

April 14, 2015

Board of Regents of  
Stephen F. Austin State University  
1936 North Street  
Nacogdoches, Texas 75962

Re: \$48,410,000 Board of Regents of Stephen F. Austin State University  
Revenue Financing System Revenue Refunding Bonds, Series 2015

Ladies and Gentlemen:

DNT Asset Trust, Houston, Texas and its successors or assigns as restricted herein (collectively, the "Purchaser") hereby offers to purchase from Board of Regents of Stephen F. Austin State University (the "Board") the captioned Bonds (the "Bonds"), and, upon acceptance of this offer by the Board, such offer will become a binding agreement between the Purchaser and the Board. This offer must be accepted by 11:59 pm, Houston time, April 14, 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 Resolution (defined below).

1. Purchase Price: The purchase price for the Bonds will be at par.
2. Terms of Bonds:
  - (a) The Bonds shall consist of one term bond in the principal amount of \$48,410,000 maturing on October 15, 2025, bearing interest from the date of initial delivery of the Bonds to the Purchaser at an interest rate of 2.01% 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 (i) resolution authorizing the issuance of the Bonds adopted by the Board on April 14, 2015, and (ii) an award certificate dated the date of this Purchase Agreement, signed by an authorized representative of the Board and duly authorized to approve the terms of pricing and sale for the Bonds (the "Resolution"). The Purchaser acknowledges receipt prior to the date hereof of a draft of the Resolution. The Bonds shall be a Parity Obligation and shall be secured by pledge of and lien on the Pledged Revenues of the Board, as provided in the Resolution. The Bonds shall bear interest at an interest rate of 8.00% per annum (the "Default Rate") upon the occurrence of a payment default, as provided in the Resolution.
3. Closing: At the Closing (defined below) the Board shall deliver and the Purchaser shall purchase the Bonds. Upon payment of the purchase price therefor, the Board shall deliver the Bonds to the Purchaser. Payment of the purchase price

and delivery of the Bonds shall occur at 10:00 a.m. Houston time, on May 1, 2015, 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 LLP, Austin, 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 Board's shall have adopted the Resolution, authorizing the issuance of the Bonds and of the Award Certificate shall have been executed by an authorized representative of the Board.
- (b) The Purchaser shall have received a certified copy of the Resolution.
- (c) The Purchaser shall have received a certificate executed by an authorized representative of the Board 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 Board or the authority of the officers of the Board to issue, execute and deliver the Bonds; or (c) the validity of the corporate existence of the Board.
- (d) McCall, Parkhurst & Horton LLP, 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 Board's business, property or financial condition.
- (g) The Board 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 \$30,000 and of the Municipal Advisory Council of Texas.
- (h) The obligations of the Financing System shall be rated at least A1 by Moody's Investors Service and AA- by Fitch Ratings.

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 LLP, Bond Counsel, have not undertaken steps to ascertain the accuracy or completeness of information furnished to the Purchaser with respect to the Board 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 Board, particularly with respect to its ability to pay revenue supported obligations such as the Bonds. The Purchaser has had the opportunity to obtain information from the Board regarding the financial condition of the Board, and has received from the Board 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 Board, 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 or to a purchaser which is a Qualified Institutional Buyer (as defined in Rule 144A under the Securities Act of 1933, as amended).
- (b) The Board acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the Board 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 Board, (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 Board 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 Board on other matters), (v) the Purchaser and its affiliates have financial and other interests that differ from those of the Board, and (vi) the Board has consulted with its own

financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

6. Financial Information: In consideration of the purchase of the Bonds by the Purchaser, within one hundred eighty (180) days of the end of each such fiscal year, commencing with the fiscal year ending September 30, 2015, the Board shall deliver (i) its comprehensive annual financial report ("CAFR") for such fiscal year by email to [sarah.e.dunagin@jpmorgan.com](mailto:sarah.e.dunagin@jpmorgan.com); provided, however, if the CAFR is not available within the time period specified above, the Board shall provide unaudited financial information pending the delivery of the CAFR of the nature described in the Resolution, and (ii) annual enrollment statistics, including number of Full-Time Equivalent students (undergraduate and graduate), undergraduate applications and admissions, average SAT/ACT scores, freshman retention rate, graduation rate (5 years) and faculty data (percentage of full-time and tenured). The Purchaser agrees to provide the Board with notice promptly upon determining a new or additional email address for distribution of the financial information specified above.
7. Representative. JPMorgan Chase Bank, N.A., its successors or assigns, 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 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 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. Compliance with Anti-Corruption Laws, Sanctions Laws and Regulations. (a) The Board is acting for itself and for no other person or entity (the "Person") in requesting issuance of this Purchase Agreement; (b) the Board has implemented and maintains in effect policies and procedures designed to ensure compliance by the Board, its subsidiaries, affiliates and their respective directors, officers, employees and agents with Anti-Corruption Laws (as defined herein) and applicable Sanctions (as defined herein), and the Board, its subsidiaries, affiliates and their respective officers and employees and to the knowledge of the Board its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects; (c) none of (i) the Board, any subsidiary, affiliate or any of their respective directors, officers or employees, or (ii) to the knowledge of the Board, any agent of the Board, any subsidiary or affiliate that

will act in any capacity in connection with or benefit from the issuance of the Bonds, is a Sanctioned Person (as defined herein); and (d) use of proceeds or other transaction contemplated by this Purchase Agreement will violate Anti-Corruption Laws or applicable Sanctions.

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the Board, its subsidiaries or affiliates from time to time concerning or relating to bribery or corruption.

"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, or by the United Nations Security Council, the European Union or any EU member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State.

10. Waiver of Jury Trial. TO THE EXTENT ALLOWED BY LAW AND SUBJECT TO THE BOARD POSSESSING SUCH AUTHORITY, 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.

11. Counterparts. This Purchase Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Purchase Agreement by signing any such counterpart. This Purchase Agreement may be delivered by the exchange of signed signature pages by facsimile transmission or by electronic mail with a copy in portable document format or other replicating image attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

*{Signatures begin on next page}*

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

DNT ASSET TRUST

By: Lindsay Schelstrate  
Name: Lindsay Schelstrate  
Title: Authorized Officer

ACCEPTED BY THE BOARD OF REGENTS OF  
STEPHEN F. AUSTIN STATE UNIVERSITY

\_\_\_\_\_  
Vice President for Finance and Administration

(BOARD SEAL)

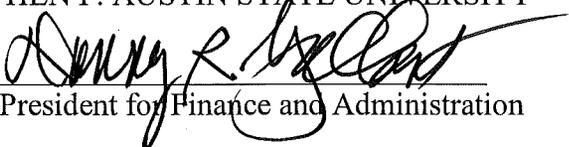
[Signature Page to Bond Purchase Agreement – Board of Regents of Stephen F. Austin State University Revenue Financing System Revenue Refunding Bonds, Series 2015]

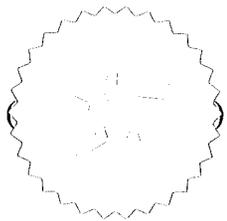
If this purchase agreement meets with the Board's approval, please execute it in the place provided below.

DNT ASSET TRUST

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Authorized Officer

ACCEPTED BY THE BOARD OF REGENTS OF  
STEPHEN F. AUSTIN STATE UNIVERSITY

  
\_\_\_\_\_  
Vice President for Finance and Administration



[Signature Page to Bond Purchase Agreement – Board of Regents of Stephen F. Austin State University Revenue Financing System Revenue Refunding Bonds, Series 2015]

**SCHEDULE I**

**Mandatory Sinking Fund Redemptions**

The Bonds are subject to mandatory sinking fund redemption pursuant to the terms of the Resolution, on October 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>
2015	\$ 630,000
2016	4,355,000
2017	4,445,000
2018	4,535,000
2019	4,630,000
2020	4,720,000
2021	4,820,000
2022	4,920,000
2023	5,015,000
2024	5,120,000
2025*	5,220,000

\* Final Maturity