

**Section 5. REGISTRATION, TRANSFER, AND EXCHANGE; AUTHENTICATION; BOOK-ENTRY ONLY SYSTEM.** (a) *Paying Agent/Registrar.* The Vice Chancellor for Finance for the University System is authorized to enter into and carry out the Paying Agent/Registrar Agreement with the Paying Agent/Registrar with respect to the Bonds.

(b) *Registration Books.* The Issuer shall keep or cause to be kept at the corporate trust office of the Paying Agent/Registrar so designated in the Paying Agent/Registrar Agreement (the "Designated Trust Office") books or records for the registration of the transfer, exchange, and replacement of the Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, exchanges, and replacements under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, exchanges, and replacements as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books at the Designated Trust

Office of the Paying Agent/Registrar during regular business hours, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(c) ***Ownership of Bonds.*** The entity in whose name any Bond shall be registered in the Registration Books at any time shall be deemed and treated as the absolute owner thereof for all purposes of this Nineteenth Supplement, whether such Bond shall be overdue, and, to the extent permitted by law, the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any such Bond shall be made only to such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(d) ***Payment of Bonds and Interest.*** The Paying Agent/Registrar shall further act as the paying agent for paying the principal of, premium, if any, and interest on the Bonds, all as provided in this Nineteenth Supplement. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds.

(e) ***Authentication.*** The Initial Bond initially issued and delivered pursuant to this Nineteenth Supplement shall be registered by the Comptroller of Public Accounts of the State of Texas, upon its approval by the Attorney General of the State of Texas. Each Authorized Installment of the Bonds issued and delivered pursuant to this Nineteenth Supplement shall be authenticated by the Paying Agent/Registrar by execution of the Paying Agent/Registrar's Authentication Certificate, in the form set forth in the FORM OF BONDS (the "Authentication Certificate"), and on each substitute Bond issued in exchange for any Bond or Bonds issued under this Nineteenth Supplement the Paying Agent/Registrar shall execute the Authentication Certificate.

(f) ***Transfer, Exchange, or Replacement.*** Each Bond issued and delivered pursuant to this Nineteenth Supplement, to the extent of the unpaid or unredeemed principal amount thereof, may, at the option of the registered owner or such assignee or assignees, as appropriate, upon surrender of such Bond at the Designated Trust Office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, be exchanged for fully registered bonds, without interest coupons, in the appropriate form prescribed in the FORM OF BONDS, in any Authorized Denomination (subject to the requirement hereinafter stated that each substitute Bond shall be of the same series and have a single stated maturity date), as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the unpaid or unredeemed principal amount of any Bond or Bonds so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. If a portion of any Bond shall be redeemed prior to its scheduled maturity as provided herein, a substitute Bond or Bonds having the same series designation and maturity date, bearing interest at the same rate, and payable in the same manner, in Authorized Denominations at the request of the registered owner, and in the aggregate principal amount equal to

the unredeemed portion thereof, will be issued to the registered owner upon surrender thereof for cancellation. If any Bond or portion thereof is assigned and transferred, each Bond issued in exchange therefor shall have the same series designation and maturity date and bear interest at the same rate and payable in the same manner as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange or replace Bonds as provided herein, and each fully registered Bond delivered in exchange for or replacement of any Bond or portion thereof as permitted or required by any provision of this Nineteenth Supplement shall constitute one of the Bonds for all purposes of this Nineteenth Supplement, and may again be exchanged or replaced. The Authentication Certificate shall be printed on each substitute Bond issued in exchange for or replacement of any Bond or Bonds issued under this Nineteenth Supplement. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Authentication Certificate, and, except as provided in subsection (e) above, no such Bond shall be deemed to be issued or outstanding unless the Authentication Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Bonds surrendered for transfer, exchange, or replacement. No additional orders or resolutions need be passed or adopted by the Issuer or any other body or person so as to accomplish the foregoing transfer, exchange, or replacement of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and said Bonds shall be in typed or printed form as determined by the Vice Chancellor for Finance for the University System. Pursuant to Chapter 1206, Texas Government Code, the duty of transfer, exchange, or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the Authentication Certificate, the exchanged or replaced Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which were originally issued pursuant to this Nineteenth Supplement. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges, if any, for transferring, and exchanging any Bond or any portion thereof, but the one requesting any such transfer and exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, exchange, or replacement of Bonds or any portion thereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following interest payment date, or (ii) with respect to any Bond or portion thereof called for redemption prior to maturity, within ten (10) days prior to its redemption date. To the extent possible, any new Bond issued in an exchange, replacement, or transfer of a Bond will be delivered to the registered owner or assignee of the registered owner not more than three business days after the receipt of the Bonds to be cancelled and the written request as described above.

(g) ***Substitute Paying Agent/Registrar.*** The Issuer covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Nineteenth Supplement, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than sixty (60) days written notice to the Paying

Agent/Registrar, to be effective not later than thirty (30) days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Nineteenth Supplement. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Nineteenth Supplement, and a certified copy of this Nineteenth Supplement shall be delivered to each Paying Agent/Registrar.

(h) ***Issuance of Authorized Installments of the Bonds.*** The Paying Agent/Registrar shall authenticate and deliver to the Purchaser the Authorized Installment on the Original Issue Date in accordance with the provisions of Section 3(a) of this Nineteenth Supplement. The Paying Agent/Registrar shall authenticate and deliver to the Purchaser any Authorized Installment issued after the Original Issue Date in accordance with the provisions of Section 3(a) of this Nineteenth Supplement and the provisions of this subsection. The Issuer shall cause the Bonds to be delivered to the Paying Agent/Registrar after the Authorized Installment is delivered on the Original Issue Date to be held in safekeeping pending delivery to the Purchaser.

Authorized Installments shall be delivered upon payment by the Purchaser of the purchase price (determined in accordance with the terms of the Bond Purchase Agreement) for the Authorized Installment to be purchased. The Paying Agent/Registrar, upon delivery of any such Authorized Installment, shall then date the Authorized Installments to be delivered as of the Issue Date. The Paying Agent/Registrar shall execute and date three (3) copies of the Notice, and forward one (1) copy to the Bank at its Notice Address and two (2) copies to McCall, Parkhurst & Horton L.L.P., Attorneys at Law, 717 N. Harwood, Ninth Floor, Dallas, Texas 75201 for delivery one (1) Business Day prior to such Issue Date.

The Issuer shall advise the Bank and the Paying Agent/Registrar of any litigation pending or threatened restraining or otherwise enjoining the issuance and delivery of an Authorized Installment or in any manner questioning the proceedings or authority by which the same is made or affecting the Bonds. Upon such advice, the Paying Agent/Registrar will not deliver an Authorized Installment unless both advised by the Issuer and the Bank that delivery of the Authorized Installment may be reinstated. If no litigation is pending or threatened, the Issuer shall certify to such effect in the Notice.

(i) **Notice of Redemption.** In addition to the method of providing a notice of redemption set forth in the FORM OF BONDS, the Paying Agent/Registrar shall give notice of redemption of Bonds by United States mail, first-class postage prepaid, at least fifteen (15) days prior to a redemption date to the MSRB and to any national information service that disseminates redemption notices. Any notice sent to the registered securities depositories or such national information services shall be sent so that they are received at least two (2) days prior to the general mailing or publication date of such notice. The Paying Agent/Registrar shall also send a notice of prepayment or redemption to the registered owner of any Bond who has not sent the Bonds in for redemption thirty (30) days after the redemption date.

Each notice of redemption, whether required in the FORM OF BONDS or in this Section, shall contain a description of the Bonds to be redeemed including the complete name of the Bonds, the Series, the date of issue, the interest rate, the maturity date, the amounts called of each maturity of the Bonds, the publication and mailing date for the notice, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and the address at which the Bonds may be redeemed, including a contact person and telephone number.

(j) **Book-Entry Only System.** The Bonds shall not be issued in the DTC book-entry only system of registration.

**Section 6. FORM OF BONDS.** The form of the Bonds, including the form of the Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas, with respect to the Initial Bond, shall be, respectively, substantially as set forth in Exhibit B, with such appropriate variations, omissions, or insertions as are permitted or required by this Nineteenth Supplement.

**Section 7. ESTABLISHMENT OF FINANCING SYSTEM AND ISSUANCE OF PARITY OBLIGATIONS.** By adoption of the Master Resolution the Board has established the Revenue Financing System for the purpose of providing a financing structure for revenue supported indebtedness of the University, UNT-Dallas, the Health Science Center and the Law School. The Master Resolution is intended to establish a master plan under which revenue supported debt of the Financing System can be incurred. This Nineteenth Supplement provides for the authorization, issuance, sale, delivery, form, characteristics, provisions of payment and redemption, and security of the Bonds. The Master Resolution is incorporated herein by reference and as such made a part hereof for all purposes, except to the extent modified and supplemented hereby, and the Bonds are hereby declared to be Parity Obligations under the Master Resolution. As required by Section 5(a) of the Master Resolution, the Board hereby determines, in connection with the issuance of the Bonds, that (i) it will have sufficient funds to meet the financial obligations of each Participant in the Financing System (currently the University, UNT-Dallas, the Health Sciences Center and the Law School), including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the Board relating to the Financing System and (ii) the University, UNT-Dallas, the Health Sciences Center and the Law School each

possess the financial capability to satisfy its respective Direct Obligation (as defined in the Master Resolution) after taking into account the debt service on the Bonds.

Section 8. **SECURITY.** The Bonds are special obligations of the Board payable from and secured solely by the Pledged Revenues pursuant to the Master Resolution and this Nineteenth Supplement. The Pledged Revenues are hereby pledged, subject to the liens securing the Prior Encumbered Obligations, to the payment of the principal of, premium, if any, and interest on the Bonds as the same shall become due and payable. The Board agrees to pay the principal of, premium, if any, and the interest on the Bonds when due, whether by reason of maturity or redemption. Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted by the Board under this Section 8, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the Pledged Revenues granted by the Board under this Section 8 is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the Board agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 9. **PAYMENTS.** On or before each principal or interest payment date while any Bond is outstanding and unpaid, commencing on the first interest payment date for the Bonds as provided therein, the Board shall make available to the Paying Agent/Registrar money sufficient to pay such interest on and such principal of the Bonds as will accrue or mature, or be subject to mandatory redemption prior to maturity, on such principal, redemption, or interest payment date. The Paying Agent/Registrar shall cancel all paid Bonds and shall furnish the Board with an appropriate certificate of cancellation.

Section 10. **DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.**  
(a) **Replacement Bonds.** In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered a new Bond of the same series, principal amount, maturity, and interest rate, and in the same form, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) **Application for Replacement Bonds.** Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the applicant for a replacement Bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the applicant shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the applicant shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) ***Payment in Lieu of Replacement.*** Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) ***Charge for Issuing Replacement Bonds.*** Prior to the issuance of any replacement Bond, the Paying Agent/Registrar shall charge the owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Issuer whether the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Nineteenth Supplement equally and proportionately with any and all other Bonds duly issued under this Nineteenth Supplement.

(e) ***Authority for Issuing Replacement Bonds.*** In accordance with Chapter 1206, Texas Government Code, this Section shall constitute authority for the issuance of any such replacement Bond without the necessity of further action by the Issuer or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 5(f) of this Nineteenth Supplement for Bonds issued in exchange and replacement for other Bonds.

Section 11. **AMENDMENT OF SUPPLEMENT.** (a) ***Amendments Without Consent.*** This Nineteenth Supplement and the rights and obligations of the Board and of the owners of the Bonds may be modified or amended at any time without notice to or the consent of any owner of the Bonds or any other Parity Obligations, solely for any one or more of the following purposes:

(i) To add to the covenants and agreements of the Board contained in this Nineteenth Supplement, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Board in this Nineteenth Supplement;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Nineteenth Supplement, upon receipt by the Board of an opinion of Bond Counsel, that the same is needed for such purpose, and will more clearly express the intent of this Nineteenth Supplement;

(iii) To supplement the security for the Bonds, replace or provide additional credit facilities, or change the form of the Bonds or make such other changes in the provisions hereof as the Board may deem necessary or desirable and which shall not, in the judgment of the Board, materially adversely affect the interests of the owners of the Outstanding Bonds;

(iv) To make any changes or amendments requested by any bond rating agency then rating or requested to rate Parity Obligations, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Board, materially adversely affect the interests of the owners of the Outstanding Parity Obligations;

(v) To make such changes, modifications or amendments as are permitted by Section 19(c)(vi) of this Nineteenth Supplement;

(vi) To make such changes, modifications or amendments as may be necessary or desirable, which shall not adversely affect the interests of the owners of the Outstanding Parity Obligations, in order, to the extent permitted by law, to facilitate the economic and practical utilization of Credit Agreements with respect to the Parity Obligations; or

(vii) To make such other changes in the provisions hereof as the Board may deem necessary or desirable and which shall not, in the judgment of the Board, materially adversely affect the interests of the owners of Outstanding Parity Obligations.

Notice of any such amendment may be published by the Board in the manner described in subsection (c) of this Section; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory resolution and the failure to publish such notice shall not adversely affect the implementation of such amendment as adopted pursuant to such amendatory resolution; and provided, further, that publication is not required if notice of any such amendment is mailed to the Bank by United States mail, first-class postage prepaid, at its Notice Address no later than twenty (20) days prior to the proposed date of enactment of the proposed amendment.

(b) *Amendments With Consent.* Subject to the other provisions of this Nineteenth Supplement, the Bank shall have the right from time to time to approve any amendment, other than amendments described in subsection (a) of this Section, to this Nineteenth Supplement which may be deemed necessary or desirable by the Board; provided, however, that nothing herein contained shall permit or be construed to permit, without the approval of the Bank, the amendment of the terms and conditions in this Nineteenth Supplement or in the Bonds so as to:

- (1) Make any change in the maturity of the Outstanding Bonds;
- (2) Reduce the rate of interest borne by Outstanding Bonds;
- (3) Reduce the amount of the principal payable on Outstanding Bonds;
- (4) Modify the terms of payment of principal of or interest on the Outstanding Bonds, or impose any conditions with respect to such payment;

- (5) Affect the rights of the owners of less than all Bonds then Outstanding; or
- (6) Change the minimum percentage of the Outstanding Principal Amount of Bonds necessary for consent to such amendment.

(c) **Notice.** If at any time the Board shall desire to amend this Nineteenth Supplement other than pursuant to subsection (a) of this Section, the Board shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in The City of New York, New York once during each calendar week for at least two (2) successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Registrar for inspection by all owners of Bonds. Such publication is not required, however, if the Board gives or causes to be given such notice in writing to the Bank no later than twenty (20) days prior to the proposed date of enactment of the proposed amendment.

(d) **Receipt of Consents.** Whenever at any time not less than thirty (30) days, and within one year, from the date of the first publication of said notice or other service of written notice of the proposed amendment the Board shall receive an instrument executed by the Bank, which instrument shall refer to the proposed amendment described in said notice and which specifically consents to and approves such amendment in substantially the form of the copy thereof on file as aforesaid, the Board may adopt the amendatory resolution in substantially the same form.

(e) **Effect of Amendments.** Upon the adoption by the Board of any resolution to amend this Nineteenth Supplement pursuant to the provisions of this Section, this Nineteenth Supplement shall be deemed to be amended in accordance with the amendatory resolution, and the respective rights, duties, and obligations of the Board and all the owners of then Outstanding Bonds and all future Bonds shall thereafter be determined, exercised, and enforced under the Master Resolution and this Nineteenth Supplement, as amended.

(f) **Consent Irrevocable.** Any consent given by the Bank pursuant to the provisions of this Section shall be irrevocable, and shall be conclusive and binding upon all future owners of the same Bonds.

(g) **Ownership.** For the purpose of this Section, the ownership and other matters relating to all Bonds registered as to ownership shall be determined from the registration books kept by the Paying Agent/Registrar therefor. The Paying Agent/Registrar may conclusively assume that such ownership continues until written notice to the contrary is served upon the Paying Agent/Registrar.

Section 12. **TAX-EXEMPTION.** The Issuer does intend to issue the Bonds in a manner such that the Bonds would constitute obligations described in section 103 of the Code. The Issuer does intend for the draw-down loan requirements described in Treas.Reg.1.150-1(c)(4)(i) to apply to the Bonds.

(a) **General Covenants.** The Issuer covenants to refrain from any action which would adversely affect, or to take any action to assure, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(a) to take any action to assure that no more than 10 percent of the proceeds of such Bonds or the projects financed or refinanced therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use", as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds are so used, that amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Nineteenth Supplement or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on such Bonds, in contravention of section 141(b)(2) of the Code;

(b) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds 5 percent of the proceeds of such Bonds or the projects financed or refinanced therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate", within the meaning of section 141(b)(3) of the Code, to the governmental use;

(c) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of such Bonds (less amounts deposited into a reserve fund, if any), is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(d) to refrain from taking any action which would otherwise result in such Bonds being treated as "private activity bonds" within the meaning of section 141(a) of the Code;

(e) to refrain from taking any action that would result in such Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(f) to refrain from using any portion of the proceeds of such Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of such Bonds, other than investment property acquired with B

(1) proceeds of such Bonds invested for a reasonable temporary period until such proceeds are needed for the purpose for which such Bonds are issued,

(2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Regulations, and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of such Bonds;

(g) to otherwise restrict the use of the proceeds of such Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that such Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(h) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of such Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings", within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after such Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

The Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of a refunding bond, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of the issuance of such Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and the Regulations, or rulings issued by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to such Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on such Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to such Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on such Bonds under section 103 of the Code. In furtherance of the foregoing, the Chair of the Board, the Chancellor of the University, and the Board Representative each may execute any certificates or other reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of such Bonds. In order to facilitate compliance with the above clause (h), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and the Rebate Fund shall not be subject to the claim of any other person, including without limitation the registered owners of such Bonds. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(b) *Allocation of, and Limitation on, Expenditures for the Project.* The Board covenants to account for on its books and records the expenditure of proceeds from the sale of the Bonds, the interest on which is to be excluded from gross income under the Code, and any investment earnings

thereon to be used for the financing of any of the improvements described in Section 2(b) hereof (referred to herein and subsection (c) of this Section as a "Project") by allocating proceeds to expenditures within eighteen (18) months of the later of the date that (a) the expenditure on a Project is made or (b) each such Project is completed. The foregoing notwithstanding, the Board shall not expend such proceeds or investment earnings more than sixty (60) days after the earlier of (a) the fifth anniversary of the date of delivery of such Bonds or (b) the date such Bonds are retired, unless the Board obtains an opinion of nationally-recognized bond counsel substantially to the effect that such expenditure will not adversely affect the tax-exempt status of such Bonds. For purposes of this subsection (b), the Board shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(c) ***Disposition of Project.*** The Board covenants that none of the property constituting a Project financed or refinanced with the proceeds of the Bonds, the interest on which is to be excluded from gross income under the Code, will be sold or otherwise disposed in a transaction resulting in the receipt by the Board of cash or other compensation, unless the Board obtains an opinion of nationally-recognized bond counsel substantially to the effect that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of this subsection (c), the portion of the property comprising personal property and disposed of in the ordinary course of business shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes of this subsection (c), the Board shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(d) ***Determination of Taxability.*** No later than two (2) Business Days following the occurrence of a Determination of Taxability, the Board shall notify the Bank and the Paying Agent/Registrar in writing by United States mail, first-class postage prepaid, of the date the Determination of Taxability was affirmed to have occurred.

Section 13. **COVENANT AGREEMENT.** Each Board Representative is hereby authorized to execute and deliver to the Bank the Covenant Agreement. Each Board Representative, and all other officers, employees, and agents of the Board, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Issuer all such instruments as may be necessary or desirable in order to carry out the terms and provisions of the Covenant Agreement, whether therein mentioned.

Section 14. **NINETEENTH SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY.** In consideration of the acceptance of the Bonds, the issuance of which is authorized hereunder, by those who shall hold the same from time to time, this Nineteenth Supplement shall be deemed to be and shall constitute a contract between the Board and the Holders from time to time of the Bonds and the pledge made in this Nineteenth Supplement by the Board and

the covenants and agreements set forth in this Nineteenth Supplement to be performed by the Board shall be for the equal and proportionate benefit, security, and protection of all Holders, without preference, priority, or distinction as to security or otherwise of any of the Bonds authorized hereunder over any of the others by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Nineteenth Supplement.

Section 15. **SEVERABILITY OF INVALID PROVISIONS.** If any one or more of the covenants, agreements, or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements, or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

Section 16. **PAYMENT AND PERFORMANCE ON BUSINESS DAYS.** Except as provided to the contrary in the FORM OF BONDS, whenever under the terms of this Nineteenth Supplement or the Bonds, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Bonds, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Bonds, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the date of performance or payment.

Section 17. **LIMITATION OF BENEFITS WITH RESPECT TO THE NINETEENTH SUPPLEMENT.** With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Nineteenth Supplement or the Bonds is intended or should be construed to confer upon or give to any person other than the Board, the Bank, the Holders, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Nineteenth Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Nineteenth Supplement and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Board, the Bank, the Holders, and the Paying Agent/Registrar as herein and therein provided.

Section 18. **CUSTODY, APPROVAL, BOND COUNSEL'S OPINION, CUSIP NUMBERS, AND PREAMBLE.** The Vice Chancellor for Finance for the University System is hereby authorized to have control of the Bonds issued hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and approval by the Attorney General of the State of Texas. The Vice Chancellor for Finance for the University System is hereby authorized, to the extent deemed necessary or advisable thereby, in the discretion thereof, to request that the Attorney General approve the Bonds, in which case the Vice Chancellor for Finance for the University System also is authorized to request the Comptroller of Public Accounts register the Initial Bond, and to cause an appropriate legend reflecting such approval and registration to appear

on the Initial Bond. The Vice Chancellor for Finance for the University System is hereby authorized, in connection with the submission to the Attorney General of the State of Texas of a transcript of proceedings for the approval of any series of the Bonds, to pay the fee for the examination of the transcript of proceedings in the amount determined in accordance with the provisions of Section 1202.004, Texas Government Code. The approving legal opinion of the Issuer's Bond Counsel may, at the option of the Issuer, be printed on the Bonds and on any Bonds issued and delivered in exchange or replacement of any Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. The preamble to this Nineteenth Supplement is hereby adopted and made a part of this Nineteenth Supplement for all purposes.

Section 19. **COMPLIANCE WITH RULE 15c2-12.** (a) ***Annual Reports.*** The Board shall provide annually to the MSRB, within six months after the end of each fiscal year ending in or after 2014, financial information and operating data with respect to the Board of the general type provided in accordance with the terms of the Fifteenth Supplement. Promptly after filing such information with the MSRB, a copy of the information filed with the MSRB also shall be provided to the Bank in an electronic format acceptable to the Bank.

(b) ***Disclosure Event Notices.*** The Board shall notify the MSRB and the Bank, in a timely manner not in excess of ten Business Days after the occurrence of any of the following events, notice of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Board;
13. The consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the University System, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor Paying Agent/Registrar or change in name of the Paying Agent/Registrar, if material.

The Board shall notify the MSRB and the Bank, in a timely manner, of any failure by the Board to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by subsection (a) of this Section. As used in clause 12 above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the University System in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the University System, or if jurisdiction has been assumed by leaving the Board and officials or officers of the University System in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the University System.

(c) ***Limitations, Disclaimers, and Amendments.*** (i) The Board shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Board remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Board in any event will give notice of any deposit made in accordance with this Nineteenth Supplement or applicable law that causes the Bonds no longer to be Outstanding.

(ii) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Board undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Board's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Board does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE BOARD BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE BOARD, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the Board in observing or performing its obligations under this Section shall comprise a breach of or default under this Nineteenth Supplement for purposes of any other provision of this Nineteenth Supplement. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Board under federal and state securities laws.

(v) Should the Rule be amended to obligate the Issuer to make filings or provide notices to entities other than the MSRB, the Issuer agrees to undertake such obligation in accordance with the Rule, as amended.

(vi) The provisions of this Section may be amended by the Board from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Board, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the Bank consents to such amendment or (b) a person that is unaffiliated with the Board (such as nationally-recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. If the Board so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Board may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

**Section 20. FURTHER PROCEDURES.** Each Board Representative, and all other officers, employees, and agents of the Board, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Issuer all such instruments, whether herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Nineteenth Supplement, the Bonds, and the sale and delivery of the Bonds.

**Section 21. BOND REVIEW BOARD APPROVAL.** Unless exempt from formal action by the Texas Bond Review Board, the approval of the Bonds by the Texas Bond Review Board is required as a condition to the sale and delivery of the Bonds.

**Section 22. PLACEMENT AGENT.** The Board hereby approves retaining the service of Morgan Stanley & Co. Incorporated to act as placement agent for the Bonds, on such terms as approved by the Vice Chancellor for Finance for the University System; provided, that the fee for services provided by Morgan Stanley & Co. Incorporated shall not exceed \$25,000.

Section 23. **REPEAL OF CONFLICTING RESOLUTIONS.** All resolutions and all parts of any resolutions (other than the Master Resolution) which are in conflict or inconsistent with this Nineteenth Supplement, are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

Section 24. **RULES OF CONSTRUCTION.** For all purposes of this Nineteenth Supplement, unless the context requires otherwise, all references to designated Sections and other subdivisions are to the Sections and other subdivisions of this Nineteenth Supplement. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Nineteenth Supplement as a whole and not to any particular Section or other subdivision. Except where the context otherwise requires, terms defined in this Nineteenth Supplement to impart the singular number shall be considered to include the plural number and vice versa. References to any named person means that party and its successors and assigns. References to any constitutional, statutory or regulatory provision means such provision as it exists on the date this Nineteenth Supplement is adopted by the Board and any future amendments thereto or successor provisions thereof. Any reference to the payment of principal in this Nineteenth Supplement shall be deemed to include the payment of mandatory sinking fund redemption payments. Any reference to "FORM OF BONDS" shall refer to the form of the Bonds set forth in Exhibit B to this Nineteenth Supplement. References to the Vice Chancellor for Finance for the University System shall mean the person holding that position at the time any Authorized Installment of the Bonds is delivered, whether acting, interim, or permanent.

Section 25. **PUBLIC NOTICE.** It is hereby found and determined that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the meeting at which this Nineteenth Supplement was adopted; that this Nineteenth Supplement would be introduced and considered for adoption at said meeting; that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code; and that said meeting was held as a telephone conference call pursuant to Section 551.121, Texas Government Code, and that it was necessary to convene said meeting immediately to finalize the terms and conditions relating to the sale of the Bonds at a time when it was found to be difficult or impossible to convene a quorum of the Board in one location.

## EXHIBIT A DEFINITIONS

As used in this Nineteenth Supplement the following terms and expressions shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

The term "*Act*" shall mean Chapter 55, Texas Education Code.

The term "*Adjusted One Month LIBOR Rate*" shall mean for any day, the quotient of (a) the interest rate determined by the Bank by reference to Reuters Screen LIBOR01 (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Bank from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) to be the per annum rate at approximately 11:00 a.m., London time, on such date or, if such date is not a Business Day, on the immediately preceding Business Day for dollar deposits with a maturity equal to one (1) month.

The term "*Affiliate*" shall mean, with respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. A Person shall be deemed to control another Person for the purposes of this definition if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

The term "*Authorized Denomination*" shall mean an Authorized Denomination as defined in Section 3(a) of this Nineteenth Supplement.

The term "*Authorized Installment*" shall mean (a) on the Original Issue Date, \$\_\_,000,000 and (b) on each Issue Date thereafter, an amount not less than \$100,000 (in integral multiples of Authorized Denominations in excess of \$100,000).

The term "*Authorized Installment Draw Period*" shall mean the period commencing on the Original Issue Date and ending June 1, 2016; *provided*, if no deliveries of Authorized Installments occur within six months of the initial Authorized Installment, the term "*Authorized Installment Draw Period*" shall mean the period commencing on the Original Issue Date and ending June 1, 2015.

The terms "*Bank*" shall mean JPMorgan Chase Bank, National Association.

The terms "*Board*" and "*Issuer*" shall mean the Board of Regents of the University System.

The term "*Board Representative*" shall mean the Vice Chancellor for Finance for the University System, or such other officials of the University or the Health Science Center appointed by the Board to carry out the functions of the Board specified herein.

The term "*Bond Purchase Agreement*" shall mean the bond purchase agreement between the Board and the Purchaser, in substantially the form attached to this Nineteenth Supplement as Exhibit C.

The term "*Bonds*" shall mean the Nineteenth Series Bonds, and all substitute bonds exchanged therefor, and all other substitute and replacement bonds issued pursuant to this Nineteenth Supplement; and the term "Bond" means any of the Bonds.

The term "*Business Day*" shall mean any day which is not a Saturday, Sunday, legal holiday, or a day on which banking institutions in The City of New York, New York or in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close.

The term "*Code*" shall mean the Internal Revenue Code of 1986, as amended.

The term "*Covenant Agreement*" shall mean the Covenant Agreement executed by the Bank and the University System, with respect to the issuance of the Bonds, in substantially the form attached to this Nineteenth Supplement as Exhibit E.

The term "*Default Rate*" means the One Month Adjusted LIBOR Rate plus 4.00% per annum.

The term "*Designated Trust Office*" shall have the meaning ascribed to said term in Section 5(b) of this Nineteenth Supplement.

The term "*Determination of Taxability*" shall mean the first to occur of the following: (i) the date when the Issuer files any statement, supplemental statement or other tax schedule, return or document which discloses that a Taxable Event shall have occurred; (ii) the date when the Issuer shall be advised in writing by the Commissioner or any District Director of Internal Revenue that, based upon any filings of the Issuer or upon any review or audit of the Issuer or upon any other ground whatsoever, a Taxable Event shall have occurred; or (iii) on that date when the Issuer receives written notification from (A) any Registered Owner or any former owner of the Bonds that the Internal Revenue Service has assessed as includable in the gross income of such owner all or any portion of the interest on the Bonds, or (B) the Commissioner or any District Director of Internal Revenue that all or any portion of the interest on the Bonds is includable in the gross income of any Registered Owner or any former owner of the Bonds.

The term "*Downgrade*" shall mean each rating reduction (including sign changes and numeric qualifiers) below Aa3/AA- by Moody's or Fitch, respectively; provided, however, that in the event of a split rating, a Downgrade shall only apply to the lowest rating.

The term "*DTC*" shall mean The Depository Trust Company, New York, New York, or any successor securities depository.

The term "*Eighteenth Series Bonds*" shall mean the Board of Regents of the University of North Texas System Revenue Financing System Bonds, in one or more series, authorized by the Eighteenth Supplement.

The term "*Eighteenth Supplement*" shall mean the resolution adopted by the Board on February 20, 2014, authorizing the Eighteenth Series Bonds.

The term "*Eighth Series Bonds*" shall mean the Board of Regents of The University of North Texas System Revenue Financing System Refunding Bonds, Series 2003A, authorized by the Eighth Supplement.

The term "*Eighth Supplement*" shall mean the resolution adopted by the Board on August 21, 2003, authorizing the Eighth Series Bonds.

The term "*Eleventh Series Bonds*" shall mean the Board of Regents of the University of North Texas System Revenue Financing System Refunding and Improvement Bonds, Series 2005, authorized by the Eleventh Supplement.

The term "*Eleventh Supplement*" shall mean the resolution adopted by the Board on August 19, 2005, authorizing the Eleventh Series Bonds.

The term "*Event of Default*" shall have the meaning ascribed to said term in the Covenant Agreement.

The term "*Fifteenth Series Bonds*" shall mean, collectively, the Board of Regents of the University of North Texas System Revenue Financing System Bonds, Series 2012A and the Board of Regents of the University of North Texas System Revenue Financing System Bonds, Taxable Series 2012B, authorized by the Fifteenth Supplement.

The term "*Fifteenth Supplement*" shall mean the resolution adopted by the Board on August 18, 2011, authorizing the authorizing the Fifteenth Series Bonds.

The term "*Fitch*" shall mean Fitch Ratings, or its legal successor.

The term "*Formula Rate*" shall mean (67% of the LIBOR rate) plus 0.48%.

The term "*Fourteenth Series Bonds*" shall mean, collectively, the Board of Regents of the University of North Texas System Revenue Financing System Bonds, Series 2009A, the Board of Regents of the University of North Texas System Revenue Financing System Refunding Bonds, Series 2009B, and the Board of Regents of the University of North Texas System Revenue Financing System Refunding Bonds, Series 2010, authorized by the Fourteenth Supplement.

The term "*Fourteenth Supplement*" shall mean the resolution adopted by the Board of Regents on August 21, 2009, authorizing the Fourteenth Series Bonds.

The term "*Health Science Center*" shall mean the University of North Texas Health Science Center at Fort Worth.

The term "*Initial Bond*" shall mean the non-interest bearing Bond delivered to and held by the Paying Agent/Registrar in accordance with Section 3(a) hereof.

The term "*Interest Payment Date*" shall mean the second day of each month following the Issue Date of an Authorized Installment. With respect to the Authorized Installment delivered on the Original Issue Date, the first Interest Payment Date on such Authorized Installment is the second day of July, 2014.

The term "*Interest Period*" shall mean the period commencing on the Issue Date of each Authorized Installment and ending on the numerically corresponding day in the calendar month that is one month thereafter, provided, that: (a) no Interest Period shall end on a date after the Maturity; (b) if the last day of an Interest Period would be a day other than a Business Day, the Interest Period shall end on the next succeeding Business Day, unless the next succeeding Business Day is in the next calendar month, in which case the Interest Period shall end on the next preceding Business Day; (c) any Interest Period that commences on the last Business Day of a calendar month, or on a day for which there is no corresponding day in the last calendar month of the Interest Period, shall end on the last Business Day of the last calendar month of the Interest Period; and (d) if any Interest Period includes a date on which any payment of principal of a Bond is required to be made, but does not end on that date, then (1) the principal amount required to be paid on that date shall have an Interest Period ending on that date; and (2) the remainder of the Bonds shall have an Interest Period determined as described above.

The term "*Interest Reset Date*" shall mean the date which is two Business Days prior to the commencement of an Interest Period.

The term "*Issue Date*" shall mean the date of delivery of an Authorized Installment of the Bonds which, for each Authorized Installment other than the Authorized Installment delivered on the Original Issue Date, shall be the second day of a month.

The term "*LIBOR*" shall mean, with respect to any Interest Period, the rate appearing on Reuters Screen LIBOR 01 (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Bank from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. If no LIBOR is available to the Bank, the applicable LIBOR for the relevant Interest Period shall

instead be the rate determined by the Bank to be the rate at which the Bank offers to place deposits in U.S. dollars with first-class banks in the London interbank market at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, in the approximate amount of the principal amount outstanding on such date and having a maturity equal to such Interest Period.

The term "*Law School*" shall mean the University of North Texas at Dallas College of Law.

The term "*MAC*" means the Municipal Advisory Council of Texas.

The term "*Master Resolution*" shall mean the "Amended and Restated Master Resolution Establishing the Revenue Financing System under the Authority and Responsibility of the Board of Regents of the University of North Texas", adopted by the Board on February 12, 1999.

The term "*Maturity*" shall mean the date on which the principal of a Bond becomes due and payable as therein and herein provided, whether at Stated Maturity, by redemption, declaration of acceleration, or otherwise.

The term "*Maximum Rate*" shall mean the maximum "net effective interest rate" permitted from time to time by Chapter 1204, Texas Government Code, and any successor statutory provision thereto.

The term "*Moody's*" shall mean Moody's Investors Service, Inc., or its legal successor.

The term "*MSRB*" shall mean the Municipal Securities Rulemaking Board.

The term "*Nineteenth Series Bonds*" shall mean the Board of Regents of the University of North Texas System Revenue Financing System Bonds, Series 2014, authorized by the Nineteenth Supplement.

The term "*Nineteenth Supplement*" shall mean this resolution authorizing the Bonds.

The term "*Notice*" shall mean the Notice of Issuance of Authorized Installment of Bonds, in substantially the form attached to this Nineteenth Supplement as Exhibit F, to be executed by a Board Representative.

The term "*Notice Address*" shall mean:

(a) for the Bank:

JPMorgan Chase Bank, N.A.  
420 Throckmorton, Suite 400  
Fort Worth, Texas 76102

Attention: J. Michael Wilson, Senior Vice President  
Telephone: (817) 884-4283  
E-mail: mike.m.wilson@chase.com

(b) for the Paying Agent/Registrar:

The Bank of New York Mellon Trust Company, N.A.  
2001 Bryan St., 11th Floor  
Dallas, Texas 75201  
Attention: Corporate Trust Services  
Telephone: (214) 468-4611  
E-mail: Stephen.mcpherson@bnymellon.com

(c) for the University System:

The University of North Texas System  
1901 Main Street  
Dallas, Texas 75201  
Attention: Vice Chancellor for Finance for the University System  
Telephone: (214) 752-5556  
E-mail: janet.waldron@untsystem.edu

The term "*Original Issue Date*" shall mean June \_\_\_\_, 2014.

The terms "*Paying Agent/Registrar*", "*Paying Agent*" or "*Registrar*" shall mean the agent appointed pursuant to Section 5 of this Nineteenth Supplement, or any successor to such agent.

The term "*Paying Agent/Registrar Agreement*" shall mean the agreement between the Board and the Paying Agent/Registrar, with respect to the Bonds, in substantially the form attached to this Nineteenth Supplement as Exhibit D.

The term "*Person*" shall mean any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.

The term "*Purchaser*" shall mean the Bank.

The term "*Record Date*" shall mean the date which is the last Business Day of the calendar month next preceding an Interest Payment Date.

The term "*Registration Books*" shall mean the books or records relating to the registration, payment, and transfer or exchange of the Bonds maintained by the Paying Agent/Registrar pursuant to Section 5 of this Nineteenth Supplement.

The term "*Regulations*" shall mean all applicable temporary, proposed and final regulations and procedures promulgated under the Code or promulgated under the Internal Revenue Code of 1954, to the extent applicable under the Code.

The term "*Rule*" shall mean SEC Rule 15c2-12, as amended from time to time.

The term "*SEC*" shall mean the United States Securities and Exchange Commission.

The term "*Series A Commercial Paper Notes*" shall mean any commercial paper note issued pursuant to the provisions of the Master Resolution and the Tenth Supplement.

The term "*Series B Commercial Paper Notes*" shall mean any commercial paper note issued pursuant to the provisions of the Master Resolution and the Seventeenth Supplement.

The term "*Seventeenth Supplement*" shall mean the resolution adopted by the Board of Regents on February 20, 2014, authorizing the Series B Commercial Paper Notes.

The term "*Sixteenth Series Bonds*" shall mean the Board of Regents of the University of North Texas System Revenue Financing System Bonds, in one or more series, authorized to be issued in accordance with the terms of the Sixteenth Supplement.

The term "*Sixteenth Supplement*" shall mean the resolution adopted by the Board of Regents on August 16, 2013, authorizing the Sixteenth Series Bonds.

The term "*Stated Maturity*", shall mean, when used with respect to the Bonds, the scheduled maturity or mandatory sinking fund redemption of the Bonds.

The term "*Taxable Event*" shall mean the application of the proceeds of the Bonds in any manner, the existence of any condition or the occurrence or nonoccurrence of any event, which has the result that, under the Code and the Regulations, all or any portion of the interest on the Bonds is or becomes includable in the gross income of any Registered Owner, including, without limitation, the failure of the Board to comply with the requirements of Treas. Reg. 1.150-1 or any successor regulation, rule, ruling or law that is applicable to the Bonds.

The term "*Taxable Formula Rate*" shall mean the LIBOR rate plus 0.75%.

The term "*Tenth Supplement*" shall mean the resolution adopted by the Board on May 8, 2008, as amended and restated by the resolution adopted by the Board on December 6, 2013, authorizing the Series A Commercial Paper Notes.

The term "*Thirteenth Series Bonds*" shall mean the Board of Regents of the University of North Texas System Revenue Financing System Bonds, Series 2009, authorized by the Thirteenth Supplement.

The term "*Thirteenth Supplement*" shall mean the resolution adopted by the Board on November 20, 2008, authorizing the Thirteenth Series Bonds.

The term "*Twelfth Series Bonds*" shall mean the Board of Regents of the University of North Texas System Revenue Financing System Bonds, Series 2007, authorized by the Twelfth Supplement.

The term "*Twelfth Supplement*" shall mean the resolution adopted by the Board on September 7, 2006, authorizing the Twelfth Series Bonds.

The term "*University*" shall mean the University of North Texas.

The term "*University System*" shall mean the University of North Texas System.

The term "*UNT-Dallas*" shall mean The University of North Texas at Dallas.

All terms not herein defined shall have the meanings given to such terms by the Master Resolution or as otherwise defined in this Nineteenth Supplement.

**EXHIBIT B**  
**FORM OF BONDS**

UNITED STATES OF AMERICA  
STATE OF TEXAS  
BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM  
REVENUE FINANCING SYSTEM DIRECT PURCHASE BOND,  
SERIES 2014

NO. <u>  -  </u>		<b>PRINCIPAL AMOUNT</b> \$ _____
<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ISSUE DATE</u>
Formula Rate	_____, 2016	

REGISTERED OWNER:

PRINCIPAL AMOUNT:     DOLLARS

ON THE MATURITY DATE specified above, the BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM (the "Issuer"), hereby promises to pay to the Registered Owner, specified above, or the registered assignee hereof (either being hereinafter called the "registered owner") the principal amount, specified above, and to pay interest thereon at the Formula Rate, calculated on the basis of the actual number of days elapsed and a 360-day year composed of twelve 30-day months, from the Date of Delivery, specified above, to the Maturity Date, specified above, or the date of redemption prior to maturity, at the interest rate per annum, specified above; with interest being payable on each Interest Payment Date.

THE INITIAL BOND SHALL NOT BEAR INTEREST. Interest on each Authorized Installment of the Bonds, including the initial Authorized Installment delivered on the Original Issue Date, will be paid at the Formula Rate determined in accordance with the Bond Resolution (hereinafter defined). Each Bond shall bear interest from the latest Interest Payment Date preceding the date of authentication to which interest on such Bond has been paid or duly provided for, unless such date of authentication shall be an Interest Payment Date on which interest on such Bond is being paid, in which case it shall bear interest from such date of authentication, provided that if this Bond is authenticated prior to the first Interest Payment Date, it shall bear interest from the Issue Date of such Authorized Installment of the Bond specified above.

UPON THE OCCURRENCE of a Determination of Taxability, interest on the Bonds will be calculated on the basis of the Taxable Formula Rate, commencing on the date the Determination of Taxability is established in accordance with the Bond Resolution. Upon the occurrence of an Event of Default, interest on the Bonds will be calculated on the basis of the Default Rate, commencing on the date the Event of Default is established in accordance with the terms of the Covenant Agreement. In no event, however, shall the interest borne by the Bonds, whether calculated at the Formula Rate, the Taxable Formula Rate or the Default Rate, exceed the Maximum Rate.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges, solely from funds of the Issuer required by the resolution authorizing the issuance of the Bonds to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at the designated corporate trust office in Dallas, Texas (the "Designated Trust Office") of The Bank of New York Mellon Trust Company, N.A., which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each Interest Payment Date by check, dated as of such Interest Payment Date, and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such Interest Payment Date, to the registered owner hereof, at the address of the registered owner, as it appeared on the last Business Day of the month next preceding each such Interest Payment Date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described; provided, that upon the written request of any owner of not less than \$1,000,000 in principal amount of Bonds provided to the Paying Agent/Registrar not later than the Record Date immediately preceding an Interest Payment Date, interest due on such Bonds on such Interest Payment Date shall be made by wire transfer to any designated account within the United States of America. In addition, interest may be paid by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner hereof. Any accrued interest due upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for redemption and payment at the Designated Trust Office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

THIS BOND is dated as of its Issue Date, authorized in accordance with the Constitution and laws of the State of Texas as one of a Series of Bonds in the aggregate principal amount of \$120,000,000, issued pursuant to an Nineteenth Supplemental Resolution to the Master Resolution adopted May 5, 2014, and pursuant to the Master Resolution referred therein (collectively, the "Bond Resolution"), FOR THE PURPOSE OF (i) ACQUIRING, PURCHASING, CONSTRUCTING, IMPROVING, RENOVATING, ENLARGING OR EQUIPPING PROPERTY, BUILDINGS, STRUCTURES, FACILITIES, ROADS, OR RELATED INFRASTRUCTURE FOR PARTICIPANTS IN THE REVENUE FINANCING SYSTEM, AND (ii) PAYING THE COSTS OF ISSUANCE RELATED TO THE SALE OF THE BONDS. Terms used herein and not otherwise

defined have the meaning given in the Bond Resolution. The initial Authorized Installment of the Bonds to be issued on the Original Issue Date shall be \$\_\_,000,000. Thereafter, Authorized Installments of the Bonds may be issued on any Interest Payment Date so long as the total amount of Bonds issued does not exceed \$120,000,000, as reflected in the Schedule of Authorized Installment Deliveries attached to the Initial Bond. The foregoing notwithstanding, in no event shall an Authorized Installment of the Bonds be issued after the expiration of the Authorized Installment Draw Period.

ON ANY INTEREST PAYMENT DATE, the Bonds may be redeemed prior to their scheduled maturity, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, in chronological order of the Issue Date of an Authorized Installment (beginning with the Original Issue Date of the first Authorized Installment), at par and accrued interest to the date fixed for redemption.

ON ANY DATE, the Bonds shall be subject to mandatory redemption prior to their scheduled maturity, in whole, at par and accrued interest to the date fixed for redemption, should the rating assigned to Parity Obligations issued by the Issuer have a rating below BBB+ from Fitch and Baa1 from Moody's. Upon receiving notice from Fitch and Moody's of such occurrence, the Bonds shall be redeemed no later than 90 days after receiving such notice from Fitch and Moody's.

AT LEAST 10 days prior to the date fixed for any optional redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the registered owner of each Bond to be redeemed at its address as it appeared on the Registration Books on the 20th day prior to such redemption date. By the date fixed for any such optional redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is mailed and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any Authorized Denomination, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Board, all as provided in the Bond Resolution.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in The City of New York, New York, or in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking

institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND OR ANY PORTION OR PORTIONS HEREOF IN ANY AUTHORIZED DENOMINATION may be assigned and shall be transferred only in the Registration Books of the Issuer kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Bond Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond shall be executed by the registered owner or its duly authorized attorney or representative, to evidence the assignment hereof. A new Bond or Bonds payable to such assignee or assignees (which then will be the new registered owner or owners of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Paying Agent/Registrar in exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the exchange of other Bonds. The Issuer shall pay the Paying Agent/Registrar's fees and charges, if any, for making such transfer or exchange as provided below, but the one requesting such transfer or exchange shall pay any taxes or other governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration or exchange of this Bond or any portion hereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 10 days prior to its redemption date. The registered owner of this Bond shall be deemed and treated by the Issuer and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and, to the extent permitted by law, the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons in the denomination of any integral multiple of \$5,000 (an "Authorized Denomination"). As provided in the Bond Resolution, this Bond, or any unredeemed portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, in the same form, and bearing interest at the same rate, in any Authorized Denomination as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering, or transferring

this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that the Series of Bonds of which this Bond is one constitute Parity Obligations under the Master Resolution; and that the interest on and principal of this Bond, together with the other Bonds of this Series and the other outstanding Parity Obligations, are equally and ratably secured by and payable from a lien on and pledge of the Pledged Revenues.

THE ISSUER has reserved the right, subject to the restrictions referred to in the Bond Resolution, (i) to issue additional Parity Obligations which also may be secured by and made payable from a lien on and pledge of the aforesaid Pledged Revenues, in the same manner and to the same extent as this Bond, and (ii) to amend the provisions of the Bond Resolution under the conditions provided in the Bond Resolution.

THE REGISTERED OWNER hereof shall never have the right to demand payment of this Bond or the interest hereon out of any funds raised or to be raised by taxation or from any source whatsoever other than specified in the Bond Resolution.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Resolution, agrees to be bound by such terms and provisions, acknowledges that the Bond Resolution is duly recorded and available for inspection in the official minutes and records of the Issuer, and agrees that the terms and provisions of this Bond and the Bond Resolution constitute a contract between each registered owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the Chair of the Issuer and countersigned with the manual or facsimile signature of the Secretary of the Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

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Secretary, Board of Regents of the  
University of North Texas System

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Chair, Board of Regents of the  
University of North Texas System

(BOARD SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

The Bank of New York Mellon Trust Company, N.A.,  
Paying Agent/Registrar

Dated

\_\_\_\_\_  
Authorized Representative

FORM OF SCHEDULE OF AUTHORIZED INSTALLMENT DELIVERIES  
(to appear on Initial Bond only)

SCHEDULE OF AUTHORIZED INSTALLMENT DELIVERIES

Issue Date	Authorized Installment	Outstanding Principal Balance
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner of this Bond, or duly authorized representative or attorney thereof, hereby assigns this Bond to

\_\_\_\_\_  
/ \_\_\_\_\_ /

(Assignee's Social Security or Taxpayer Identification Number)

\_\_\_\_\_  
(print or typewrite Assignee's name and address, including zip code)

\_\_\_\_\_  
and hereby irrevocably constitutes and appoints

\_\_\_\_\_  
attorney to transfer the registration of this Bond on the Paying Agent/Registrar's Registration Books with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: This signature must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

\_\_\_\_\_  
NOTICE: This signature must correspond with the name of the Registered Owner appearing on the face of this Bond.

[FORM OF REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS TO ACCOMPANY  
THE INITIAL BOND ONLY]

COMPTROLLER'S REGISTRATION CERTIFICATE:

REGISTER NO. \_\_\_\_\_

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond and the proceedings authorizing its issuance have been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

(COMPTROLLER'S SEAL)

**EXHIBIT C**

**FORM OF BOND PURCHASE AGREEMENT**

## PURCHASE AGREEMENT

**\$120,000,000**

### **BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM DIRECT PURCHASE BONDS, SERIES 2014**

**THIS PURCHASE AGREEMENT**, dated \_\_\_\_\_, 2014 (this “**Agreement**” or this “**Purchase Agreement**”), is by and between the Board of Regents of the University of North Texas System (hereinafter called the “**Board**” or the “**Issuer**”) which, upon the Board’s written acceptance of this offer, as evidenced by the execution of this Purchase Agreement by the Vice Chancellor for Finance, University of North Texas System, as the duly authorized agent of the Board (the “**Board Representative**”), will be binding upon the Board and JPMorgan Chase Bank, N.A., a national banking association, (the “**Bond Purchaser**”).

#### A. Background.

The \$120,000,000 Board of Regents of the University of North Texas System Revenue Financing System Direct Purchase Bonds, Series 2014 (the “**Bonds**”) shall be authorized by, and shall be issued and secured under the provisions of, an Amended and Restated Master Resolution, adopted by the Board on February 12, 1999 (the “**Master Resolution**”), and a nineteenth supplemental resolution adopted by the Board on May 15, 2014 (the “**Nineteenth Supplemental Resolution**” and, together with the Master Resolution, the “**Resolution**”). The Bonds are being issued for the purpose of acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads or related infrastructure for Participants in the Revenue Financing System and for the payment of the costs of issuance related to the issuance, sale and delivery of the Bonds. The Bonds will contain the terms and provisions as are set forth in the Resolution, and shall be subject to the terms and provisions of the Covenant Agreement dated as of \_\_\_\_\_, 2014, between the Issuer and the Bond Purchaser (the “**Covenant Agreement**”). All capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Resolution.

#### B. Purchase, Sale; Closing; Deliveries.

1. Upon the terms and conditions and upon the basis of the representations herein set forth, the Bond Purchaser agrees to purchase from the Issuer, and the Issuer agrees to sell to the Bond Purchaser, all but not less than all of the Bonds for a purchase price of 100% of the initial principal amount thereof. Subject to the satisfaction of the terms and conditions on the Closing Date (as defined below) and on the date of delivery of each Authorized Installment (each a “**Issue Date**” and collectively “**Issue Dates**”), the Bond Purchaser will accept delivery of the Initial Authorized Installment (as defined below) and each Authorized Installment thereafter and pay the purchase price thereof in immediately available funds to the order of the Issuer. The Bonds will be in fully registered form and shall be issued from time to time in Authorized Installments in an aggregate principal amount not to exceed \$120,000,000. The Bonds are intended to be purchased from time to time by the Bond Purchaser at the request of the Issuer, in

Authorized Installments, as provided in the Nineteenth Supplemental Resolution. An initial non-interest bearing bond in the amount of \$120,000,000 shall be registered in the name of JPMorgan Chase Bank, N.A. and held by the Paying Agent/Registrar (as defined in the Nineteenth Supplemental Resolution), in accordance with the terms of Section 3(a) of the Nineteenth Supplemental Resolution (the “**Initial Bond**”). Bonds representing Authorized Installments (both the Initial Authorized Installment to be issued on the Closing Date and the future Authorized Installments) anticipated to be issued in accordance with this Agreement will be made available to the Bond Purchaser for inspection no less than one Business Day prior to their Issue Date.

2. The Bond Purchaser and the Issuer acknowledge that no official statement or other disclosure or offering document has been prepared in connection with the issuance and sale of the Bonds. The Bond Purchaser represents that it is a sophisticated investor with such knowledge and experience in financial and business matters that it is capable of, evaluating the merits and risks of purchasing the Bonds. The Bond Purchaser is familiar with the financial condition and affairs of the Issuer, particularly with respect to its ability to pay its debt obligations such as the Bonds. The Bond Purchaser has received from the Issuer all information that it has requested in order for it to assess and evaluate the security and source of payment for the Bonds. The Bond Purchaser is purchasing the Bonds for its own account as evidence of a loan to the Issuer and has no present intention to sell or otherwise distribute the Bonds it has purchased; provided, however, the Bond Purchaser may, in its sole discretion, sell participations in the Bonds, and in connection therewith, disclose such information to prospective participants as it may deem appropriate. The Bond Purchaser is not relying on McCall, Parkhurst & Horton L.L.P., the Issuer’s Bond Counsel, as to the completeness or accuracy of any financial information provided to the Bond Purchaser by the Issuer in connection with the determination of the Bond Purchaser to purchase the Bonds.

3. The Bond Purchaser agrees that it will not, acting either as principal or agent, offer, offer for sale, offer to sell the Bonds it has purchased except to an institutional investor (i) which the Bond Purchaser reasonably believes is an accredited investor (as defined in Regulation D under the Securities Act, or a qualified institutional buyer (as defined in Rule 144A under the Securities Act), or a fiduciary or agent purchasing the Bonds for the account of one or more accredited investors or qualified institutional buyers in accordance with the provisions of the Indenture, (ii) which the Bond Purchaser reasonably believes has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of purchasing the Bonds, and (iii) executes a letter addressed to the Issuer and the Bond Purchaser representing and certifying to the matters described in clauses (i) and (ii) above. The Bond Purchaser agrees it will not sell its Bonds to persons who are not sophisticated investors unless an official statement or other disclosure document is prepared.

4. It is understood and agreed that the Bond Purchaser is purchasing the Bonds and participating in the financing as a private placement for the benefit of the Issuer. Notwithstanding the private placement nature of the financing, pursuant to the terms of the Nineteenth Supplemental Resolution the Issuer has entered into a continuing disclosure undertaking under the provisions of Rule 15c2-12 of the Securities and

Exchange Commission (the “**Rule**”), and in addition to, and not in lieu of, such undertaking, the Issuer has provided additional reporting and disclosure covenants for the benefit of the Bond Purchaser as set forth in the Covenant Agreement.

5. Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer acknowledges and agrees that: (a) the transaction described in this Agreement is an arm’s length, commercial transaction between the Issuer and the Bond Purchaser in which the Bond Purchaser is acting solely as a principal and is not acting as a financial advisor or fiduciary to the Issuer; (b) the Bond Purchaser has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction described herein and the discussions, undertakings and procedures leading thereto (irrespective of whether the Bond Purchaser has provided other services or are currently providing other services to the Issuer on other matters); (c) the Bond Purchaser is acting solely in its capacity as purchaser for its own account with the expectation of profiting from the acquisition, and if authorized by the terms of the Resolution, potential distribution of the Bonds; (d) the only obligations the Bond Purchaser has to the Issuer with respect to the transaction described herein are those expressly set forth in this Contract; and (e) the Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate

C. Issuer’s Representations. To the best of his or her knowledge, the undersigned acting on behalf of the Issuer makes the following representations as of the date of this Agreement, all of which will survive the purchase of the Bonds:

1. The University System has identified certain financial issues that are expected to be material to the University and to the consolidated financial statement for the University System. The financial issues include:

i. The University System recently completed an investigation of a year-end adjusting journal entry related to accounts receivable at the University that will impact its financial statements. The audit report relating to this journal entry was finalized on April 16, 2014 and publicly released on April 17, 2014. As a result of its review of this adjusting journal entry, the University System and University will restate their statements of net position for the fiscal year ending August 31, 2013. It is expected that the prior period restatement will be issued in the fall of 2014, and will include a write-down in net position estimated to be no less than \$20 million.

ii. In reviewing its financial reports, the University System determined that Table 1 filed with and in accordance with its continuing disclosure undertaking in the resolutions authorizing outstanding University System Revenue Financing System Bonds contained overstatements of Pledged Revenues. In Fiscal Year ended August 31, 2013, Pledged Revenues were shown in Table 1 to be \$639,941,939; it has been determined that Pledged Revenues should be shown to be \$607,876,404. In Fiscal Year ended August 31, 2012, Pledged Revenues were shown in Table 1 to be \$623,345,928; it has been determined that Pledged Revenues should be shown to be \$601,838,535. A

revised Table 1 reflecting the changes described above was filed with the University System's updated Disclosure Statement dated May 13, 2014.

iii. In the fall of 2013, the University System began an investigation of the University's method of obtaining payment of state-funded benefits associated with certain salaries funded by local funds, as opposed to state appropriations. Transactions related to the state-funded benefits are currently being analyzed, and the University System has engaged an outside auditing firm to assist with the analysis. The University System is working with appropriate state agencies to determine the extent to which the University's method of obtaining payment of state-funded benefits resulted in overfunding of these benefits. It is anticipated that additional detail regarding the impact of this investigation will be known in the fall of 2014 after further discussion with state officials. An estimate of the contingent liability cannot be made at this time, but it is expected to be material to the University as well as in the consolidated financial statement for the University System. It is anticipated that a range of loss associated with the contingent liability may be estimated prior to the Closing Date, and the University System will provide such information to the Bond Purchaser as soon as reasonably possible.

iv. The Board's internal audit department is continuing investigation and analysis of the financial issues referenced herein and as may be identified. The Texas State Auditor's Office has notified the University System of an investigation being conducted by its office.

v. Additionally, through an ongoing pre-audit analysis, the University System became aware of additional financial reporting issues that are expected to impact the prior year financial statements of net position for both the University and University System. A report outlining the issues identified in the financial reporting assessment is anticipated to be issued in June 2014. Management is addressing remediation recommendations as they are presented and will make a full assessment of all remediation recommendations when the final report is presented.

vi. As more information is determined, the University System will update its continuing disclosure undertaking in the resolutions authorizing outstanding University System Revenue Financing System Bonds, and will notify the Bond Purchaser of such updates.

2. The University System, the University, UNT-Dallas, and the Health Science Center are and will be as of the Closing Date duly organized and existing agencies of the State of Texas, and the Board is the duly appointed governing body of the University System. The Participants are under the governance of the Board and constitute components of the University System. The Board, the University System and the

Participants have the powers and authority, among others, set forth in the Texas Education Code.

3. The Board has, and at the time of the Closing will have, full legal right, power and authority (i) to enter into this Purchase Agreement and the Covenant Agreement, (ii) to adopt the Resolution, to pledge the Pledged Revenues in the manner provided in the Resolution, and (iii) to issue, sell and deliver the Bonds as Parity Obligations to the Bond Purchaser as provided herein and in the Resolution; and the Board has, and on the Issue Date will have, duly adopted the Resolution and duly authorized and approved the execution and delivery of, and the performance of its obligations contained in, the Bonds, the Resolution, the Covenant Agreement and this Purchase Agreement.

4. The Board has, and at the time of Closing will have, duly authorized and approved the execution and delivery of, and the performance of the Board's obligations contained in, this Purchase Agreement and the Covenant Agreement. This Purchase Agreement and has been, and upon its execution and delivery, the Covenant Agreement will have been, duly executed and delivered by the Board Representative and each will constitute a legal, valid and binding obligation of the Board, enforceable in accordance with its terms.

5. This Agreement has been duly authorized, executed and delivered by the Issuer, and constitutes a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to equitable principles and federal and state laws affecting the enforcement of creditors' rights generally. The Covenant Agreement and this Agreement when executed and delivered by the Issuer, will constitute valid and binding instruments of the Issuer, enforceable against the Issuer in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, and similar laws of general applicability relating to or affecting creditors' rights and to general equitable principles.

6. The Resolution creates a valid lien on the Pledged Revenues, and when delivered to and paid for by the Bond Purchaser in accordance with the terms of this Agreement and duly authenticated by the Paying Agent/Registrar and registered by the Comptroller of Public Accounts of the State of Texas, as provided in the Resolution, the Authorized Installments of the Bonds so purchased will have been duly authorized, executed and authenticated or registered, as applicable, and will be validly issued and outstanding special obligations of the Board entitled to the benefits of the Resolution.

7. Subject to the representations and qualifications set forth in Section C-1 above, none of the Board, the University System or the Participants is in breach of or in default under any applicable law or administrative regulation, any applicable judgment or decree, or any loan agreement, note, resolution, agreement or other instrument to which the Board or any Participant is a party or by which they or any of their respective properties are otherwise subject, which would have a material and adverse effect upon the business or financial condition of the University System, the Participants, the Revenue Financing System, or the Pledged Revenues.

8. Subject to the representations and qualifications set forth in Section C-1 above, the Board is not in breach of or in default under the Resolution, none of the Board, the University System or the Participants are in breach of or in default under any of their respective prior resolutions authorizing the issuance of outstanding Parity Obligations (the “**Prior Resolutions**”) and the execution and delivery of this Purchase Agreement, the Covenant Agreement and the Bonds by the Board and the adoption of the Resolution by the Board do not and will not violate or constitute a breach of or default under any existing law, administrative regulation, judgment or decree or any loan agreement, note, resolution, agreement or other instrument to which the Board, the University System or any Participant is a party or by which they or any of their respective properties are otherwise subject.

9. All approvals, consents and orders of any governmental authority or agency having jurisdiction over any matter which would constitute a condition precedent to the performance by the Board of its obligations under this Agreement or to sell and deliver the Bonds and Authorized Installments thereof will be obtained prior to the Closing.

10. Subject to the representations and qualifications set forth in Section C-1 above, the financial data of the University System and the Participants provided to the Bond Purchaser, including information on file and available to the public fairly present the receipts, disbursements, cash balances and financial condition of the University System and the Participants as of the dates and for the periods therein set forth.

11. Subject to the representations and qualifications set forth in Section C-1 above, subsequent to the respective dates as of which information has been provided or made available to the Bond Purchaser, up to and including the date hereof, there has been no material adverse change in the financial position, results of operations or condition, financial or otherwise, of the Board, the University System, the Revenue Financing System or the Participants.

12. Subject to the representations and qualifications set forth in Section C-1 above, there is no action, suit, investigation, inquiry or proceeding pending, or to the best knowledge of the Board, threatened, against the Board or any of its assets in any court, governmental agency, public board or body or before any arbitrator or any government board or body, (i) affecting the existence of the University System or the Participants as state agencies or the Board’s appointment as the governing body of the University System and the Participants or its powers, or the title of its officers to their respective offices, or (ii) seeking to restrain or enjoin the issuance or delivery of the Bonds, or the collection or application of the Pledged Revenues to pay the principal of and interest on the Bonds, or (iii) in any way contesting or affecting the tax-exempt status of the interest on the Bonds, or (iv) in any way contesting or affecting the validity or enforceability of the Bonds, the Resolution, this Purchase Agreement, the Covenant Agreement or the Prior Resolutions, or (v) which could reasonably be anticipated to result in any material adverse change in the business, properties or assets or the condition, financial or otherwise, of the University System or the Participants, or (vi) which might in any material respect adversely affect the transactions contemplated herein.

13. Any certificate or copy of any certificate signed by any official of the Board, the University System or the Participants and delivered to the Bond Purchaser pursuant hereto or in connection herewith shall be deemed a representation by the Board, the University System or the Participants, as applicable, to Bond Purchaser as to the truth of the statements therein made.

14. The Board Representative has been duly authorized to act on behalf of the Board for the purpose of selling the Bonds to the Bond Purchaser, and taking the other actions provided for herein and in the Resolution, and such actions by the Board Representative shall be deemed to be actions by the Board.

15. The Board has complied with all previous undertakings required pursuant to the Rule.

D. Closing; Conditions of Bond Purchaser's Obligation.

At 9:00 a.m., Dallas, Texas time, on June \_\_, 2014, or at such other time and date and at such location as shall have been mutually agreed upon by the Board and the Bond Purchaser (the "**Closing Date**"), the Board will, subject to the terms and conditions hereof, deliver the Initial Bond to the Paying Agent/Registrar and deliver to the Bond Purchaser a Bond in the principal amount of \$15,000,000 (the "**Initial Authorized Installment**"), each duly executed and authenticated, together with the other documents hereinafter mentioned, and the Bond Purchaser will, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Initial Authorized Installment (such events being referred to herein as the "**Closing**").

The Bond Purchaser's obligation to purchase the Bonds and each Authorized Installment thereafter is subject to the terms and provisions of the Covenant Agreement and the fulfillment of the following conditions at or before the Closing Date and each Issue Date thereafter:

1. Subject to the representations and qualifications set forth in Section C-1 above and the continuing disclosures of the University System made in connection therewith, the representations and warranties of the Issuer contained herein shall be true, complete and correct on the date hereof and on and as of the Closing Date and each Issue Date, as if made on the Closing Date and each Issue Date, and shall be confirmed by certificates on the Closing Date and each Issue Date;

2. The Issuer shall not have defaulted in the performance of any of its covenants hereunder or under the Resolution or the Covenant Agreement;

3. At the time of the Closing and on each Issue Date, the Resolution shall be in full force and effect and shall not have been amended, modified or supplemented, except in any such case as may have been agreed to by the Bond Purchaser.

4. At the time of the Closing and on each Issue Date, all official action of the Board relating to this Purchase Agreement, the Bonds and the Resolution shall be in full force and effect and shall not have been amended, modified or supplemented.

5. Subject to the representations and qualifications set forth in Section C-1 above and the continuing disclosures of the University System made in connection therewith, at the time of the Closing and on each Issue Date, there shall not have occurred any change in the condition, financial or otherwise, or in the earnings or operations of the Board, the University System or the Participants, from that set forth in the financial statements for the fiscal year ended August 31, 2013.

6. The Board shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money or otherwise be in default on any such obligation, and there does not exist any event which, with the giving of notice, would constitute a default.

7. On the Closing Date, the Bond Purchaser shall have received the following:

i. The unqualified opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, in the form and substance satisfactory to the Bond Purchaser.

ii. The Resolution certified by an appropriate official of the Board, under the Board's seal, as having been duly adopted by the Board and as being in effect, with such changes or amendments as may have been agreed to by the Bond Purchaser.

iii. An executed original of the Covenant Agreement in form and substance satisfactory to the Bond Purchaser.

iv. The unqualified approving opinion of the Attorney General of the State of Texas with respect to the Bonds and the registration certificate of the Comptroller of the State of Texas with respect to the Bonds.

v. A letter, dated as of or prior to the Closing Date, from the Texas Bond Review Board approving the issuance of the Bonds or stating that such approval is not required.

vi. A copy of all proceedings of the Board relating to the authorization of this Purchase Agreement and to the authorization and issuance of the Bonds, certified as true, accurate and complete by an appropriate official of the Board.

vii. Subject to the representations and qualifications set forth in Section C-1 above and the continuing disclosures of the University System made in connection therewith, a certificate, dated the Closing Date and each Issue Date, of the Vice Chancellor for Finance for the University System to the effect (A) there is not any action, suit, investigation, inquiry or proceeding pending, or, to the best of his knowledge, threatened, against the Board or any of its assets in any court, governmental agency, public board or body or before any arbitrator or before or by any governmental body, (1) affecting the existence of the University System or the Participants as state agencies or the Board's appointment as its

governing body of the University System, or its powers, or the title of its officers to their respective offices, or (2) seeking to restrain or enjoin the issuance or delivery of the Bonds, or the collection or application of the Pledged Revenues to pay the principal of and interest on the Bonds, or (3) in any way contesting or affecting the tax-exempt status of the interest on the Bonds, or (4) in any way contesting or affecting the validity or enforceability of the Bonds, the Resolution, this Purchase Agreement, the Covenant Agreement or the Prior Resolutions, or (5) which involves, to the best of his knowledge, the possibility of any ruling, order, judgment or uninsured liability which may reasonably result in any material adverse change in the business, properties or assets or the condition, financial or otherwise, of the Board, the University System or the Participants, or (6) which might in any material respect adversely affect the transactions contemplated herein; and (B) to the best of his knowledge (1) the representations and warranties of the Board contained herein are true and correct in all material respects on and as of the Closing Date and each Issue Date as if made on the Closing Date and each Issue Date and (2) there has not been any material adverse change in the financial condition of the University System, the Participants or the Pledged Revenues, the effect of which is to adversely affect the ability of the University System to pay when due debt service on its outstanding Parity Obligations, including the Bonds.

viii. A certificate by an appropriate official of the Board to the effect that, on the basis of the facts, estimates and circumstances in effect on the date of delivery of the Bonds, it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be arbitrage bonds within the meaning of section 148 of the Code.

ix. Evidence on each Issue Date that the Issuer has a ratings on its outstanding Parity Obligations of at least Aa2 and AA by Moody's Investors Service, Inc. and Fitch Ratings, respectively.

x. Such additional legal opinions, certificates, instruments and other documents as Bond Counsel or the Bond Purchaser may reasonably request to evidence the truth, accuracy and completeness, as of the date hereof and as of the Closing Date and each Issue Date, of the Board's representations and warranties contained herein and the due performance and satisfaction by the Board at or prior to the Closing Date and each Issue Date of all agreements then to be performed and all conditions then to be satisfied by the Board.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Bond Purchaser and Bond Counsel.

E. Termination of this Agreement. The Bond Purchaser may terminate its obligation to purchase Bonds on the Closing Date or on any Issue Date by written notice to the Issuer at any

time on or prior to the Closing Date or any Issue Date if any of the following occurs after the date hereof:

1. Any action by the federal government, the Securities and Exchange Commission, the State of Texas or any federal or State of Texas court or agency which would (a) require registration of any security under the Securities Act or qualification of an indenture under the Trust Indenture Act of 1939 in connection with the sale and purchase of the Bonds as contemplated herein or (b) impose, directly or indirectly, federal income taxation upon income of the general character to be derived by the Board or affecting the tax status of the Board, its property or income.

2. Any suspension, material limitation or other restriction not presently in force on trading in securities on the New York Stock Exchange, or any general moratorium on commercial banking activities in New York declared by either Federal or New York State authorities, or the inception or escalation of any war or major military hostilities or any material disruption in commercial banking or securities settlement or clearance services which, in the reasonable judgment of the Bond Purchaser, substantially impairs the marketability of the Bonds.

3. Any material adverse change in the condition, financial or otherwise, of the Issuer since the fiscal year ended August 31, 2013.

F. Expenses. Except to the extent paid from the proceeds of the Bonds, if the Bonds are issued and delivered, the Issuer will pay or cause to be paid the following: (i) the fees, disbursements and expenses of Bond Counsel for the Issuer and counsel to the Bond Purchaser in connection with the issuance, sale, purchase and delivery of each Authorized Installment of the Bonds; (ii) the Attorney General of Texas filing fee; (iii) printing or word processing costs associated with the production of this Agreement, the Covenant Agreement, the Resolution and all other documents as may be reasonably necessary in connection with the purchase, sale and delivery of the Bonds; (iv) the fees and expenses of the Paying Agent/Registrar and any agent of the Paying Agent/Registrar and any fees and expenses of counsel for the Paying Agent/Registrar in connection with the transactions contemplated by this Agreement or the Paying Agent/Registrar Agreement; (v) a fee to the Bond Purchaser in the amount of \$\_\_\_\_\_; (vi) the MAC fees; (vii) the fees and expenses of the Placement Agent/Registrar; and (viii) all other costs and expenses incident to the performance of the obligations of the Issuer hereunder and the transactions contemplated hereby which are not otherwise specifically provided for in this Section.

The Issuer shall pay all costs and expenses incurred by the Bond Purchaser in connection with the enforcement or workout of the Bonds, the Covenant Agreement, the Resolution or this Agreement, including, without limitation, reasonable fees and expenses of the Bond Purchaser's legal counsel and professionals. This Section shall survive until payment in full of all sums owing and performance of all other obligations hereunder by the Issuer.

G. Notices and Other Actions. All statements, requests, notices, and agreements hereunder shall be made in accordance with Section 6.06 of the Covenant Agreement.

H. Beneficiaries of Agreement. This Agreement shall be binding upon, and inure solely to the benefit of, the Bond Purchaser, the Issuer and the Placement Agent, and, to the extent provided herein, the officers and directors of the Bond Purchaser, the Issuer and the Placement Agent and each person who controls any of them, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement.

I. Time of the Essence. Time shall be of the essence in this Agreement.

J. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas.

K. Execution in Counterparts. This may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing any such counterpart.

*{Signature Page Follows}*

**JPMORGAN CHASE BANK, N.A.**

By: \_\_\_\_\_  
J. Michael Wilson, Senior Vice President

Accepted and agreed to the date set forth above at \_\_: \_\_ \_\_.m. Central Time.

**THE BOARD OF REGENTS OF THE  
UNIVERSITY OF NORTH TEXAS SYSTEM**

By: \_\_\_\_\_  
Vice Chancellor for Finance, University of North Texas System,  
as Board Representative

**EXHIBIT D**

FORM OF PAYING AGENT/REGISTRAR AGREEMENT

**EXHIBIT E**

**FORM OF COVENANT AGREEMENT**

## COVENANT AGREEMENT

THIS COVENANT AGREEMENT (this "*Agreement*"), dated as of \_\_\_\_\_, 2014, is between the BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM (the "*Issuer*"), and JPMORGAN CHASE BANK, N.A., a national banking association (the "*Bank*").

### RECITALS:

A. The Issuer is authorized to issue in installments \$120,000,000 in aggregate principal amount of the *BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM DIRECT PURCHASE BONDS, SERIES 2014* (the "*Bonds*") in accordance with the Nineteenth Supplemental Resolution to the Master Resolution Authorizing the Issuance, Sale, and Delivery of Board of Regents of the University of North Texas System Revenue Financing System Direct Purchase Bonds, Series 2014; and Approving and Authorizing Instruments and Procedures Relating Thereto, adopted May 15, 2014 (the "*Supplemental Resolution*" and together with the Amended and Restated Master Resolution Establishing the Revenue Financing System Under the Authority and Responsibility of the Board of Regents of the University of North Texas, adopted February 12, 1999 (the "*Master Resolution*"), collectively, the "*Bond Resolution*").

B. To evidence the purchase, from time to time, of the Bonds, the Bank and the Issuer have entered into a bond purchase agreement (the "*Bond Purchase Agreement*"), in respect to the sale and delivery of installments of the Bonds.

C. As an inducement to the Bank to purchase the Bonds, the Issuer now desires to enter into this Agreement to set forth certain covenants regarding the Issuer.

NOW, THEREFORE, in consideration of the premises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### ARTICLE I

#### Definitions

Section 1.01 Defined Terms. As used herein, the following terms shall have the following meanings (all terms, defined in this Article I or in other provisions of this Agreement, in the singular have the same meanings when used in the plural and vice versa):

**"Affiliate"** - With respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. A Person shall be deemed to control another Person for the purposes of this definition if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

**“Authorized Installment”** - On the Original Issue Date, an amount not less than \$15,000,000, and with respect to each Issue Date thereafter, an amount not less than \$100,000 (in integral multiples of \$5,000 in excess of \$100,000).

**“Board Representative”** - the Vice Chancellor for Finance for the University System, or such other officials of the University of North Texas or the University of North Texas Health Science Center at Fort Worth appointed by the Issuer to carry out the functions of the Issuer specified herein or in the Bond Resolution.

**“Capital Lease Obligations”** - The obligations of the Issuer to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of the Issuer under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

**“Code”** - The Internal Revenue Code of 1986, as amended or such other successor federal income tax law, to the extent applicable.

**“Environmental Laws”** - All laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters.

**“ERISA”** - The Employee Retirement Income Security Act of 1974, as amended from time to time.

**“Event of Default”** - Has the meaning specified in Section 5.01 of this Agreement.

**“Fiscal Year”** - The twelve-month accounting period used with respect to the operations of the Issuer ending \_\_\_\_\_ of each year; provided, however, the Issuer, by resolution duly passed, may change such accounting period to end on another date if such change is found and determined to be necessary or appropriate for budgetary or other fiscal purposes.

**“Fitch”** - Fitch Ratings, or its legal successor.

**“GAAP”** - Generally accepted accounting principles in the United States, applicable to colleges and universities.

**“Governmental Authority”** - The government of the United States, any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

**“Hazardous Materials”** - All explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas,

infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

**“Indebtedness”** - With respect to the Issuer, (a) all obligations of the Issuer for borrowed money, (b) all obligations of the Issuer evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of the Issuer upon which interest charges are customarily paid, (d) all obligations of the Issuer under conditional sale or other title retention agreements relating to property acquired by the Issuer, (e) all obligations of the Issuer in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all indebtedness of others secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by the Issuer, whether the indebtedness secured thereby has been assumed, (g) all Capital Lease Obligations, (h) all obligations, contingent or otherwise, of the Issuer as an account party in respect of letters of credit and letters of guaranty and (i) all obligations, contingent or otherwise, of the Issuer in respect of bankers’ acceptances. Indebtedness shall include the indebtedness of any other entity (including any partnership in which the Issuer is a general partner) to the extent the Issuer is liable therefor as a result of the Issuer’s ownership interest in or other relationship with such entity, except to the extent the terms of such indebtedness provide that the Issuer is not liable therefor.

**“Issue Date”** - The date of delivery of an Authorized Installment of the Bonds which, for each Authorized Installment other than the Authorized Installment delivered on the Original Issue Date, shall be the second day of a month.

**“Lien”** - With respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities that may be enforced by such third party.

**“Material Adverse Effect”** - A material adverse effect on (a) the business, assets, operations, prospects or condition, financial or otherwise, of the Issuer or any Participant in the Financing System, taken as a whole, (b) the ability of the Issuer to perform any of its obligations under this Agreement or the Bond Resolution or (c) the rights of or benefits available to the Bank under this Agreement or the Bond Resolution.

**“Moody’s”** - Moody’s Investors Service, Inc., or its legal successor.

**“Original Issue Date”** - June \_\_\_\_\_, 2014.

**“Participant in the Financing System”** - Has the meaning given such term in the Master Resolution.

**“Permitted Encumbrances”** -

(a) Liens imposed by law for taxes that are not yet due or are being contested by the Issuer;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested by the Issuer;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default; and

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Issuer;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

**"Person"** - Any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.

**"Pledged Revenues"** - Has the meaning specified in the Bond Resolution.

**"Project"** - The renovation, expansion and equipping of the University Student Union Building and related improvements, and the construction and equipping of the Rawlins Residence Hall and related improvements, each located at the University of North Texas campus in Denton, Texas.

**"Qualified Counterparty"** - A financial services institution whose senior long-term debt obligations, other senior unsecured long term debt obligations or claims paying ability, or whose payment obligations, under a Qualified Swap are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations or claims paying ability, or who has provided collateral such that its claims paying ability, is rated (at the time the subject Qualified Swap is entered into) no lower than "A" by Moody's and "A" by S&P and, if rated by Fitch, "A" by Fitch, or the equivalent thereof by any successor thereto.

**“Qualified Swap” or “Qualified Swap Agreement”** - Any financial arrangement (i) that is authorized under Chapter 1371, Texas Government Code; (ii) that is entered into by the Issuer with an entity that is a Qualified Counterparty at the time the arrangement is entered into; (iii) which constitutes an agreement (including any combination of agreements or a master agreement, each of which may include terms and conditions incorporated by reference therein) which is a rate swap agreement, basis swap, forward rate agreement, interest rate option, rate cap agreement, rate floor agreement, rate collar agreement, or any other similar agreement (including any option to enter into the foregoing); and (iv) which has been designated in writing to the Bank by a Board Representative as a Qualified Swap.

**“State”** - The State of Texas.

Terms not defined herein shall have the same meaning given said terms in the Bond Resolution.

## ARTICLE II

### Representations and Warranties

Section 2.01 To the best of the Board Representative’s knowledge and belief, the Issuer represents and warrants that:

(a) The University of North Texas System (“University System”) has identified certain financial issues that are expected to be material to the University of North Texas (“University”) and to the consolidated financial statement for the University System. The financial issues include the following:

(i) The University System recently completed an investigation of a year-end adjusting journal entry related to accounts receivable at the University that will impact its financial statements. The audit report relating to this journal entry was finalized on April 16, 2014 and publicly released on April 17, 2014. As a result of its review of this adjusting journal entry, the University System and University will restate their statements of net position for the fiscal year ending August 31, 2013. It is expected that the prior period restatement will be issued in the fall of 2014, and will include a write-down in net position estimated to be no less than \$20 million.

(ii) In reviewing its financial reports, the University System determined that Table 1 filed with and in accordance with its continuing disclosure undertaking in the resolutions authorizing outstanding University System Revenue Financing System Bonds contained overstatements of Pledged Revenues. In Fiscal Year ended August 31, 2013, Pledged Revenues were shown in Table 1 to be \$639,941,939; it has been determined that Pledged Revenues should be shown to be \$607,876,404. In Fiscal Year ended August 31, 2012, Pledged Revenues were shown in Table 1 to be \$623,345,928; it has been determined that Pledged Revenues should be shown to be \$601,838,535. A revised Table 1 reflecting the changes described above was filed with the University System’s updated Disclosure Statement dated May 13, 2014.

(iii) In the fall of 2013, the University System began an investigation of the University's method of obtaining payment of state-funded benefits associated with certain salaries funded by local funds, as opposed to state appropriations. Transactions related to the state-funded benefits are currently being analyzed, and the University System has engaged an outside auditing firm to assist with the analysis. The University System is working with appropriate state agencies to determine the extent to which the University's method of obtaining payment of state-funded benefits resulted in overfunding of these benefits. It is anticipated that additional detail regarding the impact of this investigation will be known in the fall of 2014 after further discussion with state officials. An estimate of the contingent liability cannot be made at this time, but it is expected to be material to the University as well as in the consolidated financial statement for the University System. It is anticipated that a range of potential contingent liability may be estimated prior to the Closing Date, and the University System will provide such information to the Bank as soon as reasonably possible.

(iv) The Board's internal audit department is continuing investigation and analysis of the financial issues referenced herein and as may be identified. The Texas State Auditor's Office has notified the University System of an investigation being conducted by its office.

(v) Additionally, through an ongoing pre-audit analysis, the University System became aware of additional financial reporting issues that are expected to impact the prior year financial statements of net position for both the University and University System. A report outlining the issues identified in the financial reporting assessment is anticipated to be issued in June 2014. Management is addressing remediation recommendations as they are presented and will make a full assessment of all remediation recommendations when the final report is presented.

(vi) As more information is determined, the University System will update its continuing disclosure undertaking in the resolutions authorizing outstanding University System Revenue Financing System Bonds, and will notify the Bank of such updates.

(b) The University System and each Participant in the Financing System is a duly organized and existing agency of the State, and the Issuer is the duly appointed governing body of the University System. Each Participant in the Financing System is under the governance of the Issuer and constitute components of the University System. The Issuer and each Participant in the Financing System have the powers and authority, among others, set forth in the Texas Education Code.

(c) The Issuer has full legal right, power and authority (i) to enter into this Agreement, and (ii) to adopt the Bond Resolution, to pledge the Pledged Revenues in the manner provided in the Bond Resolution, and to issue, sell and deliver the Bonds as Parity Obligations to the Bank as provided in the Bond Purchase Agreement and in the Bond Resolution; and the Issuer has duly adopted the Bond Resolution and duly authorized and approved the execution

and delivery of, and the performance of its obligations contained in, the Bonds, this Agreement, the Bond Purchase Agreement and the Bond Resolution.

(d) The Issuer has duly authorized and approved the execution and delivery of, and the performance of the Issuer's obligations contained in, this Agreement. This Agreement has been duly executed and delivered by the Board Representative and constitutes a legal, valid and binding obligation of the Issuer, enforceable in accordance with its terms.

(e) The Bond Resolution creates a valid lien on the Pledged Revenues, and the Bonds, when validly executed, authenticated, certified and delivered in accordance with the Bond Resolution and sold to the Bank as provided in the Bond Purchase Agreement, will be validly issued and outstanding special obligations of the Issuer entitled to the benefits of the Bond Resolution.

(f) Subject to the representations and qualifications in Section 2.01(a) above, none of the Issuer, the University System or any Participant in the Financing System is in breach of or in default under any applicable law or administrative regulation, any applicable judgment or decree, or any loan agreement, note, resolution, agreement or other instrument to which the Issuer, the University System or any Participant in the Financing System is a party or by which they or any of their respective properties are otherwise subject, which would have a Material Adverse Effect upon the business or financial condition of the Issuer, the University System, any Participant in the Financing System or the Pledged Revenues.

(g) Subject to the representations and qualifications in Section 2.01(a) above, the Issuer is not in breach of or in default under the Bond Resolution, none of the Issuer, the University System or the Participants in the Financing System are in breach of or in default under any of their respective prior resolutions (the "**Prior Resolutions**") and the execution and delivery of this Agreement and the Bonds by the Issuer and the adoption of the Bond Resolution by the Issuer do not and will not violate or constitute a breach of or default under any existing law, administrative regulation, judgment or decree or any loan agreement, note, resolution, agreement or other instrument to which the Issuer, the University of North Texas System or any Participant in the Financing System is a party or by which they or any of their respective properties are otherwise subject.

(h) All approvals, consents and orders of any Governmental Authority or other agency having jurisdiction over any matter which would constitute a condition precedent to the performance by the Issuer of its obligations to sell and deliver the Bonds have been obtained.

(i) The proceeds of the sale of the Bonds shall be applied to financing the Project and paying the costs of issuance related to the sale of the Bonds in accordance with the terms of the Supplemental Resolution.

(j) Subject to the representations and qualifications in Section 2.01(a) above, since the date of the most recent financial statements of the Issuer, the University System and the Participants in the Financing System delivered to the Bank, there has been no material adverse change in the financial position, results of operations or condition, financial or otherwise, of the Issuer, the University System or Participants in the Financing System.

(k) Subject to the representations and qualifications in Section 2.01(a) above, there is not any action, suit, investigation, inquiry or proceeding pending, or to the best knowledge of the Issuer, threatened, against the Issuer or any of its assets in any court, governmental agency, public Issuer or body or before any arbitrator or any government Issuer or body, (i) affecting the existence of the University System or the Participants in the Financing System as state agencies or the Issuer's appointment as the governing body of the University System and the Participants in the Financing System or its powers, or the title of its officers to their respective offices, or (ii) seeking to restrain or enjoin the issuance or delivery of the Bonds, or the collection or application of the Pledged Revenues to pay the principal of and interest on the Bonds, or (iii) in any way contesting or affecting the tax-exempt status of the interest on the Bonds, or (iv) in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Resolution, this Agreement, the Bond Purchase Agreement or the Prior Resolutions, or (v) which could reasonably be anticipated to result in any material adverse change in the business, properties or assets or the condition, financial or otherwise, of the University System or the Participants in the Financing System, the effect of which would be to materially impair the ability of the University System to pay its Indebtedness, including the debt service on the Bonds, or (vii) which might in any material respect adversely affect the transactions contemplated herein, in the Bond Purchase Agreement or the Bond Resolution.

(l) Any certificate or copy of any certificate signed by any official of the Issuer, the University System or the Participants in the Financing System and delivered to the Bank pursuant hereto or in connection herewith shall be deemed a representation by the Issuer, the University System or the Participants in the Financing System, as applicable, to the Bank as to the truth of the statements therein made.

(m) The Board Representative has been duly authorized to act on behalf of the Issuer for the purpose of selling the Bonds, fixing the terms of the Bonds and taking the other actions provided for herein and in the Bond Resolution, and such actions by the Board Representative shall be deemed to be actions by the Issuer.

(n) The Issuer has complied with all previous undertakings required pursuant to Rule 15c2-12.

(o) None of the Issuer, the University System or the Participants in the Financing System is subject to ERISA. None of the Issuer, the University System or the Participants in the Financing System has any unfunded liabilities for pension or other employee benefits, including post-employment benefits.

(p) The outstanding amount of all Parity Obligations (as defined in the Bond Resolution), prior to issuance of any of the Bonds, is \$467,982,000.

## ARTICLE III

### Affirmative Covenants

The Issuer covenants and agrees as follows:

Section 3.01 Reporting Covenants. The Issuer will provide the following items in an electronic format acceptable to the Bank: (i) annual, unaudited, audited (if available), consolidated and consolidating financial statements of the Issuer and each Participant in the Financing System within 180 days after the end of the Issuer's Fiscal Year; (ii) a quarterly report regarding matters described in Section 2.01(a) above until such issues are finally resolved;; and (iii) additional information including status updates on the Project, as may be reasonably requested by the Bank.

Section 3.02 Financial Covenants. The Issuer covenants and agrees: (i) to maintain all covenants contained in the Bond Resolution, and the Bank shall have all such rights and remedies afforded by the Bond Resolution; and (ii) to maintain underlying stand-alone bond ratings of no lower than "BBB+" by Fitch, and "Baa1" by Moody's, with such ratings to be current and based upon the annual audited financial statements of the Issuer not older than two years at any time.

Section 3.03 Notices of Material Events. The Issuer will furnish to the Bank prompt written notice of the following:

- (a) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Issuer thereof that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect;
- (b) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect; and
- (c) any Event of Default or any event or condition which, but for the lapse of time or the giving of notice, or both, would constitute an Event of Default.

Each notice delivered under this subsection (c) shall be accompanied by a statement of a Board Representative or other executive officer of the Issuer setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken by the Issuer with respect thereto.

Section 3.04 Books and Records; Inspection Rights. The Issuer will keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. The Issuer will permit any representatives designated by the Bank, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all concerning matters directly related to

this Agreement and the Bond Purchase Agreement not otherwise privileged or protected by law at such reasonable times and as often as reasonably requested.

**Section 3.05 Compliance with Laws and Material Contract Obligations.** The Issuer will comply with all laws (including Environmental Laws), rules, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Issuer will comply with all material contract obligations by which it is bound and pay all obligations of Issuer as they come due.

**Section 3.06 Qualified Swap Agreements.** In the event that the Issuer decides to enter into any Qualified Swap Agreements, the Issuer shall provide the Bank with the timely opportunity to compete for the right to offer any such Qualified Swap Agreements to the Issuer; provided, however, the Issuer shall be under no obligation to enter into any Qualified Swap Agreements with the Bank; provided, that nothing in this Agreement shall preclude the Issuer from issuing Parity Obligations for the purpose of paying any such termination fee or settlement amount.

**Section 3.07 Termination Payments.** The Issuer shall provide that any termination fee or settlement amount payable by the Issuer in connection with any Qualified Swap Agreement related to the Bonds shall be subordinate to the Bonds and the Issuer's other obligations under this Agreement and the Bond Resolution.

**Section 3.08 Change in Law.** If the Code or any newly adopted law, treaty, regulation, guideline or directive, or any change in any law, treaty, regulation, guideline or directive or any new or modified interpretation of any of the foregoing by any authority or agency charged with the administration or interpretation thereof or any central bank or other fiscal, monetary or other authority having jurisdiction over the Bank or the transactions contemplated by this Agreement and the Bond Resolution (whether or not having the force of law) shall:

- (a) limit the deductibility of interest on funds obtained by the Bank to make any Authorized Installment or subject the Bank to any tax, duty, charge, deduction or withholding on or with respect to payments relating to the Bonds, the Bond Resolution or this Agreement (other than any tax measured by or based upon the overall net income of the Bank imposed by any jurisdiction having control over the Bank);
- (b) impose, modify, require, make or deem applicable to the Bank any reserve requirement, capital requirement, special deposit requirement, insurance assessment or similar requirement against any assets held by, deposits with or for the account of, or loans, letters of credit or commitments by, an office of the Bank;
- (c) change the basis of taxation of payments due the Bank under this Agreement, the Bond Resolution or the Bonds (other than by a change in taxation of the overall net income of the Bank); or

(d) impose upon the Bank any other condition with respect to any amount paid or payable to or by the Bank or with respect to this Agreement, the Bond Resolution or the Bonds;

and the result of any of the foregoing is to increase the cost to the Bank of making any Authorized Installment, or to reduce the amount of any payment (whether of principal, interest or otherwise) receivable by the Bank, or to reduce the rate of return on the capital of the Bank or to require the Bank to make any payment on or calculated by reference to the gross amount of any sum received by it, in each case by an amount which the Bank in its reasonable judgment deems material, then:

(1) the Bank shall promptly notify the Issuer in writing of such event;

(2) the Bank shall promptly deliver to the Issuer a certificate stating the change which has occurred or the reserve requirements or other costs or conditions which have been imposed on the Bank or the request, direction or requirement with which it has complied, together with the date thereof, the amount of such increased cost, reduction or payment and a reasonably detailed description of the way in which such amount has been calculated, and the Bank's determination of such amounts, absent fraud or manifest error, shall be conclusive; and

(3) the Issuer shall pay to the Bank, within 30 days of receipt of such certificate, such amount or amounts as will compensate the Bank for such additional cost, reduction or payment; provided, however, that such payment shall not result in the payment of interest at a rate in excess of the Maximum Rate.

The protection of this subsection shall be available to the Bank regardless of any possible contention of invalidity or inapplicability of the law, regulation or condition which has been imposed; provided, however, that if it shall be later determined by the Bank that any amount so paid by the Issuer pursuant to this subsection is in excess of the amount payable under the provisions hereof, the Bank shall promptly refund such excess amount to the Issuer.

Section 3.09 Limitation on Liability. Notwithstanding anything to the contrary herein, in the Bond Purchase Agreement or in the Bond Resolution, the Issuer agrees that the Bank shall not, under any circumstances whatsoever, be liable to the Issuer for any punitive, consequential, indirect or special damages or losses regardless of whether the Bank shall have been advised of the possibility thereof or of the form of action in which such damages or losses may be claimed.

Section 3.10 Waiver of Jury Trial. The Issuer hereby irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement, the Bond Resolution, the Bond Purchase Agreement, the Bonds or the transactions contemplated hereby and thereby.

Section 3.11 Government Regulations. The Issuer shall ensure that the proceeds of the Bonds shall not be used to violate any of the foreign asset control regulations of the Office of Foreign Assets Control ("*OFAC*") or any enabling statute or Executive Order relating thereto. Further, the Issuer shall comply with all applicable Bank Secrecy Act ("*BSA*") laws and

regulations, as amended. The Issuer agrees to provide documentary and other evidence of the Issuer's identity as may be requested by the Bank at any time to enable the Bank to verify the Issuer's identity or to comply with any applicable law or regulation, including, without limitation, Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318.

Section 3.12 Participations. The Issuer agrees that the Bank shall have the right to grant participations in the Bonds to one or more other banking institutions, and such participants shall be entitled to the benefits of this Agreement and the Bond Resolution, to the same extent as if they were a direct party hereto; provided, however, that no such participant shall be entitled to receive payment hereunder of any amount greater than the amount which would have been payable had the Bank not granted a participation to such participant. The Bank agrees to provide written notice to the Issuer promptly after the effective date a participation in the Bonds is agreed to by the Bank and such participant.

Section 3.13 Maintenance of Properties. The Issuer shall, and shall cause each Participant in the Financing System to, maintain, preserve and keep its property in good repair, working order and condition (ordinary wear and tear excepted).

Section 3.14 Insurance. The Issuer will maintain, and will cause each Participant in the Financing System to maintain, insurance with financially sound and reputable insurance companies or associations in such amounts and covering such risks as are usually carried by entities engaged in the same or a similar business and similarly situated, which insurance may provide for reasonable deductibles from coverage. The Issuer will upon request of the Bank furnish a certificate setting forth in summary form the nature and extent of the insurance maintained pursuant to this Section. Nothing in this Section 3.14 precludes the Issuer and any Participant from self-insuring for risks, and the Issuer will provide the Bank with a schedule of risks insured by the Issuer and any Participant through self-insurance.

Section 3.15 Existence; Licenses. The Issuer shall, and shall cause each Participant in the Financing System to, maintain its existence. The Issuer shall preserve and keep in force and effect, and cause each Participant in the Financing System to maintain all licenses, permits, franchises and qualifications necessary to the proper conduct of its business. The Issuer shall continue, and shall cause each Participant in the Financing System to continue, to engage in a business of the same general type as now conducted by it.

## ARTICLE IV

### Negative Covenants

The Issuer covenants and agrees as follows:

Section 4.01 Indebtedness. The Issuer shall not prepay any Indebtedness held by the Bank if such prepayment could reasonably be expected to result in a Material Adverse Effect, as determined by Bank in its sole discretion.

Section 4.02 Qualified Swap Agreements. The Issuer will not enter into any Qualified Swap Agreement, except (a) Qualified Swap Agreements entered into to hedge or mitigate risks to which the Issuer has actual exposure, and (b) Qualified Swap Agreements entered into in order

to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Issuer.

Section 4.03 Restrictive Agreements. The Issuer will not, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon the ability of the Issuer to create, incur or permit to exist any Lien upon any of its property or assets, provided that (i) the foregoing shall not apply to restrictions and conditions imposed by law, the Bond Resolution or this Agreement, (ii) the foregoing shall not apply to restrictions and conditions existing on the date hereof identified to the Bank in a certificate delivered to the Bank, signed by a Board Representative (but shall apply to any extension or renewal of, or any amendment or modification expanding the scope of, any such restriction or condition), (iii) the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness; and (iv) the foregoing shall not apply to customary provisions in leases and other contracts restricting the assignment thereof.

Section 4.04 Bond Resolution. Notwithstanding anything in the Bond Resolution to the contrary, the Issuer will not amend or consent to any amendment of the Bond Resolution without prior written consent of the Bank.

Section 4.05 Capital Expenditures; Operating Leases. The Issuer shall not make any capital expenditures or enter into any operating leases that could reasonably be expected to result in a Material Adverse Effect, as determined by Bank in its sole discretion.

Section 4.06 Sales and Leasebacks. Burdensome Contracts With Affiliates. Mergers; Dissolutions. Acquisitions and Loans. The Issuer will not (i) directly or indirectly, make, retain or have outstanding any loans to, any other Person except for student loans in the ordinary course of business, (ii) acquire all or any substantial part of the assets or business of any other Person for any purpose relating to the University System or any of its Participants as an institution of higher education; provided that this clause (ii) shall not prohibit the Issuer from receiving gifts or donations from any Person nor from acquiring substantially all the assets of any Person which have been gifted or donated by such Person for any purpose relating to the University System or any of its Participants as an institution of higher education, or (iii) subordinate any claim or demand it may have to the claim or demand of any other Person.

Section 4.07 Sales of Assets. The Issuer will not sell, lease, assign, transfer or otherwise dispose of any of its now owned or hereafter acquired assets; provided, however, that the foregoing shall not operate to prevent:

- (a) sales or leases of assets which do not result in a Material Adverse Effect;
- and
- (b) sale or other disposition of assets no longer used or useful in the conduct of the business the Issuer.

## ARTICLE V

### Defaults; Remedies

Section 5.01 Events of Default. If any of the following events shall occur, each such event shall be an “*Event of Default*”:

(a) payment of any installment of interest, principal or other amounts due on the Bonds or otherwise payable to the Bank is not made within [two (2)] business days of the date it becomes due and payable;

(b) subject to the representations and qualifications in Section 2.01(a) above and the continuing disclosures made in connection therewith, any material representation or warranty made by the Issuer in this Agreement (or incorporated herein by reference) or in any certificate, document, instrument, opinion or financial or other statement contemplated by or made or delivered pursuant to or in connection with this Agreement or with the Bond Resolution, shall prove to have been incorrect, incomplete or misleading in any material respect when made or deemed made;

(c) subject to the representations and qualifications in Section 2.01(a) above and the continuing disclosures made in connection therewith, default in the due observance or performance by the Issuer of any covenant set forth in Article Three hereof;

(d) default in the due observance or performance by the Issuer of any other term, covenant or agreement set forth in this Agreement or the Bond Resolution and the continuance of such default for 30 days after the occurrence thereof;

(e) any material provision of this Agreement or the Bond Resolution shall cease to be valid and binding, or the Issuer shall contest any such provision, or the Issuer or any agent or trustee on behalf of the Issuer shall deny that it has any or further liability under this Agreement or the Bond Resolution;

(f) the Issuer or any Participant in the Financing System shall (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended, (ii) not pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its property, (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, marshalling of assets, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (vi) take any action in furtherance of any matter described in parts (i) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in Section 5.01(g) hereof;

(g) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for the Issuer or any Participant in the Financing System or any substantial part of its property, or a proceeding described in Section 5.01(f)(v) shall be instituted against the Issuer or any Participant in the Financing System and such appointment continues undischarged or any such proceeding continues undismissed or unstayed for a period of 60 or more days;

(h) dissolution or termination of the existence of the Issuer or any Participant in the Financing System in a manner inconsistent with the terms of the Master Resolution;

(i) a default shall occur under any evidence of Indebtedness issued, assumed, or guaranteed by the Issuer or any Participant in the Financing System or under any indenture, agreement or other instrument under which the same may be issued, and such default shall continue for a period of time sufficient to permit the acceleration of the maturity of any such Indebtedness (whether or not such maturity is in fact accelerated) or any such Indebtedness shall not be paid when and as due (whether by lapse of time, acceleration or otherwise);

(j) any judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes in an aggregate amount in excess of \$100,000 shall be entered or filed against the Issuer or any Participant in the Financing System or against any of their property and remain unvacated, unbonded or unstayed for a period of 30 days; or

(k) a default shall occur and be continuing under any agreement between the Issuer and the Bank or under any obligation owed by the Issuer to the Bank.

Section 5.02 Remedies. Upon the occurrence of any Event of Default, the Bank may exercise any one or more of the following rights and remedies in addition to any other remedies herein or by law provided:

(a) by written notice to the Issuer, declare that the outstanding Bonds shall bear interest at the Default Rate;

(b) cease purchasing and taking delivery of installments of the Bonds under the Bond Purchase Agreement;

(c) pursue any rights and remedies it may have under the Bond Resolution; or

(d) pursue any other action available at law or in equity, other than the acceleration of the Bonds.

ARTICLE VI

Miscellaneous

Section 6.01 Severability. Any provision of this Agreement held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Agreement and the effect thereof shall be confined to the provision so held to be invalid or unenforceable.

Section 6.02 Headings. The captions in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

Section 6.03 Applicable Law. This Agreement and all other documents executed pursuant hereto shall be governed by and construed in accordance with the laws of the State.

Section 6.04 Successors and Assigns. This Agreement is binding upon and shall inure to the benefit of the Bank and the Issuer and their respective successors and assigns, except the Issuer may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Bank.

Section 6.05 Counterparts. This Agreement may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same instrument.

Section 6.06 Notices. All notices hereunder shall be given by United States certified or registered mail or by telecommunication device capable of creating written record of such notice and its receipt. Notices hereunder shall be effective when received and shall be addressed:

If to the Bank, to

JPMorgan Chase Bank, N.A.  
420 Throckmorton, Suite 400  
Fort Worth, Texas 76102  
Facsimile No.: (817) 884-4220  
Telephone No.: (817) 884-4283  
Attention: J. Michael Wilson, Senior Vice President

With a copy to

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Facsimile No.: ( ) \_\_\_\_\_  
Telephone No.: ( ) \_\_\_\_\_  
Attention: \_\_\_\_\_

If to the Issuer, to

The Board of Regents of  
the University of North Texas System  
c/o University of North Texas System  
1901 Main Street  
Dallas, Texas 75201  
Facsimile No.: ( ) \_\_\_\_\_  
Telephone No.: (214) 752-5556  
Attention: Vice Chancellor for Finance

With a copy to

University of North Texas System 1901 Main Street  
Dallas, Texas 75201  
Facsimile No.: (214) 752-5980  
Telephone No.: (214) 752-5970 \_\_\_\_\_  
Attention: Vice Chancellor & General Counsel

Section 6.07 Waiver of Rights by the Bank. No course of dealing or failure or delay on the part of the Bank in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise or the exercise of any other right or privilege. The rights of the Bank under this Agreement and the Bond Resolution are cumulative and not exclusive of any rights or remedies that the Bank would otherwise have.

Section 6.08 SECTION 26.02 NOTICE. THIS AGREEMENT AND ALL OTHER INSTRUMENTS, DOCUMENTS AND AGREEMENTS EXECUTED AND DELIVERED IN CONNECTION WITH THIS AGREEMENT EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THIS AGREEMENT, AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO.

THERE ARE NO ORAL UNWRITTEN AGREEMENTS AMONG THE PARTIES HERETO.

*[signatures begin on next page]*

Executed as of the date first written above.

ISSUER:

**BOARD OF REGENTS OF THE UNIVERSITY  
OF NORTH TEXAS SYSTEM**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Vice Chancellor for Finance

BANK:

**JPMORGAN CHASE BANK, N.A.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT F**

**FORM OF NOTICE OF ISSUANCE OF AUTHORIZED INSTALLMENT OF BONDS**

NOTICE OF ISSUANCE OF AUTHORIZED INSTALLMENT OF BONDS

The Bank of New York Mellon Trust Company,  
N.A.  
2001 Bryan Street  
11th Floor  
Dallas, Texas 75201  
Attention: Corporate Trust Services

JPMorgan Chase Bank, N.A.  
420 Throckmorton, Suite 400  
Fort Worth, Texas 76102  
Attention: J. Michael Wilson, Senior Vice President

Amount Requested: \$ \_\_\_\_\_

Re: Board of Regents of the University of North Texas System Revenue Financing System  
Direct Purchase Bonds, Series 2014 (the "Bonds")

Ladies and Gentlemen:

1. The undersigned Board Representative hereby gives notice pursuant to Section 3(a) of the NINETEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM DIRECT PURCHASE BONDS, SERIES 2014; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO (the "Nineteenth Supplement") of its intention to issue an Authorized Installment of the Bonds in the amount of \$ \_\_\_\_\_, and requests the Paying Agent/Registrar to authenticate a Bond in such amount. Defined terms used herein shall have the meaning given said terms in the Nineteenth Supplement.

2. The delivery of the Authorized Installment shall be effective on \_\_\_\_\_ [must be an Interest Payment Date, except for an Authorized Installment delivered on the Original Issue Date]. The aggregate principal amount of Bonds outstanding, upon the delivery of this Authorized Installment, is \$ \_\_\_\_\_.

3. Proceeds of this Authorized Installment of Bonds in the amount of \$ \_\_\_\_\_ shall be delivered to the University System and expended for the purposes provided in Section 2 of the Nineteenth Supplement.

4. By submitting this notice and request, the delivery of the requested Authorized Installment will not result in the Board, the University System or the Participants violating any representations, warranty, covenant or other provision of the Covenant Agreement, the Purchase Agreement or the Nineteenth Supplement.

5. The representations and warranties of the Board contained in the Covenant Agreement and the Purchase Agreement are true, complete and correct on the date hereof.

6. The certifications of the Vice Chancellor for Finance set forth in Paragraph D.7.vii of the Purchase Agreement are true, complete and correct on the date hereof.

7. No Event of Default or any event or condition which, but for the lapse of time or the giving of notice, or both, would constitute an Event of Default under the Covenant Agreement, has occurred and is continuing.

8. No litigation is pending or, to my knowledge, threatened against the University System, restraining or otherwise enjoining the issuance and delivery of an Authorized Installment or in any manner questioning the proceedings or authority by which the same is made or affecting the Bonds.

9. After due inquiry, the University System has not been advised by Bond Counsel that its bond opinion dated the Original Issue Date has been or may be withdrawn.

This \_\_\_\_\_ day of \_\_\_\_\_, 201\_.

THE UNIVERSITY OF NORTH TEXAS  
SYSTEM

By: \_\_\_\_\_  
Board Representative

APPROVED:

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Title: \_\_\_\_\_

AUTHORIZED INSTALLMENT DATED \_\_\_\_\_, 201\_:

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By: \_\_\_\_\_  
Title: \_\_\_\_\_



## Board Briefing

**Committee:** Finance Committee

**Date Filed:** May 12, 2014

**Title:** Contract Approval with Deloitte & Touche, LLP for Financial Remediation in Conjunction with UNTS Financial Transformation Projects

### Background:

Last fall, Deloitte & Touche, LLP (“Deloitte”) was engaged through the University of North Texas System Internal Audit Office to perform various projects as part of an audit-readiness program. UNT System would now like to engage Deloitte to address issues identified in the audit readiness project and for project management services associated with the System’s financial transformation project.

### Financial Analysis/History:

The total cost of the fees and expenses contracted for is expected to exceed #1 million.

**janet.waldron@  
untsystem.edu** Digitally signed by  
janet.waldron@untsystem.edu  
DN: cn=janet.waldron@untsystem.edu  
Date: 2014.05.14 13:59:23 -05'00'

Vice Chancellor for Finance

### Legal Review:

This item has been reviewed by General Counsel.

**Nancy S. Footer** Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=UNT System, ou=OGC,  
email=nancy.footer@untsystem.edu, c=US  
Date: 2014.05.14 13:46:28 -05'00'

Vice Chancellor/General Counsel

### Schedule:

Effective immediately upon Board approval.

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**Recommendation:**

It is recommended the Board of Regents approve UNT System's agreement with Deloitte & Touche, LLP.

**Recommended By:**

Janet Waldron

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Vice Chancellor for Finance

Lee  
Jackson

Digitally signed by Lee Jackson  
DN: cn=Lee Jackson, o=UNT  
System, ou=Chancellor's Office,  
email=chancellor@unt.edu,  
c=US  
Date: 2014.05.14 15:59:16  
-05'00'

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Chancellor



# UNT | SYSTEM

## Board Order

**Title:** Contract Approval with Deloitte & Touche, LLP for Financial Remediation in Conjunction with UNTS Financial Transformation Projects

### Board of Regents Order 2014-36

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on May 15, 2014, pursuant to a motion made by Regent Don Potts and seconded by Regent Steve Mitchell, the Board approved the motion presented below:

Whereas, UNT System wishes to engage Deloitte & Touche, LLP to assist with the financial transformation project.

Whereas, the fees and expenses associated with the project are estimated to exceed \$1 million;

Now, Therefore, The Board of Regents authorizes and approves the following:

1. The Chancellor or his designee to execute an agreement with Deloitte & Touche, LLP to assist with UNT System's financial transformation project.

VOTE: 8 ayes 0 nays      abstentions

### BOARD ACTION:

Attested By:

Julia A. Boyce, Secretary  
Board of Regents

Approved By:

Brint Ryan, Chairman  
Board of Regents



## Board Briefing

**Committee:** Audit Committee

**Date Filed:** April 29, 2014

**Title:** Authorization to Execute an Amendment to the Agreement between UNT System and Deloitte & Touche LLP for Audit Readiness Services

### Background:

On December 5, 2013, the UNT System Board of Regents agreed to delegate authority to the Chancellor or his designee to procure audit-readiness services not to exceed \$1 million. Deloitte & Touche, LLP "Deloitte" was engaged through the University of North Texas System Internal Audit Office to perform various projects as part of an audit-readiness program.

### Financial Analysis/History:

As stated in the Board Briefing from December 5, 2013, audit-readiness services were approved with a total cost not to exceed \$1 million without further Board approval. Additional fees for Deloitte to complete the current co-sourced projects through the University of North Texas System Internal Audit Office are estimated to be \$350,000.

janet.waldron@untsystem.edu  
em.edu

Digitally signed by  
janet.waldron@untsystem.edu  
DN: cn=janet.waldron@untsystem.edu  
Date: 2014.05.14 14:00:31 -05'00'

Vice Chancellor for Finance

### Legal Review:

This item has been reviewed by General Counsel.

Nancy S. Footer

Digitally signed by Nancy S. Footer  
DN: cn=Nancy S. Footer, o=UNT System, ou=OGC,  
email=nancy.footer@untsystem.edu, c=US  
Date: 2014.05.14 13:47:40 -05'00'

Vice Chancellor/General Counsel

**Schedule:**

Effective immediately upon Board approval.

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**Recommendation:**

It is recommended the Board of Regents approve an amendment to UNT System's agreement with Deloitte & Touche LLP for additional audit readiness services.

**Recommended By:**

Digitally signed by  
michelle.finley@untsystem.edu  
Date: 2014.05.09 14:01:09 -05'00'

**Michelle Finley**

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UNT System Chief Internal Auditor

Digitally signed by Lee Jackson  
DN: cn=Lee Jackson, o=UNT  
System, ou=Chancellor's Office,  
email=chancellor@unt.edu,  
c=US  
Date: 2014.05.14 15:59:51  
-05'00'

**Lee  
Jackson**

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Chancellor



## Board Order

**Title:** Authorization to Execute an Amendment to the Agreement between UNT System and Deloitte & Touche LLP for Audit Readiness Services

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### Board of Regents Order 2013-37

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on May 15, 2014, pursuant to a motion made by Regent Steve Mitchell and seconded by Regent Rusty Reid, the Board approved the motion presented below:

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Whereas, the Board of Regents seeks to approve additional fees associated with the completion of the current projects performed by Deloitte through the Office of Internal Audit as part of an audit-readiness project in preparation for an external audit of the University of North Texas System.

Whereas, the additional fees associated with the current project is estimated to be \$350,000.

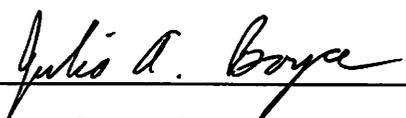
Now, Therefore, The Board of Regents authorizes and approves the following:

1. The Chancellor or his designee, on behalf of the Board of Regents Audit Committee, to execute an amendment to UNT System's agreement with Deloitte & Touche LLP for audit readiness services as described in the agreement and amendment.
- 

VOTE: 8 ayes 0 nays      abstentions

### BOARD ACTION:

Attested By:

  
\_\_\_\_\_

Julia A. Boyce, Secretary  
Board of Regents

Approved By:

  
\_\_\_\_\_

Brint Ryan, Chairman  
Board of Regents