



# UNT | SYSTEM™

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## **BOARD OF REGENTS Special Called Meeting Agenda**

April 8, 2015 – 12:00 pm  
UNT System Building  
1901 Main Street, Room 711  
Dallas, Texas

The University of North Texas System Board of Regents will convene a Special Called meeting by telephone according to the following agenda. It is necessary to conduct this special meeting by telephone because it was not possible to convene a quorum in one place in a timely manner and discussion of the agenda matters are of sufficient urgency to be considered prior to the next regularly scheduled meeting of the Board on May 21-22, 2015.

### **Call to Order**

### **Identification of Participants**

### **Action Items**

- 1. Approval of the Twentieth 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 Bonds, Series 2015; and Approving and Authorizing Instruments and Procedures Relating Thereto**
- 2. Authorization to Execute an Agreement for Acquisition of Real Property and Improvements located at 1500 North Interstate 35E, Denton, Texas**

### **Adjournment**

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## Board Briefing

**Committee:** Full Board

**Date Filed:** April 3, 2015

**Title:** Approval of the Twentieth 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 Bonds, Series 2015; and Approving and Authorizing Instruments and Procedures Relating Thereto

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### **Background:**

The University of North Texas System has been presented with a bond refunding proposal from J.P. Morgan Chase through the execution of a private placement, tax-exempt bond purchase. The proceeds of the Bond will be used to refund the System's outstanding Series 2003A and 2005 bonds, in an amount not to exceed \$39 million. The bonds of each series are subject to the redemption at the option of the System on and after April 15, 2015.

The final maturity date of the Series 2015 Refunding Bond is expected to be April 15, 2025 and would match the final maturity date of the refunded bonds. The Bond will be callable and may be prepaid in whole or in part at par, without premium or penalty, on the Optional Call Date, set to April 15, 2020.

The Bond will be secured on a senior parity basis with all obligations issued under the System's Master Resolution. In anticipation of the possible refunding, the System received a waiver from approval by the Texas Bond Review Board, dated March 26, 2015, because the outstanding obligations of the System (1) bear an unenhanced long-term debt rating of Aa2 from Moody's Investors Service and AA from Fitch Ratings, and (2) the general revenue of the State of Texas is not pledged to the payment of the Bonds.

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### **Financial Analysis/History:**

Upon receiving any necessary State regulatory approvals, the University of North Texas System may refund currently outstanding bonds if market conditions present an opportunity to reduce Tuition Revenue Bonds (TRBs) and Non-TRB debt service for the System institutions. The net present value of any savings shall be at least 3% before refunding will be pursued.

Rates and fees on the Bond are subject to market conditions at the time of the Board of Regents' vote. The indicative savings, based on rates quoted March 25<sup>th</sup>, would provide an average coupon of 2.02% and an estimated All-in True Interest Cost of approximately 2.12% compared to the average coupon of the refunded bonds at approximately 4.90%. The indicative rate would provide an estimated net present value (NPV) savings of approximately \$4.3 million, which would equate to 11.3% of the refunded bonds. The Board of Regents will be considering new rates as of April 8<sup>th</sup>, so the estimated NPV savings may be slightly less than the estimate.

As approved by the Board of Regents, the Resolution will provide the University of North Texas System authority to issue an amount not to exceed \$39 million of Revenue Financing System

Refunding Bonds to refund the outstanding Series 2003A and 2005 bonds, plus issuance costs, the Purchaser's Counsel fees, and other documentation fees.

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Vice Chancellor for Finance

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**Legal Review:**

This item has been reviewed by General Counsel.

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Vice Chancellor/General Counsel

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**Schedule:**

|                                |                |
|--------------------------------|----------------|
| Board of Regents' Approval     | April 8, 2015  |
| Attorney General Approval      | April 28, 2015 |
| Bond Closing                   | April 30, 2015 |
| Redemption Notices Distributed | April 30, 2015 |
| Series 2003A and 2005 Redeemed | June 1, 2015   |

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**Recommendation:**

It is recommended that the Board of Regents approve the Twentieth 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 Bonds, Series 2015; and Approving and Authorizing Instruments and Procedures Relating Thereto.

**Recommended By:**

Janet Waldron  

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Vice Chancellor for Finance

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Chancellor

Attachments Filed Electronically:

- Twentieth 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 Bonds, Series 2015; and Approving and Authorizing Instruments and Procedures Relating Thereto
- Bond Purchase Agreement
- Texas Bond Review Board letter waiving the approval for the proposed issuance of the above-referenced private placement bond
- Paying Agent Agreement
- Deposit Escrow Agreement



**Board Order**

**Title:** Approval of the Twentieth 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 Bonds, Series 2015; and Approving and Authorizing Instruments and Procedures Relating Thereto

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on April 8, 2015, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

Whereas, the University of North Texas System wishes to consider refinancing Bond Series 2003A and 2005 using proceeds from the University of North Texas System Revenue Financing System Refunding Bond, Series 2015, and

Whereas, the Refunding Bonds would provide the University of North Texas System and the System institutions with an interest cost savings without an extension of final maturity on the Refunded Bonds,

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

- 1. Twentieth 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 Bond, Series 2015; and Approving and Authorizing Instruments and Procedures Relating Thereto.

VOTE: \_\_\_\_\_ ayes      \_\_\_\_\_ nays      \_\_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

\_\_\_\_\_  
Rosemary R. Haggett, Secretary  
Board of Regents

\_\_\_\_\_  
Brint Ryan, Chairman  
Board of Regents

**TWENTIETH 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 BONDS, SERIES 2015; AND APPROVING AND AUTHORIZING  
INSTRUMENTS AND PROCEDURES RELATING THERETO**

TWENTIETH 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 BONDS, SERIES 2015; AND  
APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES  
RELATING THERETO

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**TWENTIETH 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 BONDS, SERIES 2015; 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 authority under the Sixteenth Supplement to issue bonds has expired and none of the bonds authorized by the Sixteenth Supplement were 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, on May 15, 2014, the Board adopted a "**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"); and

WHEREAS, the Nineteenth Supplement authorizes the issuance of bonds in installments in an aggregate principal amount not to exceed \$120,000,000, and as of the date this Twentieth Supplement is approved, \$51,500,000 of the bonds authorized by the Nineteenth 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 the authority to issue Parity Obligations under the Sixteenth Supplement has expired; 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 "Twentieth 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 Twentieth Supplement (the "Bonds") are to be issued and delivered under authority of applicable provisions of Chapter 1207, Texas Government 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 Twentieth Supplement, the terms used in this Twentieth 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 Twentieth 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 REFUNDING BONDS, SERIES 2015**", are hereby authorized to be issued and delivered, in the aggregate principal amount of \$\_\_\_\_,000,000, **FOR THE PURPOSE OF (i) REFUNDING THE REFUNDED BONDS, AND (ii) PAYING THE COSTS OF ISSUANCE RELATED TO THE SALE OF THE BONDS.**

(b) *Refunding.* The Bonds are being issued by the Board under authority of Chapter 1207, Texas Government Code. The refunding of the Refunded Bonds will produce a net present value savings of \$\_\_\_\_\_ and a gross savings of \$\_\_\_\_\_. The refunding of the Refunded Bonds in the manner provided by this Twentieth Supplement constitutes a public purpose under the laws of the State of Texas.

Section 3. **DATE, DENOMINATIONS, NUMBERS, MATURITIES AND TERMS OF BONDS.** (a) *Issuance of Bonds.* The Bonds will be issued on, and will be dated as of, the Original Issue Date. The Bonds 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"). The Bonds shall mature on April 15, 2025, and shall be subject to optional and mandatory sinking fund redemption on the dates and in the manner provided in the FORM OF BOND.

(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, bearing interest at the Interest 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, (v) may be subject to redemption prior to their Stated Maturity, (vi) shall be signed and sealed, and (vii) 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.

(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 Twentieth Supplement for all purposes.

Section 4. **INTEREST.** The Bonds shall bear interest at the Interest Rate calculated on the basis of a 360-day year composed of twelve 30-day months from the Issue Date until payment of the principal amount thereof at maturity or prior redemption.

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 Twentieth 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 Twentieth 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 Twentieth 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. The Bonds issued and delivered pursuant to this Twentieth Supplement in exchange for the Initial Bond and thereafter 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 Twentieth Supplement the Paying Agent/Registrar shall execute the Authentication Certificate.

(f) **Transfer, Exchange, or Replacement.** Each Bond issued and delivered pursuant to this Twentieth 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 Twentieth Supplement shall constitute one of the Bonds for all purposes of this Twentieth 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 Twentieth 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 Twentieth 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 Twentieth 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 Twentieth 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 Twentieth Supplement, and a certified copy of this Twentieth Supplement shall be delivered to each Paying Agent/Registrar.

(h) ***Notice of Redemption.*** Notice of redemption shall be provided to the extent required and in the manner set forth in the FORM OF BONDS. 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.

(i) ***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, with respect to the Initial Bonds, the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas, shall be, respectively, substantially as set forth in Exhibit B, with such appropriate variations, omissions, or insertions as are permitted or required by this Twentieth 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 Twentieth 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 Twentieth 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 Twentieth Supplement equally and proportionately with any and all other Bonds duly issued under this Twentieth 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 Twentieth Supplement for Bonds issued in exchange and replacement for other Bonds.

Section 11. **AMENDMENT OF SUPPLEMENT.** (a) ***Amendments Without Consent.*** This Twentieth 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 Twentieth 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 Twentieth Supplement;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Twentieth 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 Twentieth 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 Twentieth 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 Twentieth 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 Twentieth 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 Twentieth 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 Twentieth 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 thirty (30) 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 Twentieth Supplement pursuant to the provisions of this Section, this Twentieth 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 Twentieth Supplement, as amended.

(f) *Consent Irrevocable.* Any consent given in writing 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. The Bank has represented to the Issuer that it has the authority to act on behalf of the Purchaser in giving approvals and consents as set forth in this Twentieth Supplement.

(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.

(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 Twentieth 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) **Written Procedures.** Written procedures have been established by the Vice Chancellor for Finance for the University System regarding private business use, remedial action, arbitrage and rebate and the application of the covenants set forth in this Section, and the written procedures shall apply to the Bonds.

(c) **Disposition of Project.** The Board covenants that none of the property constituting a Project financed or refinanced with the proceeds of the Refunded Bonds or 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 Refunded Bonds or 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.

Section 13. **DEPOSIT AGREEMENT.** The Board shall cause to be deposited with the Deposit Agent (as named in the hereinafter approved Deposit Agreement), from the proceeds received from the sale of the Bonds sold for such purpose and other available moneys of the Board, an amount sufficient to provide for the refunding of the Refunded Bonds in accordance with the Act. The Vice Chancellor for Finance for the University System is hereby authorized, for and on behalf of the Board, to execute and deliver the Deposit Agreement to accomplish the establishing of firm banking arrangements in connection with the refunding of the Refunded Bonds, in the form attached hereto as Exhibit E, with such changes as the Vice Chancellor for Finance for the University System deems necessary to effect the sale of the Bonds issued for such purpose.

Section 14. **TWENTIETH 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 Twentieth 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 Twentieth Supplement by the Board and the covenants and agreements set forth in this Twentieth 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 Twentieth 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 Twentieth 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 TWENTIETH SUPPLEMENT.** With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Twentieth 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 Twentieth Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Twentieth 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 Twentieth Supplement is hereby adopted and made a part of this Twentieth 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 2015, 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 Twentieth 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 Twentieth Supplement for purposes of any other provision of this Twentieth 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 Twentieth 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. **REDEMPTION OF THE REFUNDED BONDS.** In connection with the refunding of the Refunded Bonds, the Board hereby authorizes each Board Representative to effect the redemption of the Refunded Bonds and the giving of notice of redemption of the Refunded Bonds, on their respective redemption dates, as determined by the Board Representative, in the manner provided in the Supplements pursuant to which the Refunded Bonds were issued.

Section 23. **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 \$\_\_\_,000.

Section 24. **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 Twentieth Supplement, are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

Section 25. **RULES OF CONSTRUCTION.** For all purposes of this Twentieth Supplement, unless the context requires otherwise, all references to designated Sections and other subdivisions are to the Sections and other subdivisions of this Twentieth Supplement. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Twentieth

Supplement as a whole and not to any particular Section or other subdivision. Except where the context otherwise requires, terms defined in this Twentieth 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 Twentieth Supplement is adopted by the Board and any future amendments thereto or successor provisions thereof. Any reference to the payment of principal in this Twentieth 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 Twentieth Supplement.

Section 26. **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 Twentieth Supplement was adopted; that this Twentieth Supplement would be introduced and considered for adoption at said meeting and 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.

## **EXHIBIT A DEFINITIONS**

As used in this Twentieth 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 1207, Texas Government Code.

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

The term "*Bank*" shall mean JPMorgan Chase Bank, National Association, and its successors and assigns.

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 Twentieth Supplement as Exhibit C.

The term "*Bonds*" shall mean the Twentieth Series Bonds, and all substitute bonds exchanged therefor, and all other substitute and replacement bonds issued pursuant to this Twentieth 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 "*Deposit Agent*" shall mean the financial institution named in the Deposit Agreement, as determined by the Vice Chancellor for Finance for the University System.

The term "*Deposit Agreement*" shall mean the Deposit Agreement between the Board and the Deposit Agent, executed in connection with the refunding of the Refunded Bonds.

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

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 "*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 "*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 Bond delivered to the Purchaser in exchange for the purchase price of the Bonds as set forth in the Bond Purchase Agreement.

The term "*Interest Payment Date*" shall mean October 15, 2015, and each April 15 and October 15 thereafter until maturity or prior redemption.

The term "*Interest Rate*" shall mean \_\_\_\_% per annum.

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 "*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 Direct Purchase Bonds, Series 2014, authorized by the Nineteenth Supplement.

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

The term "*Notice Address*" shall mean the notice address for the Board, the Bank and the Purchaser set forth in the Bond Purchase Agreement.

The term "*Original Issue Date*" shall mean the initial date of delivery of the Bonds to the Purchaser.

The terms "*Paying Agent/Registrar*", "*Paying Agent*" or "*Registrar*" shall mean the agent appointed pursuant to Section 5 of this Twentieth 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 Twentieth 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 DNT Asset Trust.

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 "*Refunded Bonds*" shall mean the Eighth Series Bonds maturing on April 15 in each of the years 2016 and 2017, in the aggregate principal amount of \$4,375,000, and the Eleventh Series Bonds maturing on April 15 in each of the years 2016 through 2025, inclusive, in the aggregate principal amount of \$33,510,000.

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

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 "*Twentieth Series Bonds*" shall mean the Bonds authorized by this Twentieth Supplement.

The term "*Twentieth Supplement*" shall mean this resolution authorizing the 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 Twentieth 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 REFUNDING BOND,  
SERIES 2015

|                          |                          |                   |  |
|--------------------------|--------------------------|-------------------|--|
| NO. ___-__               |                          |                   | <b>PRINCIPAL<br/>AMOUNT</b><br>\$_____ |
| <u>INTEREST<br/>RATE</u> | <u>MATURITY<br/>DATE</u> | <u>ISSUE DATE</u> |  |
| _____%                   | April 15, 2025           | _____, 2015       |  |

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 Interest Rate, specified above, calculated on the basis of a 360-day year composed of twelve 30-day months, from the Issue Date, 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.

INTEREST ON EACH BOND will be paid at the Interest Rate, specified above, as 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, specified above.

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 \$37,885,000, issued pursuant to a Twentieth Supplemental Resolution to the Master Resolution adopted April \_\_, 2015, and pursuant to the Master Resolution referred therein (collectively, the "Bond Resolution"), FOR THE PURPOSE OF (i) REFUNDING THE REFUNDED BONDS 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.

ON April 15, 2020, and on any date thereafter, 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, at par and accrued interest to the date fixed for redemption.

THE BONDS are subject to mandatory redemption in part by lot pursuant to the terms of the Bond Resolution, on April 15 in each of the years 2016 through 2024, inclusive, in the following years and in the following amounts, at a price equal to the principal amount thereof and accrued and unpaid interest to the date of redemption, without premium:

| <u>Year</u> | <u>Principal Amount (\$)</u> |
|-------------|------------------------------|
| 2016        | 6,300,000                    |
| 2017        | 6,635,000                    |
| 2018        | 4,610,000                    |
| 2019        | 4,850,000                    |
| 2020        | 2,285,000                    |
| 2021        | 2,400,000                    |
| 2022        | 2,510,000                    |
| 2023        | 2,635,000                    |
| 2024        | 2,770,000                    |
| 2025*       | 2,890,000                    |

\* Final Maturity

To the extent, however, that Bonds subject to sinking fund redemption have been previously purchased or called for redemption in part and otherwise than from a sinking fund redemption payment, each annual sinking fund payment for such Bond shall be reduced by the amount obtained by multiplying the principal amount of Bonds so purchased or redeemed by the ratio which each remaining annual sinking fund redemption payment for such Bonds bears to the total remaining sinking fund payments, and by rounding each such payment to the nearest \$5,000 integral.

FOR SO LONG AS THE REGISTERED OWNER OF ONE HUNDRED PERCENT (100%) OF THE BONDS IS THE PURCHASER OR A SINGLE ASSIGNEE OF THE PURCHASER, AS FURTHER PROVIDED FOR IN THE BOND PURCHASE AGREEMENT, NOTICE OF A REDEMPTION OF THE BONDS AS DESCRIBED ABOVE SHALL NOT BE REQUIRED.

THE FOREGOING PARAGRAPH NOTWITHSTANDING, if an owner of any Bond is not the Purchaser or a single assignee of the Purchaser, at least 30 days prior to the date fixed for any such redemption a written notice of such redemption shall be given to the registered owner of each Bond or a portion thereof being called for redemption by depositing such notice in the United States mail, first class postage prepaid, addressed to each such registered owner at his address shown on the Registration Books of the Paying Agent/Registrar. Any notice so mailed shall be conclusively presumed to have been duly given notwithstanding whether one or more registered owners may have failed to have received such notice. By the date fixed for any such redemption due provision shall be made by the Issuer with the Paying Agent/Registrar for the payment of the required redemption price for this Bond or the portion hereof which is to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, this Bond, or the portion hereof which is to be so redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price plus accrued interest to the date fixed

for redemption from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such redemptions of principal of this Bond or any portion hereof. 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 denomination or denominations in any integral multiple of \$5,000 (an "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 Issuer, 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 30 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.

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

(BOARD SEAL)

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

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 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 there is on file and of record in my office a true and correct copy of the opinion of the Attorney General of the State of Texas approving this Bond and that this Bond has been registered this day by me.

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

**EXHIBIT D**

FORM OF PAYING AGENT/REGISTRAR AGREEMENT

**EXHIBIT E**

FORM OF DEPOSIT AGREEMENT

April 8, 2015

Board of Regents of The University of  
North Texas System  
1901 Main Street  
Dallas, Texas 75201

Re: \$37,885,000 Board of Regents of The University of North Texas Revenue  
Financing System Refunding Bonds, Series 2015, dated the Original Issue  
Date

Ladies and Gentlemen:

DNT Asset Trust, Fort Worth, Texas and its successors or assigns as restricted herein (collectively, the "Purchaser") hereby offers to purchase from the Board of Regents of The University of North Texas System (the "Issuer") the captioned Bonds (the "Bonds"), and, upon acceptance of this offer by the Issuer, such offer will become a binding agreement between the Purchaser and the Issuer. This offer must be accepted by 11:59 pm, Fort Worth time, April 8, 2015, and if not so accepted will be subject to withdrawal. Capitalized terms not otherwise defined herein shall have the meanings assigned such terms in the Bond Resolution (defined below).

1. Purchase Price: The purchase price for the Bonds will be at par.
2. Terms of Bonds: The Bonds shall consist of one term bond in the principal amount of \$37,885,000 maturing on April 15, 2025, bearing interest from the date of initial delivery of the Bonds to the Purchaser at an interest rate of \_\_\_\_\_% per annum with interest, being payable on October 15, 2015, and semiannually on each April 15 and October 15 thereafter, and with mandatory sinking fund redemption payments as set forth on Schedule I hereto. The Bonds shall have such other terms and conditions as are set forth in the Amended and Restated Master Resolution, adopted by the Board of Regents of the Issuer on February 12, 1999 (the "Master Resolution") and the twentieth supplemental resolution adopted by the Board on April 8, 2015 (the "Twentieth Supplemental Resolution", and together with the Master Resolution, the "Bond Resolution"). The Purchaser acknowledges receipt prior to the date hereof of the Master Resolution and a draft of the Twentieth Supplemental Resolution. The Bonds shall be secured by and payable from the Pledged Revenues, as defined in the Bond Resolution. The Bonds are subject to optional redemption prior to their scheduled maturity in the manner provided in the Twentieth Supplemental Resolution.
3. Closing: At the Closing (defined below) the Issuer shall deliver and the Purchaser shall purchase the Bonds. Upon payment of the purchase price therefor, the Issuer shall deliver the Bonds to the Purchaser. Payment of the purchase price and delivery of the Bonds shall occur at 10:00 a.m. Central time, on April 30, 2015, as determined by the Issuer and agreed to by the Purchaser, or at such other time as shall be mutually agreed upon (hereinafter referred to as the "Closing" and the "Closing Date," as applicable). The Closing shall take place at the offices of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, or such other location as may be mutually agreed upon.
4. Conditions to Closing: The Purchaser shall not have any obligation to consummate the purchase of the Bonds unless the following requirements have been satisfied prior to Closing:
  - (a) The Issuer shall have adopted the Twentieth Supplemental Resolution authorizing the issuance of the Bonds.

- (b) The Purchaser shall have received a certified copy of the Bond Resolution.
- (c) The Purchaser shall have received a certificate executed by the Vice Chancellor for Finance for the University System that no litigation of any nature has been filed or, to the best of his knowledge, threatened, pertaining to, affecting or contesting: (a) the issuance, delivery, payment, security or validity of the Bonds; (b) the ability of the Issuer or the authority of the officers of the Issuer to issue, execute and deliver the Bonds; or (c) the validity of the corporate existence of the Issuer.
- (d) McCall, Parkhurst & Horton L.L.P., Bond Counsel, shall have issued their approving legal opinion as to the due authorization, issuance and delivery of the Bonds and as to the exemption of the interest thereon from federal income taxation.
- (e) The Bonds shall have been approved by the Attorney General of the State of Texas and shall have been registered by the Comptroller of Public Accounts of the State of Texas.
- (f) Nothing shall have occurred prior to the Closing which in the reasonable opinion of the Purchaser has had or could reasonably be expected to have a materially adverse effect on the Issuer's business, property or financial condition.
- (g) The Issuer shall pay all fees, costs and expenses incurred in connection with the issuance, sale and delivery of the Bonds, including without limitation the fees and expenses of Purchaser's Counsel not to exceed \$25,000.

5. Nature of Purchase:

- (a) The Purchaser acknowledges that no official statement or other disclosure or offering document has been prepared in connection with the issuance and sale of the Bonds. The Purchaser is a Qualified Institutional Buyer (as defined in Rule 144A under the Securities Act of 1933, as amended), accustomed to purchasing tax-exempt obligations such as the Bonds. McCall, Parkhurst & Horton L.L.P., Bond Counsel, have not undertaken steps to ascertain the accuracy or completeness of information furnished to the Purchaser with respect to the Issuer or the Bonds, and the Purchaser has not looked to either firm for, nor has either firm made, any representations to the Purchaser with respect to that information. The Purchaser has satisfied itself that it may lawfully purchase the Bonds. The Bonds (i) are not being registered under the Securities Act of 1933 and are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state; (ii) will not be listed on any stock or other securities exchange; and (iii) will not carry any rating from any rating service. The Purchaser is familiar with the financial condition and affairs of the Issuer, particularly with respect to its ability to pay tax supported obligations such as the Bonds. The Purchaser has had the opportunity to obtain information from the Issuer regarding the financial condition of the Issuer, and 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 Purchaser is purchasing the Bonds for its own account or for that of an affiliate as evidence of a loan to the Issuer, and has no intention to make a public distribution or sale of the Bonds. Except for a transfer to an affiliate of the Purchaser, in no event will the Purchaser (or such affiliate) sell the Bonds, other than through loan participations to a

purchaser which is a Qualified Institutional Buyer (as defined in Rule 144A under the Securities Act of 1933, as amended).

- (b) The Issuer acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the Issuer and the Purchaser and its affiliates, (ii) in connection with such transaction, the Purchaser and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the Issuer, (iii) the Purchaser and its affiliates are relying on one or more exemptions in the Municipal Advisor Rules, (iv) the Purchaser and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Purchaser, or any affiliate of the Purchaser, has provided other services or advised, or is currently providing other services or advising the Issuer on other matters), (v) the Purchaser and its affiliates have financial and other interests that differ from those of the Issuer, and (vi) the Issuer has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.
6. Representations of the Issuer: The Issuer makes the following representations as of the date of this Purchase Agreement, all of which will survive the purchase of the Bonds:

A. The University System has identified certain financial issues that are expected to be material to UNT (hereinafter defined) and to the consolidated financial statement for the University System. The financial issues include:

i. As previously disclosed, the Issuer elected to have an independent public accounting firm conduct an external audit of financial statements for fiscal year ending August 31, 2014, to evaluate financial reporting processes, transactions, and internal controls. The Board has engaged Grant Thornton LLP to conduct the external audit, and the firm is expected to present its findings in May 2015.

ii. The Issuer restated its net position for the fiscal year ending August 31, 2013, in its filing of unaudited financial statements for the fiscal year ending August 31, 2014, with the Texas Comptroller of Public Accounts. The net decrease in net position as of August 31, 2013, of \$12,832,263 was less than the preliminary estimations as reported in the Issuer's previous continuing disclosure dated May 28, 2014, and represents the net effect of several adjustments, which include corrections necessary to address a UNT System Internal Audit report regarding a year-end adjusting journal entry to accounts receivable that was publicly released on April 17, 2014. The restatement of net position included \$8,804,450 of net increases in net position from debt- and revenue-related adjustments offset by \$21,636,713 of net decreases in net position from adjustments related to capital assets, vendor payables, claims and contingencies liabilities, and cash and liabilities for payroll.

iii. In the fall of 2013, UNT System Internal Audit began an investigation into the method of obtaining payment of state-funded benefits associated with certain salaries at the University of North Texas (“UNT”) which were funded by local funds as opposed to state appropriations. The investigation determined that UNT received excess state benefits during the period September 1, 2003, through April 30, 2012. During the fiscal year ending August 31, 2014, incurrence of a loss in the amount of \$4.7 million was considered probable and this amount was accrued as a liability for this loss contingency in the Issuer’s financial statements for that fiscal year. UNT voluntarily repaid \$4.7 million to the Texas Comptroller on February 11, 2015. Incurrence of additional loss is considered reasonably possible at this time. The amount of additional loss would be within a range of \$-0- to \$64.6 million, and no best estimate of loss within this range can be determined at this time. The Issuer and UNT are in discussions with State of Texas officials regarding the method and amount of repayment of additional amounts, if any, and discussion are expected to continue through the current Texas legislative session.

iv. 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 contemporaneously provide the Bank copies of such updates in an electronic format acceptable to the Bank.

B. The University System and each Participant in the Financing System 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.

C. 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, (ii) to adopt the Bond Resolution, to pledge the Pledged Revenues in the manner provided in the Bond Resolution, and (iii) to issue, sell and deliver the Bonds as Parity Obligations to the Purchaser as provided herein and in the Resolution; and the Board has, and on the Issue Date will have, 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, the Bond Resolution, and this Purchase Agreement.

D. 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. This Purchase Agreement has been duly executed and delivered by the Board Representative and will constitute a legal, valid and binding obligation of the Board, enforceable in accordance with its terms.

E. This Purchase 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.

F. The Bond Resolution creates a valid lien on the Pledged Revenues, and when delivered to and paid for by the Purchaser in accordance with the terms of this Purchase 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 Bond Resolution, 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 Bond Resolution.

G. Subject to the representations and qualifications set forth in Section 6.A 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.

H. Subject to the representations and qualifications set forth in Section 6.A 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.

I. 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 Purchase Agreement or to sell and deliver the Bonds and Authorized Installments thereof will be obtained prior to the Closing.

J. Subject to the representations and qualifications set forth in Section 6.A above, the financial data of the University System and the Participants provided to the 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.

K. Subject to the representations and qualifications set forth in Section 6.A above, subsequent to the respective dates as of which information has been provided or made available to the 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.

L. Subject to the representations and qualifications set forth in Section 6.A 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 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.

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

N. The Board Representative has been duly authorized to act on behalf of the Board for the purpose of selling the Bonds to the Purchaser, 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 Board.

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

P. None of the events or matters described in Section 6.A above will preclude nor adversely affect the authority of the Issuer to perform its obligations, including its payment obligations, under the Bond Resolution or this Purchase Agreement. As of the date of this Purchase Agreement, the Issuer reasonably believes that none of the events or matters described in Section 6.A above will preclude the Issuer from performing its obligations, including its payment obligations, under the Bond Resolution or this Purchase Agreement.

Q. The proceeds of the sale of the Bonds shall be applied to the refunding of the Refunded Bonds and paying costs of issuance of the Bonds in accordance with the terms of the Twentieth Supplemental Resolution.

R. The outstanding amount of all Parity Obligations, upon the delivery of the Bonds and the refunding of the Refunded Bonds, is \$496,087,000.

7. Representative. JPMorgan Chase Bank, N.A., its successors or assigns (the "Bank"), or any other entity subsequently appointed by the majority of the registered owners of the Bonds, shall act as the representative on behalf of the registered owners of the Bonds and shall be the party which provides consent, direct remedies and takes all actions on behalf of the registered owners of the Bonds under this Purchase Agreement, the Bond Resolution, the Bonds or any combination of the foregoing.
8. No Oral Agreements: To the extent allowed by law, the parties hereto agree to be bound by the terms of the following notice: THIS PURCHASE AGREEMENT, THE BOND RESOLUTION, THE ATTORNEY GENERAL OPINION, THE OPINION OF BOND COUNSEL AND THE BONDS TOGETHER REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES REGARDING THIS TRANSACTION AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES RELATING TO THIS TRANSACTION.
9. Waiver of Jury Trial. TO THE EXTENT ALLOWED BY LAW, EACH PARTY HERETO HEREBY WAIVES, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS PURCHASE AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS PURCHASE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.
10. Notice Address. Notices to be provided to the Bank, the Purchaser and the Issuer shall be provided as follows:

(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 Purchaser:

DNT Asset Trust  
c/o JPMorgan Chase Bank, N.A.  
100 North Broadway, 4th Floor  
TX22-N302  
Oklahoma City, Oklahoma 73102  
Attention: Brenda Maxey  
Telephone: (405) 231-6019  
E-mail: brenda.k.maxey@jpmorgan.com

(c) for the Issuer:

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

11. Covenants. The Issuer covenants and agrees as follows:

- (a) Financial Covenants. The Issuer covenants and agrees: (i) to maintain all covenants contained in the Bond Resolution, and the Bank and Purchaser 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.
- (b) 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.

12 Survival. This agreement shall survive the closing of the sale of the Bonds and shall remain in full force and effect until the Bonds have been repaid in full.

*{Signatures begin on next page}*

If this purchase agreement meets with the Issuer's approval, please execute it in the place provided below.

DNT ASSET TRUST

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

Name: Lindsay Schelstrate

Title: Authorized Officer

ACCEPTED BY THE BOARD OF REGENTS OF  
THE UNIVERSITY OF NORTH TEXAS

\_\_\_\_\_  
Janet Waldron  
Vice Chancellor for Finance

(SEAL)

## **SCHEDULE I**

### **Mandatory Sinking Fund Redemptions**

The Bonds are subject to mandatory sinking fund redemption pursuant to the terms of the Twentieth Supplemental Resolution, on April 15 in the following years and in the following amounts, at a price equal to the principal amount thereof and accrued and unpaid interest to the date of redemption, without premium:

| <b><u>Year</u></b> | <b><u>Principal Amount (\$)</u></b> |
|--------------------|-------------------------------------|
| 2016               | 6,300,000                           |
| 2017               | 6,635,000                           |
| 2018               | 4,610,000                           |
| 2019               | 4,850,000                           |
| 2020               | 2,285,000                           |
| 2021               | 2,400,000                           |
| 2022               | 2,510,000                           |
| 2023               | 2,635,000                           |
| 2024               | 2,770,000                           |
| 2025*              | 2,890,000                           |

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\* Final Maturity



## TEXAS BOND REVIEW BOARD

Governor Greg Abbott, Chairman  
Lieutenant Governor Dan Patrick  
Speaker Joe Straus  
Comptroller Glenn Hegar

Robert C. Kline  
Executive Director

March 26, 2015

Ms. Janet Waldron  
Vice Chancellor for Finance  
University of North Texas System  
1901 Main Street  
Dallas, Texas 75201

Re: Board of Regents of The University of North Texas System  
Revenue Financing System Refunding Bonds, Series 2015

Dear Ms. Waldron:

Please be advised, with respect to the proposed issuance of the above-referenced bonds (the "Bonds"), to be purchased by JPMorgan Chase Bank, National Association, as a private placement, that pursuant to Section 1231.041(b), Texas Government Code, the issuance of the Bonds by The University of North Texas System is exempt from approval by the Texas Bond Review Board, because (1) the outstanding obligations of the System bear an unenhanced long-term debt rating of Aa2 from Moody's Investors Services, Inc. and AA from Fitch Ratings, and (2) the general revenue of the State of Texas is not pledged to the payment of the Bonds.

Sincerely,

A handwritten signature in black ink that reads "Robert C. Kline".

Robert C. Kline  
Executive Director  
Texas Bond Review Board

## **PAYING AGENT AGREEMENT**

THIS AGREEMENT entered into as of April 8, 2015 (this "Agreement"), by and between the Board of Regents of The University of North Texas System (the "Issuer"), and JPMorgan Chase Bank, National Association, a national banking association duly organized and existing under the laws of the United States of America (the "Bank").

### **RECITALS**

WHEREAS, the Issuer has duly authorized and provided for the issuance of its Board of Regents of The University of North Texas System Revenue Financing System Refunding Bonds, Series 2015, in the aggregate principal amount of \$37,885,000 (the "Securities"), with such Securities to be issued in fully registered form only as to the payment of principal and interest thereon; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on said Securities and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities.

NOW, THEREFORE, it is mutually agreed as follows:

### **ARTICLE ONE**

#### **APPOINTMENT OF BANKS AS PAYING AGENT AND REGISTRAR**

##### **Section 1.01. Appointment.**

The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities, and, as Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof; all in accordance with this Agreement and the "Bond Resolution" (hereinafter defined). The Issuer hereby appoints the Bank as Registrar with respect to the Securities and, as Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange hereof as provided herein and in the "Bond Resolution".

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

##### **Section 1.02. Compensation.**

As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Schedule A attached hereto for the first year of this Agreement and thereafter the fees and amounts set forth in the Bank's current fee schedule then in effect for services as Paying Agent/Registrar for municipalities, which shall be supplied to the Issuer on or before 90 days prior to the close of the Fiscal Year of the Issuer, and shall be effective upon the first day of the following Fiscal Year.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

## **ARTICLE TWO DEFINITIONS**

### **Section 2.01. Definitions.**

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

"Acceleration Date" on any Security means the date on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

"Bank Office" means the principal corporate trust office of the Bank as indicated on the signature page hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

"Bond Resolution" means the ordinance of the governing body of the Issuer pursuant to which the Securities are issued, certified by the Vice Chancellor for Finance of the University of North Texas System or any other officer of the Issuer and delivered to the Bank.

"Code" means the Internal Revenue Code of 1986, as amended.

"Fiscal Year" means the fiscal year of the Issuer, ending August 31 or such other date as may be established by Issuer with written notice to Bank.

"Holder" and "Security Holder" each means the Person in whose name a Security is registered in the Security Register.

"Issuer Request" and "Issuer Order" means a written request or order signed in the name of the Issuer by the Chancellor or the Vice Chancellor for Finance of the University of North Texas System, any one or more of said officials, and delivered to the Bank.

"Legal Holiday" means a day on which the Bank is required or authorized to be closed.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

"Predecessor Securities" of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Bond Resolution).

"Redemption Date" when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms of the Bond Resolution.

"Responsible Officer" when used with respect to the Bank means the Chairman or Vice-Chairman of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Security Register" means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfer of the Securities.

"Stated Maturity" means the date specified in the Bond Resolution the principal of a Security is scheduled to be due and payable.

#### **Section 2.02. Other Definitions.**

The terms "Bank," "Issuer," and "Securities (Security)" have the meanings assigned to them in the recital paragraphs of this Agreement.

The term "Paying Agent/Registrar" refers to the Bank in the performance of the duties and functions of this Agreement.

### **ARTICLE THREE PAYING AGENT**

#### **Section 3.01. Duties of Paying Agent.**

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date, or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the Bank's Fort Worth, Texas office.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and preparing and sending checks by United States mail, first class postage prepaid, on each payment date, to the Holders of the Securities (or their Predecessor Securities) on the Record Date, to the address appearing on the Security Register or by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder's risk and expense.

**Section 3.02. Payment Dates.**

The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Bond Resolution.

**ARTICLE FOUR  
REGISTRAR**

**Section 4.01. Security Register - Transfers and Exchanges.**

The Bank agrees to keep and maintain for and on behalf of the Issuer, and to make available at the Bank Office, books and records (herein sometimes referred to as the "Security Register") for recording the names and addresses of the Holders of the Securities and the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and Bank may prescribe. All transfers, exchanges and replacement of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers, in form satisfactory to the Bank, duly executed by the Holder hereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

#### **Section 4.02. Certificates.**

The Issuer shall provide an adequate inventory of printed Securities to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Securities will be kept in safekeeping pending their use and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other governments or corporations for which it serves as registrar, or that is maintained for its own securities.

#### **Section 4.03. Form of Security Register.**

The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilized at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

#### **Section 4.04. List of Security Holders.**

The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, or as otherwise required by law.

#### **Section 4.05. Destruction of Cancelled Certificates.**

The Bank will, at such reasonable intervals as it determines, deliver to the Issuer, evidence that Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid, have been destroyed.

#### **Section 4.06. Mutilated, Destroyed, Lost or Stolen Securities.**

The Issuer hereby instructs the Bank, subject to the applicable provisions of the Bond Resolution, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an overissuance.

In case any Security shall be mutilated, or destroyed, lost or stolen, the Bank, in its discretion, may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such destroyed lost or stolen Security, only after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, or destroyed, lost or stolen.

**Section 4.07. Transaction Information to Issuer.**

The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

**ARTICLE FIVE  
THE BANK**

**Section 5.01. Duties of Bank.**

The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

**Section 5.02. Reliance on Documents, Etc.**

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing

statement, the Bank need not examine the ownership of any Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document supplied by Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

**Section 5.03. Recitals of Issuer.**

The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

**Section 5.04. May Hold Securities.**

The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

**Section 5.05. Monies Held by Bank.**

Money deposited by the Issuer with the Bank for payment of principal (or Redemption Price, if applicable) of or interest on any Securities shall be segregated from other funds of the Bank and the Issuer and shall be held in trust for the benefit of the Holders of such Securities.

All money deposited with the Bank hereunder shall be secured in the manner and to the fullest extent required by law for the security of funds of the Issuer, including specifically to provide for the collateralization of funds not covered by federal deposit insurance.

Subject to the Unclaimed Property Laws of the State of Texas, any money deposited with the Bank for the payment of the principal, premium (if any), or interest on Security and remaining unclaimed for three years after the final maturity of the Security has become due and payable will be paid by the Bank to the Issuer if the Issuer so elects, and the Holder of such Security shall hereafter look only to the Issuer for payment thereof, and all liability of the Bank with respect to such moneys shall thereupon cease. If the Issuer does not elect, the Bank is directed to report and dispose of the funds in compliance with Title Six of the Texas Property Code, as amended.

**Section 5.06. Indemnification.** To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

**Section 5.07. Interpleader.**

The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the State of Texas and the county where the Administrative offices of the Issuer is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

**Section 5.08. DTC Services.**

It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the "Operational Arrangements", effective August 1, 1987, which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

**ARTICLE SIX  
MISCELLANEOUS PROVISIONS**

**Section 6.01. Amendment.**

This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

**Section 6.02. Assignment.**

This Agreement may not be assigned by either party without the prior written consent of the other.

**Section 6.03. Notices.**

Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown below.

**Section 6.04. Effect of Headings.**

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

**Section 6.05. Successors and Assigns.**

All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

**Section 6.06. Severability.**

In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**Section 6.07. Benefits of Agreement.**

Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

**Section 6.08. Entire Agreement.**

This Agreement and Bond Resolution constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar, and if any conflict exists between his Agreement and the Bond Resolution, the Bond Resolution shall govern.

**Section 6.09. Counterparts.**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

**Section 6.10. Termination.**

This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders hereof or (ii) may be earlier terminated by either party upon thirty (30) days written notice by either party; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted thereby and (b) notice has been given to the

Holders of the Securities of the appointment of a successor Paying Agent/Registrar. In the event this Agreement is so terminated, then the Bank agrees, upon request by the Issuer, to give written notice to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. All expenses for such notice shall be approved by the Issuer and thereupon paid in advance by the Issuer. Furthermore, the Bank and Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

**Section 6.11. Reporting Requirements.**

To the extent required by the Code or the Treasury Regulations, the Bank shall report the amount of interest paid or the amount treated as interest accrued on the Securities which is required to be reported by the Holders on their returns of federal income tax, or assure that such a report is made, to the Holders and the Internal Revenue Service.

**Section 6.12. Governing Law.**

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

*[EXECUTION PAGE FOLLOWS]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**JPMORGAN CHASE BANK, NATIONAL  
ASSOCIATION**

By \_\_\_\_\_

[SEAL]

Address: 420 Throckmorton, 4th Floor  
Fort Worth, Texas 76102

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

By \_\_\_\_\_  
Vice Chancellor for Finance

[SEAL]

Address: 1901 Main Street  
Dallas, Texas 75201

SCHEDULE A

Paying Agent/Registrar Fee Schedule

\$0

DEPOSIT ESCROW AGREEMENT

The Bank of New York Mellon Trust Company, N.A. (the "Bank"), being the paying agent for the BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING BONDS, SERIES 2003A and the BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS SYSTEM REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SERIES 2005, issued by the Board of Regents of The University of North Texas System (the "Issuer") (certain maturities of which are herein collectively referred to as the "Called Obligations"), hereby acknowledges, agrees and certifies for the benefit of the Issuer and the owners of the Called Obligations as follows:

1. The Bank understands that the Called Obligations, as described in the attached notice of redemption, have been called for cancellation and redemption on June 1, 2015 (the "Redemption Date"). The Bank serves as paying agent for the Called Obligations.

2. The Bank acknowledges that the total amount due on the Redemption Date for such Called Obligations is \$\_\_\_\_\_, representing principal in the amount of \$\_\_\_\_\_ plus accrued interest on the Called Obligations to their Redemption Date of \$\_\_\_\_\_, and funds in payment of such principal and interest will be deposited with the Bank upon receipt of such funds from the Issuer on or before the Redemption Date.

3. The Bank acknowledges that its fees and expenses due the Bank with respect to the Called Obligations to and through their redemption and final payment have been provided for.

4. The Bank acknowledges receipt of notice of redemption of the Called Obligations to effect the redemption of the Called Obligations on the Redemption Date.

5. The Issuer certifies that it will cause to be deposited the amounts referred to in paragraphs 2 and 3 with the Bank on the Closing Date.

6. The Bank shall deposit any moneys received from the Issuer for the payment of the Called Obligations into a trust account to be held in a fiduciary capacity, with such moneys in the account that exceed the deposit insurance available to the Issuer by the Federal Deposit Insurance Corporation, to be fully collateralized with securities or obligations that are eligible under the laws of the State of Texas to secure and be pledged as collateral for trust accounts until the principal and interest on such securities have been presented for payment and paid to the owner thereof.

7. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

EXECUTED THIS \_\_\_\_\_.

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

By \_\_\_\_\_

Title \_\_\_\_\_

BOARD OF REGENTS OF THE UNIVERSITY OF NORTH TEXAS  
SYSTEM

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Janet E. Waldron  
Vice Chancellor for Finance



## Board Briefing

**Committee:** Full Board

**Date Filed:** April 3, 2015

**Title:** Authorization to Execute an Agreement for Acquisition of Real Property and Improvements located at 1500 North Interstate 35E, Denton, Texas

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### Background:

The proposed acquisition consists of a 2.606 acre commercial tract located in north side of Interstate 35E bordered by Avenue C, Wilshire Street and Kendolph Drive. The property is improved with a retail structure of 44,100 square feet, built in 1965, and currently leased to a grocery store operator. It is within the southern boundary of the UNT Campus Master Plan and included in the designated land acquisition area.

A private appraisal was obtained by the UNT System in September of 2014. UNT and UNT System staff negotiated a purchase price of \$6,250,000 plus applicable closing costs to acquire the property. A contract has been signed by UNT System and the owner for the acquisition of the property and improvements located at 1500 North Interstate 35E for \$6,250,000.00.

The property purchase requires approval by UNT System Board of Regents.

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### Financial Analysis/History:

Funds available from HEAF Fund balance will be used for the purchase.

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Institution Chief Financial Officer

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Vice Chancellor for Finance

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### Legal Review:

This item has been reviewed by General Counsel.

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Vice Chancellor/General Counsel

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**Schedule:**

Request approval from UNT System Board of Regents  
Close on property

April 2015  
May 2015

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**Recommendation:**

It is recommended that the Board of Regents authorize and approve the following Board Order

**Recommended By:**

James Maguire

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Vice Chancellor for Facilities Planning  
and Construction and Chief Architect

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President

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Chancellor



## Board Order

**Title:** Authorization to Execute an Agreement for Acquisition of Real Property and Improvements located 1500 North Interstate 35E, Denton, Texas

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At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on April 8, 2015, pursuant to a motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, the Board approved the motion presented below:

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**Whereas**, the UNT System has the opportunity to purchase the property and improvements at 1500 North Interstate 35E, Denton, Texas, and

**Whereas**, the property is within the area designated in the UNT Campus Master Plan for land acquisition, and

**Whereas**, the property adjoins other UNT property and will allow for future campus expansion,

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

1. The purchase of real property and improvements at 1500 North Interstate 35E, Denton, Texas at a purchase price of \$6,250,000 plus applicable closing costs and other expenses incurred to complete the acquisition of the property and improvements as deemed necessary and advisable by the Chancellor; said property being more fully described in conveyance deeds as follows:

All that certain tract of land situated in the City of Denton, Denton County, Texas, and being all of Block 2, of the Golden Triangle Subdivision in the City of Denton, Denton County, Texas according to the Plat thereof recorded in Volume 4, Page 28 of the Plat Records of Denton County, Texas as recognized and occupied on the ground; the subject tract being more particularly described by metes and bounds as follows:

BEGINNING for the Southeast Corner of the tract being described herein at a set PK nail for the Southeast Corner of said Block Two, in the Northerly right-of-way line of Interstate Highway 35E and the West right-of-way of Avenue C in a curve to the left, having a radius of 7740.0 feet;

THENCE in a Northwesterly direction along the arc of said curve along said Highway and the South line of said Block Two an arc distance of 307.61 feet (chord bearing of North 62 Degrees 24 Minutes 00 Seconds West a distance of 307.59 feet) to a set PK nail for the Southwest Corner of said Block Two in the East right-of-way line of Kendolph Drive;

THENCE North 00 Degrees 16 Minutes 00 seconds West with the West line of said Block Two along said Kendolph Drive at 206.33 feet passing the Southwest

Corner of a building and continuing along said course, with the West wall of said building, in all, a total distance of 432.60 feet to a set PK nail for the northwest Corner of said Block Two in the South right-of-way line of Wilshire Street;

THENCE with said South line and the North line of said Block Two a distance of 274.60 feet to a set PK nail for the northeast Corner of said Block Two in the West line of said Avenue C.

THENCE South with said West line and the East line of said Block Two a distance of 575.10 feet to the PLACE OF BEGINNING and enclosing 3.156 acres of land or 137.464 square feet of land.

SAVE AND EXCEPT the property that is conveyed to, or taken by, the State of Texas or the Texas Department of Transportation identified as Parcel 119, ROW CSJ 0196-03-072 and containing 23,955 square feet or 0.5499 acres of land.

2. The Chancellor or his designee to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take any and all further action necessary or advisable to carry out the purpose and intent of the forgoing action.
3. Reporting to the Texas Higher Education Coordinating Board as appropriate under SB 215.

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VOTE: \_\_\_\_\_ ayes      \_\_\_\_\_ nays      \_\_\_\_\_ abstentions

**BOARD ACTION:**

Attested By:

Approved By:

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Rosemary R. Haggett, Secretary  
Board of Regents

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Brint Ryan, Chairman  
Board of Regents