# TABLE OF CONTENTS

AGENDA BOOK AND BOARD REPORT FOR OCTOBER 26 AND 27, 2014
BOARD OF REGENTS MEETING 291

Sunday, October 26, 2014

Board of Regents Meeting Agenda ................................................................. 1
Building and Grounds Committee Meeting Agenda .................................. 2
Finance and Audit Committee Meeting Agenda ...................................... 5
Academic and Student Affairs Committee Meeting Agenda ................. 16
Committee of the Whole Meeting Agenda .............................................. 21
Board of Regents Executive Session Meeting Agenda ....................... 22

Monday, October 27, 2014

Board of Regents Meeting Agenda ................................................................. 1

# APPROVAL OF PAST MINUTES

**Agenda item**

1. Approval of Minutes for July 28 and 29, 2014,
   Board of Regents Meeting................................................................. 2

# PERSONNEL

**Agenda item**

2. Approval of Faculty Appointments for 2014-2015 ......................... 3
3. Approval of Staff Appointments for 2014-2015............................. 6
4. Approval of Changes of Status for 2014-2015............................... 9
5. Retirements.................................................................................. 22

# ACADEMIC AND STUDENT AFFAIRS

**Agenda item**

6. Proposed Certificate in Sustainable Community Development
   in the College of Liberal and Applied Arts................................. 23
7. Department Name Change for Department of Social and Cultural Analysis in the College of Liberal and Applied Arts ..........................24
8. Purple Pride Licensing ........................................................................................................25
9. Approval of Academic and Student Affairs Policy Revisions ........26

FINANCIAL AFFAIRS

Agenda item
10. Acknowledge Receipt of Audit Services Report .........................27
11. Approval of Annual Audit Plan, Audit Charter and Report ........28
12. Grant Awards ..............................................................................................29
13. Bond Redemption, Refinancing and Issuance Resolution ..........30
15. Financing Approval for the Phase Three Energy Performance Contract .................................................................32
17. Education Advisory Board Contract Ratification .........................34
18. Approval of Financial Affairs Policy Revisions .........................35

MINUTES FOR APPROVAL

July 28 and 29, 2014 Board Meeting

APPENDICES

Appendix 1 – Internal Audit Charter
Appendix 2 – Grant Awards Between June 16, 2014 and September 23, 2014
Appendix 3 – Bond Refunding and Issuance Resolution
Appendix 4 – Bond Resolution for Financing Energy Performance Contract
Appendix 5 – Policy Revisions
### Board of Regents Committee of the Whole

**Call to Order in Open Session**

| Steve McCarty  
| Board Chair |

Recess for Committee Meetings:

- Building and Grounds Committee, 1:30 p.m. to 2:30 p.m.
- Finance and Audit Committee, 2:30 p.m. to 3:30 p.m.
- Academic and Student Affairs Committee, 3:30 p.m. to 4:00 p.m.
### Building and Grounds Committee Meeting
(Scheduled for 1:30 p.m.)

| Call to Order in Open Session | Ken Schaefer  
<table>
<thead>
<tr>
<th>Members: David Alders, Bob Garrett, Steve McCarty</th>
<th>Committee Chair</th>
</tr>
</thead>
</table>
| Report: Siemens Industry, Inc. Presentation | Danny Gallant  
| | Vice President for  
| | Finance and Administration |
| Presentation and Committee Action on Finance | Danny Gallant  
| Agenda Item 14: | Vice President for  
| | Finance and Administration |
| **SIEMENS INDUSTRY, INC. ENERGY SAVINGS PERFORMANCE CONTRACT BUDGET:** |  |
| **Explantion:** |  |
| At the April 15, 2014 meeting, the regents authorized the university to engage a detailed energy audit with Siemens Industry, Inc. The regents further authorized the university to enter into an energy performance contract with Siemens Industry, Inc. if the audit revealed energy savings that were sufficient to pay the debt service on the contract. The Siemens Industry, Inc. energy audit identified an $11,311,450 project that contained guaranteed energy savings to pay the project’s debt service cost. |  |
| **Recommendation:** |  |
| The administration recommends approval of the phase three energy savings performance contract project budget at $11,311,450, plus any associated financing costs. |  |
AGENDA ITEM 16:

APPROVAL TO INCLUDE 2015 CAPITAL PLAN ITEMS IN THE SIEMENS INDUSTRY, INC. ENERGY PERFORMANCE PROJECT

Explanation:

At the July 29, 2014 meeting the regents approved the 2014-15 capital plan that included the replacement of the air handlers in the Liberal Arts North Building at a cost of $275,000, residence life facilities’ cooling towers for $225,000, and water and air handler equipment at the Johnson Coliseum for $90,000. The energy audit conducted by Siemens Industry, Inc. also identified those utility infrastructure items as equipment that needed to be replaced. The items are contained in the Siemens Industry, Inc. third phase energy performance project. The total of the three items is $590,000.

Recommendation:

The administration recommends approval to incorporate the three capital item projects in the phase three Siemens Industry, Inc. energy performance project and utilize up to $590,000 to pay down the total project cost. The funding sources for the payment(s) would be the Higher Education Fund (HEF) for the Liberal Arts North air handler replacement, auxiliary fund balance for the residence life cooling towers, and designated fund balance for the Johnson Coliseum water and air handler equipment.

Danny Gallant
Vice President for Finance and Administration
| Report: Current Construction | Danny Gallant  
Vice President for  
Finance and  
Administration |
|-------------------------------|---------------------------------------------------|
| Report: Starr Avenue Widening Project Update | Danny Gallant  
Vice President for  
Finance and  
Administration |
| Report: Renovations in Nelson Rusche College of Business | Danny Gallant  
Vice President for  
Finance and  
Administration |

**Adjourn Building and Grounds Committee Meeting (Approximately 2:30 p.m.)**

Ken Schaefer  
Committee Chair
| Call to Order in Open Session | Scott Coleman  
<table>
<thead>
<tr>
<th></th>
<th>Committee Chair</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members: Ken Schaefer, Ralph Todd, Steve McCarty</td>
<td></td>
</tr>
</tbody>
</table>
| Report: Quarterly Investments | Danny Gallant  
|                              | Vice President for Finance and Administration |
| Report: Richards Carlberg     | Jill Still  
|                              | Vice President for University Advancement |
Presentation and Committee Action on Agenda Item 10:

ACKNOWLEDGE RECEIPT OF AUDIT SERVICES REPORT

Explanation:

The *Board Rules and Regulations* state that the director of audit services shall assist the board in carrying out its oversight responsibilities as they relate to the university’s a) financial and other reporting practices, b) internal control, and c) compliance with laws, regulations and ethics. The director of audit services reports to the Board of Regents on the status of the annual audit plan, internal external reports, risk assessment and audit/compliance issues.

The audit services report as presented includes School of Music Audit, Records Management Audit, JAMP Grant Audit, Non-Exempt Employee Payroll Audit, Follow-up Audit, Proportionality of Benefits Audit, Risk Assessment, and update on annual audit plan.

Recommendation:

Pending consideration of the Finance and Audit Committee.
Presentation and Committee Action on Agenda Item 11:

APPROVAL OF ANNUAL AUDIT PLAN, AUDIT CHARTER AND REPORT

Explanation:

According to the Rules and Regulations of the Board of Regents, the director of audit services shall annually submit information on the annual audit plan, work schedule and staffing plan to the president for his review and to the Board of Regents for their approval. The director shall submit an annual report as required by Art. 6252-5d, V.T.C.S., recodified at Government Code, Chapter 2101. The annual report shall be submitted to the president and the board for review prior to public dissemination.

In addition, the International Standards for the Professional Practice of Internal Auditing require the internal audit charter to be approved on an annual basis. It is included as Appendix 1.

Recommendation:

Pending recommendation of the Finance and Audit Committee.
Presentation and Committee Action on Agenda Item 12:

GRANT AWARDS

Explanation:

In fiscal year 2014, the university received multi-year grant awards totaling $21,985,708. Of that total, grant awards allocable to fiscal year 2014 were $7,432,239, an increase of $48,570 since the last report.

For fiscal year 2015, the multi-year grant award total is currently $17,827,707. Of this total, grant awards allocable to fiscal year 2015 are currently $6,115,550.

The grant awards result from extensive faculty research and service engagement across many academic disciplines. The grants include direct federal, federal pass through, state and private awards.

Recommendation:

The administration recommends approval and ratification of the additional grant awards allocable to fiscal year 2014 that total $48,570 and grant awards allocable to fiscal year 2015 that total $6,115,550. The total grant awards are detailed in Appendix 2.
Presentation and Committee Action on Agenda Item 13:

**BOND REDEMPTION, REFINANCING, AND ISSUANCE RESOLUTION**

Explanation:

At the October 21, 2013 meeting, the regents adopted a bond resolution that authorized the university to refinance and redeem certain outstanding bond issues. In order to be prepared for future favorable refinancing market conditions, the administration presents a bond resolution in Appendix 3 that provides for a one year period whereby the university is authorized to issue one or more series of bonds to refinance outstanding bonds or issue bonds as presented in the resolution. For refinancing purposes, the resolution requires a minimum 3% savings threshold and delegates issuance responsibility to a designated financial officer.

Recommendation:

The administration recommends authorization of the bond refunding and issuance resolution in Appendix 3. The administration further recommends that the vice president for finance and administration serve as the designated financial officer in the functions described in the resolution.
Presentation and Committee Action on Agenda Item 14:

**SIEMENS INDUSTRY, INC. ENERGY SAVINGS PERFORMANCE CONTRACT BUDGET:**

Explanation:

At the April 15, 2014 meeting, the regents authorized the university to engage a detailed energy audit with Siemens Industry, Inc. The regents further authorized the university to enter into an energy performance contract with Siemens Industry, Inc. if the audit revealed energy savings that were sufficient to pay the debt service on the contract. The Siemens Industry, Inc. energy audit identified an $11,311,450 million project that contained guaranteed energy savings to pay the project’s debt service cost.

Recommendation:

The administration recommends approval of the phase three energy savings performance contract project budget at $11,311,450, plus any associated financing costs.
Presentation and Committee Action on Agenda Item 15:

FINANCING APPROVAL FOR THE PHASE THREE ENERGY PERFORMANCE CONTRACT

Explanation:

At the April 15, 2014 meeting, the regents authorized the vice president of finance and administration to secure financing for the third phase of the energy performance contract with Siemens Industry, Inc. The university issued requests for proposal (RFP) to numerous lending institutions in order to examine financing options for the energy project. The administration pursued two financing options.

The first is a lease/purchase contract that is authorized by Texas Education Code (TEC) 51.927. Pursuant to TEC 51.927, an energy savings performance contract may be financed under a lease/purchase contract that has a term not to exceed 20 years from the final date of installation and meets federal tax requirements for tax-free municipal leasing. An RFP for a municipal tax exempt lease was issued to lending institutions in accordance with TEC 51.927. Responses were returned, evaluated, and the best bid/response was selected.

The second financing option for the energy savings performance contract is a private bond placement issue. TEC 51.927 allows an energy savings performance contract to be funded with proceeds from a bond issuance. A separate bond RFP was issued to lending institutions. Responses were returned, evaluated, and the best bid/response was selected.

The university compared the lender responses of the municipal tax-exempt lease RFP with those of the bond RFP. A determination of the best value to the university was made.
Recommendation:

Based on responses to the energy performance project RFP(s), the administration recommends the third phase of the energy performance project with Siemens Industry, Inc. be financed through ______________ by _______________. If financing through a private bond placement issue, the administration further recommends approval of the bond resolution in Appendix 4. A provision authorizing the lease purchase agreement option is contained in Section 41 of the refinancing resolution in Appendix 3. The administration additionally recommends authorization of the president to sign associated contracts, financing agreements, or purchase orders.
Presentation and Committee Action on Agenda Item 16:

APPROVAL TO INCLUDE 2015 CAPITAL PLAN ITEMS IN THE SIEMENS INDUSTRY, INC. ENERGY PERFORMANCE PROJECT

Explanation:

At the July 29, 2014 meeting the regents approved the 2014-15 capital plan that included the replacement of the air handlers in the Liberal Arts North Building at a cost of $275,000, residence life facilities’ cooling towers for $225,000, and water and air handler equipment at the Johnson Coliseum for $90,000. The energy audit conducted by Siemens Industry, Inc. also identified those utility infrastructure items as equipment that needed to be replaced. The items are contained in the Siemens Industry, Inc. third phase energy performance project. The total of the three items is $590,000.

Recommendation:

The administration recommends approval to incorporate the three capital item projects in the phase three Siemens Industry, Inc. energy performance project and utilize up to $590,000 to pay down the total project cost. The funding sources for the payment(s) would be the Higher Education Fund (HEF) for the Liberal Arts North air handler replacement, auxiliary fund balance for the residence life cooling towers, and designated fund balance for the Johnson Coliseum water and air handler equipment.

Danny Gallant
Vice President for Finance and Administration
Presentation and Committee Action on Agenda Item 17:

**EDUCATION ADVISORY BOARD CONTRACT RATIFICATION**

Explanation:

The university entered into a contract with the Education Advisory Board to purchase a Student Enablement component that will facilitate collaboration among colleges dedicated to pioneering new and innovative approaches to helping their students’ progress toward desirable outcomes in their college and university careers. The agreement extends from September 12, 2014 through September 11, 2019. The implementation fee is $20,000 with an annual service fee of $55,000 for a total of $295,000 for the duration of the agreement.

Recommendation:

The administration recommends that the Board of Regents ratify the purchase of the Student Enablement Application Alpha Program from the Education Advisory Board at a total five year cost of $295,000.
Presentation and Committee Action on Agenda Item 18:

APPROVAL OF FINANCIAL AFFAIRS POLICY REVISIONS

Explanation:

The Board Rules and Regulations state that the Finance and Audit Committee will consider: budgeting and appropriations request processes; all requests for appropriations and budgets covering expenditures of educational and general funds and auxiliary programs including, but not limited to, student housing and the athletic department; handling of university funds, depositories, etc., whether from appropriated or contributed funds; and the auditing function of the university including, but not limited to, annual audit plan, internal and external audit reports, risk assessment, and audit/compliance issues.

The following policies are necessary to incorporate organizational, job title, and regulatory changes and to improve the flow of information in the above areas of responsibility. The general counsel has reviewed the proposed revisions.

Recommendation:

The administration recommends that the Board of Regents adopt the following policy revisions as presented in Appendix 5:

- Environmental Management (13.26) NEW
- Gift Reporting (3.16)
- Investments – Endowment Funds (3.20)
- Travel Card (3.30) NEW

Adjourn Finance and Audit Committee (Scheduled for approximately 3:30 p.m.)
### Academic and Student Affairs Committee Meeting
(Scheduled at approximately 3:30 p.m.)

<table>
<thead>
<tr>
<th>Call to Order in Open Session</th>
<th>Brigettee Henderson</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members: Barry Nelson, Connie Ware, Kelsey Brown, Steve McCarty</td>
<td>Committee Chair</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Presentation and Committee Action on Agenda Item 6:</th>
<th>Ric Berry</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROPOSED CERTIFICATE IN SUSTAINABLE COMMUNITY DEVELOPMENT IN THE COLLEGE OF LIBERAL AND APPLIED ARTS</td>
<td>Provost and Vice President for Academic Affairs</td>
</tr>
</tbody>
</table>

**Explanation:**

The Department of Social and Cultural Analysis in the College of Liberal and Applied Arts created an undergraduate certificate in Sustainable Community Development. Sustainability, particularly energy/resource conservation and related cost-cutting, is a growing concern in many business sectors; similarly, environmental and cultural amenities are increasingly a concern with community planning. Personnel with knowledge and skills in these areas are in demand. The certificate is a 12 credit hour certificate designed for external professionals seeking additional credentials and undergraduates who may wish to add this certificate to their program.

**Recommendation:**

The administration recommends approval of this undergraduate certificate in Sustainable Community Development.
Presentation and Committee Action on Agenda Item 7:

**DEPARTMENT NAME CHANGE FOR DEPARTMENT OF SOCIAL AND CULTURAL ANALYSIS IN THE COLLEGE OF LIBERAL AND APPLIED ARTS**

Explanation:

The College of Liberal and Applied Arts would like to recommend a change in name for the Department of Social and Cultural Analysis to the Department of Anthropology, Geography and Sociology. The department believes this will better reflect the disciplines within that department.

Recommendation:

The administration recommends approval of the name change from Department of Social and Cultural Analysis to the Department of Anthropology, Geography and Sociology.
Presentation and Committee Action on Agenda Item 8:

PURPLE PRIDE LICENSING

Explanation:

Dr. David Creech, professor emeritus, and Dawn Stover, research associate for the SFA Mast Arboretum, invented a novel cultivar of *Prunus angustifolia*, named Purple Pride. The university filed for patent protection and has taken the plant to market. The university’s intellectual property policy states, “Agreements which grant a third party the right to make, use, or sell a patented invention, invention know-how, or trade secret that has been disclosed and assigned to, or is otherwise owned by the university shall require approval by the Board of Regents.” The SFA Mast Arboretum desires to license an additional nursery.

Recommendation:

It is recommended by the administration that the president be authorized to enter into a licensing agreement with Brownswood Nursery, as reviewed and approved by the general counsel.
Presentation and Committee Action on Agenda Item 9:

APPROVAL OF ACADEMIC AND STUDENT AFFAIRS POLICY REVISIONS

Explanation:

The Board Rules and Regulations state that the Academic and Student Affairs Committee will consider: the curricula of the various colleges and departments of the university with any other matters dealing with academic programs and the progress thereof; the research programs within the university and their relationship to all graduate education; student affairs within the university; and personnel matters within the university.

The following policies are necessary to incorporate organizational, job title, and regulatory changes and to improve the flow of information in the above areas of responsibility. The general counsel has reviewed the proposed revisions.

Recommendation:

The administration recommends that the Board of Regents adopt the following policy revisions as presented in Appendix 5:

Accessibility for Persons with Disabilities (2.2)
Assessment of Institutional Effectiveness (2.3)
Commencement (6.8)
Discontinuance of Program or Academic Unit (5.9)
Faculty Code of Conduct (7.11)
Student Organization Formation and Recognition (10.9)
Tuition Rebate (6.21)
| Report: Faculty Project in Brazil | Ric Berry  
Provost and Vice President for Academic Affairs |
|----------------------------------|------------------------------------------------|
| Report: A Cappella Choir Trip to Italy | Ric Berry  
Provost and Vice President for Academic Affairs |
| Adjourn Academic and Student Affairs Committee  
(Scheduled approximately 4:00 p.m.) | Brigettee Henderson  
Committee Chair |
<table>
<thead>
<tr>
<th>Reconvene Board of Regents Committee of the Whole at 4:00 pm</th>
<th>Steve McCarty Chair</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report: Strategic Planning</td>
<td>Bob Garrett</td>
</tr>
</tbody>
</table>
Board Consideration of the following items:

Deliberations Regarding the Deployment, or Specific Occasions for Implementation, of Security Personnel or Devices. (Texas Government Code, Section 551.076)
- Update from chief information officer

Deliberations Regarding the Purchase, Exchange, Lease, Sale or Value of Real Property. (Texas Government Code, Section 551.072)

Deliberations Regarding Negotiated Contracts for Prospective Gifts or Donations. (Texas Government Code, Section 551.073)

Consideration of Individual Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of an Officer or Employee, including but not limited to previous secretary for football operations, director of intercollegiate athletics, vice presidents and the president. (Texas Government Code, Section 551.074)

Consultation with Attorney Regarding Legal Advice or Pending and/or Contemplated Litigation or Settlement Offers, including but not limited to potential tort claims, procedure on investigations and employee discipline, *Christian Cutler v. Baker Pattillo, et al.;* and *Joann Fields and Rose Trotty v. Stephen F. Austin State University.* (Texas Government Code, Section 551.071)
### Call to Order (Scheduled 9:00 a.m.)

<table>
<thead>
<tr>
<th>Pledge to the Flags</th>
<th>Regent</th>
</tr>
</thead>
<tbody>
<tr>
<td>I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.</td>
<td></td>
</tr>
<tr>
<td>Honor the Texas flag, I pledge allegiance to thee; Texas, one state under God, one and indivisible.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Invocation</th>
<th>Regent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Special Recognitions</th>
<th>Baker Pattillo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students from Student Publications</td>
<td>President</td>
</tr>
<tr>
<td>New Staff in Office of General Counsel Students</td>
<td></td>
</tr>
<tr>
<td>from Rose Bruford College</td>
<td></td>
</tr>
<tr>
<td>Coca Cola STEM Scholarship Recipients</td>
<td></td>
</tr>
<tr>
<td>Generation Study Abroad Participants</td>
<td></td>
</tr>
<tr>
<td>NAUFR Programs</td>
<td></td>
</tr>
<tr>
<td>Columbia Center Operations Reimbursement</td>
<td></td>
</tr>
<tr>
<td>Mike Harbordt, Alumni Association President</td>
<td></td>
</tr>
<tr>
<td>Karen Gantt, Alumni Association President-Elect</td>
<td></td>
</tr>
<tr>
<td>BOARD CONSIDERATION OF PAST MINUTES</td>
<td></td>
</tr>
<tr>
<td>------------------------------------</td>
<td></td>
</tr>
</tbody>
</table>

Board Action on Agenda Item 1:

**APPROVAL OF MINUTES OF JULY 28 AND 29, 2014 BOARD OF REGENTS MEETINGS**

Explanation:

The minutes of the July 28 and 29, 2014, meeting of the Board of Regents are included in this report.

Recommendation:

It is recommended by the administration that the minutes of the July 28 and 29, 2014, meeting be approved as presented.

Steve McCarty  
Chair
Presentation and Board Action on Agenda Item 2:

FACULTY APPOINTMENTS FOR 2014 – 2015:

Explanation:

Faculty appointments are recommended by the department chair and approved by the appropriate dean, provost/vice president for academic affairs and the president. Each appointment states salary and percentage of time employed, designates the semester or academic year (September through May) and states the effective date of employment. In addition, last degree and granting institution are included for first-time appointments.

Recommendation:

It is recommended by the administration that the following faculty appointments be approved.

BUSINESS

Ashley Hall, MBA (Stephen F. Austin State University), Visiting Lecturer of Business Communications and Legal Studies, at an academic year salary of $40,000 for 100 percent time, effective September 1, 2014.

EDUCATION

Patrick, De Walt, Ph.D. (University of Colorado), Assistant Professor of Elementary Education, at an academic year salary of $54,500 for 100 percent time, effective September 1, 2014.
Sarah Drake, M.S. (Stephen F. Austin State University), Clinical Instructor of Human Sciences, at an academic year salary of $54,000 for 100 percent time, effective January 1, 2015.

Elizabeth Gound, M.Ed. (University of North Texas), Visiting Instructor of Secondary Education, at an academic year salary of $43,378 for 100 percent time, effective September 1, 2014.

Jennifer Newquist, Ph.D. (Texas Woman’s University), Visiting Assistant Professor of Human Sciences, at an academic year salary of $47,000 for 100 percent time, effective September 1, 2014.

D'Anna Mae Nowack, M.S. (Lamar University), Clinical Instructor of Human Services, at an academic year salary of $55,000 for 100 percent time, effective September 1, 2014.

Terry Overton, Ph.D. (Walden University), Professor of Human Sciences and Program Director of School of Psychology, at an academic year salary of $95,000 for 100 percent time, effective January 1, 2015.

FINE ARTS

Alexander Amato, Ph.D. (University of North Texas), Lecturer of Music, at an academic year salary of $35,000 for 100 percent time, effective September 1, 2014.

Daniel Anguiano, M.A. (Savanah College of Art and Design), Visiting Assistant Professor of Art, at an academic year salary of $45,000 for 100 percent time, effective September 1, 2014.

FORESTRY AND AGRICULTURE

Shelby Laird, Ph.D. (North Carolina State University), Assistant Professor of Forestry, at an academic year salary of $56,500 for 100 percent time, effective January 1, 2015.
LIBERAL AND APPLIED ARTS

Kristin Bailey-Wallace, MSW (Stephen F. Austin State University), Assistant Professor of Social Work, at an academic year salary of $50,000 for 100 percent time, effective September 1, 2014.

Eralda Lameborshi, M.A. (Stephen F. Austin State University), Visiting Assistant Professor of English, at an academic year salary of $46,000 for 100 percent time, effective September 1, 2014.

James Morris, Ph.D. (Tulane University), Assistant Professor of Social Work, at an academic year salary of $52,000 for 100 percent time, effective September 1, 2014.

Jonathan Quam, MFA (University of North Texas), Visiting Lecturer of Mass Communication, at an academic year salary of $46,000 for 100 percent time, effective September 1, 2014.

Austin Roche, M. A. (Stephen F. Austin State University), Visiting Lecturer of Psychology, at an academic year salary of $36,000 for 100 percent time, effective September 1, 2014.

Ann Wilder, MSW (University of Texas), Assistant Professor of Social Work, at an academic year salary of $52,000 for 100 percent time, effective September 1, 2014.

SCIENCES AND MATHEMATICS

Crystal Talavera, M.S. (University of Texas), Clinical Instructor of Nursing, at an academic year salary of $54,000 for 100 percent time, effective September 1, 2014.
Presentation and Board Action on Agenda Item 3:

**STAFF APPOINTMENTS FOR 2014 – 2015**

Explanation:

Staff appointments are recommended by the department chair or director and approved by the appropriate dean (if applicable), vice president and/or president. Each appointment states salary, percentage of time employed, and designates the effective date of employment.

Recommendation:

It is recommended by the administration that the following staff appointments be approved.

**ADMISSIONS**

_Kara Haney_, Admissions Counselor, at an annual salary of $34,428 for 100 percent time, effective July 14, 2014.

_Channing Moore_, Admissions Counselor, at an annual salary of $34,428 for 100 percent time, effective July 21, 2014.

_Nancy Perez_, Admissions Counselor, at an annual salary of $34,428 for 100 percent time, effective July 7, 2014.

**ALUMNI AFFAIRS**

_Heather Hawkins_, Assistant Director, at an annual salary of $54,950 for 100 percent time, effective July 21, 2014.

**ATHLETICS**

_Michael Courtney_, Assistant Track Coach, at a 10.5-month salary of $28,922 for 100 percent time, effective August 4, 2014.
Thomas Howe, Assistant Football Coach, at a 10.5-month salary of $52,000 for 100 percent time, effective July 7, 2014.

Kail Kaiser, Athletic Team Operations Coordinator, at an annual salary of $31,300 for 100 percent time, effective September 1, 2014.

Dylan Lockwood, Athletic Team Operations Coordinator, at an annual salary of $31,300 for 100 percent time, effective September 1, 2014.

Brian Newton, Athletic Media Relations Assistant Director, at an annual salary of $36,000 for 100 percent time, effective September 15, 2014.

Peter Suarez, Assistant Softball Coach, at a 10.5-month salary of $30,860 for 100 percent time, effective July 7, 2014.

CONTROLLER’S OFFICE

Kimberly Cobb, Accountant II, at an annual salary of $42,000 for 100 percent time, effective August 18, 2014.

EDUCATION

Ashley McFarland, Charter School Teacher, at a 9.5-month salary of $38,000 for 100 percent time, effective September 1, 2014.

Elaina Schultheis, Charter School Teacher, at a 9.5-month salary of $39,500 for 100 percent time, effective September 1, 2014.

Blake Winfield, Charter School Teacher, at a 9.5-month salary of $37,400 for 100 percent time, effective September 1, 2014.
HUMAN RESOURCES

Shelby Hayes, Assistant Director, at an annual salary of $69,000 for 100 percent time, effective September 2, 2014.

INFORMATION TECHNOLOGY SERVICES

Preston Cooke, Network Support Specialist I, at an annual salary of $38,000 for 100 percent time, effective June 30, 2014.

Robert Thompson, Network Support Specialist II, at an annual salary of $49,300 for 100 percent time, effective August 18, 2014.

RESEARCH AND SPONSORED PROGRAMS

Terri Ford, Compliance Coordinator, at an annual salary of $62,000 for 100 percent time, effective August 18, 2014.

RESIDENCE LIFE

Brandon Douglas, Hall Director, at an annual salary of $29,009 for 100 percent time, effective July 28, 2014.

Travis Hardwick, Area Coordinator, at an annual salary of $34,000 for 100 percent time, effective September 2, 2014.

SCIENCES AND MATHEMATICS

Rebecca Self, Assistant Lab Coordinator in School of Nursing, at an annual salary of $40,000 for 100 percent time, effective July 21, 2014.

UNIVERSITY MARKETING COMMUNICATIONS

Ryan Perry, Marketing Communications Specialist, at an annual salary of $38,500 for 100 percent time, effective September 2, 2014.
Presentation and Board Action on Agenda Item 4:

CHANGES OF STATUS FOR 2014 – 2015

Explanation:

Changes of status include changes in appointment, percentage of time, salary or semesters. These changes are initiated by the department chair or director and routed through administrative channels for approval.

Recommendation:

It is recommended by the administration that the following changes of status be approved.

**ACADEMIC AFFAIRS**

Dana Cooper, from Associate Professor of History at an academic year salary of $53,395 for 100 percent time, to Associate Professor of History and Academic Innovative Officer at an academic year salary of $53,395 for 100 percent time with a salary supplement of $1,521 per month for 12 months, effective September 1, 2014.

**ACADEMIC ADVISING CENTER**

Brittany Fish, from Admissions Counselor at an annual salary of $32,960 for 100 percent time, to Academic Advisor at an annual salary of $39,166 for 100 percent time, effective July 7, 2014.

**ALUMNI AFFAIRS**

Craig Turnage, from Executive Director for Alumni Affairs at an annual salary of $104,000 for 100 percent time, to Executive Director for Alumni Affairs at an annual salary of $107,171 for 100 percent time, effective September 1, 2014.
ATHLETICS

Alexander Meng, from Assistant Softball coach at a 10.5-month salary of $28,000 for 100 percent time, to Assistant Softball Coach at a 10.5-month salary of $33,000 for 100 percent time, effective July 1, 2014.

BUSINESS

Todd Brown, from Associate Professor and Chair of Economics and Finance at an 11-month salary of $133,426 for 100 percent time, to Associate Professor and Interim Associate Dean at an 11-month salary of $133,426 for 100 percent time, with a salary supplement of $1,000 per month for 11 months, effective September 1, 2014.

Steven Bullard, from Dean of Forestry at an annual salary of $169,533 for 100 percent time, to Dean of Forestry and Interim Dean of Business at an annual salary of $169,533 for 100 percent time, with a salary supplement of $1,500 per month for 13 months, effective August 1, 2014.

Jack Ethridge, from Professor of Accounting at an academic year salary of $112,154 for 100 percent time, to Professor of Accounting and Director of the Master of Public Accounting Program at an academic year salary of $112,154 for 100 percent time, with a salary supplement of $250 per month for nine months, effective September 1, 2014.

Mikhail Kouliavtsev, from Professor of Economics and Finance at an academic year salary of $91,429 for 100 percent time, to Professor of Economics and Finance and Director of the Master of Business Administration Program at an academic year salary of $91,429 for 100 percent time, with a salary supplement of $800 per month for nine months, effective September 1, 2014.
Matthew Lindsey, from Associate Professor of Management, Marketing and International Business at an academic year salary of $102,867 for 100 percent time, to Associate Professor and Interim Chair of Business Communication and Legal Studies at an academic year salary of $102,867 for 100 percent time, with a salary supplement of $1,000 per month for nine months, effective September 1, 2014.

Ryan Phelps, from Associate Professor of Economics and Finance at an academic year salary of $84,205 for 100 percent time, to Associate Professor and Assurance of Learning Coordinator at an academic year salary of $84,205 for 100 percent time, with a salary supplement of $1,000 per month for 12 months, effective September 1, 2014.

Michael Stroup, from Professor of Economics and Finance at an academic year salary of $103,246 for 100 percent time, to Professor and Interim Chair of Economics and Finance at an academic year salary of $103,246 for 100 percent time, with a salary supplement of $1,000 per month for nine months, effective September 1, 2014.

S. Ann Wilson, from Professor and Chair of General Business at an 11-month salary of $129,481 for 100 percent time, to Professor and Chair of General Business and Interim Associate Dean at an 11-month salary of $129,481 for 100 percent time, with a salary supplement of $1,000 per month for 11 months, effective September 1, 2014.

EDUCATION

Adam Akerson, from Assistant Professor of Elementary Education at an academic year salary of $55,000 for 100 percent time, to Assistant Professor and Early Childhood-6 Coordinator at an academic year salary of 55,000 for 100 percent time, with a salary supplement of $750 per month for four months, effective September 1, 2014.
Neill Armstrong, from Associate Professor of Secondary Education at an academic year salary of $62,289 for 100 percent time, to Associate Professor and Coordinator of Undergraduate Certification Program at an academic year salary of $62,289 for 100 percent time, with a salary supplement of $750 per month for four months, effective September 1, 2014.

Michael Bobo, from Professor of Kinesiology and Health Science at an academic year salary of $73,724 for 100 percent time, to Professor and Dance Program Co-coordinator at an academic year salary of $73,724 for 100 percent time, with a salary supplement of $125 per month for four months, effective September 1, 2014.

Deborah Cady, from Clinical Instructor of Human Services at an academic year salary of $54,106 for 100 percent time, to Clinical Instructor of Human Services at an academic year salary of $55,188 for 100 percent time, effective September 1, 2014.

Susan Casey, from Assistant Professor of Elementary Education at an academic year salary of $56,244 for 100 percent time, to Assistant Professor and Coordinator of Master of Early Childhood Education Program at an academic year salary of $56,244 for 100 percent time, with a salary supplement of $750 per month for four months, effective September 1, 2014.

Barbara Davis, from Director of Project GEAR UP at an annual salary of $84,301 for 100 percent time, to Director of Project GEAR UP at an annual salary of $85,987 for 100 percent time, effective September 1, 2014.
Sandra Delgado, from Associate Director of Project CTE at an annual salary of $78,795 for 100 percent time, to Associate Director of Project CTE (Career and Technical Education) at an annual salary of $80,370 for 100 percent time, effective September 1, 2014.

William Dwyer, from Visiting Instructor of Secondary Education at an academic year salary of $52,530 for 100 percent time, to Visiting Instructor of Secondary Education at an academic year salary of $52,530 for 100 percent time, effective September 1, 2014.

David Goodman, from Lecturer of Kinesiology and Health Science at an academic year salary of $56,504 for 100 percent time, to Lecturer and Program Coordinator at an academic year salary of $56,504 for 100 percent time, with a salary supplement of $750 per month for four months, effective September 1, 2014.

Paula Griffin, from Assistant Professor of Elementary Education at an academic year salary of $52,355 for 100 percent time, to Professor and Early Childhood-6 Online Coordinator at an academic year salary of $52,355 for 100 percent time, with a salary supplement of $750 per month for four months, effective September 1, 2014.

Brenda Hill, from Associate Director of GEAR UP at an annual salary of $72,141 for 100 percent time, to Associate Director of GEAR UP at an annual salary of $73,584 for 100 percent time, effective September 1, 2014.

Patrick Jenlink, from Professor of Educational Leadership at an academic year salary of $96,847 for 100 percent time, to Professor and Coordinator of Doctoral Program at an academic year salary of $96,847 for 100 percent time, with a salary supplement of $750 per month for four months, effective September 1, 2014.
Cyndra Krogen-Morton, from Visiting Instructor of Kinesiology at an academic year salary of $46,350 for 100 percent time, to Visiting Instructor of Kinesiology at an academic year salary of $46,350 for 100 percent time, effective September 1, 2014.

Oegario Madera, from Outreach GEAR UP Coordinator at an annual salary of $45,320 for 100 percent time, to Outreach GEAR UP Coordinator at an annual salary of $46,226 for 100 percent time, effective September, 2014.

Davanna McAninch, from Lecturer of Elementary Education at an academic year salary of $54,611 for 100 percent time, to Lecturer and Resource Room Director at an academic year salary of $54,511 for 100 percent time, with a salary supplement of $416.67 per month for four months, effective September 1, 2014.

Jana McCall, from Charter School Teacher at a 10-month salary of $54,257 for 100 percent time, to Charter School Teacher and Academic Coordinator at a 10-month salary of $54,257 for 100 percent time, with a salary supplement of $167 per month for 12 months, effective September 1, 2014.

Lisa McCleary, from Assistant Professor of Human Services at an academic year salary of $65,000 for 100 percent time, to Assistant Professor and Doctoral Supervisor at an academic year salary of $65,000 for 100 percent time, with a salary supplement of $3,500 total, effective September 1, 2014.

Monique Nunn, from Project CONFIANZA Coordinator at an annual salary of $40,000 for 100 percent time, to Project CONFIANZA Coordinator at an annual salary of $40,800 for 100 percent time, effective September 1, 2014.
Monique Nunn, from Project CONFIANZA Coordinator at an annual salary of $40,800 for 100 percent time, to Project CONFIANZA Director at an annual salary of $65,000 for 100 percent time, effective September 11, 2014.

Elizabeth Rhodes, from Professor of Kinesiology and Health Science at an academic year salary of $67,504 for 100 percent time, to Professor and Dance Program Co-coordinate at an academic year salary of $67,504 for 100 percent time, with a salary supplement of $125 per month for four months, effective September 1, 2014.

Lydia Richardson, from Clinical Instructor of Human Services at an academic year salary of $53,843 for 100 percent time, to Instructor of Human Services at an academic year salary of $60,000 for 100 percent time, effective September 1, 2014.

Amanda Rudolph, from Associate Dean and National Council for Accreditation of Teacher Education Coordinator at an annual salary of $101,275 for 100 percent time, to Associate Professor of Secondary Education at an academic year salary of $73,000 for 100 percent time, effective September 1, 2014.

Dawn Williams, from Associate Professor of Elementary Education at an academic year salary of $58,636 for 100 percent time, to Associate Professor and Middle-Level Grades Online Coordinator at an academic year salary of $58,636 for 100 percent time, with a salary supplement of $750 per month for four months, effective September 1, 2014.

FINE ARTS

Tim King, from Professor of Music at an academic year salary of $81,865 for 100 percent time, to Professor and Choral Activities Director at an academic year salary of $81,865 for 100 percent time, with a salary supplement of $750 per month for four months, effective September 1, 2014.
Scott Lagraff, from Associate Professor of Music at an academic year salary of $58,942 for 100 percent time, to Associate Professor and Associate Director of the School of Music at an academic year salary of $58,942 for 100 percent time with a salary supplement of $750 for four months, effective September 1, 2014.

Bradley Meyer, from Visiting Assistant Professor of Music at an academic year salary of $42,000 for 100 percent time, to Assistant Professor of Music at an academic year salary of $49,440 for 100 percent time, effective September 1, 2014.

Gary Wurtz, from Professor of Music at an academic year salary of $70,779 for 100 percent time, to Professor and Associate Director of the School of Music at an academic salary of $70,779 for 100 percent time, with a salary supplement of $750 per month for four months, effective September 1, 2014.

**FORESTRY**

Jamie Bouldin, from Assistant Director of Student Engagement at an annual salary of $42,000 for 100 percent time, to Academic Advisor at an annual salary of $41,105 for 100 percent time, effective August 18, 2014.

Dean Coble, from Professor of Forestry at an academic year salary of $75,991 for 100 percent time, to Professor holding the Minton Professorship at an academic year salary of $75,991 for 100 percent time, with a salary supplement of $704 per month for 12 months, effective September 1, 2014.

Kenneth Farrish, from Professor of Forestry at an academic year salary of $111,617 for 100 percent time, to Professor holding the Arnold Professorship at an academic year salary of $111,617 for 100 percent time, with a salary supplement of $704 per month for 12 months, effective September 1, 2014.
Jason Grogan, from Research Specialist at an annual salary of $48,801 for 100 percent time, to Research Specialist at an annual salary of $49,777 for 100 percent time, effective September 1, 2014.

Gary Kronrad, from Professor of Forestry at an academic year salary of $76,358 for 100 percent time, to Professor holding the Bonehill Professorship at an academic year salary of $76,358 for 100 percent time, with a salary supplement of $704 per month for 12 months, effective September 1, 2014.

Brian Oswald, from Professor of Forestry at an academic year salary of $72,780 for 100 percent time, to Professor holding the Denman Professorship at an academic year salary of $72,780 for 100 percent time, with a salary supplement of $704 per month for 12 months, effective September 1, 2014.

Zushang Su, from Research Associate in Medicinal Plants at an annual salary of $32,960 for 100 percent time, to Research Associate in Medicinal Plants at an annual salary of $33,619 for 100 percent time, effective September 1, 2014.

Ping Wang, from Research Scientist in Medicinal Plants at an annual salary of $38,678 for 100 percent time, to Research Scientist in Medicinal Plants at an annual salary of $39,452 for 100 percent time, effective September 1, 2014.

H. Michael Williams, from Professor and Associate Dean of Forestry at an annual salary of $118,875 for 100 percent time, to Professor and Associate Dean holding the Nelson Professorship at an annual salary of $118,875 for 100 percent time, with a salary supplement of $704 per month for 12 months, effective September 1, 2014.
Wei Yuan, from Research Scientist in Medicinal Plants at an annual salary of $41,200 for 100 percent time, to Research Scientist in Medicinal Plants at an annual salary of $42,024 for 100 percent time, effective September 1, 2014.

INFORMATION TECHNOLOGY SERVICES

Melinda Colby, from Assistant Director of Banner Project Office at an annual salary of $57,000 for 100 percent time, to Director of Information Technology Services Project Office at an annual salary of $75,000 for 100 percent time, effective August 1, 2014.

LIBERAL AND APPLIED ARTS

Becky Price-Mayo, from Lecturer and Program Director at an annual salary of $58,917 for 100 percent time, to Lecturer and Program Director at an annual salary of $60,095 for 100 percent time, effective September 1, 2014.

Sherry Williford, from Instructor of Mass Communications at an academic year salary of $57,457 for 100 percent time, to Instructor of Mass Communications at an academic year salary of $57,457 for 100 percent time, with a salary supplement of $292 per month for 12 months for additional departmental duties, effective September 1, 2014.

LIBRARY

Michael Gillen, from Programmer/Analyst I at an annual salary of $35,000 for 100 percent time, to Library Database Administrator at an annual salary of $50,000 for 100 percent time, effective August 18, 2014.
Zachary Wisniewski, from Library Assistant II at an annual salary of $24,300 for 100 percent time, to Assistant Manager of Library Access Services at an annual salary of $35,000 for 100 percent time, effective July 14, 2014.

PROCUREMENT AND PROPERTY SERVICES

Amberr Melo, from Secretary in the Early Childhood Lab at an annual salary of $24,000 for 100 percent time, to Contracting Specialist at an annual salary of $34,000 for 100 percent time, effective June 25, 2014.

SCIENCES AND MATHEMATICS

Lurah Bryant, from Assistant Director of Area Health Education Center at an annual salary of $39,923 for 100 percent time, to Assistant Director of Area Health Education Center at an annual salary of $40,721 for 100 percent time, effective September 1, 2014.

Kimberly Childs, from Professor and Dean at an annual salary of $176,178 for 100 percent time, to Professor and Dean at an annual salary of $181,463 for 100 percent time, effective September 1, 2014.

Norman Markworth, from Professor of Physics and Astronomy at an academic year salary of $85,250 for 100 percent time, to Professor and Co-Director of Teaching Excellence Center at an academic year salary of $85,250 for 100 percent time, with a salary supplement of $667 per month for nine months, effective September 1, 2014.

John T. Moore, from Professor of Chemistry at an academic year salary of $80,850 for 100 percent time, to Professor and Interim Chair of Biology at an academic year salary of $80,850 for 100 percent time, with a salary supplement of $1,956 per month for 12 months, effective September 1, 2014.
Deborah Pace, from Professor and Chair of Mathematics and Statistics at an 11-month salary of $110,180 for 100 percent time, to Associate Dean at an annual salary of $135,000 for 100 percent time, effective September 1, 2014.

Stephanie Perry, from Adjunct Faculty in Mathematics and Statistics at a 5-month salary of $15,000 for 100 percent time, to Visiting Lecturer of Mathematics and Statistics at an academic year salary of $39,000 for 100 percent time, effective September 1, 2014.

Clint Richardson, from Associate Professor of Mathematics and Statistics at academic year salary of $63,652 for 100 percent time, to Associate Professor and Interim Chair at an academic year salary of $63,652 for 100 percent time, with a salary supplement of $2,273 per month for 11 months, effective September 1, 2014.

Nola Schmidt, from Director of Project CONFIANZA at an annual salary of $66,950 for 100 percent time, to Science, Technology, Engineering, and Mathematics Curriculum Coordinator at an annual salary of $60,000 for 100 percent time, effective September 1, 2014.

Randall Scott, from Area Health Education Center Director at an annual salary of $54,631 for 100 percent time, to Area Health Education Center Director at an annual salary of $55,724 for 100 percent time, effective September 1, 2014.

Victoria Shimer, from Temporary Administrative Assistant at an hourly salary of $15.58 for 100 percent time annually, to Science and Math Project Coordinator at an annual salary of $41,000 for 100 percent time, effective September 1, 2014.
Katy Trotty, from Clinical Instructor in Nursing at an academic year salary of $48,070 for 100 percent time, to Clinical Instructor at an academic year salary of $54,000 for 100 percent time, effective September 1, 2014.

Mavis Yarbrough, from Area Health Education Center Coordinator at an annual salary of $33,291 for 100 percent time, to Area Health Education Center Coordinator at an annual salary of $34,291 for 100 percent time, effective September 1, 2014.

STUDENT AFFAIRS

Jeffrey Schultz, from Counselor at an annual salary of $40,000 for 100 percent time, to Counselor with completion of state licensure at an annual salary of $41,200 for 100 percent time, effective June 18, 2014.

STUDENT PUBLICATIONS

Katy Crawford, from Assistant to Executive Director of Alumni Affairs at an annual salary of $35,781 for 100 percent time, to Student Publications Coordinator at an annual salary of $36,000 for 100 percent time, effective September 15, 2014.
Presentation and Board Action on Agenda Item 5:

RETIREMENTS

Explanation:

Retirements are initiated at the departmental level and processed through administrative channels.

Recommendation:

It is recommended by the administration that the following retirements be accepted:

Geralyn Franklin, Associate Dean of the Nelson Rusche College of Business, effective August 31, 2014.

David Treadaway, Co-Director of the Pineywoods Conservation Center, effective September 30, 2014.

Jo Treadaway, Co-Director of the Piney Woods Conservation Center, effective September 30, 2014.

M. Gail Weatherly, Assistant Professor of General Business, effective August 31, 2014.
Report and Board Action on Agenda Item 6:

PROPOSED CERTIFICATE IN SUSTAINABLE COMMUNITY DEVELOPMENT IN THE COLLEGE OF LIBERAL AND APPLIED ARTS

Explanation:

The Department of Social and Cultural Analysis in the College of Liberal and Applied Arts created an undergraduate certificate in Sustainable Community Development. Sustainability, particularly energy/resource conservation and related cost-cutting, is a growing concern in many business sectors; similarly, environmental and cultural amenities are increasingly a concern with community planning. Personnel with knowledge and skills in these areas are in demand. The certificate is a 12 credit hour certificate designed for external professionals seeking additional credentials and undergraduates who may wish to add this certificate to their program.

Recommendation:

The administration recommends approval of this undergraduate certificate in Sustainable Community Development.
Report and Board Action on Agenda Item 7:

DEPARTMENT NAME CHANGE FOR DEPARTMENT OF SOCIAL AND CULTURAL ANALYSIS IN THE COLLEGE OF LIBERAL AND APPLIED ARTS

Explanation:

The College of Liberal and Applied Arts would like to recommend a change in name for the Department of Social and Cultural Analysis to the Department of Anthropology, Geography and Sociology. The department believes this will better reflect the disciplines within that department.

Recommendation:

The administration recommends approval of the name change from Department of Social and Cultural Analysis to the Department of Anthropology, Geography and Sociology.
Report and Board Action on Agenda Item 8:

PURPLE PRIDE LICENSING

Explanation:

Dr. David Creech, professor emeritus, and Dawn Stover, research associate for the SFA Mast Arboretum, invented a novel cultivar of *Prunus angustifolia*, named Purple Pride. The university filed for patent protection and has taken the plant to market. The university’s intellectual property policy states, “Agreements which grant a third party the right to make, use, or sell a patented invention, invention know-how, or trade secret that has been disclosed and assigned to, or is otherwise owned by the university shall require approval by the Board of Regents.” The SFA Mast Arboretum desires to license an additional nursery.

Recommendation:

It is recommended by the administration that the president be authorized to enter into a licensing agreement with Brownwood Nursery, as reviewed and approved by the general counsel.
Report and Board Action on Agenda Item 9:

APPROVAL OF ACADEMIC AND STUDENT AFFAIRS POLICY REVISIONS

Explanation:

The Board Rules and Regulations state that the Academic and Student Affairs Committee will consider: the curricula of the various colleges and departments of the university with any other matters dealing with academic programs and the progress thereof; the research programs within the university and their relationship to all graduate education; student affairs within the university; and personnel matters within the university.

The following policies are necessary to incorporate organizational, job title, and regulatory changes and to improve the flow of information in the above areas of responsibility. The general counsel has reviewed the proposed revisions.

Recommendation:

The administration recommends that the Board of Regents adopt the following policy revisions as presented in Appendix 5:

Accessibility for Persons with Disabilities (2.2)
Assessment of Institutional Effectiveness (2.3)
Commencement (6.8)
Discontinuance of Program or Academic Unit (5.9)
Faculty Code of Conduct (7.11)
Student Organization Formation and Recognition (10.9)
Tuition Rebate (6.21)
FINANCE AND AUDIT COMMITTEE REPORT:
Consideration of Agenda Items 10 – 18

Scott Coleman
Chair

Report and Board Action on Agenda Item 10:

ACKNOWLEDGE RECEIPT OF AUDIT SERVICES REPORT

Explanation:

The Board Rules and Regulations state that the director of audit services shall assist the board in carrying out its oversight responsibilities as they relate to the university’s a) financial and other reporting practices, b) internal control, and c) compliance with laws, regulations and ethics. The director of audit services reports to the Board of Regents on the status of the annual audit plan, internal external reports, risk assessment and audit/compliance issues.

The audit services report as presented includes School of Music Audit, Records Management Audit, JAMP Grant Audit, Non-Exempt Employee Payroll Audit, Follow-up Audit, Proportionality of Benefits Audit, Risk Assessment, and update on annual audit plan.

Recommendation:

The Finance and Audit Committee recommends that the Board of Regents acknowledge receipt of the audit services report as presented.
Report and Board Action on Agenda Item 11:

APPROVAL OF ANNUAL AUDIT PLAN, AUDIT CHARTER AND REPORT

Explanation:

According to the Rules and Regulations of the Board of Regents, the director of audit services shall annually submit information on the annual audit plan, work schedule and staffing plan to the president for his review and to the Board of Regents for their approval. The director shall submit an annual report as required by Art. 6252-5d, V.T.C.S., recodified at Government Code, Chapter 2101. The annual report shall be submitted to the president and the board for review prior to public dissemination.

In addition, the International Standards for the Professional Practice of Internal Auditing require the internal audit charter to be approved on an annual basis. It is included as Appendix 1.

Recommendation:

The Finance and Audit Committee recommends approval of the annual audit plan, audit charter and annual report, as presented.
Report and Board Action on Agenda Item 12:

GRANT AWARDS

Explanation:

In fiscal year 2014, the university received multi-year grant awards totaling $21,985,708. Of that total, grant awards allocable to fiscal year 2014 were $7,432,239, an increase of $48,570 since the last report.

For fiscal year 2015, the multi-year grant award total is currently $17,827,707. Of this total, grant awards allocable to fiscal year 2015 are currently $6,115,550.

The grant awards result from extensive faculty research and service engagement across many academic disciplines. The grants include direct federal, federal pass through, state and private awards.

Recommendation:

The administration recommends approval and ratification of the additional grant awards allocable to fiscal year 2014 that total $48,570 and grant awards allocable to fiscal year 2015 that total $6,115,550. The total grant awards are detailed in Appendix 2.
Report and Board Action on Agenda Item 13:

BOND REDEMPTION, REFINANCING, AND ISSUANCE RESOLUTION

Explanation:

At the October 21, 2013 meeting, the regents adopted a bond resolution that authorized the university to refinance and redeem certain outstanding bond issues. In order to be prepared for future favorable refinancing market conditions, the administration presents a bond resolution in Appendix 3 that provides for a one year period whereby the university is authorized to issue one or more series of bonds to refinance outstanding bonds or issue bonds as presented in the resolution. For refinancing purposes, the resolution requires a minimum 3% savings threshold and delegates issuance responsibility to a designated financial officer.

Recommendation:

The administration recommends authorization of the bond refunding and issuance resolution in Appendix 3. The administration further recommends that the vice president for finance and administration serve as the designated financial officer in the functions described in the resolution.
Report and Board Action on Agenda Item 14:

SIEMENS INDUSTRY, INC. ENERGY SAVINGS PERFORMANCE CONTRACT BUDGET:

Explanation:

At the April 15, 2014 meeting, the regents authorized the university to engage a detailed energy audit with Siemens Industry, Inc. The regents further authorized the university to enter into an energy performance contract with Siemens Industry, Inc. if the audit revealed energy savings that were sufficient to pay the debt service on the contract. The Siemens Industry, Inc. energy audit identified an $11,311,450 project that contained guaranteed energy savings to pay the project’s debt service cost.

Recommendation:

The administration recommends approval of the phase three energy savings performance contract project budget at $11,311,450, plus any associated financing costs.
Report and Board Action on Agenda Item 15:

FINANCING APPROVAL FOR THE PHASE THREE ENERGY PERFORMANCE CONTRACT

Explanation:

At the April 15, 2014 meeting, the regents authorized the vice president of finance and administration to secure financing for the third phase of the energy performance contract with Siemens Industry, Inc. The university issued requests for proposal (RFP) to numerous lending institutions in order to examine financing options for the energy project. The administration pursued two financing options.

The first is a lease/purchase contract that is authorized by Texas Education Code (TEC) 51.927. Pursuant to TEC 51.927, an energy savings performance contract may be financed under a lease/purchase contract that has a term not to exceed 20 years from the final date of installation and meets federal tax requirements for tax-free municipal leasing. An RFP for a municipal tax exempt lease was issued to lending institutions in accordance with TEC 51.927. Responses were returned, evaluated, and the best bid/response was selected.

The second financing option for the energy savings performance contract is a private bond placement issue. TEC 51.927 allows an energy savings performance contract to be funded with proceeds from a bond issuance. A separate bond RFP was issued to lending institutions. Responses were returned, evaluated, and the best bid/response was selected.

The university compared the lender responses of the municipal tax-exempt lease RFP with those of the bond RFP. A determination of the best value to the university was made.

Recommendation:

Based on responses to the energy performance project RFP(s), the administration recommends the third phase of the energy performance project with Siemens Industry, Inc. be financed through ________________by ________________. If financing through a private bond placement issue, the administration further recommends approval of the bond resolution in Appendix 3. A provision authorizing the lease purchase agreement option is contained in Section 41 of the refinancing resolution in Appendix 4. The administration additionally recommends authorization of the president to sign associated contracts, financing agreements, or purchase orders.
Report and Board Action on Agenda Item 16:

APPROVAL TO INCLUDE 2015 CAPITAL PLAN ITEMS IN THE SIEMENS INDUSTRY, INC. ENERGY PERFORMANCE PROJECT

Explanation:

At the July 29, 2014 meeting the regents approved the 2014-15 capital plan that included the replacement of the air handlers in the Liberal Arts North Building at a cost of $275,000, residence life facilities’ cooling towers for $225,000, and water and air handler equipment at the Johnson Coliseum for $90,000. The energy audit conducted by Siemens Industry, Inc. also identified those utility infrastructure items as equipment that needed to be replaced. The items are contained in the Siemens Industry, Inc. third phase energy performance project. The total of the three items is $590,000.

Recommendation:

The administration recommends approval to incorporate the three capital item projects in the phase three Siemens Industry, Inc. energy performance project and utilize up to $590,000 to pay down the total project cost. The funding sources for the payment(s) would be the Higher Education Fund (HEF) for the Liberal Arts North air handler replacement, auxiliary fund balance for the residence life cooling towers, and designated fund balance for the Johnson Coliseum water and air handler equipment.
Report and Board Action on Agenda Item 17:

EDUCATION ADVISORY BOARD CONTRACT RATIFICATION

Explanation:

The university entered into a contract with the Education Advisory Board to purchase a Student Enablement component that will facilitate collaboration among colleges dedicated to pioneering new and innovative approaches to helping their students’ progress toward desirable outcomes in their college and university careers. The agreement extends from September 12, 2014 through September 11, 2019. The implementation fee is $20,000 with an annual service fee of $55,000 for a total of $295,000 for the duration of the agreement.

Recommendation:

The administration recommends that the Board of Regents ratify the purchase of the Student Enablement Application Alpha Program from the Education Advisory Board at a total five year cost of $295,000.
Report and Board Action on Agenda Item 18:

APPROVAL OF FINANCIAL AFFAIRS POLICY REVISIONS

Explanation:

The Board Rules and Regulations state that the Finance and Audit Committee will consider: budgeting and appropriations request processes; all requests for appropriations and budgets covering expenditures of educational and general funds and auxiliary programs including, but not limited to, student housing and the athletic department; handling of university funds, depositories, etc., whether from appropriated or contributed funds; and the auditing function of the university including, but not limited to, annual audit plan, internal and external audit reports, risk assessment, and audit/compliance issues.

The following policies are necessary to incorporate organizational, job title, and regulatory changes and to improve the flow of information in the above areas of responsibility. The general counsel has reviewed the proposed revisions.

Recommendation:

The administration recommends that the Board of Regents adopt the following policy revisions as presented in Appendix 5:

Environmental Management (13.26) NEW
Gift Reporting (3.16)
Investments – Endowment Funds (3.20)
Travel Card (3.30) NEW
| REPORTS |
|---------------------------------|----------------|
| Report from the President       | Baker Pattillo |
| • Upcoming Dates                | President      |
| • Commencement Dinner           |                |
| • Commencement and the Gala     |                |
| • Update on the Dean of the     |                |
|     Nelson Rusche College of    |                |
|     Business job search         |                |
| • Tuition Revenue Bond Request  |                |
| • A Cappella Choir Trip         |                |
| Report from the Faculty Senate  | George Franks  |
| • Introductions                 | Faculty Senate Chair |
| • Faculty Senate Chair Transition |                |
| • Senate Activity Update        |                |
| • Goals for the 2014-2015 Year  |                |
| • Faculty Accomplishments       |                |
| Report from the Student         | Marquice Hobbs |
| Government Association         | SGA President  |
| • Student Center Director’s     |                |
|     Advisory Council            |                |
| • Battle of the Piney Woods     |                |
|     Wager with Sam Houston      |                |
|     SGA                          |                |
| • Fan Buses to Battle of the    |                |
|     Piney Woods                 |                |
| • Tailgating Trophy             |                |
| Appointment of Nominating       | Steve McCarty  |
| Committee for 2015-2016 Board  | Board Chair    |
| Officers                        |                |
| Adjournment of Meeting (Approximately 10:30 a.m.) | Steve McCarty | Chair |
Monday, July 28, 2014

The regular meeting of the Board of Regents was called to order in open session at 8:03 a.m. Monday, July 28, 2014, by Chair Steve McCarty.

PRESENT:

Board Members: Mr. Steve McCarty, Chair
Mr. David Alders
Ms. Kelsey Brown, student member
Dr. Scott Coleman
Mr. Bob Garrett
Ms. Brigette Henderson
Mr. Barry Nelson
Mr. Ken Schaefer
Mr. Ralph Todd

President: Dr. Baker Pattillo

Vice-Presidents: Dr. Richard Berry
Mr. Danny Gallant
Ms. Jill Still
Dr. Steve Westbrook

General Counsel: Mr. Damon Derrick

Other SFA administrators, staff, and visitors

Regent Connie Ware was absent.

Chair McCarty called the meeting to order and welcomed new student regent Kelsey Brown. The meeting was recessed for committee meetings.

The Building and Grounds Committee meeting convened at 8:04 a.m. and adjourned at 8:37 a.m. The Finance and Audit Committee convened at 8:37 a.m. and adjourned at 12 noon. The Academic and Student Affairs Committee convened at 2:32 p.m. and adjourned at 3:26 p.m.
The board chair reconvened the Committee of the Whole at 3:26 p.m. in the Austin Building boardroom. Bob Garrett called on Steve Westbrook for an update on the strategic planning committee’s progress. The chair called for an executive session at 3:37 p.m. to consider the following items:

Deliberation Regarding the Deployment, or Special Occasions for Implementation, of Security Personnel or Devices (Texas Government Code, Section 551.076)

- Update from Chief Information Officer

Consultation with Attorney Regarding Legal Advice or Pending and/or Contemplated Litigation or Settlement Offers, including but not limited to institutional compliance; reported complaints; Joann Fields and Rose Trotty v. Stephen F. Austin State University; Maria Martinez, individually and as next of friend of Aileen Maria Martinez v. Charles Lane Feazell and Stephen F. Austin State University; and Christian Cutler v. Baker Pattillo, et al. (Texas Government Code, Section 551.071)

Consideration of Individual Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of an Officer or Employee including but not limited to women’s basketball coaches, dean of Nelson Rusche College of Business, theatre technical director, general counsel, director of audit services, coordinator of board affairs, vice presidents and the president (Texas Government Code, Section 551.074)

The executive session ended at 6:50 p.m. The Board of Regents meeting returned to open session and recessed for the evening with no further action.
The regular meeting of the Board of Regents was called to order in open session at 9:02 a.m. Tuesday, July 29, 2014, in the Austin Building Board Room by Chair Steve McCarty.

PRESENT:

Board Members: Mr. Steve McCarty, Chair  
Mr. David Alders  
Ms. Kelsey Brown, student member  
Dr. Scott Coleman  
Mr. Bob Garrett  
Ms. Brigettee Henderson  
Mr. Barry Nelson  
Mr. Ken Schaefer  
Mr. Ralph Todd  

President: Dr. Baker Pattillo  

Vice-Presidents: Dr. Richard Berry  
Mr. Danny Gallant  
Ms. Jill Still  
Dr. Steve Westbrook  

General Counsel: Mr. Damon Derrick  

Other SFA administrators, staff, and visitors  

Regent Connie Ware was absent from the meeting.  

Regent Nelson led the pledge to the flags and Regent Todd provided the invocation.

RECOGNITIONS

Danny Gallant presented the campus grounds workers and acknowledged them for their role in beautifying the SFA campus. Steve Westbrook presented the Printing Services team and recognized them for their recent national printing award. He also recognized those involved in the Freshman Leadership Academy. Robert Hill introduced the head coaches in women’s athletics for their outstanding year. Jimmy Mize, chair of the SFASU Foundation, was recognized for his service to the university. Dr. Jere Jackson presented copies of his book printed by the University Press, *Dietrich Rulfs: Designing Modern Nacogdoches*. 
APPROVAL OF MINUTES

BOARD ORDER 14-33
The April 15, 2014, board minutes were corrected to indicate that Regent Alders was present for the meeting that day. Upon motion by Regent Garrett, seconded by Regent Alders, with all members voting aye, it was ordered that the minutes of the April 14 and 15, 2014, regular meeting be approved as corrected and the minutes of the May 9, 2014, special meeting of the Board of Regents be approved as presented.

ADMINISTRATION

BOARD ORDER 14-34
Upon motion by Regent Schaefer, seconded by Regent Todd, with all members voting aye, it was ordered that the following items be approved.

A performance evaluation was conducted, and Baker Pattillo was reelected president of Stephen F. Austin State University for 2014-2015, at an annual salary of $324,991, effective September 1, 2014.

A performance evaluation was conducted, and Damon Derrick was reelected general counsel for 2014-2015 at an annual salary of $131,458, effective September 1, 2014.

A performance evaluation was conducted, and Gina Oglesbee was reelected director of audit services for 2014-2015 at an annual salary of $118,178, effective September 1, 2014.

A performance evaluation was conducted, and Judy Buckingham was reelected coordinator of board affairs for 2014-2015 at an annual salary of $40,706, effective September 1, 2014.

PERSONNEL

BOARD ORDER 14-35
Upon motion by Regent Nelson, seconded by Regent Todd, with all members voting aye, it was ordered that the following personnel items be approved.

FACULTY APPOINTMENTS FOR 2014 – 2015:

BUSINESS

Rajat Mishra, Ph.D. (University of Texas), Assistant Professor of Management, Marketing and International Business, at an academic year salary of $95,000 for 100 percent time, effective September 1, 2014.

EDUCATION

Yuleinys Castillo, M.S. (University of Texas – Pan American), Assistant Professor of Human Services, at an academic year salary of $58,000 for 100 percent time, effective September 1, 2014, contingent upon completion of doctorate by August 31, 2014.
Chrissy Cross, Ph.D. (Texas Tech University), Assistant Professor of Secondary Education and Educational Leadership, at an academic year salary of $53,000 for 100 percent time, effective September 1, 2014.

Lauren Gonzales, Ed.D. (University of North Texas), Assistant Professor of Elementary Education, at an academic year salary of $53,000 for 100 percent time, effective September 1, 2014.

Frank Mullins, Ph.D. (University of North Texas), Associate Professor of Human Services, at an academic year salary of $62,500 for 100 percent time, effective September 1, 2014.

Heather Munro, M.Ed. (Stephen F. Austin State University), Clinical Instructor of Human Services, at an annual salary of $68,000 for 100 percent time, effective September 1, 2014.

Carla Murgia, Ph.D. (Temple University), Professor and Chair of Kinesiology and Health Science, at an annual salary of $115,000 for 100 percent time, effective July 1, 2014.

Phoebe Okungu, M.S. (University of Oslo), Assistant Professor of Human Services, at an academic year salary of $55,000 for 100 percent time, effective September 1, 2014, contingent upon completion of doctorate by September 1, 2014.

Barbara Qualls, Ph.D. (University of North Texas), Assistant Professor of Secondary Education and Educational Leadership, at an academic year salary of $53,000 for 100 percent time, effective September 1, 2014.

Lydia Richardson, M.S. (Stephen F. Austin State University), Instructor of Human Services, at an academic year salary of $60,000 for 100 percent time, effective September 1, 2014, contingent upon completion of doctorate by December 31, 2014.

FINE ARTS

Jeffrey Brewer, MFA (Stephen F. Austin State University), Assistant Professor of Art, at an academic year salary of $46,000 for 100 percent time, effective September 1, 2014.

Tod Fish, DMA (University of Kansas), Assistant Professor of Music, at an academic year salary of $48,960 for 100 percent time, effective September 1, 2014.

Tara Houston, MFA (University of Illinois), Assistant Professor of Theatre, at an academic year salary of $48,000 for 100 percent time, effective September 1, 2014.

Bradley Meyer, DMA (University of Kentucky), Assistant Professor of Music, at an academic year salary of $49,440 for 100 percent time, effective September 1, 2014.

Joseph Turner, DMA (Louisiana State University), Assistant Professor of Music, at an academic year salary of $48,000 for 100 percent time, effective September 1, 2014.
FORESTRY AND AGRICULTURE

Jared Barnes, Ph.D. (North Carolina State University), Assistant Professor of Agriculture at a 10.5-month salary of $68,000 for 100 percent time, effective September 1, 2014.

Roger Masse, M.S. (Delaware State University), Assistant Professor of Forestry, at an academic year salary of $55,000 for 100 percent time, effective September 1, 2014.

LIBERAL AND APPLIED ARTS

Charles Gregory, M.A. (University of Montana), Instructor of Government, at an academic year salary of $45,000 for 100 percent time, effective September 1, 2014, contingent upon completion of doctorate by August 31, 2015.

Kara Lopez, Ph.D. (University of Houston), Assistant Professor of Social Work, at an academic year salary of $52,000 for 100 percent time, effective September 1, 2014.

Valerie Mahfood, M.B.A. (Lamar University), Assistant Professor of Government, at an academic year salary of $48,000 for 100 percent time, effective September 1, 2014, contingent upon completion of doctorate by August 24, 2014.

LIBRARY

Johna Von Behrens, MSLS (Drexel University), Librarian I (Archives and Repository), at an annual salary of $45,000 for 100 percent time, effective August 4, 2014.

SCIENCES AND MATHEMATICS

Matthew Beauregard, Ph.D. (University of Arizona), Associate Professor of Mathematics and Statistics, at an academic year salary of $63,500 for 100 percent time, effective September 1, 2014.

Matibur Zamadar, Ph.D. (City University of New York), Assistant Professor of Chemistry and Biochemistry, at an academic year salary of $55,600 for 100 percent time, effective September 1, 2014.

STAFF APPOINTMENTS FOR 2014 – 2015

ATHLETICS

James Collins, Assistant Baseball Coach, at a 10.5-month salary of $44,943 for 100 percent time, effective June 3, 2014.

James Haynes, Assistant Baseball Coach, at a 10.5-month salary of $38,826 for 100 percent time, effective June 3, 2014.
Todd Stutzman, Athletic Team Operations Coordinator, at an annual salary of $31,300 for 100 percent time, effective June 1, 2014.

CAMPUS RECREATION

Sarah Kouliavtsev, Coordinator of Promotions and Sponsorship, at an annual salary of $33,000 for 100 percent time, effective April 14, 2014.

DEVELOPMENT

Lana Comeaux, Development Officer II, at an annual salary of $71,260 for 100 percent time, effective April 21, 2014.

FORESTRY AND AGRICULTURE

Justin Glasscock, Broiler Research Center Supervisor, at an annual salary of $32,000 for 100 percent time, effective May 27, 2014.

INFORMATION TECHNOLOGY SERVICES

Stanley Riley II, ITS Security Specialist, at an annual salary of $54,000 for 100 percent time, effective April 14, 2014.

INSTRUCTIONAL TECHNOLOGY

Mary Smith, Assistant Director of Instructional Technology, at an annual salary of $68,000 for 100 percent time, effective June 2, 2014.

Megan Weatherly, Instructional Design Specialist, at an annual salary of $49,000 for 100 percent time, effective June 1, 2014.

RESIDENCE LIFE

Jani Francis-Okai, Manager of Residence Life Systems, at an annual salary of $43,189 for 100 percent time, effective May 19, 2014.

UNIVERSITY ASSESSMENT

Jennifer Stringfield, Assessment Specialist, at an annual salary of $40,300 for 100 percent time, effective June 2, 2014.
CHANGES OF STATUS FOR 2014-2015

ADMISSIONS

Brittany Green, from Admissions Counselor at an annual salary of $32,966 for 100 percent time, to Admissions Counselor with a change in responsibilities at an annual salary of $35,558 for 100 percent time, effective June 9, 2014.

BUSINESS

Treba Marsh, from Professor of Accounting at an academic year salary of $114,620 for 100 percent time, to Professor of Accounting with Temple Inland Professorship at an academic year salary of $114,620 for 100 percent time, with an additional salary supplement of $6,250 total to be paid in equal installments over four months, effective September 1, 2014.

EDUCATION

Stacy Hendricks, from Assistant Professor of Secondary Education at an academic year salary of $54,482 for 100 percent time, to Assistant Professor and Prep Program Principal at an academic year salary of $54,482 for 100 percent time, with an additional supplement of $3,000 total to be paid in equal installments over three months, effective June 1, 2014.

Lisa Mize, from Associate Dean of Education at an 11-month salary of $103,234 for 100 percent time, to Associate Professor of Human Sciences at an academic year salary of $69,737 for 100 percent time, effective September 1, 2014.

Jannah Nerren, from Associate Professor of Elementary Education at an academic year salary of $57,557 for 100 percent time, to Associate Dean of Education at an annual salary of $96,277 for 100 percent time, effective September 1, 2014.

Janet Tareilo, from Associate Professor of Secondary Education at an academic year salary of $62,772 for 100 percent time, to Associate Dean of Education at an annual salary of $101,700 for 100 percent time, effective June 1, 2014.

Miranda Terry, from Assistant Professor of Kinesiology and Health Science at an academic year salary of $54,000 for 100 percent time, to Assistant Professor and Coordinator of Health Science Program at an academic year salary of $54,000 for 100 percent time, with an additional salary supplement of $1,500 to be paid in one lump sum on September 1, 2014, for coordinator responsibilities for three months.

Leonard Thornton, from Associate Professor of Kinesiology and Health Science at an academic year salary of $60,076 for 100 percent time, to Associate Professor and Coordinator of Graduate Kinesiology Program at an academic year salary of $60,076 for 100 percent time, with an additional salary supplement of $1,000 to be paid in one lump sum on September 1, 2014, for coordinator responsibilities for three months.
FINANCIAL AID

Heather Rachele Garrett, from Interim Director of Financial Aid at an annual salary of $53,425 with an additional monthly stipend of $1,000 to Director of Financial Aid at an annual salary of $85,000 for 100 percent time, effective August 1, 2014.

FINE ARTS

Tod Fish, from Visiting Assistant Professor of Music at an academic year salary of $44,000 for 100 percent time, to Assistant Professor of Music at an academic year salary of $48,960 for 100 percent time, effective September 1, 2014.

Bradley Meyer, from Visiting Assistant Professor of Music at an academic year salary of $44,000 for 100 percent time, to Assistant Professor of Music at an academic year salary of $49,440 for 100 percent time, effective September 1, 2014.

FORESTRY AND AGRICULTURE

Maxwell Homes, from Admissions Counselor at an annual salary of $35,558 for 100 percent time, to Academic Advisor at an annual salary of $40,300 for 100 percent time, effective June 4, 2014.

DEVELOPMENT

Dale Green, from Director of Alumni Marketing and Membership at an annual salary of $56,599 for 100 percent time, to Development Officer II at an annual salary of $71,260 for 100 percent time, effective April 21, 2014.

INFORMATION TECHNOLOGY SERVICES

Paul Davis, from Director of Information Technology Services at an annual salary of $125,199 for 100 percent time, to Chief Information Officer at an annual salary of $125,199 for 100 percent time, effective July 29, 2014.

PROCUREMENT AND PROPERTY SERVICES

Leah Gentry, from Buyer at an annual salary of $31,500 for 100 percent time, to Contracting Specialist with an annual salary of $35,300 for 100 percent time, effective June 1, 2014.

SCIENCES AND MATHEMATICS

Mary Lockhart, from Science, Technology, Engineering and Math Center (STEM) Academies Coordinator at an annual salary of $42,300 for 100 percent time, to STEM Academies Coordinator with a change in job assignment at an academic year salary of $43,200 for 100 percent time, effective May 1, 2014.
STUDENT AFFAIRS

James Maple, from Spirit Head Coach at an annual salary of $28,840 for 100 percent time, to Coordinator of Spirit Programs at an annual salary of $28,840 for 100 percent time with an additional salary supplement of $6,000 total to be paid in equal installments over 12 months, effective September 1, 2014.

TELECOMMUNICATION AND NETWORKING

Sandra Menscer, from Network Support Specialist II at an annual salary of $44,943 for 100 percent time, to Network Support Specialist III at an annual salary of $55,253 for 100 percent time, effective June 10, 2014.

Steve Rasmussen, from Network Support Specialist III at an annual salary of $55,253 for 100 percent time, to System Network Administrator at an annual salary of $65,455 for 100 percent time, effective May 21, 2014.

UNIVERSITY MARKETING COMMUNICATIONS

Dixon Cartwright, from Marketing Communications Specialist at an annual salary of $40,000 for 100 percent time, to Senior Media Producer at an annual salary of $50,000 for 100 percent time, effective June 13, 2014.

Rachel Clark, from Editorial Coordinator at an annual salary of $36,000 for 100 percent time, to Editorial Coordinator at an annual salary of $37,000 for 100 percent time with a change in job assignment, effective May 1, 2014.

PROMOTION

Promotion was approved to Professor Emeritus, effective fall 2014:

Deborah Dufrene, Business

TENURE

Tenure was awarded to the following, effective fall 2014.

Carla Murgia, Kinesiology and Health Science
RETIREMENTS

The following retirements were accepted:


James Cunningham, Associate Professor of Mathematics and Statistics, College of Sciences and Mathematics, effective May 31, 2014.

BOARD ORDER 14-36
Upon motion by Regent Garrett, seconded by Regent Schaefer, with all members voting aye, it was ordered that the following personnel item be approved.

HOLIDAY SCHEDULE FOR 2014 – 2015

WHEREAS, the board members considered the following: Fifteen holidays are allowed by the state for 2014-2015. The following schedule will allow SFA to be closed for Labor Day, two days at Thanksgiving, ten working days during Christmas, five working days during Spring Break and Memorial Day, which totals 19 days. Employees will be required to take two days of vacation or compensatory time on December 30 and 31, and two days of vacation or compensatory time on March 19 and 20. Campus buildings will be shut down for 16 days during the Christmas break, and nine days during Spring Break, which will result in significant energy savings.

THEREFORE, the following holiday schedule for 2014-2015 was approved.

<table>
<thead>
<tr>
<th>Date</th>
<th>Holiday</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 1</td>
<td>Labor Day</td>
</tr>
<tr>
<td>November 27-28</td>
<td>Thanksgiving Break</td>
</tr>
<tr>
<td>December 22-January 2</td>
<td>Christmas Break</td>
</tr>
<tr>
<td>March 16-20</td>
<td>Spring Break</td>
</tr>
<tr>
<td>May 25</td>
<td>Memorial Day</td>
</tr>
</tbody>
</table>

ACADEMIC AND STUDENT AFFAIRS

BOARD ORDER 14-37
Upon motion by Regent Henderson, seconded by Regent Schaefer, with all members voting aye, it was ordered that the following academic and student affairs items be approved.

INTERCOLLEGIATE ATHLETIC POLICIES AND PROCEDURES MANUAL REVISIONS

The revisions to the Athletic Policies and Procedures Manual were approved as presented in Appendix 1.
ACADEMIC AND STUDENT AFFAIRS POLICY REVISIONS

The Board of Regents adopted the following policy revisions as presented in Appendix 8:

Academic Appeals by Students (6.3)
Academic Appointments and Titles (7.2)
Academic Integrity (4.1)
Academic Program Review (5.1)
Academic Unit Chair/Director Teaching Load (4.3)
Administration of Academic Units (4.4)
Allocation of Information Technology Resources (16.3)
Certificate Programs (5.2)
Course Fees (3.8)
Faculty Development Leaves (12.7)
Faculty Search (7.12)
Graduate Assistantships (6.12)
Grants and Contract Administration (8.3)
Hazing (10.3)
Instructor-generated Materials (7.16)
Illicit Drug and Alcohol Abuse (13.11)
Intellectual Property (9.4)
Laboratory Fees (3.22)
Library Faculty (7.17)
Part-time Faculty (7.21)
Professional Educators’ Council (5.16)
Public/Student Health (13.16)
Research Enhancement Program (8.11)
Resolving Faculty Disagreements in Issues other than Terminations and Renewal of Contracts (7.25)
Selection of Academic Deans (4.9)
Student Conduct Code (10.4)
Student ID Cards (10.7)
Student Internships (11.29) NEW
University Awards Programs (12.20)
University Logo/Seal (15.6)
Volunteer Workers (11.32) NEW
Wellness Release Time (13.25) NEW
BUILDING AND GROUNDS

BOARD ORDER 14-38
Upon motion by Regent Schaefer, seconded by Regent Garrett, with all members voting aye it was ordered that the following building and grounds items be approved.

APPROVAL OF THE FISCAL YEAR 2014-2015 CAPITAL PLAN

WHEREAS, the board members considered the following: The university has a long term campus infrastructure plan that addresses capital renewal, planned maintenance and renovation projects. The 2014-2015 capital plan includes student life, building and life safety initiatives.

THEREFORE, the fiscal year 2014-2015 capital plan was approved as presented in Appendix 2. Project funding was approved as listed, the source of funds were approved as presented, and authorization was given to the president to sign associated purchase orders or contracts.

BUILDING AND GROUNDS POLICY REVISIONS

The Board of Regents adopted the following policy revisions as presented in Appendix 8:

Alcohol Service (13.7) NEW
Class Meeting Times (4.12) NEW
Course Scheduling (4.13) NEW
Firearms, Explosives and Ammunition (13.9)
Petitions and Handbills (16.19)
Piney Woods Conservation Center (16.21)
Signs and Exhibits (16.24)
Student Center Operations (16.26)
Use of Amplified Sound (16.31)

FINANCIAL AFFAIRS

BOARD ORDER 14-39
Upon motion by Regent Coleman, seconded by Regent Schaefer, with all members voting aye, it was ordered that the following financial affairs item be approved.

ACKNOWLEDGE RECEIPT OF AUDIT SERVICES REPORT

WHEREAS, the audit services report included a Department of Chemistry and Biochemistry and Discovery Research Center Audit, a Department of Psychology Audit, an Agriculture Farms Follow-up Audit, an Endowment Investments Audit, a Conflict of Interest Audit, and update on annual audit plan.

THEREFORE, the Board of Regents acknowledged receipt of the audit services report as presented.
ADOPTION OF THE FISCAL YEAR 2014-2015 CAPITAL PLAN BUDGET

WHEREAS, the board members considered the following: The university has a long term campus master plan that addresses capital renewal, planned maintenance and renovation projects. The 2014-2015 capital plan that is presented in Appendix 3 includes student life, building and life safety initiatives.

THEREFORE, the fiscal year 2014-2015 capital plan budget and financing were approved as presented in Appendix 3, at a cost of $4,385,000.

BOARD ORDER 14-40
Upon motion by Regent Coleman, seconded by Regent Todd, with all members voting aye, it was ordered that the following financial affairs item be approved.

TELEPHONE SWITCH HARDWARE REPLACEMENT

WHEREAS, the board members considered the following: The university’s current telephone switch was purchased from NEC Corporation (NEC) and installed in January 2004. The final software release for the switch was March 3, 2011. No software upgrades are available for purchase, no additional IP licenses or automatic call distribution licenses can be purchased, and no parts have been manufactured since June 30, 2012. The new switch will provide a number of new or upgraded features and is expected to reduce power consumption up to 23 percent.

THEREFORE, approval was given to the switch replacement with the use of the Higher Education Fund (HEF), at a cost not to exceed $600,000. The president was authorized to sign associated purchase orders and contracts.

TRAINING SOFTWARE AND MAINTENANCE

WHEREAS, the board members considered the following: The university currently provides training in a variety of areas to SFA employees and students. Most university training is required by law and/or university policy. Current delivery methods include face-to-face and online using a variety of platforms. The administration wishes to consolidate training efforts and more efficiently manage and track training participation. In addition, the university desires to have comprehensive training notification and reminder alerts. Further, it is essential that the training delivery solution complies with state and federal law and regulation regarding accessibility to individuals with disabilities.

THEREFORE, approval was given to select training software that will meet institutional training and compliance needs. The administration was authorized to purchase up to five years of software maintenance in association with the initial software purchase. The president was authorized to sign up to a five-year contract and associated purchase orders not to exceed $300,000. The Higher Education Fund (HEF) will be used as the funding source.
STORAGE AREA NETWORK REPLACEMENT

WHEREAS, the board members considered the following: The current storage area network (SAN) serves as data storage for several critical systems including file sharing and document imaging services. The SAN is no longer expandable and has reached maximum capacity. The SAN was purchased in the fall of 2007. The vendor discontinued sales and announced end-of-life planning of this system in 2009. The system was deemed obsolete in March 2010. The vendor does not guarantee hardware support beyond 2014 based on the availability of remaining spare parts supplies.

THEREFORE, the replacement of the storage area network was approved at a cost not to exceed $160,000. The president was authorized to sign associated purchase orders and contracts. The funding source will be Information Technology Services fiscal year 2014 budgeted funds.

LUMINIS PLATFORM UPGRADE

WHEREAS, the board members considered the following: The Luminis Platform is the underlying software for the mySFA portal used by students, faculty and staff to perform many course-related and administrative functions. The current version of the product was implemented in 2007 and will no longer be supported as of December 31, 2015. It is essential to install and test the software before product support ends.

THEREFORE, approval of the Luminis Platform upgrade was granted at a cost not to exceed $100,000. The president was authorized to sign associated purchase orders and contracts.

CLASSROOM TECHNOLOGY UPGRADES

WHEREAS, the board members considered the following: The Academic Affairs Division will begin a process of upgrading classroom teaching technology in order to make possible best practices in high impact, student-centered instruction. The division has identified rooms that are best suited and most in need of technological renovation and has taken these rooms off-line for academic year 2014-2015. These funds will enable purchase, installation, and deployment of current teaching and learning technology.

THEREFORE, the Board of Regents approved upgrades to the classroom technology with the use of the Higher Education Fund (HEF), at a cost not to exceed $150,000. The president was authorized to sign associated contracts and purchase orders.

GRANT AWARDS

WHEREAS, the board members considered the following: To date in fiscal year 2014, the university has received multi-year grant awards totaling $21,981,808. Of that total, grant awards allocable to fiscal year 2014 are $7,383,669, an increase of $183,254 since the last report.
The grant awards result from extensive faculty research and service engagement across many academic disciplines. The grants include direct federal, federal pass through, state and private awards.

THEREFORE, the additional grant awards allocable to fiscal year 2014 that total $183,254 were approved and ratified. The total grant awards are detailed in Appendix 5.

ARAMARK AGREEMENT AMENDMENTS

WHEREAS, board members considered the following: The university maintains an agreement with Aramark Educational Services to provide food service on campus. From time to time Aramark must apply for state-issued permits and/or licenses to fulfill this responsibility. Our current agreement is between the university and Aramark Educational Services, LLC, which is a Delaware-based limited liability company. To streamline the process of seeking permits and/or licenses requiring the applicant to be Texas-based, Aramark seeks to reassign the rights of our existing agreement from Aramark Educational Services, LLC, to Aramark Educational Services of Texas, LLC, a Texas limited liability company. This change requires approval of the Board of Regents.

In addition, the university and Aramark propose an amendment that will clarify the way commissions for catered events are calculated and paid to the university.

THEREFORE, the president was authorized to sign an “assignment and assumption” contract amendment authorizing the reassignment of the rights granted Aramark under the university’s existing agreement from their Delaware based limited liability company to their Texas based limited liability company. This amendment is shown in Appendix 6.

In addition, the president was authorized to sign an amendment to the existing food service agreement that updates the way catering commissions are calculated and paid. This amendment is shown in Appendix 7.

FINANCIAL AFFAIRS POLICY REVISIONS

The Board of Regents adopted the following policy revisions as presented in Appendix 8:

Fixed Rate Tuition Plan (3.4)
Items Requiring Board of Regents Approval (1.4)
Year-End Purchasing (17.24)

APPROVAL OF THE 2014 – 2015 REBRANDING CAMPAIGN CONCEPT

WHEREAS, Richards Carlberg has presented the proposed 2014-2015 rebranding campaign concept for the board’s approval.
THEREFORE, approval was given to the 2014-2015 rebranding campaign as presented by Richards Carlberg at a cost not to exceed $1.6 million and including the following elements:

- Fall branding/enrollment campaign
- Spring branding/enrollment campaign
- Website redesign
- High profile media/airports
- Campus signage and collateral
- Opportunity fund

APPROVAL OF PURCHASE OF UNDERARMOUR GEAR

WHEREAS, The Board of Regents approved a 5-year agreement with Under Armour Inc., a sports clothing and accessories company, in July 2013 for a five year period ending August 31, 2018. The agreement specified Athletic Supply Inc. as the team dealer with a guaranteed discount off of retail pricing. Teamline was specified as a second team dealer to provide only Under Armour gear and associated baseball gear that Athletic Supply does not provide. A purchase from Athletic Supply Inc. was made in May 2014 that totaled $137,050.50. The purchase was necessary to convert all football gear to Under Armour for the FY15 football season.

THEREFORE, the Board of Regents ratified the $137,050.50 purchase from Athletic Supply Inc. in May 2014 and approved the use of Athletic Supply Inc. and Teamline as team dealers for additional purchases of Under Armour gear during the term of the agreement. The president was authorized to sign the purchase orders.

BOARD ORDER 14-41

Upon motion by Regent Coleman, seconded by Regent Todd, with all members voting aye, it was ordered that the following item be approved.

APPROVAL OF THE FISCAL YEAR 2014-2015 INSTITUTIONAL BUDGET

WHEREAS, the board members considered the following: In accordance with Article III of the State of Texas General Appropriations Act for the 2014-2015 biennium, the recommended institutional budget totaling $238,648,681 for fiscal year 2014-2015 is submitted for approval. The proposed budget includes a 5.71% increase in designated tuition and fees, a 3.5% increase in residence hall rates and a 1.9% increase in meal plan rates. The proposed budget also includes faculty promotions, staff reclassifications, and a 2% merit pool for faculty and staff. A detailed Higher Education Fund allocation is included in Appendix 4.

THEREFORE, the 2014-2015 annual operating budget of $238,648,681 was approved.
**BOARD ORDER 14-42**
Upon motion by Regent Schaefer, seconded by Regent Todd, with all members voting aye, it was ordered that the following item be approved.

**SELECTION OF THE TEXAS A&M SYSTEM TO MANAGE UNIVERSITY ENDOWMENT FUNDS**

**WHEREAS,** the board members considered the following: On April 15, 2014 the regents selected the Merrill Lynch LMT Wealth Management Group as its endowment funds investment advisor. On July 16, 2014, the firm notified the university’s administration that Merrill Lynch now considers endowment funds to be public funds and will no longer permit the LMT Wealth Management Group to serve as the university’s investment advisor.

**THEREFORE,** the Board of Regents revoked the selection of the Merrill Lynch LMT Wealth Management Group as its external investment advisor and approved the Texas A&M University System as manager of the university’s endowment funds. The president was authorized to sign associated endowment investment management contract(s) with the Texas A&M System.

**REPORTS**
The president provided a report to the regents on the following topics:
- Upcoming Dates
- Dean of the Nelson Rusche College of Business search to be reopened
- Senator Kay Bailey Hutchison
- Widening of Starr Avenue
- SFA 100th Anniversary celebration committee to be named

The president announced that he was naming Chair Steve McCarty to the position of athletic director emeritus.

Dr. Jannah Nerren, faculty senate chair, made a report on the following topics:
- Introductions
- Faculty Senate Chair Transition
- Senate Summer Activity
- Goals for the 2014-2015 Year
- Faculty Accomplishments

Marquice Hobbs, SGA president, gave a report on the following topics:
- Student Center Advisory Board
- Goals for Fall
- Tailgating Trophy
- Watermelon Bash

The meeting was adjourned at 10:35 a.m.
Appendix 1

STEPHEN F. AUSTIN STATE UNIVERSITY
DEPARTMENT OF AUDIT SERVICES
INTERNAL AUDIT CHARTER
October 27, 2014

Purpose

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the university’s operations. It helps the university accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The purpose of the Department of Audit Services is to provide the Board of Regents and the President an independent appraisal of the adequacy and the effectiveness of the University’s system of internal administrative and accounting controls and the quality of performance when compared with established standards. The primary objective is to assist the Board of Regents, the President and University management in the effective discharge of their responsibilities.

Authority

The Department of Audit Services is an integral part of Stephen F. Austin State University and functions within established policies. The Director of Audit Services reports functionally to the Board of Regents and administratively to the President.

The Department of Audit Services will have unrestricted access to all University activities; records, both manual and electronic; property; and personnel relevant to any area being reviewed. Members of the Audit Services’ staff will handle all documents and other information acquired in the course of their duties prudently.

Standards and Independence

The Department will operate within the guidelines of the Texas Internal Auditing Act (Article 6252 – 5d., V.A.C.S.), the Institute of Internal Auditors (IIA) Professional Practices Framework which includes the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing as mandatory guidance. In addition, where applicable the Department will follow Generally Accepted Government Auditing Standards (GAGAS).

The Department’s internal auditors will uphold the principles of integrity, objectivity, confidentiality, and competency. Internal auditors will be independent of the activities or operations they review; they will not engage in any activity which would impair their independence.
Appendix 1

Responsibility

The Department of Audit Services will fulfill its responsibility to the Board and the President by:

- developing an audit plan based on a risk analysis which includes consideration of the university’s goals and objectives and the concerns of management and the Board.
- providing audit coverage that consistently meets the needs and expectations of management
- following up on identified weaknesses, findings and recommendations from previous audit work
- participating in a program of quality assurance designed to ensure the increasing professionalism of the department and standard of the work performed
- performing consulting services including advisory and related service activities, the nature and scope of which are agreed upon and which are intended to add value and improve the university’s governance, risk management, and control processes without assuming management responsibility. Examples include counsel, advice, facilitation, training, and committee service.

Annually the Director of Audit Services will submit information on the annual audit plan, work schedule, and staffing plan to the President for his review and to the Board of Regents for their approval. Quarterly the Director will provide activity reports to the President and the Board detailing progress against the annual audit plan, audit accomplishments, and highlights of any significant audit findings and recommendations. The Director of Audit Services will submit reports as required to the State Auditor’s Office, Governor’s Office, Legislative Budget Board and Sunset Advisory Commission.

The scope of audit activities will include all controls, reports and operations of the University. The Department of Audit Services will examine and evaluate:

- The reliability and integrity of financial and operating information and the means used to identify, measure, classify and report information.
- The systems established to ensure compliance with policies, plans, procedures, laws and regulations that could have a significant impact on the University.
- The means of safeguarding assets and verifying their existence.
- The economy and the efficiency with which resources are employed.
- The extent to which the operations and programs of the University are consistent with its objectives and goals.
- The ethics objectives and activities of the University.
- The potential for fraud and the management of fraud risk.
Grants¹ awarded between June 16, 2014 and September 23, 2014

Summary report for FY 2014 and FY 2015 to date

Summary Report – Fiscal Year 2014

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total New Current Year Awards (this period) – as of August 31, 2014</td>
<td></td>
</tr>
<tr>
<td>Subtotal direct federal</td>
<td>$ 0</td>
</tr>
<tr>
<td>Subtotal federal pass-through</td>
<td>$ 1,000</td>
</tr>
<tr>
<td>Subtotal state and state pass-through</td>
<td>$ 43,670</td>
</tr>
<tr>
<td>Subtotal private entity and local government</td>
<td>$ 3,900</td>
</tr>
<tr>
<td>Total awards (all years) for new awards (this period)</td>
<td>$ 3,900</td>
</tr>
<tr>
<td>Total awards (all years) for continuing grants (this period)</td>
<td>$ 271,749</td>
</tr>
<tr>
<td>Total current year awards for awards active in 2014</td>
<td>$ 7,432,239</td>
</tr>
<tr>
<td>Total awards (all years) for awards active in 2014</td>
<td>$ 21,985,708</td>
</tr>
</tbody>
</table>

New, Additional, or Previously Unreported Awards for FY 2014

Federal Pass Through

Previously Described Awards

StateView Program Development and Operations for the State of Texas

(Award # AV13-TX01/G14AP00002, CFDA 15.815)

FY 2014 Award: $1,000 (additional award)          Total Award: $24,673

Subtotal Current Year Awards (this report) =$1,000

Subtotal New Federal Pass-through Awards (total award) = $0

State and State Pass-through Awards

Previously Described Awards

Disability Services – Interpreter Services

FY 2014 Award: $35,000 (additional award)          Total Award: $175,000

Disability Services – Reader Services

FY 2014 Award: $8,670 (additional award)          Total Award: $72,076

Subtotal Current Year Awards (this report) = $43,670

Subtotal New State and State Pass-through Awards (total award) = $0

*New awards

¹For purposes of this report, the term grant refers to awards in the form of grants, contracts, and other types of agreements from external sponsors. It does not include non-grant scholarships or gifts. Prepared by the Office of Research & Sponsored Programs.
Private Entity and Local Government Awards

*Angelina County Historical Commission Historic Survey
FY 2014 Award: $3,900
Total Award: $3,900 (Interlocal Agreement)
Sponsor: Angelina County Historical Commission
Term: May 28, 2014 – October 1, 2014
Description: The purpose of the agreement is to digitize and make available online the 1986 Angelina County Historic Resources Survey. PI/PD: Dr. Perky Beisel, Department of History, Center for Regional Heritage Research

Subtotal Current Year Awards (this report) = $3,900
Subtotal New Private and Local Government Awards (total award) = $3,900

Fiscal Year 2015

Total New Current Year Awards (this period) – as of September 23, 2014
Subtotal direct federal $ 2,959,464
Subtotal federal pass-through $ 942,010
Subtotal state and state pass-through $ 2,048,371
Subtotal private entity and local government $ 165,705

Total awards (all years) for new awards (this period) $ 3,232,886
Total awards (all years) for continuing grants (this period) $ 14,594,821

Direct Federal Awards

*McIntire Stennis Cooperative Forestry Research Program
FY 2015 Award: $465,564
Total Award: $465,564 (Formula Grant - renewal)
Sponsor: U.S. Department of Agriculture, NIFA (Award # 2014-32100-06101, CFDA 10.202)
Term: October 1, 2013 – September 30, 2015
Description: Funds are provided for the conduct of forestry research in accordance with the McIntire-Stennis Cooperative Forestry Research Act. PI/PD: Dr. Steve Bullard, College of Forestry and Agriculture

*New awards

1For purposes of this report, the term grant refers to awards in the form of grants, contracts, and other types of agreements from external sponsors. It does not include non-grant scholarships or gifts. Prepared by the Office of Research & Sponsored Programs.
3D Preservation, Documentation, and Geometric Morphometric Analysis of Intact Caddo NAGPRA Vessels from Sixteen Caddo Sites in East Texas

FY 2015 Award: $39,600
Total Award: $39,600 (Grant)
Sponsor: U.S. Department of the Interior, National Park Service (Award # P14AP00138, CFDA 15.923)
Term: June 12, 2014 – July 31, 2015
Description: This grant provides funding for 3D geometric morphometric analyses of Caddo vessels from the Turner Collection, located in the Anthropology and Archaeology Laboratory at Stephen F. Austin State University. Scans will be made digitally available to the public. PI/PD: Dr. Robert (Zac) Selden, Center for Regional Heritage Research

Monitoring Soft Mast Production in Woodland Restoration on the Ouachita National Forest

FY 2015 Award: $29,899
Total Award: $60,298 (Challenge Cost Share Agreement)
Sponsor: U.S. Department of Agriculture, Forest Service (Award # 14-CS-11330124-130, CFDA 10.652)
Term: August 12, 2014 – September 1, 2017
Description: This project will monitor soft mast production in selected forest stands in Arkansas to determine how controlled burns and restorations affect wildlife. PI/PD: Dr. Christopher Comer, College of Forestry and Agriculture

Previously Described Awards

Gaining Early Awareness and Readiness for Undergraduate Programs for Success (East Texas GEAR UP) (Award # P334A110173, CFDA 84.334)
FY 2015 Award: $1,184,325
Total Award: $7,445,050

Talented Teachers in Training for Texas (T4) (Award # 1136416, CFDA 47.076)
FY 2015 Award: $418,651
Total Award: $1,449,996

Research Study to Assess the Impact of Professional Development on English Language Learners (CONFIANZA) (Award # T365Z110235, CFDA 84.365)
FY 2015 Award: $400,000
Total Award: $1,988,947

CC-NIE Networking Infrastructure: Data Driven Networking (Award 1341010, CFDA 47.080)
FY 2015 Award: $248,674
Total Award: $497,346

Vocational Rehabilitation Counselor Training Program (Award # H129B100024, CFDA 84.129)
FY 2015 Award: $95,062
Total Award: $620,840

*New awards

1For purposes of this report, the term grant refers to awards in the form of grants, contracts, and other types of agreements from external sponsors. It does not include non-grant scholarships or gifts. Prepared by the Office of Research & Sponsored Programs.
Appendix 2

Grants awarded between June 16, 2014 and September 23, 2014
Summary report for FY 2014 and FY 2015 to date

Science and the Public Interface: Equipping Museum Professionals to Engage Audiences
Regarding Complex and Controversial Science Topics
(Award # MP-00-12-0005-12, CFDA 45.307)
FY 2015 Award: $77,689 Total Award: $247,150

Subtotal Current Year Awards (this report) = $2,959,464
Subtotal New Federal Awards (total award) = $565,462

Federal Pass Through

*Visually Impaired Preparation (VIP) Program
FY 2015 Award: $527,000
Total Award: $527,000 (Interagency Agreement – renewal)
Sponsor: Texas School for the Blind & Visually Impaired (U.S. Department of Education)
Term: September 1, 2014 – August 31, 2015
Description: Funds are provided to support the preparation of thirty-two professionals taking classes that will lead to an endorsement in Visual Impairment or certification in Orientation and Mobility by the Academy for Certification of Vision Rehabilitation and Education Professionals. PI/PD: Dr. Vicki DePountis, Department of Human Services

*Special Education Consolidated Grant FY 14 (IDEA-B)
FY 2015 Award: $25,825
Total Award: $25,825 (Formula Grant - renewal)
Sponsor: Texas Education Agency (U.S. Department of Education, Award # 156600011748016600/H027A140008)
Term: July 25, 2014 – September 30, 2015
Description: Funds are provided for instructional support at the SFA Charter School, including early identification, intervention and counseling services for students with impairments and disabilities. PI/PD: Ms. Lysa Hagan, Department of Elementary Education (SFA Charter School)

*Field Trails of Giant Salvinia Extracts as an Endocide to Control Giant Salvinia
FY 2015 Award: $20,000
Total Award: $20,000 (Subaward)
Sponsor: Gulf States Marine Fisheries Commission (U.S. Department of the Interior, Award # FWS-800-037-2014-SFASU/F14AP00009, CFDA 15.608)
Term: July 1, 2014 – June 30, 2015
Description: The purpose of this project is to conduct field trials related to the control of Giant Salvinia at the Aquatic Research Center of the Red River Waterway Commission, located in Louisiana. PI/PD: Dr. Shiyou Li, College of Forestry and Agriculture, National Center for Pharmaceutical Crops

*New awards

For purposes of this report, the term grant refers to awards in the form of grants, contracts, and other types of agreements from external sponsors. It does not include non-grant scholarships or gifts. Prepared by the Office of Research & Sponsored Programs.
**Habitat Use and Movement Patterns of the Crawfish Frog (Lithobates areolatus)**

FY 2015 Award: $12,782  
Total Award: $12,782 (Interagency Agreement)  
Sponsor: TX Parks & Wildlife (U.S. Department of Interior, FWS, Award # 454718/TX T-109-1, CFDA 15.634)  
Term: August 20, 2014 – August 31, 2015  
Description: This project will collect data on habitat use and patterns of movement of Crawfish Frogs, a threatened species. The study will take place in the Attwater Prairie Chicken National Wildlife Refuge near Houston. PI/PD: Dr. Matthew Kwiatkowski, Department of Biology

**Texas Undergraduate Mathematics Conference**

FY 2015 Award: $3,200  
Total Award: $3,200 (Grant)  
Sponsor: Mathematical Association of America (National Science Foundation, Award # DMS-0846477, CFDA 47.049)  
Term: August 1, 2014 – December 31, 2014  
Description: Funds will support a regional conference that provides the opportunity for undergraduate mathematics students to make presentations and/or to observe other students’ presentation skills. PI/PD: Dr. Nicholas Long, Department of Mathematics and Statistics

**International Film Festival**

FY 2015 Award: $1,000  
Total Award: $1,000 (Grant)  
Sponsor: Humanities Texas (National Endowment for the Humanities, Award # 2014-4668, CFDA 15.129)  
Term: August 1, 2014 – October 31, 2014  
Description: Matching funds are provided to support the presentation of a series of films from Spain and Latin America designed to promote cross-cultural understanding. PI/PD: Dr. Gabriela Miranda-Recinos, Department of Languages, Culture & Communication

**Myth & Metaphor: The Intaglio Prints of Thomas Woods**

FY 2015 Award: $750  
Total Award: $750 (Grant)  
Sponsor: Texas Commission on the Arts (National Endowment for the Humanities, Award # 2014-4677, CFDA 15.129))  
Term: July 1, 2014 – October 31, 2014  
Description: Matching funds are provided to support an exhibit of selected works of artist Thomas Woods. PI/PD: Dr. John Handley, SFA Galleries

*New awards

\(^1\)For purposes of this report, the term grant refers to awards in the form of grants, contracts, and other types of agreements from external sponsors. It does not include non-grant scholarships or gifts. Prepared by the Office of Research & Sponsored Programs.
Appendix 2

Grants\(^1\) awarded between June 16, 2014 and September 23, 2014

Summary report for FY 2014 and FY 2015 to date

**Previously Described Awards**

**Child Welfare Professional Development Project**
(Award # 530-10-0174-00001, CFDA 93.658)
FY 2015 Award: $138,328 (continuation award) Total Award: $447,150

**Identifying Habitat Features Supporting Eastern Wild Turkey Populations in Texas**
(Award # 445745/TX-W-149R-1, CFDA 15.611)
FY 2015 Award: $91,865 Total Award: $400,518

**Avian Community Dynamics in Bottomland Hardwood Forests of East Texas**
(Award # 402431, CFDA 15.611)
FY 2015 Award: $61,710 Total Award: $452,320

**Bottomland Hardwood Restoration and Enhancement in Degraded River Basins**
(Award # 447245, CFDA 15.611)
FY 2015 Award: $59,550 Total Award: $249,748

Subtotal Current Year Awards (this report) = $942,010
Subtotal New Federal Pass-through Awards (total award) = $590,557

**State and State Pass-through Awards**

*Piney Woods Area Health Education Center (State Portion)*
FY 2015 Award: $110,500
Total Award: $110,500 (Interagency Agreement - renewal)
Sponsor: U.T. Medical Branch - Galveston
Term: September 1, 2014 – August 31, 2015
Description: The purpose of the award is to continue to build and maintain the community-based, regional organization in east Texas that is tied to a statewide network of Area Health Education Centers (AHEC) to promote health careers and to build healthy communities.
PI/PD: Mr. Mark Scott, Texas AHEC East Piney Woods Region, College of Sciences & Mathematics

*Nacogdoches Naturally 3*
FY 2015 Award: $36,584
Total Award: $36,584 (Interagency Agreement)
Sponsor: TX Parks & Wildlife
Term: August 1, 2014 – February 1, 2016
Description: This project will offer underserved populations in the Nacogdoches area opportunities to participate in outdoor education, conservation, and recreation programs.
PI/PD: Ms. Elyce Rodewald, SFA Gardens, Department of Agriculture

*New awards\(^1\)*
For purposes of this report, the term grant refers to awards in the form of grants, contracts, and other types of agreements from external sponsors. It does not include non-grant scholarships or gifts. Prepared by the Office of Research & Sponsored Programs.
Appendix 2

Grants\(^1\) awarded between June 16, 2014 and September 23, 2014

*Summary report for FY 2014 and FY 2015 to date*

\*College Tobacco Initiative – Texans Standing Tall

- **FY 2015 Award:** $2,000
- **Total Award:** $2,000 (Interagency Agreement)
- **Sponsor:** U.T. Austin (TX Department of State Health Services)
- **Term:** June 1, 2014 – December 31, 2014
- **Description:** This study, part of the Higher Education Tobacco Prevention Initiative project, is designed to provide information useful for the development of tobacco use prevention practices on college campuses. **Co-PIs/Co-PDs:** Dr. Kelli Drenner and Ms. Cyndra Krogen-Morton, Department of Kinesiology/Health Science

\*Previously Described Awards

\*SFA Charter School (ADA, non-grant)
- **FY 2015 Award:** $1,747,875
- **Total Award:** $1,747,875

Disability Services – Interpreter Services
- **FY 2015 Award:** $52,500
- **Total Award:** $227,500

Rehabilitation Counseling Internship Stipends
- **FY 2015 Award:** $41,640
- **Total Award:** $166,560

\*SFA Charter School (Instructional Materials Allotment)
- **FY 2015 Award:** $19,155
- **Total Award:** $19,155

Disability Services – Reader Services
- **FY 2015 Award:** $16,000
- **Total Award:** $88,076

Joint Admission Medical Program (JAMP)
- **FY 2015 Award:** $13,367
- **Total Award:** $69,643

Regional College Readiness Special Advisor Network
- **FY 2015 Award:** $5,000
- **Total Award:** $10,000

\*Texas School Ready Project
- **FY 2015 Award:** $3,750 (renewal)
- **Total Award:** $3,750

\*Subtotal Current Year Awards (this report) = $2,048,371

Subtotal New State and State Pass-through Awards (total award) = $1,919,864

---

\*New awards

\(^1\) For purposes of this report, the term grant refers to awards in the form of grants, contracts, and other types of agreements from external sponsors. It does not include non-grant scholarships or gifts. Prepared by the Office of Research & Sponsored Programs.
Grants awarded between June 16, 2014 and September 23, 2014
Summary report for FY 2014 and FY 2015 to date

Private Entity and Local Government Awards

*Developing a Management Tool to Assist Companies in the Promotion of Harvesting Regimes and the Selection of Properties that Promote the Conservation of Biodiversity

FY 2015 Award: $36,346
Total Award: $70,268 (Grant)
Sponsor: Sustainable Forestry Initiative (SFI), Inc.
Term: June 2, 2014 – October 30, 2016
Description: This project will study land cover and use by wildlife in forest plantations and evaluate the potential use of the “ecological networks” approach to conserving biodiversity. PI/PD: Dr. Daniel Scognamillo, College of Forestry and Agriculture

*A More Livable Nacogdoches

FY 2015 Award: $35,500
Total Award: $35,500 (Interlocal Agreement)
Sponsor: City of Nacogdoches
Term: August 29, 2014 – December 31, 2015
Description: Funding is provided for the development of short- and long-term livability plans for the City of Nacogdoches developed with input from a variety of stakeholders. PI/PIs: Dr. William Forbes, Department of Social and Cultural Analysis, Center for a Livable World; Drs. Brian Murphy and Marc Guidry, College of Liberal and Applied Arts

*School Psychology Pre-doctoral Internship

FY 2015 Award: $20,000
Total Award: $20,000 (Grant)
Sponsor: American Psychological Association
Term (this action): July 1, 2014 – January 31, 2017
Description: Funds are provided to support a pre-doctoral psychology internship for the School Psychology master’s and doctoral degree programs in collaboration with the SFA Charter School. PI/PIs: Dr. Robbie Steward, Department of Human Services; Ms. Lysa Hagan, Department of Elementary Education, SFA Charter School

*Field Trials of Giant Salvinia Extracts as an Endocide to Control Giant Salvinia near Lake Claiborne, LA

FY 2015 Award: $10,735
Total Award: $10,735 (Educational Research Agreement)
Sponsor: Claiborne Parish Watershed District, Louisiana
Term: (this action) August 1, 2014 – December 31, 2014
Description: The purpose of this project is to conduct field trials related to the control of Giant Salvinia at a site near Lake Claiborne, Louisiana. PI/PD: Dr. Shiyou Li, College of Forestry and Agriculture, National Center for Pharmaceutical Crops

*New awards

1For purposes of this report, the term grant refers to awards in the form of grants, contracts, and other types of agreements from external sponsors. It does not include non-grant scholarships or gifts. Prepared by the Office of Research & Sponsored Programs.
Grants\footnote{For purposes of this report, the term grant refers to awards in the form of grants, contracts, and other types of agreements from external sponsors. It does not include non-grant scholarships or gifts. Prepared by the Office of Research & Sponsored Programs.} awarded between June 16, 2014 and September 23, 2014

Summary report for FY 2014 and FY 2015 to date

*New awards*
Appendix 2

Grants\(^1\) awarded between June 16, 2014 and September 23, 2014

Summary report for FY 2014 and FY 2015 to date

*Environmental Education Program Staffing (SFASU Foundation award)*

- **FY 2015 Award:** $10,000
- **Total Award:** $10,000 (Grant)
- **Sponsor:** George and Fay Young Foundation, Inc.
- **Term (this action):** June 26, 2014 – August 31, 2015
- **Description:** Funds are provided for the Nacogdoches Naturally Staffing Project in support of the SFA Piney Woods Native Plant Center. **PI/PD:** Ms. Elyce Rodewald, SFA Gardens, Department of Agriculture

Previously Described Awards

- **Pine Plantations on Reclaimed Minelands**
  - **FY 2015 Award:** $20,651
  - **Total Award:** $126,913

- **Phase II: Tree Shelter Study and Vegetation Modeling – Colona Thread Protector Site**
  - **FY 2015 Award:** $12,973
  - **Total Award:** $23,064

- **Guest Speakers, Undergraduate Research and Reading Group**
  - **FY 2015 Award:** $10,500 (renewal)
  - **Total Award:** $10,500

- **James I. Perkins Family Research Associates in Elementary Education (SFASU Foundation award)**
  - **FY 2015 Award:** $9,000 (additional award)
  - **Total Award:** $84,000

Subtotal Current Year Awards (this report) = $165,705

Subtotal New Private and Local Government Awards (total award) = $157,003

Note: Amounts are based on award notices as they are received from the funding entity, not on expenditures or balances in funds/accounts. To reflect the approximate availability of funds in a given fiscal year, some current year awards are estimates based on the total amount awarded spread over the award period.

*New awards

\(^1\)For purposes of this report, the term grant refers to awards in the form of grants, contracts, and other types of agreements from external sponsors. It does not include non-grant scholarships or gifts. Prepared by the Office of Research & Sponsored Programs.
RESOLUTION
AUTHORIZING THE ISSUANCE, SALE AND DELIVERY
OF BOARD OF REGENTS OF STEPHEN F. AUSTIN
STATE UNIVERSITY REVENUE FINANCING SYSTEM
REVENUE BONDS; AND APPROVING AND
AUTHORIZING INSTRUMENTS AND PROCEDURES
RELATING THERETO

ADOPTED OCTOBER 27, 2014
RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF BOARD OF REGENTS OF STEPHEN F. AUSTIN STATE UNIVERSITY REVENUE FINANCING SYSTEM REVENUE BONDS; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

WHEREAS, in order to reduce costs, increase borrowing capacity, provide additional security to the credit markets, and provide the Board of Regents (the "Board") of Stephen F. Austin State University (the "University") with greater financial flexibility, the Board deemed it necessary and desirable to establish a revenue financing program for revenue supported indebtedness to provide funds to acquire, purchase, construct, improve, renovate, enlarge or equip property, buildings, structures, facilities, roads, or related infrastructure at the University, as well as any institution, branch or entity hereafter placed under the control and governance of the Board, to the extent permitted by Chapter 55, Texas Education Code, including specifically, but not by way of limitation, Section 55.02 thereof; and

WHEREAS, pursuant to the terms of resolutions adopted by the Board (the "Prior Resolutions"), the Board has outstanding certain Previously Issued Parity Obligations (as defined herein) that are secured by a lien on and pledge of the "Pledged Revenues" (as defined herein), which lien and pledge is subject to the lien on and pledge of the "Prior Encumbered Revenues" (as defined herein); and

WHEREAS, the Prior Resolutions established and confirmed the Stephen F. Austin State University Revenue Financing System for the purpose of providing a financing structure for revenue supported indebtedness at the University; and

WHEREAS, the Prior Resolutions permit the Board, to issue "Parity Obligations" secured by a lien on and pledge of the Pledged Revenues on a parity with the Previously Issued Parity Obligations; and

WHEREAS, the Board has determined that it is in the best interest of the University to authorize the issuance of bonds in one or more series to refinance all or a portion of the Potential Refunded Bonds (as defined herein) and to finance the costs of facilities and improvements for the University; and

WHEREAS, the bonds authorized to be issued in one or more series by this Resolution are to be issued and delivered pursuant to laws of the State of Texas, including Chapters 54 and 55 of the Texas Education Code, Chapter 1371, Texas Government Code, as amended, and other applicable laws, including Chapter 1207, Texas Government Code, as amended, insofar as it may be required in connection with the objectives of this Resolution and the refunding of any of the Potential Refunded Bonds, and constitute as Parity Obligations in accordance with the Prior Resolutions; and

WHEREAS, the Board finds it necessary and advisable to adopt this Resolution, and further acknowledges that by adopting this Resolution it will be bound by and agrees to follow the covenants set forth in this Resolution; and
WHEREAS, the terms used in this Resolution and not otherwise defined shall have the meaning given in Exhibit "A" to this Resolution attached hereto and made a part hereof;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF STEPHEN F. AUSTIN STATE UNIVERSITY:

Section 1. REVENUE FINANCING SYSTEM AND ISSUANCE OF PARITY OBLIGATIONS. In the Prior Resolutions, the Stephen F. Austin State University Revenue Financing System (the "Financing System") has been established and confirmed, for the purpose of providing a financing structure for revenue supported indebtedness to provide funds to acquire, purchase, construct, improve, renovate, enlarge or equip property, buildings, structures, facilities, roads or related infrastructure at the University, as well as at any institution, branch or entity hereafter placed under the control and governance of the Board, under authority of the pertinent provisions of the Texas Education Code.

Section 2. SECURITY AND PLEDGE. (a) Pledge. Subject to the provisions of the resolutions authorizing Prior Encumbered Obligations, Parity Obligations shall be secured by and payable from a lien on the Pledged Revenues, and the Board hereby assigns and pledges the Pledged Revenues to the payment of the principal of, premium, if any, and interest on Parity Obligations, and the Pledged Revenues are further pledged to the establishment and maintenance of any funds which may be provided to secure the repayment of Parity Obligations in accordance with this Resolution. The Board may execute and deliver one or more Credit Agreements to additionally secure Parity Obligations. Credit Agreements may also be secured by a pledge of Pledged Revenues on a parity with or subordinate to Parity Obligations.

(b) Additional Participants. As provided in Section 7 of this Resolution, institutions which may hereafter come under the control and governance of the Board may become Participants in the Financing System and such institutions may, at such time, have outstanding obligations secured by the Prior Encumbered Revenues and that, therefore, the lien on and pledge of the Pledged Revenues established pursuant to this Resolution and effective when such institutions become Participants in the Financing System will be subject and subordinate only to such institutions' outstanding Prior Encumbered Obligations.

(c) Restriction on Issuance of Additional Debt on a Parity with Prior Encumbered Obligations. Except as provided in Section 4(g) and for so long as any Parity Obligations are Outstanding, no additional bonds, notes, or other obligations may be issued or incurred by the Board on a parity with any Prior Encumbered Obligations.

(d) Parity Obligations are Special Obligations. All Parity Obligations and the premium, if any, and the interest thereon shall constitute special obligations of the Board payable from the Pledged Revenues, and the owners thereof shall never have the right to demand payment out of funds raised or to be raised by taxation, or from any source other than the source specified in this Resolution. The obligation of the Board to pay or cause to be paid the amounts payable under this Resolution out of the Pledged Revenues shall be absolute, irrevocable,
complete, and unconditional, and the amount, manner, and time of payment of such amounts shall not be decreased, abated, rebated, set-off, reduced, abrogated, waived, diminished, or otherwise modified in any manner or to any extent whatsoever, regardless of any right of setoff, recoupment, or counterclaim that the Board might otherwise have against any owner or any other party and regardless of any contingency, force majeure, event, or cause whatsoever and notwithstanding any circumstance or occurrence that may arise or take place before, during, or after the issuance of Parity Obligations while any Parity Obligations are Outstanding.

Section 3. COVENANTS RELATING TO PLEDGED REVENUES. (a) Rate Covenant. In each Fiscal Year, the Board shall establish, charge, and use its reasonable efforts to collect at each Participant the Pledged Revenues which, if collected, would be sufficient to meet all financial obligations of the Board for such Fiscal Year relating to the Financing System including all deposits or payments due on or with respect to (i) the Prior Encumbered Obligations and (ii) all Outstanding Parity Obligations.

(b) Tuition. Subject to the provisions of the resolutions authorizing Prior Encumbered Obligations and to the other provisions of this Resolution, the Board covenants and agrees to fix, levy, charge and collect at each Participant student tuition charges required or authorized by law to be imposed on students enrolled at each Participant (excepting, with respect to each series or issue of Parity Obligations, any student in a category which, at the time of adoption of a resolution relating to such Parity Obligations, is exempt by law or by the Board from paying such tuition charges). Each student (excluding those exempt from payment as provided above), enrolled at each Participant, respectively, at each regular fall and spring semester and at each term of each summer session, shall pay tuition charges in such amounts, without any limitation whatsoever, as will be sufficient at all times, together with other legally available funds, including other Pledged Revenues, to provide the money to make or pay the principal of, interest on, and other payments or deposits with respect to Outstanding Parity Obligations when and as required. All changes in the tuition charged students at each Participant shall be made by resolution of the Board, but such procedure shall not constitute or be regarded as an amendment of this Resolution, but merely the carrying out of the provisions and requirements hereof.

(c) Student Center Fees. Subject to the provisions of the resolution authorizing the Series 2004 Bonds, the Board covenants and agrees to fix, levy, charge and collect student center fees required or authorized by law to be imposed on students pursuant to Section 54.520 of the Texas Education Code for the purpose of paying debt service on the Series 2004 Bonds; provided however, that such student center fees shall be used only for the purpose of acquiring, constructing, renovating, operating, maintaining, improving, equipping and financing a university center or additions to the center. All references to Series 2004 Bonds in this subsection shall include any applicable Parity Obligations issued to refund such Series 2004 Bonds.

(d) Student Recreational Sport Fees. Subject to the provisions of the resolution authorizing the Series 2005A Bonds, the Board covenants and agrees to fix, levy, charge and collect student recreational sport fees required or authorized by law to be imposed on students pursuant to Section 54.5201 of the Texas Education Code for the purpose of paying debt service
on the Series 2005A Bonds; provided however, that such student recreational sport fees shall be used only to purchase equipment for and to construct, operate and maintain recreational sports facilities and programs. All references to Series 2005A Bonds in this subsection shall include any applicable Parity Obligations issued to refund such Series 2005A Bonds.

(e) **Anticipated Deficit.** If the Board determines, for any reason whatsoever, that there are not anticipated to be legally available funds, including Pledged Revenues, sufficient to meet all financial obligations of the Board relating to the Financing System including the deposits and payments due on or with respect to Outstanding Parity Obligations as the same mature or come due, or that any Participant in the Financing System will be unable to pay its Annual Direct Obligation in full, then the Board shall fix, levy, charge, and collect such rentals, rates, fees, tuition, or other charges at each Participant in the Financing System with enrolled students, effective at the next succeeding regular semester or semesters or summer term or terms, in such amounts, without any limitation whatsoever (other than as provided in subsection (f) below), as will be at least sufficient to provide, together with other legally available funds, including Pledged Revenues, the money for making when due all financial obligations of the Board relating to the Financing System including all payments and deposits due on or with respect to Outstanding Parity Obligations when and as required by this Resolution.

(f) **Economic Effect of Adjustments.** Any adjustments in the rate or manner of charging for any rentals, rates, fees, tuition, or other charges included in Pledged Revenues at any Participant in the Financing System resulting from an event described in subsection (e) above will be based upon a certificate and recommendation of the Designated Financial Officer, delivered to the Board, as to the rates and anticipated collection of the Pledged Revenues at each Participant in the Financing System (after taking into account the anticipated effect the proposed adjustments in such rentals, rates, fees, tuition, or other charges would have on enrollment and the receipt of Pledged Revenues and other funds at each Participant in the Financing System) which will be anticipated to result in (i) Pledged Revenues attributable to each Participant being sufficient (to the extent possible) to satisfy the Annual Obligation of such Participant and (ii) Pledged Revenues being sufficient, together with other legally available funds, to meet all financial obligations of the Board relating to the Financing System including all payments and deposits due on or with respect to (A) the Prior Encumbered Obligations and (B) all Outstanding Parity Obligations, when and as required by this Resolution.

(g) **Annual Obligation.** If, in the judgment of the Board, any Participant in the Financing System has been or will be unable to satisfy its Annual Obligation, the Board shall fix, levy, charge, and collect rentals, rates, fees, and charges for goods and services furnished by such Participant and, with respect to Participants with enrolled students, tuition, effective at the next succeeding regular semester or semesters or summer term or terms, in amounts sufficient, without limit (subject to the provisions of (c) and (d) above, respectively), together with other legally available funds, including other Pledged Revenues attributable thereto, to enable it to make its Annual Obligation payments.

(h) **Additional Participants.** The Board hereby agrees to apply the covenants hereinabove made to any institution, branch or entity hereinafter placed under the control and
governance of the Board and added as a Participant in the Financing System in accordance with the provisions of Section 7 hereof.

Section 4. GENERAL COVENANTS. The Board further represents, covenants, and agrees that while any Parity Obligations or interest thereon is Outstanding:

(a) Payment of Parity Obligations. On or before each payment date it shall make available to the Paying Agent for such Parity Obligations or to such other party as required by the resolution authorizing the sale of such Parity Obligations, money sufficient to pay the interest on, principal of, and premium, if any, on the Parity Obligations as will accrue or otherwise come due or mature, or be subject to mandatory redemption prior to maturity, on such date and the fees and expenses related to the Parity Obligations, including the fees and expenses of the Paying Agent and any Registrar, trustee, remarketing agent, tender agent, or Credit Provider.

(b) Performance. It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution, and in each and every Parity Obligation or evidence thereof.

(c) Redemption. It will duly cause to be called for redemption prior to maturity, and will cause to be redeemed prior to maturity, all Parity Obligations which by their terms are mandatorily required to be redeemed prior to maturity, when and as so required.

(d) Lawful Title. It lawfully owns, has title to, or is lawfully possessed of the lands, buildings, and facilities now constituting the University, and it will defend said title and title to any lands, buildings, and facilities which may hereafter become part of the Financing System, for the benefit of the owners of Parity Obligations against the claims and demands of all persons whomsoever.

(e) Lawful Authority. It is lawfully qualified to pledge the Pledged Revenues herein pledged in the manner prescribed herein and has lawfully exercised such right.

(f) Preservation of Lien. Subject to the conditions set forth in Sections 5, 6, and 7 of this Resolution, it will not do or suffer any act or thing whereby the Financing System might or could be impaired, and that it will at all times maintain, preserve, and keep the real and tangible property of the Financing System and every part thereof in good condition, repair, and working order and operate, maintain, preserve, and keep the facilities, buildings, structures, and equipment pertaining thereto in good condition, repair, and working order.

(g) No Additional Encumbrance. It shall not incur additional Debt secured by the Pledged Revenues in any manner, except as permitted by this Resolution in connection with Parity Obligations, unless said Debt is made junior and subordinate in all respects to the liens, pledges, covenants, and agreements of this Resolution. Notwithstanding anything to the contrary contained herein, and in addition to the right hereunder to refund the Prior Encumbered Obligations with Parity Obligations, the Board reserves the right to issue obligations to refund any Prior Encumbered Obligations and to secure the refunding obligations with the same source
or sources securing the Prior Encumbered Obligations being refunded. Upon the defeasance of
the refunded Prior Encumbered Obligations, the refunding obligations will be Prior Encumbered
Obligations (unless the refunding obligations are made Parity Obligations in accordance with the
terms of this Resolution and the resolution authorizing their issuance) under this Resolution for
all purposes.

(h) **Investments and Security.** It will invest and secure money in all accounts and
funds established pursuant to this Resolution in the manner prescribed by law for such funds,
including, but not by way of limitation, the Public Funds Investment Act (Chapter 2256, Texas
Government Code), Chapter 163, Texas Property Code, and Section 51.0031, Texas Education
Code, and in accordance with written policies adopted by the Board.

(i) **Records.** It will keep proper books of record and account in which full, true, and
correct entries will be made of all dealings, activities, and transactions relating to the University.
Each year while Parity Obligations are Outstanding, the Board will cause to be prepared from
such books of record and account an annual financial report of the University and shall furnish
such report to the principal municipal bond rating agencies and to any owner of Parity
 Obligations who shall request same. In addition, the Board shall submit such financial report
and other information required by law for examination in connection with financial compliance
and other audits required to be conducted by the office of the Auditor of the State of Texas.

(j) **Inspection of Books.** It will permit any owner or owners of twenty-five percent
(25%) or more of the then Outstanding Principal Amount at all reasonable times to inspect all
records, accounts, and data of the Board relating to the University and the Financing System.

(k) **Annual and Direct Obligations.** In establishing the annual budget for each
Participant in the Financing System, it shall provide for the satisfaction by each Participant in the
Financing System of its Annual Obligation. The Direct Obligation shall represent the financial
responsibility of each Participant in the Financing System with respect to Outstanding Parity
 Obligations. Each such Participant's Direct Obligation and Annual Obligation shall be evidenced
by a financing agreement between the Board and each Participant.

(l) **Determination of Outstanding Parity Obligations.** For all purposes of this
Resolution, the judgment of the chief financial officer of the University, presently the Vice
President for Finance and Administration, shall be deemed final in the determination of which
obligations of the Board constitute Parity Obligations; provided, however, such judgment is
subject to confirmation by the Auditor of the State of Texas in connection with the annual audit
of the records of the University.

(m) **Execution of Credit Agreements.** (i) Should the Board determine that it is in the
best interests of the University to obtain a Credit Agreement to enhance the security for or
provide for the payment, redemption or remarketing of Parity Obligations, the Board, upon
approval of the Attorney General, may from time to time and at any time execute and deliver a
Credit Agreement to which the Pledged Revenues are to be pledged. Prior to the Board adopting
any resolution authorizing the execution and delivery of any such Credit Agreement, it shall
receive from the University an Officer's Certificate to the effect that (i) the Board has determined that the Participant for whom the Credit Agreement is to be executed and delivered possesses the financial capability to satisfy its Direct Obligation after taking into account the payment obligations under the proposed Credit Agreement, and (ii) to the best of his or her knowledge, the Board is in compliance with all covenants contained in this Resolution and any resolution adopted authorizing the issuance of Parity Obligations, and is not in default in the performance and observance of any of the terms, provisions, and conditions hereof or thereof.

(ii) The lien on and pledge of Pledged Revenues to pay the cost of any such credit agreement may be on a parity with, but not superior to, the lien on and pledge of the Pledged Revenues securing the Parity Obligations.

Section 5. ISSUANCE OF ADDITIONAL OBLIGATIONS. (a) Parity Obligations. The Board reserves and shall have the right and power to issue or incur, Parity Obligations for any purpose authorized by law pursuant to the provisions of this Resolution and the applicable laws of the State of Texas governing the issuance of bonds for the benefit of each Participant (currently the University) in the Financing System. The Board may incur, assume, guarantee, or otherwise become liable in respect of any Parity Obligations if the Board shall have determined that it will have sufficient funds to meet the financial obligations of each Participant (currently the University) in the Financing System, 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. In addition, the Board shall not issue or incur Parity Obligations unless (i) the Board shall determine that the Participant for whom the Parity Obligations are being issued or incurred possesses the financial capability to satisfy its Direct Obligation after taking into account the then proposed Parity Obligations, and (ii) a Designated Financial Officer shall deliver to the Board a certificate stating that, to the best of his or her knowledge, the Board is in compliance with all covenants contained in this Resolution and any resolution adopted authorizing the issuance of Parity Obligations, and is not in default in the performance and observance of any of the terms, provisions, and conditions hereof or thereof.

(b) Non–Recourse Debt and Subordinated Debt. Non-Recourse Debt and Subordinated Debt may be incurred by the Board without limitation, subject to the applicable laws of the State of Texas.

Section 6. DISPOSITION OF ASSETS ATTRIBUTABLE TO FINANCING SYSTEM PARTICIPANTS. The Board may convey, sell, or otherwise dispose of any properties of each Participant (currently the University) in the Financing System provided:

(a) Ordinary Course. Such conveyance, sale, or disposition shall be in the ordinary course of business of such Participant which uses, operates, owns, or is otherwise responsible for such properties; or

(b) Disposition Upon Board Determination. The Board shall determine that after the conveyance, sale, or other disposition of such properties, the Board shall have sufficient funds during each Fiscal Year during which Parity Obligations are to be Outstanding to meet the
financial obligations of each Participant in the Financing System, 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.

Section 7. COMBINATION, DIVISION, RELEASE AND ADMISSION OF NEW INSTITUTIONS UNDER THE FINANCING SYSTEM. (a) **Combination and Division.** Notwithstanding anything to the contrary contained herein, it is recognized that certain institutions which may become Participants in the Financing System may be combined or divided and that so long as such combined or divided institutions continue to be governed by the Board such action shall not be in violation of the provisions of this Resolution or require any amendments of the provisions hereof.

(b) **Release.** Subject to the conditions set forth below, any Participant in the Financing System or portion thereof may be closed and abandoned by law or may be removed from the Financing System (thus deleting the revenues, income, funds and balances attributable to said Participant or portion thereof from Pledged Revenues) without violating the terms of this Resolution provided:

1. the Board approves and delivers an Officers' Certificate to the effect that, to the knowledge thereof, after the release of such Participant or portion thereof, the Board will have sufficient funds during each Fiscal Year in which Parity Obligations shall thereafter be Outstanding to meet the financial obligations of the Board, 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

2. the Board receives an Opinion of Counsel which shall state that such release will not affect the status for federal income tax purposes of interest on any Outstanding Parity Obligations and that all conditions precedent provided in this Resolution or any resolution hereafter adopted governing the issuance of Parity Obligations relating to such release have been complied with; and

3. (A) if the Participant or portion thereof to be released from the Financing System is to remain under the governance and control of the Board, the Board must either (i) provide, from lawfully available funds, including Pledged Revenues attributable to said withdrawing Participant, for the payment or discharge of said Participant's Direct Obligation or (ii) pledge to the payment of Parity Obligation, additional resources not then pledged in an amount sufficient to satisfy such withdrawing Participant's Direct Obligation; or

   (B) if the Participant or portion thereof to be released from the Financing System is to no longer be under the governance and control of the Board and remains in operation independent of the Board, the Board must enter into a binding obligation with the new governing body of the withdrawing institution or the portion thereof being withdrawn, obligating said governing body to make payments to the Board at the times

SFA RevBonds 2014: Resolution
and in the amounts equal to said Participant's Annual Obligation or to pay or discharge
said Participant's Direct Obligation, or, in the case of a portion of a Participant being
withdrawn, the proportion of the Participant's Annual Obligation or Direct Obligation, as
the case may be, attributable to the withdrawing portion of the Participant.

(c) If, after the date of the adoption of this Resolution, the Board desires for an
institution or agency governed by the Board to become a Participant of the Financing System, or
if the Board is required by law to assume the governance of an institution or agency, it may
include said institution or agency in the Financing System with the effect set forth in this
Resolution by the adoption of a resolution amending this Resolution.

Section 8. WAIVER OF CERTAIN COVENANTS. The Board may omit in any
particular instance to comply with any covenant or condition set forth in Sections 3 through 7
hereof if before or after the time for such compliance the Owners of the same percentage in
principal amount of all Parity Obligations then Outstanding, the consent of which would be
required to amend the provisions hereof to permit such noncompliance, shall either waive such
compliance in such instance or generally waive compliance with such covenant or condition, but
no such waiver shall extend to or affect such covenant or condition except to the extent so
expressly waived and, until such waiver shall become effective, the obligations of the Board and
the duties of the Board in respect to any such covenant or condition shall remain in full force and
effect. For purposes of this Section, if a municipal bond insurance policy has been issued
insuring the payment of any Outstanding Parity Obligations, the term Owner shall mean the
company that has issued any such insurance policy or policies.

Section 9. AMOUNT, PURPOSE, AND DESIGNATION OF THE BONDS. (a)
Amount and Designation. The Board's bonds each entitled "BOARD OF REGENTS OF
STEPHEN F. AUSTIN STATE UNIVERSITY REVENUE FINANCING SYSTEM REVENUE
BOND," are hereby authorized to be issued in one or more series and delivered in an aggregate
maximum principal amount (determined without regard to premium or discount affecting the sale
price) of $65,000,000. The title of the Bonds shall be designated by the year in which each
Series is awarded pursuant to Section 10 below and in the event that another series of bonds is
issued by the Board within a calendar year each Series within that year shall have a letter
designation following the year. Any Series of Bonds which is issued for the purpose of refunding
all or a portion of the Potential Refunded Bonds may include the refunding designation in the
title as set forth in the applicable Award Certificate. The authority of the Designated Financial
Officer to execute and deliver an Award Certificate for each Series shall expire at 5:00 p.m. on
October 27, 2015, such date being one year from the date of adoption of this Resolution. Bonds
priced on or before October 27, 2015 may close after such date.

(b) Purpose. The Bonds of each Series are to be issued for the following purposes:
(i) REFUNDING ALL OR A PORTION OF THE POTENTIAL REFUNDED BONDS, (ii)
ACQUIRING, PURCHASING, CONSTRUCTING, IMPROVING, RENOVATING,
ENLARGING, OR EQUIPPING UNIVERSITY PROPERTY, BUILDINGS, STRUCTURES,
FACILITIES, ROADS, OR RELATED INFRASTRUCTURE AND (iii) PAYING THE COSTS
OF ISSUANCE OF THE BONDS.
Section 10. DATE, DENOMINATIONS, NUMBERS, MATURITIES AND TERMS OF BONDS. (a) Terms of Each Series of Bonds. The Bonds of each Series shall initially be issued, sold, and delivered hereunder as fully registered bonds, without interest coupons, numbered consecutively from R-1 upward (except the initial Bond of each Series delivered to the Attorney General of the State of Texas which shall be numbered T-1), payable to the respective initial registered owners thereof, or 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"), each Series maturing not later than October 15, 2045, serially or otherwise on the dates, in the years and in the principal amounts, respectively, dated and be either Taxable Bonds, Tax-Exempt or QECB Bonds as provided in Section 11, all as set forth in each Award Certificate of the Designated Financial Officer.

(b) Award Certificate. As authorized by Chapters 1371 and 1207 in the case of series of refunding bonds as determined by the Designated Financial Officer, Government Code, as amended, the Designated Financial Officer is hereby authorized, appointed, and designated to act on behalf of the Board in selling and delivering the Bonds of each Series and carrying out the other procedures specified in this Resolution, including determining and fixing the date of each Series of the Bonds, any additional or different designation or title by which each Series of the Bonds shall be known, the price at which each Series of the Bonds will be sold, the years in which each Series of the Bonds will mature, the principal amount to mature in each of such years, the aggregate principal amount of each Series of the Bonds, whether the Bonds are designated as Tax-Exempt Bonds, Taxable Bonds or QECB Bonds, the rate or rates of interest to be borne by each maturity, the interest payment periods, the dates, price, and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Board, as well as any mandatory sinking fund redemption provisions, the amount of capitalized interest, if any, for each Series of Bonds, establishing a reserve fund for the Bonds, if any, and all other matters relating to the issuance, sale, and delivery of the Bonds, all of which shall be specified in a certificate of the Designated Financial Officer delivered to the Secretary of the Board (the "Award Certificate"); provided that (i) the price to be paid for each Series of the Bonds shall not be less than 90% of the aggregate original principal amount thereof plus accrued interest, if any, thereon from its date to its delivery, (ii) Bonds shall be issued to refund all or a portion of the Potential Refunded Bonds only if such refunding, assuming that each Series sold and delivered at the same time constitutes one Series, results in a present value savings on the Annual Debt Service Requirements not less than an amount equal to 3% of the principal amount of such Refunded Bonds being refunded, and (iii) each Series of the Bonds shall not bear interest at a rate in excess of the maximum rate allowed by law.

In establishing the aggregate principal amount of a Series of Bonds to be issued to refund Refunded Bonds, the Designated Financial Officer shall establish an amount, not to exceed the amount authorized in Section 9, sufficient to provide for the refunding of the Refunded Bonds that will result in a reduction in the Annual Debt Service Requirements that otherwise would be payable from the Pledged Revenues with respect to the Refunded Bonds, on a present value basis of at least 3%. The amount of savings to be realized from the refunding shall be shown in each
Award Certificate. The Award Certificate of each Series that is issued to refund Refunded Bonds shall also identify the Refunded Bonds being refunded by that Series.

It is further provided, however, that, notwithstanding the foregoing provisions, the Bonds shall not be delivered unless prior to delivery of each Series (i) the Award Certificate has been executed and delivered as required by this Resolution and (ii) the particular Series of the Bonds have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations, as required by Chapter 1371, Government Code, as amended.

Each Award Certificate is hereby incorporated in and made a part of this Resolution.

(c) Sale of Each Series of Bonds. To achieve advantageous borrowing costs for each Participant (currently the University) in the Financing System, each Series of the Bonds shall be sold on a negotiated, placement or competitive basis as determined by the Designated Financial Officer in the Award Certificate. In determining whether to sell each Series of the Bonds by negotiated, placement or competitive sale, the Designated Financial Officer shall take into account the financial condition of the State, the University and the Financing System, any material disclosure issues which might exist at the time, the market conditions expected at the time of the sale, the achievement of the HUB goals of the Board, and any other matters which, in the judgment of the Designated Financial Officer, might affect the net borrowing costs on each Series of the Bonds.

If the Designated Financial Officer determines that a Series of the Bonds should be sold at a competitive sale, the Designated Financial Officer shall cause to be prepared a notice of sale and official statement in such manner as the Designated Financial Officer deems appropriate, to make the notice of sale and official statement available to those institutions and firms wishing to submit a bid for the Bonds, to receive such bids, and to award the sale of the Bonds to the bidder submitting the best bid in accordance with the provisions of the notice of sale.

If the Designated Financial Officer determines that a Series of the Bonds should be sold by a negotiated sale or placement, the Designated Financial Officer shall designate the placement purchaser or the senior managing underwriter for the Bonds and such additional investment banking firms as the Designated Financial Officer deems appropriate to assure that the Bonds are sold on the most advantageous terms to the Financing System. The Designated Financial Officer, acting for and on behalf of the Board, is authorized to enter into and carry out a Bond Purchase Contract or other agreement for the Bonds to be sold by negotiated sale or placement, with the Underwriter or placement purchaser at such price, with and subject to such terms as determined by the Designated Financial Officer pursuant to Section 10(b) above. Each Bond Purchase Contract or other agreement shall be substantially in the form and substance previously approved by the Board in connection with the authorization of Previously Issued Parity Obligations with such changes as are acceptable to the Designated Financial Officer, including those covered by Section 24 or Section 33 and any provisions determined to be necessary by the Designated Financial Officer and Bond Counsel in the event that such Series of Bonds is being sold in a forward delivery transaction.
(d) **In General.** Each Series of the Bonds (i) may and shall be redeemed prior to the respective scheduled maturity dates, (ii) may be assigned and transferred, (iii) may be exchanged for other Bonds, (iv) shall have the characteristics, (v) shall be Tax-Exempt Bonds, Taxable Bonds or QECB Bonds and (vi) shall be signed and sealed, and 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 BOND set forth in Exhibit "B" to this Resolution and as determined by the Designated Financial Officer as provided herein, with such changes and additions as are required to be consistent with the terms and provisions shown in the Award Certificate.

**Section 11. INTEREST.** Each Series of the Bonds shall bear interest, calculated on the basis of a 360-day year composed of twelve 30-day months, from their date, until maturity or redemption, at the rates set forth in the Award Certificate. Each Series of Bonds shall be designated as Tax–Exempt Bonds, Taxable Bonds or QECB Bonds as set forth in the Award Certificate. Interest shall be payable to the registered owner of any such Bond in the manner provided and on the dates stated in the FORM OF BOND set forth in this Resolution and the Award Certificate.

**Section 12. REGISTRATION, TRANSFER, AND EXCHANGE; AUTHENTICATION; BOOK-ENTRY-ONLY SYSTEM.** (a) **Paying Agent/Registrar.** The Designated Financial Officer is authorized to select a Paying Agent/Registrar for the Bonds. The Designated Financial Officer is also authorized to enter into and carry out a Paying Agent/Registrar Agreement with the Paying Agent/Registrar with respect to the Bonds in substantially the form previously approved by the Board in connection with the authorization of Previously Issued Parity Obligations with such changes as are acceptable to the Designated Financial Officer.

(b) **Registration Books.** The Board shall keep or cause to be kept at the corporate trust office of the Paying Agent/Registrar 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 Paying Agent/Registrar is hereby appointed to serve as 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 Board 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 Board 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 Resolution, whether such Bond shall be overdue, and, to the extent permitted by law, the Board 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 Resolution. The Paying Agent/Registrar shall keep proper records of all payments made by the University and the Paying Agent/Registrar with respect to the Bonds.

(e) **Authentication.** The Bonds initially issued and delivered pursuant to this Resolution shall be authenticated by the Paying Agent/Registrar by execution of the Paying Agent/Registrar's Authentication Certificate unless they have been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and on each substitute Bond issued in exchange for any Bond or Bonds issued under this Resolution the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE (the "Authentication Certificate"). The Authentication Certificate shall be in the form set forth in the FORM OF BONDS.

(f) **Transfer, Exchange, or Replacement.** Each Bond issued and delivered pursuant to this Resolution, to the extent of the unpaid or unredeemed principal amount thereof, may, 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, may, at the option of the registered owner or such assignee or assignees, as appropriate, be exchanged for fully registered bonds, without interest coupons, in the appropriate form prescribed in the FORM OF BONDS set forth in this Resolution, 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 an 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 Resolution shall constitute one of the Bonds for all purposes of this Resolution, and may again be exchanged or replaced. On each substitute Bond issued in exchange for or replacement of any Bond or Bonds issued under this Resolution there shall be printed an Authentication Certificate, in the form set forth in the FORM OF BONDS set forth in Exhibit "B" to this Resolution. 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 Board 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 Designated Financial Officer. 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 Resolution. The Board 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 45 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 Board covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Board 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 Resolution, and that the Paying Agent/Registrar will be one entity. The Board reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 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 Board 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.
Agent/Registrar under this Resolution. 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 Board. Upon any change in the Paying Agent/Registrar, the Board 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 Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.

(h) **Book-Entry-Only System.** The Bonds issued in exchange for the Bonds initially issued and delivered to the Purchaser shall be issued in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of DTC, and except as provided in subsection (i) hereof, all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC. The Designated Financial Officer is authorized to take all actions necessary to obtain, complete and execute a "DTC Blanket Letter of Representations" in connection with utilizing the DTC Book-Entry-Only System.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Board and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Board and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown on the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Bondholder, as shown in the Registration Books of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Resolution to the contrary but to the extent permitted by law, the Board and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest, with respect to such Bond, for the purposes of registering transfers with respect to such Bond, and for all other purposes of registering transfers with respect to such Bonds, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective owners, as shown in the Registration Books as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Board's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the Board to make payments of principal, premium, if any, and interest pursuant to this Resolution. Upon delivery by DTC to the Paying
Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

(i) **Successor Securities Depository; Transfers Outside Book-Entry-Only System.**
In the event that the Board or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Board to DTC (as referred in subsection (h) above) or DTC determines to discontinue providing its services with respect to the Bonds, the Board shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Resolution.

(j) **Payments to Cede & Co.** Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the representation letter of the Board to DTC.

(k) **Notice of Redemption.** In addition to the method of providing a notice of redemption set forth in the FORM OF BONDS, the Paying Agent/Registrar shall give notice of redemption of Bonds by United States mail, first-class postage prepaid, at least thirty (30) days prior to a redemption date to each registered securities depository and to any national information service that disseminates redemption notices. In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Paying Agent/Registrar shall send a second notice of redemption to the persons specified in the immediately preceding sentence at least thirty (30) days but not more than ninety (90) days prior to the actual redemption date. 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 sixty (60) 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 CUSIP number, a reference to the principal amounts of each maturity called for redemption, 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.

All redemption payments made by the Paying Agent/Registrar to the registered owners of the Bonds shall include a CUSIP number relating to each amount paid to such registered owner.

Section 13. FORM OF BONDS. The forms of the Bonds, including the form of the Authentication Certificate, the form of Assignment, the form of any statement of insurance with respect to the Bonds provided by a Bond Insurer, and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas, with respect to the Bonds initially issued and delivered to the Purchaser pursuant to this Resolution, shall be, respectively, substantially as set forth in Exhibit "B", with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution.

Section 14. INDIVIDUALS NOT LIABLE. All covenants, stipulations, obligations, and agreements of the Board contained in this Resolution shall be deemed to be covenants, stipulations, obligations, and agreements of the Financing System and the Board to the full extent authorized or permitted by the Constitution and laws of the State of Texas. No covenant, stipulation, obligation, or agreement herein contained shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the Board or agent or employee of the Board in the individual capacity thereof and neither the respective members of the Board, nor any officer thereof or of any participant shall be liable personally on Parity Obligations when issued, or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 15. SECURITY FOR THE BONDS. The Bonds are special obligations of the Board payable from and secured solely by the Pledged Revenues pursuant to this Resolution. 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.

Section 16. PAYMENTS. (a) Accrued Interest. Immediately after the delivery of the Bonds, the Board shall deposit any accrued interest received from the sale and delivery of the Bonds to the credit of a special account to be held to pay interest on such Bonds on the first interest payment date or any QECB Bond Interest and Sinking Subaccount within the Interest and Sinking Fund with respect to any QECB Bonds, to be held to pay interest on such Bonds.

(b) Debt Service Payments. Semiannually on or before each principal or interest payment date while any of the Bonds are outstanding and unpaid, commencing on the first interest payment date for the Bonds as specified in the Award Certificate, 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.

17
(c) **Subsidy Payments.** If any Series of Bonds are issued as QECB Bonds, the Commission shall create a QECB Bonds Interest and Sinking Subaccount within the Interest and Sinking Fund and shall, subject to any required State appropriations, deposit into such subaccount when received any federal subsidy payments received on the QECB Bonds.

(d) **Proceeds Subaccount.** If any Series of Bonds are issued as QECB Bonds, the University shall create a QECB Bonds Proceeds Subaccount within the Proceeds Fund, as applicable, and shall deposit into such subaccount any proceeds of the QECB Bonds not otherwise deposited into the QECB Bonds Interest and Sinking Subaccount.

Section 17. **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 Board and 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 Board and 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 Board, 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 Board whether or not 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 Resolution equally and proportionately with any and all other Bonds duly issued under this Resolution.
(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 Board 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 12(f) of this Resolution for Bonds issued in exchange and replacement for other Bonds.

Section 18. REMEDIES. Any owner of Parity Obligations in the event of default in connection with any covenant contained herein or in any resolution adopted hereafter authorizing the issuance of Parity Obligations, or default in the payment of said obligations, or of any interest due thereon, or other costs and expenses related thereto, may require the Board, their respective officials and employees, and any appropriate official of the State of Texas, to carry out, respect, or enforce the covenants and obligations of this Resolution by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings in any court of competent jurisdiction against the Board, their respective officials and employees, or any appropriate official of the State of Texas.

Section 19. DEFEASANCE OF OBLIGATIONS. (a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer Outstanding (a "Defeased Bond") within the meaning of this Resolution, except to the extent provided in subsections (c) and (e) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date or dates (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar or any other eligible bank or trust company then authorized by State law for such payment, (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the Board with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable or (3) any combination of (1) and (2). At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the revenues herein pledged as provided in this Resolution, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) The deposit under clause (ii) of subsection (a) shall be deemed a payment of a Bond as aforesaid when proper notice of redemption of such Bonds shall have been given, in accordance with this Resolution. Any money so deposited with the Paying Agent/Registrar or other eligible institution as provided in this Section may at the written discretion of the Board also be invested in Defeasance Securities, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Securities in possession of the Paying
Agent/Registrar or other eligible institution pursuant to this Section which is not required for the payment of such Bond and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be turned over to the Board.

(c) Notwithstanding any provision of any other Section of this Resolution which may be contrary to the provisions of this Section, all money or Defeasance Securities set aside and held in trust pursuant to the provisions of this Section for the payment of principal of the Bonds and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Bonds and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the Board shall make proper arrangements to provide and pay for such services as required by this Resolution.

(d) Notwithstanding anything elsewhere in this Resolution, if money or Defeasance Securities have been deposited or set aside with the Paying Agent/Registrar or other eligible institution pursuant to this Section for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment of the provisions of this Section shall be made without the consent of the registered owner of each Bond affected thereby.

(e) Notwithstanding the provisions of subsection (a) immediately above, to the extent that, upon the defeasance of any Defeased Bond to be paid at its maturity, the Board retains the right under Texas law to later call that Defeased Bond for redemption in accordance with the provisions of this Resolution, the Board may call such Defeased Bond for redemption upon complying with the provisions of Texas law and upon the satisfaction of the provisions of subsection (a) immediately above with respect to such Defeased Bond as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bond and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Bond.

(f) In the event that the Board elects to defease less than all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

Section 20. **AMENDMENT OF RESOLUTION.** (a) *Amendment Without Consent.* This Resolution and the rights and obligations of the Board and of the owners of the Outstanding Parity Obligations may be modified or amended at any time without notice to or the consent of any owner of the Outstanding 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 Resolution, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Board in this Resolution;
(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Resolution, 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 Resolution;

(iii) To supplement the security for the Parity Obligations, including, but not by way of limitation, to provide for the addition of new institutions and agencies to the Financing System or to clarify the provisions regarding the University as a Participant in the Financing System; provided, however, if the definition of Pledged Revenues is amended in any manner which results in the pledge of additional resources, the terms of such amendment may limit the amount of such additional pledge and the manner, extent, and duration of such additional pledge all as set forth in such amendment;

(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 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;

(vi) 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; or

(vii) To make such changes or amendments as contemplated by Section 24(c) of this Resolution in order to comply with the Rule.

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.

(b) Amendments With Consent. Subject to the other provisions of this Resolution, the owners of Outstanding Parity Obligations aggregating a majority in Outstanding Principal Amount shall have the right from time to time to approve any amendment to this Resolution, other than amendments described in subsection (a) of this Section, 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 owners of all of the Outstanding Parity Obligations, the amendment of the terms and conditions in this Resolution so as to:
(1) Grant to the owners of any Outstanding Parity Obligations a priority over the owners of any other Outstanding Parity Obligations;

(2) Materially adversely affect the rights of the owners of less than all Parity Obligations then Outstanding;

(3) Change the minimum percentage of the Outstanding Principal Amount necessary for consent to such amendment;

(4) Make any change in the maturity of the Outstanding Bonds;

(5) Reduce the rate of interest borne by Outstanding Bonds;

(6) Reduce the amount of the principal payable on Outstanding Bonds; or

(7) Modify the terms of payment of principal of or interest on the Outstanding Bonds, or impose any conditions with respect to such payment; or

(8) Adversely affect the tax exempt status of the interest on the Outstanding Bonds to the owners thereof.

(c) Notice. If at any time this Resolution is to be amended pursuant to the provisions of subsection (b) 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 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 each Registrar for the Parity Obligations for inspection by all owners of Parity Obligations. Such publication is not required, however, if the Board gives or causes to be given such notice in writing, by certified mail, to each owner of Parity Obligations. Such publication is not required with respect to amendments to this Resolution effected pursuant to the provisions of subsection (a) of this Section.

(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 or instruments executed by all of the owners or the owners of at least a majority in Outstanding Principal Amount, as appropriate, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve 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 of any resolution to amend this Resolution pursuant to the provisions of this Section, this Resolution 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 Parity Obligations and all future Parity Obligations shall thereafter be determined, exercised, and enforced under this Resolution, as amended.

(f) Consent Irrevocable. Any consent given by any owner of Parity Obligations pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication or other service of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Parity Obligations during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing notice thereof with the Registrar for such Parity Obligations and the Board, but such revocation shall not be effective if the owners of a majority in Outstanding Principal Amount, prior to the attempted revocation, consented to and approved the amendment.

(g) Ownership. For the purpose of this Section, the ownership and other matters relating to all Parity Obligations shall be determined by the Registration Books maintained by the Registrar.

Section 21. COVENANTS REGARDING TAX-EXEMPTION. (a) Covenants. The Board covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Tax–Exempt Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "IRS 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 Board covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Tax–Exempt 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 IRS Code or, if more than 10 percent of the proceeds of the Tax–Exempt Bonds or the projects financed or refinanced therewith are so used, such amounts, whether or not received by the Board, with respect to such private business use, do not, under the terms of this Resolution or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Tax–Exempt Bonds, in contravention of section 141(b)(2) of the IRS Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Tax–Exempt 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 IRS Code, to the governmental use;
(3) 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 the Tax−Exempt 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 IRS Code;

(4) to refrain from taking any action which would otherwise result in the Tax−Exempt Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the IRS Code;

(5) to refrain from taking any action that would result in the Tax−Exempt Bonds being "federally guaranteed" within the meaning of section 149(b) of the IRS Code;

(6) to refrain from using any portion of the proceeds of the Tax−Exempt 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 IRS Code) which produces a materially higher yield over the term of the Tax−Exempt Bonds, other than investment property acquired with:

(A) proceeds of the Tax−Exempt Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the Tax−Exempt Bonds are issued,

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

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

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

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the IRS Code and to pay to the United States of America, not later than 60 days after the Tax−Exempt 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 IRS Code.

(b) **Rebate Fund.** With respect to the Tax–Exempt Bonds, in order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the Board for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the IRS Code.

(c) **Proceeds.** With respect to the Tax–Exempt Bonds, the Board understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds not expended prior to the date of issuance of the Tax-Exempt Bonds. It is the understanding of the Board that the covenants contained herein are intended to assure compliance with the IRS Code and any regulations or rulings promulgated 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 IRS Code, as applicable to the Tax–Exempt Bonds, the Board 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 the Tax–Exempt Bonds under section 103 of the IRS Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Tax–Exempt Bonds, the Board 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 the Tax–Exempt Bonds under section 103 of the IRS Code. In furtherance of such intention, the Board hereby authorizes and directs the Designated Financial Officer to execute any documents, certificates or reports required by the IRS Code and to make such elections, on behalf of the Board, which may be permitted by the IRS Code as are consistent with the purpose for the issuance of the Tax–Exempt Bonds.

(d) **Disposition of Refunded Bonds Projects.** If the Bonds are issued as Tax–Exempt Bonds, the Board covenants that the projects financed by any Refunded Bonds will not 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 that such sale or other disposition will not adversely affect the tax–exempt status of the Tax–Exempt Bonds. For purposes of this subsection, the portion of the property comprising personal property and disposed of in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes of this subsection, 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 24. CONTINUING DISCLOSURE UNDERTAKING. (a) **Annual Reports.** To the extent that such financial information and operating data is reasonably
obtainable under generally acceptable accounting principles applicable to the Board, as modified by the laws of the State of Texas and the rules and regulations of the Comptroller of Public Accounts of the State of Texas, the Board shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of each Fiscal Year, financial information and operating data with respect to Board, as determined by the Designated Financial Officer at the time the Bonds are sold. The Award Certificate shall specify the financial information and operating data to be provided pursuant to this Section. In the event that financial information and operating data of such general type is not reasonably available, financial information and operating data will be provided as prescribed by the applicable accounting principles and the governing laws, rules, and regulations applicable to the Board. The undertaking of the Board contained in the preceding sentence may be modified by the Designated Financial Officer in the Award Certificate upon advice of counsel. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit C hereto, as may be modified in the Award Certificate, and (2) audited, if the Board commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not so provided within the required period, then the Board shall provide unaudited financial statements for the applicable Fiscal Year to the MSRB, in an electronic format as prescribed by the MSRB, and shall file audited financial statements when and if audited financial statements become available. If audited financial statements are not prepared for any Fiscal Year and audited financial statements are prepared with respect to the State of Texas for such Fiscal Year, the Board shall provide, or cause to be provided, the audited financial statements of the State of Texas for the applicable Fiscal Year to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of said Fiscal Year or as soon thereafter as such audited financial statements become available from the State Auditor of the State of Texas. Any such audited financial statements of the State of Texas so provided shall be prepared in accordance with generally accepted accounting principles for state governments, as such principles may be changed from time to time to comply with state law.

If the Board changes the Fiscal Year, the Board will notify the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which the Board otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this subsection may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet web site or filed with the SEC. All documents provided to the MSRB pursuant to this subsection shall be accompanied by identifying information as prescribed by the MSRB.

(b) **Event Notices.** The Board shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds:

A. Principal and interest payment delinquencies;
B. Non-payment related defaults, if material within the meaning of the federal securities laws;

C. Unscheduled draws on debt service reserves reflecting financial difficulties;

D. Unscheduled draws on credit enhancements reflecting financial difficulties;

E. Substitution of credit or liquidity providers, or their failure to perform;

F. 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;

G. Modifications to rights of holders of the Bonds, if material within the meaning of the federal securities laws;

H. Bond calls, if material within the meaning of the federal securities laws and tender offers;

I. Defeasances;

J. Release, substitution, or sale of property securing repayment of the Bonds, if material within the meaning of the federal securities laws;

K. Rating changes;

L. Bankruptcy, insolvency, receivership or similar event of the Board;

M. The consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, 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 within the meaning of the federal securities laws; and

N. Appointment of a successor or additional trustee or the change of name of a trustee, if material within the meaning of the federal securities laws.

The Board shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, of any failure by the Board to provide financial information or operating data in accordance with this subsection by the time required. All documents provided to the MSRB
pursuant to this subsection shall be accompanied by identifying information as prescribed by the MSRB.

(c) **Limitations, Disclaimers, and Amendments.** 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 the notice required by this Resolution of any Bond calls and defeasance that cause the Bonds to be no longer outstanding.

The provisions of this Section are for the sole benefit of the holders 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 that 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 relating to the Financing System 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.

UNDER NO CIRCUMSTANCES SHALL THE BOARD BE LIABLE TO THE HOLDER 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.

No default by the Board in observing or performing its obligations under this Section shall constitute a breach of or default under this Resolution for purposes of any other provision of this Resolution.

Should the Rule be amended to obligate the Board to make filings with or provide notices to entities other than the MSRB, the Board hereby agrees to undertake such obligation with respect to the Bonds in accordance with the Rule as amended.

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.

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 to the date of such amendment, as well as such changed circumstances, and (2) either (A) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (B) a person that is unaffiliated with the Board (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the holders 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 this Section an explanation, in narrative form, of the reasons 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 requirement if the SEC amends or repeals the applicable provisions 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 the Bonds in the primary offering of the Bonds.

Section 25. APPLICATION OF BOND PROCEEDS.  (a) Proceeds. Proceeds from the sale of each Series of the Bonds shall, promptly upon receipt thereof, be applied by the Designated Financial Officer as follows:

(i) accrued interest, if any, for each Series of the Bonds shall be deposited as provided in Section 16;

(ii) an amount sufficient to accomplish the purposes of Section 9 shall be so applied;

(iii) any proceeds from the sale of each Series of the Bonds remaining after the deposits provided for in clauses (i) and (ii) above, shall be applied to pay expenses arising in connection with the issuance of the Bonds.

Any sale proceeds of each Series of the Bonds remaining after making all deposits and payments provided for above shall be applied to the payment of interest on the Bonds.

(b) Funds. The Designated Financial Officer is hereby authorized to establish such funds, accounts and/or sub-accounts as necessary to administer any remaining proceeds of the Bonds after applying proceeds to the refunding of the refunded bonds, including for accrued interest and costs of issuance. Proceeds deposited into any such funds, accounts and/or sub-accounts shall remain therein until from time to time expended for the purposes described in this Resolution, and shall not be used for any other purposes whatsoever, except as otherwise provided below, and pending such expenditure, such moneys may be invested at the direction of the Designated Financial Officer or the designee thereof in eligible investments in accordance with the provisions of Section 4(h) of this Resolution. Interest earnings shall accrue to the respective funds, accounts and/or sub-accounts in which moneys are held and invested. The Board agrees that it shall pay costs of issuance incurred in connection with the issuance and
delivery of the Bonds as are consistent with the approval of the issuance of the Bonds by the Texas Bond Review Board. The Board shall cause moneys on deposit in any such funds, accounts and/or sub-accounts representing accrued interest to be used to pay debt service on the Bonds as the same shall become due and payable.

Section 26. REFUNDING OF REFUNDED BONDS: ESCROW AGREEMENT; REDEMPTION OF REFUNDED BONDS. Concurrently with the delivery of a Series of Bonds issued to refund Refunded Bonds, the Designated Financial Officer shall cause to be deposited with the Escrow Agent an amount, from the proceeds from the sale of each Series of the Bonds, sufficient, together with other legally available funds of the Board, to provide for the payment and retirement of the Refunded Bonds. In the event that it is deemed necessary, the Designated Financial Officer is authorized to enter into one or more escrow agreements in the form and substance previously approved by the Board in connection with the refunding of Debt with such changes as are acceptable to the Designated Financial Officer. In such event, the Designated Financial Officer is authorized hereby to take such steps as may be necessary to purchase Escrowed Securities, as defined in the Escrow Agreement, on behalf of the Board, and is authorized to create and fund the Escrow Fund contemplated by the Escrow Agreement through the use of the proceeds of each Series of the Bonds, the monies and investments held in the fund securing the Refunded Bonds and other lawfully available monies of the Board.

Subject to the execution of an Award Certificate by the Designated Financial Officer designating such Refunded Bonds, the Refunded Bonds are hereby called for redemption on the first optional redemption date following the delivery of each Series of the Bonds for which all of the notice requirements for redemption can be reasonably met, at a redemption price of par plus accrued interest, if any, to the date of redemption. The Designated Financial Officer shall take such actions as are necessary to cause the required notice of such redemption to be given. The Designated Financial Officer is authorized to select one or more escrow agents with respect to each Series of Bonds issued to refund the Refunded Bonds.

Section 27. DEFEASANCE AND REDEMPTION OF OUTSTANDING DEBT. The Board desires to authorize the use of certain lawfully available funds of the Board, as determined by the Designated Financial Officer, to defease and/or redeem, from time to time, certain outstanding Previously Issued Parity Obligations in accordance with the applicable defeasance and redemption provisions in the respective Prior Resolutions authorizing such debt. The Designated Financial Officer is hereby authorized to determine and retire, from time to time, the various portions of such outstanding Previously Issued Parity Obligations which are economically advantageous for Board to retire by the defeasance and/or redemption of such debt. The Designated Financial Officer is authorized to enter into one or more Escrow Agreements in substantially the standard form previously approved by the Board to accomplish such defeasances. In the event of such a defeasance, the Designated Financial Officer is authorized hereby to take such steps as may be necessary to purchase the escrowed securities identified in such Escrow Agreements on behalf of the Board and is authorized to create and fund the escrow funds contemplated by the Escrow Agreements through the use of the lawfully available funds of the Board. The Designated Financial Officer is authorized to call for redemption such Prior Encumbered Obligations and Previously Issued Parity Obligations to be redeemed pursuant to
this section and is hereby authorized to provide and complete an appropriate Notice of Redemption to the paying agent(s) for such Previously Issued Parity Obligations upon the deposit with the Escrow Agent of such available funds and compliance with the conditions set forth in the Escrow Agreements.

Except as provided in the following sentence, the Board hereby (i) expressly reserves the right to call for redemption any Previously Issued Parity Obligations defeased pursuant to this section in accordance with the applicable redemption provisions contained in the resolution authorizing such debt, (ii) requires that the Designated Financial Officer give notice of the reservation of such right to the owners of such debt immediately following the making of the firm banking and financial arrangements for such defeasance and (iii) directs that notice of such reservation also be included in any Notice of Redemption authorized pursuant to this section. Notwithstanding the foregoing sentence, the Designated Financial Officer, upon determining that doing so is in the best interest of the Board, may elect on behalf of the Board not to retain the right to call such Previously Issued Parity Obligations for redemption by choosing not to give the notices required in (ii) and (iii) of the foregoing sentence.

Section 28. RESOLUTION 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 Resolution shall be deemed to be and shall constitute a contract between the Board and the Owners from time to time of the Bonds and the pledge made in this Resolution by the Board and the covenants and agreements set forth in this Resolution to be performed by the Board shall be for the equal and proportionate benefit, security, and protection of all Owners, 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 Resolution.

Section 29. 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 30. PAYMENT AND PERFORMANCE ON BUSINESS DAYS. Except as provided to the contrary in the FORM OF BONDS, whenever under the terms of this Resolution 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 31. LIMITATION OF BENEFITS WITH RESPECT TO THE RESOLUTION. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Resolution or the Bonds is intended or should be construed to confer upon or give to any person other than the Board, the Owners, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Resolution or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Resolution 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 Owners, and the Paying Agent/Registrar as herein and therein provided.

Section 32. CUSTODY, APPROVAL, BOND COUNSEL'S OPINION, CUSIP NUMBERS, PREAMBLE AND INSURANCE. The Designated Financial Officer 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 Designated Financial Officer is hereby authorized, to the extent deemed necessary or advisable thereby, in the discretion thereof, to request that the Attorney General approve the Bonds as permitted by Chapter 1202, in which case the Designated Financial Officer also is authorized to request the Comptroller of Public Accounts register the Bonds, and to cause an appropriate legend reflecting such approval and registration to appear on the Bonds and the substitute Bonds. The approving legal opinion of Bond Counsel and the assigned CUSIP numbers may 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 Resolution is hereby adopted and made a part of this Resolution for all purposes. If insurance is obtained on any of the Bonds, the Bonds shall bear, as appropriate and applicable, a legend concerning insurance as provided by the municipal bond insurance company issuing any such insurance.

Section 33. OFFICIAL STATEMENT. The Designated Financial Officer is authorized and directed to provide for and oversee the preparation of a preliminary and final official statement in connection with the issuance of the Bonds, and to approve such official statement and deem it final in compliance with the Rule and to provide it to the purchasers of the Bonds in compliance with such Rule.

Section 34. RESERVE FUNDS. The Board may establish a reserve fund, and/or any other fund or funds pursuant to any resolution authorizing the issuance of Parity Obligations, including with respect to the Bonds in the Award Certificate, for the purpose of paying or securing a particular issue or series of Parity Obligations or any specific group of issues or series of Parity Obligations and the amounts once deposited in said funds shall no longer constitute Pledged Revenues but shall be held solely for the benefit of the owners of the particular issue or series or group of issues or series of Parity Obligations for which such fund was established. Each such fund shall be designated in such manner as is necessary to identify the Parity Obligations it secures and to distinguish such fund from any other funds created for the benefit of any other Parity Obligations.
Section 35.  FURTHER PROCEDURES.  (a) General.  The Chair of the Board, the Designated Financial Officer, and all other officers, employees, and agents of the University, 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 Board, all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Bonds, the sale and delivery of the Bonds and fixing all details in connection therewith, and to approve any Official Statement, or supplements thereto, in connection with the Bonds including any necessary filings with the Attorney General of Texas, the Texas Bond Review Board an any other necessary parties.

(b) QECB Bonds.  In the event the University determines to issue QECB Bonds, the Designated Financial Officer is hereby further expressly authorized, acting for and on behalf of the University, to make an irrevocable election under Section 54D of the Code, if the Designated Financial Officer determines that it is in the best interest of the University to designate all or any portion of the Bonds as "QECB Bonds." The Designated Financial Officer is hereby further expressly authorized, acting for and on behalf of the University, to make an irrevocable election pursuant to Section 54D of the Code to receive direct payment of the credit provided in Section 6431 of the Code to the extent the Designated Financial Officer determines that it is in the best interest of the University to make such election with respect to all or any portion of the QECB Bonds.  In the event the Designated Financial Officer makes any such election or elections, the Designated Financial Officer is hereby expressly authorized, empowered an directed from time to time and at any time to perform all such acts and things deemed necessary or desirable and to execute and deliver any agreements, certificates, documents or other instruments, whether or not herein mentioned, to carry out the terms and provisions of this Section 35(b), including but not limited to, the preparation and making of any filings with the Internal Revenue Service and taking any actions deemed necessary to obtain any amounts from the Federal government that may be available to the University.

Section 36.  PAYMENT OF ATTORNEY GENERAL FEE.  The Board hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of each Series of the Bonds or (ii) $9,500 per Series, provided that such fee shall not be less than $750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The Designated Financial Officer is hereby instructed to take the necessary measures to make this payment. The Board is also authorized to reimburse the appropriate funds for such payment from proceeds of the Bonds.

Section 37.  REPEAL OF CONFLICTING RESOLUTIONS.  All resolutions and all parts of any resolutions which are in conflict or inconsistent with this Resolution are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.
Section 38. PERFECTION OF PLEDGE. Chapter 1208, Government Code, applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted under Section 2 of this Resolution, 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 under Section 2 of this Resolution is to be subject to the filing requirements of Chapter 9, 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, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 39. BOND INSURANCE. In connection with the sale of the Bonds, the Board may obtain municipal bond insurance policies from a municipal bond insurer (each a "Bond Insurer") to guarantee the full and complete payment required to be made by or on behalf of the Board on some or all of the Bonds as determined by the Designated Financial Officer. The Designated Financial Officer is hereby authorized to sign a commitment letter with the Insurer and to pay the premium for the bond insurance policies at the time of the delivery of the Bonds out of the proceeds of sale of the Bonds or from other available funds and to execute such other documents and certificates as necessary in connection with the bond insurance policies as he or she may deem appropriate. Printing on Bonds covered by the bond insurance policies a statement describing such insurance, in form and substance satisfactory to the Bond Insurer and the Designated Financial Officer, is hereby approved and authorized. The Award Certificate may contain provisions related to the bond insurance policies, including payment provisions thereunder, and the rights of the Bond Insurer(s), and any such provisions shall be read and interpreted as an integral part of this Resolution.

Section 40. 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 their respective meetings at which this Resolution was adopted, and that this Resolution would be introduced and considered for adoption at said meetings; and that said meetings were open to the public, and public notice of the time, place, and purpose of said meetings was given, all as required by Chapter 551, Texas Government Code.

Section 41. LEASE PURCHASE AGREEMENT AUTHORIZATION. At the discretion of the Designated Financial Officer, the projects described in Section 9(b)(ii) herein, may be financed pursuant to a lease purchase agreement, or similar contract, as the Designated Financial Officer may be determined based on prevailing market conditions. The aggregate amount of any such lease purchase agreement will reduce the amount of bond authorization stated in Section 9 above by such amount. The Designated Financial Officer, staff and other appropriate persons of the University are further authorized to take the necessary action to give effect to the provision in this Section, including execution of documents related thereto. The officers, employees and agents of the University, and each of them, shall be and each is expressly authorized, empowered and directed from time to time and at any time to do and perform all acts and things and to execute, acknowledge and deliver in the name and under the
corporate seal and on behalf of the University any such lease purchase agreement and all
certificates, financing statements, instruments and other papers, whether or not herein mentioned,
as they may determine to be necessary or desirable to carry out the terms and provision of this
Section, such determination to be conclusively evidenced by the performance of such acts and
things and the execution of any such lease purchase agreement and any such certificate,
financing statement, instrument or other paper.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
EXECUTED this 27th day of October, 2014.

____________________________________
Chair, Board of Regents

____________________________________
Secretary, Board of Regents
EXHIBIT A

DEFINITIONS

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

"Annual Debt Service Requirements" means, for any Fiscal Year, the principal of and interest on all Parity Obligations coming due at Maturity or Stated Maturity (or that could come due on demand of the owner thereof other than by acceleration or other demand conditioned upon default by the Board on such Debt, or be payable in respect of any required purchase of such Debt by the Board) in such Fiscal Year, and, for such purposes, any one or more of the following rules shall apply at the election of the Board:

(1) **Committed Take Out.** If the Board has entered into a Credit Agreement constituting a binding commitment within normal commercial practice to discharge any of its Funded Debt at its Stated Maturity (or, if due on demand, at any date on which demand may be made) or to purchase any of its Funded Debt at any date on which such Debt is subject to required purchase, all under arrangements whereby the obligation to repay the amounts advanced for such discharge or purchase constitutes Funded Debt, then the portion of the Funded Debt committed to be discharged or purchased shall be excluded from such calculation and the principal of and interest on the Funded Debt incurred for such discharging or purchase that would be due in the Fiscal Year for which the calculation is being made, if incurred at the Stated Maturity or purchase date of the Funded Debt to be discharged or purchased, shall be added;

(2) **Balloon Debt.** If the principal (including the accretion of interest resulting from original issue discount or compounding of interest) of any series or issue of Funded Debt due (or payable in respect of any required purchase of such Funded Debt by the Board) in any Fiscal Year either is equal to at least 25% of the total principal (including the accretion of interest resulting from original issue discount or compounding of interest) of such Funded Debt or exceeds by more than 50% the greatest amount of principal of such series or issue of Funded Debt due in any preceding or succeeding Fiscal Year (such principal due in such Fiscal Year for such series or issue of Funded Debt being referred to herein as "Balloon Debt"), the amount of principal of such Balloon Debt taken into account during any Fiscal Year shall be equal to the debt service calculated using the original principal amount of such Balloon Debt amortized over the Term of Issue on a level debt service basis at an assumed interest rate equal to the rate borne by such Balloon Debt on the date of calculation;

(3) **Consent Sinking Fund.** In the case of Balloon Debt (as defined in clause (2) above), if a Designated Financial Officer shall deliver to the Board an Officer's Certificate providing for the retirement of (and the instrument creating such Balloon Debt shall permit the retirement of), or for the accumulation of a sinking fund for (and the instrument creating such Balloon Debt shall permit the accumulation of a sinking fund
for), such Balloon Debt according to a fixed schedule stated in such Officer's Certificate
ending on or before the Fiscal Year in which such principal (and premium, if any) is due,
then the principal of (and, in the case of retirement, or to the extent provided for by the
sinking fund accumulation, the premium, if any, and interest and other debt service
charges on) such Balloon Debt shall be computed as if the same were due in accordance
with such schedule, provided that this clause (3) shall apply only to Balloon Debt for
which the installments previously scheduled have been paid or deposited to the sinking
fund established with respect to such Debt on or before the times required by such
schedule; and provided further that this clause (3) shall not apply where the Board has
elected to apply the rule set forth in clause (2) above;

(4) **Prepaid Debt.** Principal of and interest on Parity Obligations, or portions
thereof, shall not be included in the computation of the Annual Debt Service
Requirements for any Fiscal Year for which such principal or interest are payable from
funds on deposit or set aside in trust for the payment thereof at the time of such
calculations (including without limitation capitalized interest and accrued interest so
deposited or set aside in trust) with a financial institution acting as fiduciary with respect
to the payment of such Debt;

(5) **Variable Rate.** As to any Parity Obligation that bears interest at a variable
interest rate which cannot be ascertained at the time of calculation of the Annual Debt
Service Requirement then, at the option of the Board, either (1) an interest rate equal to
the average rate borne by such Parity Obligations (or by comparable debt in the event that
such Parity Obligations has not been outstanding during the preceding 24 months) for any
24 month period ending within 30 days prior to the date of calculation, or (2) an interest
rate equal to the 30−year Tax−Exempt Revenue Bond Index (as most recently published
in The Bond Buyer), shall be presumed to apply for all future dates, unless such index is
no longer published in The Bond Buyer, in which case an index of tax−exempt revenue
bonds with maturities of at least 20 years which is published in a newspaper or journal
with national circulation may be used for this purpose. If two Series of Parity
Obligations which bear interest at variable interest rates, or one or more maturities within
a Series, of equal par amounts, are issued simultaneously with inverse floating interest
rates providing a composite fixed interest rate for such Parity Obligations taken as a
whole, such composite fixed rate shall be used in determining the Annual Debt Service
Requirement with respect to such Parity Obligations;

(6) **Guarantee.** In the case of any guarantee, as described in clause (2) of the
definition of Debt, no obligation will be counted if the Board does not anticipate in its
annual budget that it will make any payments on the guarantee. If, however, the Board is
making payments on a guarantee or anticipates doing so in its annual budget, such
obligation shall be treated as Parity Obligations and calculations of Annual Debt Service
Requirements with respect to such guarantee shall be made assuming that the Board will
make all additional payments due under the guaranteed obligation. If the entity whose
obligation is guaranteed cures all defaults and the Board no longer anticipates making
payments under the guarantee, the guaranteed obligations shall not be included in the calculation of Annual Debt Service Requirements;

(7)  **Commercial Paper.** With respect to any Parity Obligations issued in the form of commercial paper with maturities not exceeding 270 days, the interest on such Parity Obligations shall be calculated in the manner provided in clause (5) of this definition and the maturity schedule shall be calculated in the manner provided in clause (2) of this definition; and

(8)  **Credit Agreement Payments.** If the Board has entered into a Credit Agreement in connection with an issue of Debt, payments due under the Credit Agreement (other than payments for fees and expenses), for either the Board or the Credit Provider, shall be included in such calculation, except to the extent that the payments are already taken into account under (1) through (7) above and any payments otherwise included above under (1) through (7) which are to be replaced by payments under a Credit Agreement, from either the Board or the Credit Provider, shall be excluded from such calculation.

With respect to any calculation of historic data, only those payments actually made in the subject period shall be taken into account in making such calculation and, with respect to prospective calculations, only those payments reasonably expected to be made in the subject period shall be taken into account in making the calculation.

"**Annual Direct Obligation**" means the amount budgeted each Fiscal Year by the Board with respect to each Participant in the Financing System to satisfy said Participant's proportion of debt service (calculated based on said Participant's Direct Obligation) due by the Board in such Fiscal Year on Outstanding Parity Obligations.

"**Annual Obligation**" means, with respect to each Participant in the Financing System and for each Fiscal Year, said Participant's Annual Direct Obligation plus the amount budgeted by the Board for such Fiscal Year to allow said Participant to retire its obligation for advances made to it by the Board in the management of the Financing System to satisfy part or all of a previous Annual Direct Obligation payment.

"**Authorized Denomination**" shall have the meaning ascribed to said term in Section 10 of this Resolution.

"**Award Certificate**" means each certificate executed by the Designated Financial Officer in connection with each Series of Bonds that establishes the terms of the series of Bonds issued pursuant to Section 10 of this Resolution.

"**Board**" means the Board of Regents of Stephen F. Austin State University, acting as the governing body of the University, or any successor thereto.
"Bond Counsel" means McCall, Parkhurst & Horton L.L.P., or such other firm of attorneys of nationally recognized standing in the field of law relating to municipal revenue bonds selected by the Board.

"Bond Insurer" means the provider of a municipal bond insurance policy for all or a portion of a Series of Bonds in accordance with Section 37 of this Resolution.

"Bondholder" or "Owner" means the registered owner of any Parity Obligation registered as to ownership and the holder of any Parity Obligation payable to bearer.

"Bonds" means one or more Series of the Bonds designated in Section 9 of this Resolution, and all substitute bonds exchanged therefor, and all other substitute and replacement bonds issued pursuant to this Resolution; and the term "Bond" means any of the Bonds.

"Business Day" means 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.

"Credit Agreement" means, collectively, a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase Parity Obligations, purchase or sale agreements, interest rate swap agreements, currency exchange agreements, interest rate floor or cap agreements, or commitments or other contracts or agreements authorized, recognized and approved by the Board as a Credit Agreement in connection with the authorization, issuance, security, or payment of Parity Obligations and on a parity therewith.

"Credit Provider" means any bank, financial institution, insurance company, surety bond provider, or other entity which provides, executes, issues, or otherwise is a party to or provider of a Credit Agreement.

"DTC" means The Depository Trust Company, New York, New York, or any successor securities depository.

"DTC Participant" means the securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC participants.

"Debt" means all:

(1) indebtedness incurred or assumed by the Board for borrowed money (including indebtedness arising under Credit Agreements) and all other financing obligations of the Board that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet;
(2) all other indebtedness (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction, or improvement of property or capitalized lease obligations that is guaranteed, directly or indirectly, in any manner by the Board, or that is in effect guaranteed, directly or indirectly, by the Board through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise; and

(3) all indebtedness secured by any mortgage, lien, charge, encumbrance, pledge or other security interest upon property owned by the Board whether or not the Board has assumed or become liable for the payment thereof.

For the purpose of determining the "Debt" of the Board, there shall be excluded any particular Debt if, upon or prior to the Maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or (b) evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements prepared by or for the benefit of the Board in prior Fiscal Years.

"Defeasance Securities" means (i) Federal Securities, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the Board adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent,(iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the Board adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm no less than "AAA" or its equivalent and (iv) any other then authorized securities or obligations under applicable state law in existence at the time of such defeasance that may be used to defease obligations such as the Bonds.

"Designated Financial Officer" means the Vice President for Finance and Administration of the University, or such other official of the University appointed by the Board to carry out the functions of the Vice President for Finance and Administration specified herein.
"Designated Trust Office" shall have the meaning ascribed to said term in Section 12(b) of this Resolution.

"Direct Obligation" means the proportionate share of Outstanding Parity Obligations attributable to and the responsibility of each Participant in the Financing System.

"Federal Securities" as used herein means direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America (including Interest Strips of the Resolution Funding Corporation).

"Fiscal Year" means the fiscal year of the Board which currently ends on August 31 of each year.

"Funded Debt" means all Parity Obligations that mature by their terms (in the absence of the exercise of any earlier right of demand), or are renewable at the option of the Board to a date, more than one year after the original creation, assumption, or guarantee of such Debt by the Board.

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

"Maturity", when used with respect to any Debt, means the date on which the principal of such Debt or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption, or otherwise.

"MSRB" means the Municipal Securities Rulemaking Board.

"Non−Recourse Debt" means any Debt secured by a lien (other than a lien on Pledged Revenues), liability for which is effectively limited to the property subject to such lien with no recourse, directly or indirectly, to any other property of the Board attributable to the Financing System; provided, however, that such Debt is being incurred in connection with the acquisition of property only, which property is not, at the time of such occurrence, owned by the Board and being used in the operations of a Participant.

"Officer's Certificate" means a certificate executed by the Designated Financial Officer.

"Opinion of Counsel" means a written opinion of counsel, which counsel shall be acceptable to the Board.

"Outstanding" when used with respect to Parity Obligations means, as of the date of determination, all Parity Obligations theretofore delivered under this Resolution and any resolution hereafter adopted authorizing the issuance of Parity Obligations, except:

(1) Parity Obligations theretofore cancelled and delivered to the Board or delivered to the Paying Agent or the Registrar for cancellation;
(2) Parity Obligations deemed paid pursuant to the provisions of Section 19 of this Resolution or any comparable section of any resolution hereafter adopted authorizing the issuance of Parity Obligations;

(3) Parity Obligations upon transfer of or in exchange for and in lieu of which other Parity Obligations have been authenticated and delivered pursuant to this Resolution; and

(4) Parity Obligations under which the obligations of the Board have been released, discharged, or extinguished in accordance with the terms thereof;

provided, however, that, unless the same is acquired for purposes of cancellation, Parity Obligations owned by the Board shall be deemed to be Outstanding as though it was owned by any other owner.

"Outstanding Principal Amount" means, with respect to all Parity Obligations or to a series of Parity Obligations, the outstanding and unpaid principal amount of such Parity Obligations paying interest on a current basis and the outstanding and unpaid principal and compounded interest on such Parity Obligations paying accrued, accreted, or compounded interest only at maturity as of any Record Date established by a Registrar in connection with a proposed amendment of this Resolution.

"Parity Obligations" means all Debt of the Board which may be issued or assumed in accordance with the terms of this Resolution and any resolution authorizing the issuance of Debt on a parity with the Bonds, secured by a pledge of the Pledged Revenues subject only to the liens securing Prior Encumbered Obligations. For purposes of this definition, the Previously Issued Parity Obligations and the Bonds constitute Parity Obligations.

"Participant in the Financing System" and "Participant" means each of the agencies, institutions and branches of the University and such agencies, institutions and branches hereafter designated by the Board to be a participant in the Financing System. Currently, the University is the only Participant in the Financing System.

"Paying Agent/Registrar", "Paying Agent" or "Registrar" means each of the agents (one or more) appointed pursuant to Section 12 of this Resolution, or any successor to any such agent.

"Pledged Revenues" means, subject to the provisions of the Prior Encumbered Obligations, the Revenue Funds, including all of the funds and balances now or hereafter lawfully available to the Board and derived from or attributable to any Participant of the Financing System which are lawfully available to the Board for payments on Parity Obligations; provided, however, that the following shall not be included in Pledged Revenues unless and to the extent set forth in a resolution authorizing the issuance of Parity Obligations: (a) amounts received by the University under Article VII, Section 17 of the Constitution of the State of Texas, including the income therefrom and any fund balances relating thereto; and (b) except to the extent so specifically appropriated, general revenue funds appropriated to the Board by the Legislature of the State of Texas.
"Potential Refunded Bonds" means the outstanding Previously Issued Parity Obligations previously issued by or on behalf of the Board.

"Previously Issued Parity Obligations" means the Parity Obligations previously issued by or on behalf of the Board payable from the same source as the Bonds that remain Outstanding.

"Prior Encumbered Obligations" means those outstanding bonds or other obligations of an institution which becomes a Participant of the Financing System after the date of adoption of this Resolution, which are secured by a lien on and pledge of the Prior Encumbered Revenues charged and collected at such institution or agency, and any other bonds or other obligations secured by revenues which are hereafter designated by the Board as a Pledged Revenue.

"Prior Encumbered Revenues" means (i) the revenues pledged to the payment of Prior Encumbered Obligations of the University and (ii) the revenues of any revenue producing system or facility of an institution or agency which hereafter becomes a Participant of the Financing System and which are pledged to the payment of bonds or other obligations outstanding on the date such institution or agency becomes a Participant of the Financing System.

"Prior Resolutions" means the resolutions adopted by the Board authorizing the issuance of the Previously Issued Parity Obligations.

"QECB Bonds" means a series or installment of Taxable Bonds designated as and meeting the requirements of a "Qualified Energy Conservation Bond" under Section 54D of the Code.

"Record Date" means, with respect to each Series of the Bonds, the business day of each month as set forth in the Award Certificate.

"Refunded Bonds" means the Potential Refunded Bonds refunded by each Series of the Bonds as set forth in each Award Certificate.

"Registration Books" means 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 12 of this Resolution.

"Resolution" means this Resolution authorizing the sale of the Bonds.

"Revenue Financing System" or "Financing System" means the "Stephen F. Austin State University Revenue Financing System", currently for the benefit of the University, and such other institutions and agencies now or hereafter under the control or governance of the Board, and made a Participant of the Revenue Financing System by specific action of the Board.

"Revenue Funds" means the "revenue funds" of the Board (as defined in Section 55.01 of the Texas Education Code to mean the revenues, incomes, receipts, rentals, rates, charges, fees,
grants, and tuition levied or collected from any public or private source by an institution of higher education, including interest or other income from those funds) derived by the Board from the operations of each of the Participants. The term "Revenue Funds" does not include, with respect to each series or issue of Parity Obligations, any tuition, rentals, rates, fees, or other charges attributable to any student in a category which, at the time of the adoption by the Board of a resolution relating to such Parity Obligations, is exempt by law or by the Board from paying such tuition, rentals, rates, fees, or other charges.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

"Series" means any designated series or subseries of Bonds issued pursuant to this Resolution.

"Series 2004 Bonds" means the Board of Regents of Stephen F. Austin State University Revenue Financing System, Texas Public Finance Authority Revenue Bonds, Series 2004, issued in the original aggregate principal amount of $26,030,000.


"Stated Maturity" when used with respect to any Debt or any installment of interest thereon means any date specified in the instrument evidencing or authorizing such Debt or such installment of interest as a fixed date on which the principal of such Debt or any installment thereof or the fixed date on which such installment of interest is due and payable.

"Subordinated Debt" means any Debt which expressly provides that all payments thereon shall be subordinated to the timely payment of all Parity Obligations then Outstanding or subsequently issued.

"Taxable Bonds" means each Series of Bonds bearing interest at a taxable rate.

"Tax–Exempt Bonds" means each Series of Bonds bearing interest which is excludable from gross income for federal taxation purposes pursuant to Section 103 of the IRS Code.

"Term of Issue" means with respect to any Balloon Debt, including, without limitation, commercial paper, a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Debt and ending on the final maturity date of such Balloon Debt or the maximum maturity date in the case of commercial paper or (ii) twenty-five years.

"University" means Stephen F. Austin State University, together with every other agency or general academic institution or branch thereof now or hereafter operated by or under the
jurisdiction of the Board acting for and on behalf of Stephen F. Austin State University pursuant to law.
EXHIBIT B

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF TEXAS
BOARD OF REGENTS OF STEPHEN F. AUSTIN STATE UNIVERSITY REVENUE
FINANCING SYSTEM REVENUE BONDS, SERIES 20__ *

<table>
<thead>
<tr>
<th align="right">NO. R-</th>
<th>PRINCIPAL AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td align="right"></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th align="right">INTEREST RATE*</th>
<th align="right">MATURITY DATE</th>
<th align="right">[BOND DATE]</th>
<th align="right">[ISSUANCE DATE]*</th>
<th>CUSIP</th>
</tr>
</thead>
<tbody>
<tr>
<td align="right"></td>
<td align="right"></td>
<td align="right"></td>
<td align="right"></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REGISTERED OWNER:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th align="right">PRINCIPAL AMOUNT:</th>
<th>DOLLARS</th>
</tr>
</thead>
<tbody>
<tr>
<td align="right"></td>
<td></td>
</tr>
</tbody>
</table>

ON THE MATURITY DATE specified above, the BOARD OF REGENTS OF STEPHEN F. AUSTIN STATE UNIVERSITY (the "Board"), being an agency and political subdivision of the State of Texas, 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, calculated on the basis of a 360-day year composed of twelve 30-day months, from the [Bond Date][Issuance Date], specified above, to the Maturity Date, specified above, at the interest rate per annum, specified above; with interest being payable on ____________, and semiannually on each __________ and __________ thereafter, except that if the date of authentication of this Bond is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date.

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

*As provided in the Award Certificate. To the extent that the Award Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Award Certificate shall be used in the executed Bonds.
Board 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 at the designated corporate trust office in ________, Texas (the "Designated Trust Office") of ______________*, which is the initial "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 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. The Bond Resolution (hereinafter defined) contains covenants for the benefit of the registered owner of this Bond that on or before each principal payment date and interest payment date for this Bond, the amounts required to provide for the payment, when due, in immediately available funds, of all principal of and interest on the Bonds will be made available to the Paying Agent/Registrar. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Board and the securities depository. All Bonds of this Series are issuable solely as fully registered bonds, without interest coupons in the denomination of any integral multiple of $5,000 (an "Authorized Denomination"). Terms used herein and not otherwise defined have the meaning given in the Bond Resolution (hereinafter defined).

**THIS BOND** is one of a Series of Bonds, dated as of ____________, 201__, authorized in accordance with the Constitution and laws of the State of Texas in the aggregate principal amount of $______________*, issued pursuant to a resolution adopted by the Board on October 27, 2014, (the "Bond Resolution"), FOR THE PURPOSE OF (i) REFUNDING ALL OR A PORTION OF THE POTENTIAL REFUNDED BONDS, (ii) ACQUIRING, PURCHASING, CONSTRUCTING, IMPROVING, RENOVATING, ENLARGING, OR EQUIPPING UNIVERSITY PROPERTY, BUILDINGS, STRUCTURES, FACILITIES, ROADS, OR RELATED INFRASTRUCTURE AND (ii) PAYING THE COSTS OF ISSUANCE OF THE BONDS.

**ON ____________, 20___**, or on any date thereafter, the Bonds of this Series maturing on and after ____________, 20__ may be redeemed prior to their scheduled maturities, by the

\*As provided in the Award Certificate. To the extent that the Award Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Award Certificate shall be used in the executed Bonds.

SFA RevBonds 2014: Resolution
Board, with funds derived from any available and lawful source, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption as a whole, or from time to time in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the Board, and if less than all of a maturity is to be redeemed the Registrar shall determine by lot the Bonds, or portions thereof within such maturity to be redeemed (provided that a portion of a Bond may be redeemed only in integral multiples of $5,000 of principal amount); provided, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and such interest rate shall be selected in accordance with the arrangements between the Board and the securities depository.

THE BONDS maturing on ____________, 20___* are subject to mandatory sinking fund redemption by lot prior to maturity in the following amounts, on the following dates and at a price of par plus accrued interest to the redemption date:

<table>
<thead>
<tr>
<th>Bonds Maturing ______<strong>, 20</strong></th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>____________________________</td>
<td>$______________</td>
</tr>
<tr>
<td>____________________________</td>
<td>________________</td>
</tr>
</tbody>
</table>

*Final Maturity

THE PRINCIPAL AMOUNT of the Term Bonds required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the Board by the principal amount of any Term Bonds of the stated maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the Board, at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Board at a price not exceeding the principal amount of the Term Bonds plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.

AT LEAST 30 calendar days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to (i) the registered owner of each Bond to be redeemed at its address as it appeared on the Registration Books on the 45th calendar day prior to such redemption date and (ii) major securities depositories and bond information services. By the date fixed for any such redemption due provision shall be made

*As provided in the Award Certificate. To the extent that the Award Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Award Certificate shall be used in the executed Bonds.
with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions for which such payment is made, all as provided above. If such written notice of redemption is effected and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any authorized denomination or denominations in any integral multiple of $5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Board, all as provided in the Bond Resolution.

WITH RESPECT TO any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Bond Resolution have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the Board, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Board shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

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 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 Board 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 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. The registered owner of this Bond shall be deemed and treated by the Board 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 Board and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

AS PROVIDED IN THE BOND RESOLUTION, this Bond, or any unredeemed portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, in the same form, and bearing interest at the same rate, in any Authorized Denomination as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering, or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Board, resigns, or otherwise ceases to act as such, the Board 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 Bond 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, subject only to the provisions of, and the lien on and pledge of certain Pledged Revenues to, the Prior Encumbered Obligations.

THE BOARD 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.

NEITHER THE State of Texas, the Board, nor any other agency, political corporation, or political subdivision of the State of Texas is obligated to pay the principal of or interest on the Bonds, other than as provided herein and in the Bond Resolution. Neither the faith and credit nor the taxing power of the State of Texas, nor any agency, political corporation or political subdivision of the State of Texas is pledged to the payment of the principal of or interest on the Bonds.

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 Board, and agrees that the terms and provisions of this Bond and the Bond Resolution constitute a contract between each registered owner hereof and the Board.

IN WITNESS WHEREOF, in accordance with the terms of the Bond Resolution, this Bond has been signed with the manual or facsimile signature of the Chair of the Board and countersigned with the manual or facsimile signature of the Secretary of the Board, and the official seal of Stephen F. Austin State University has been duly impressed, or placed in facsimile, on this Bond.

Secretary, Board of Regents of
Stephen F. Austin State University

Chair, Board of Regents of
Stephen F. Austin State University

(BOARD SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

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

___________________________________,
Paying Agent/Registrar

Dated: _______________________________________
Authorized Representative

FORM OF ASSIGNMENT

ASSIGNMENT

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

UNIF GIFT MIN ACT--

TEN COM -- as tenants in common
TEN ENT -- as tenants by the entireties
JT TEN -- as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

Please insert Social Security or Other Identification Number of Assignee

/__________________________________________/

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitutes and appoints

to transfer said Bond on the books kept for registration thereof with full power of substitution in the premises.
Dated: ____________________

Signature Guaranteed: ________________________________

______________________________
Notice: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

______________________________
Notice: Signature(s) must be guaranteed by the Securities Transfer Association signature guarantee program.

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

COMPTROLLER'S REGISTRATION CERTIFICATE

REGISTER NO. ______

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

Witness my signature and seal this

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

INSERTIONS FOR THE INITIAL BOND

The initial Bond shall be in the form set forth in this Exhibit, except that:
A. immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO." shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"ON THE MATURITY DATE SPECIFIED ABOVE, the BOARD OF REGENTS OF STEPHEN F. AUSTIN STATE UNIVERSITY (the "Board"), being an agency and political subdivision of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on _____________ * in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<table>
<thead>
<tr>
<th>Principal Amount</th>
<th>Maturity (___)</th>
<th>Interest Rate</th>
</tr>
</thead>
</table>

(Information from the Award Certificate of the Designated Financial Officer to be inserted)

The Board promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from _____________, 20___ * at the respective Interest Rate per annum specified above. Interest is payable on _____________, 20___ * and semiannually on each _____________ * and _____________ * thereafter to the date of payment of the principal installment specified above; except, that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

C. The initial Bond shall be numbered "T-1"

---

*As provided in the Award Certificate. To the extent that the Award Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Award Certificate shall be used in the executed Bonds.
EXHIBIT C

DESCRIPTION OF ACCOUNTING PRINCIPLES

The financial statements of Stephen F. Austin University will be prepared in accordance with the Texas Comptroller of Public Accounts' Annual Financial Reporting Requirements, and follow to the extent practical, the AICPA Industry Audit Guide Audits of Colleges and Universities, 1973, as amended by AICPA Statement of Position (SOP) 74-8, Financial Accounting and Reporting by Colleges and Universities, or such other accounting principles as the Board may be required to employ from time to time pursuant to state law or regulation.
RESOLUTION
AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF BOARD OF REGENTS OF STEPHEN F. AUSTIN STATE UNIVERSITY REVENUE FINANCING SYSTEM REVENUE BOND; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

ADOPTED OCTOBER 27, 2014
RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF BOARD OF REGENTS OF STEPHEN F. AUSTIN STATE UNIVERSITY REVENUE FINANCING SYSTEM REVENUE BOND; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

WHEREAS, in order to reduce costs, increase borrowing capacity, provide additional security to the credit markets, and provide the Board of Regents (the "Board") of Stephen F. Austin State University (the "University") with greater financial flexibility, the Board deemed it necessary and desirable to establish a revenue financing program for revenue supported indebtedness to provide funds to acquire, purchase, construct, improve, renovate, enlarge or equip property, buildings, structures, facilities, roads, or related infrastructure at the University, as well as any institution, branch or entity hereafter placed under the control and governance of the Board, to the extent permitted by Chapter 55, Texas Education Code, including specifically, but not by way of limitation, Section 55.02 thereof; and

WHEREAS, pursuant to the terms of resolutions adopted by the Board (the "Prior Resolutions"), the Board has outstanding certain Previously Issued Parity Obligations (as defined herein) that are secured by a lien on and pledge of the "Pledged Revenues" (as defined herein), which lien and pledge is subject to the lien on and pledge of the "Prior Encumbered Revenues" (as defined herein); and

WHEREAS, the Prior Resolutions established and confirmed the Stephen F. Austin State University Revenue Financing System for the purpose of providing a financing structure for revenue supported indebtedness at the University; and

WHEREAS, the Prior Resolutions permit the Board, to issue "Parity Obligations" secured by a lien on and pledge of the Pledged Revenues on a parity with the Previously Issued Parity Obligations; and

WHEREAS, the Board has determined that it is in the best interest of the University to authorize the issuance of bonds to finance; and

WHEREAS, the bonds authorized to be issued by this Resolution are to be issued and delivered pursuant to laws of the State of Texas, including Chapters 54 and 55 of the Texas Education Code, and other applicable laws, insofar as it may be required in connection with the objectives of this Resolution, and constitute as Parity Obligations in accordance with the Prior Resolutions; and

WHEREAS, the Board finds it necessary and advisable to adopt this Resolution, and further acknowledges that by adopting this Resolution it will be bound by and agrees to follow the covenants set forth in this Resolution; and

WHEREAS, the terms used in this Resolution and not otherwise defined shall have the meaning given in Exhibit "A" to this Resolution attached hereto and made a part hereof;
NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF STEPHEN F. AUSTIN STATE UNIVERSITY:

Section 1.  REVENUE FINANCING SYSTEM AND ISSUANCE OF PARITY OBLIGATIONS.  In the Prior Resolutions, the Stephen F. Austin State University Revenue Financing System (the "Financing System") has been established and confirmed, for the purpose of providing a financing structure for revenue supported indebtedness to provide funds to acquire, purchase, construct, improve, renovate, enlarge or equip property, buildings, structures, facilities, roads or related infrastructure at the University, as well as at any institution, branch or entity hereafter placed under the control and governance of the Board, under authority of the pertinent provisions of the Texas Education Code.

Section 2.  SECURITY AND PLEDGE.  (a)  Pledge.  Subject to the provisions of the resolutions authorizing Prior Encumbered Obligations, Parity Obligations shall be secured by and payable from a lien on the Pledged Revenues, and the Board hereby assigns and pledges the Pledged Revenues to the payment of the principal of, premium, if any, and interest on Parity Obligations, and the Pledged Revenues are further pledged to the establishment and maintenance of any funds which may be provided to secure the repayment of Parity Obligations in accordance with this Resolution.  The Board may execute and deliver one or more Credit Agreements to additionally secure Parity Obligations.  Credit Agreements may also be secured by a pledge of Pledged Revenues on a parity with or subordinate to Parity Obligations.

(b) Additional Participants.  As provided in Section 7 of this Resolution, institutions which may hereafter come under the control and governance of the Board may become Participants in the Financing System and such institutions may, at such time, have outstanding obligations secured by the Prior Encumbered Revenues and that, therefore, the lien on and pledge of the Pledged Revenues established pursuant to this Resolution and effective when such institutions become Participants in the Financing System will be subject and subordinate only to such institutions' outstanding Prior Encumbered Obligations.

(c) Restriction on Issuance of Additional Debt on a Parity with Prior Encumbered Obligations.  Except as provided in Section 4(g) and for so long as any Parity Obligations are Outstanding, no additional bonds, notes, or other obligations may be issued or incurred by the Board on a parity with any Prior Encumbered Obligations.

(d) Parity Obligations are Special Obligations.  All Parity Obligations and the premium, if any, and the interest thereon shall constitute special obligations of the Board payable from the Pledged Revenues, and the owners thereof shall never have the right to demand payment out of funds raised or to be raised by taxation, or from any source other than the source specified in this Resolution.  The obligation of the Board to pay or cause to be paid the amounts payable under this Resolution out of the Pledged Revenues shall be absolute, irrevocable, complete, and unconditional, and the amount, manner, and time of payment of such amounts shall not be decreased, abated, rebated, set-off, reduced, abrogated, waived, diminished, or otherwise modified in any manner or to any extent whatsoever, regardless of any right of setoff, recoupment, or counterclaim that the Board might otherwise have against any owner or any other
party and regardless of any contingency, force majeure, event, or cause whatsoever and notwithstanding any circumstance or occurrence that may arise or take place before, during, or after the issuance of Parity Obligations while any Parity Obligations are Outstanding.

Section 3. COVENANTS RELATING TO PLEDGED REVENUES. (a) Rate Covenant. In each Fiscal Year, the Board shall establish, charge, and use its reasonable efforts to collect at each Participant the Pledged Revenues which, if collected, would be sufficient to meet all financial obligations of the Board for such Fiscal Year relating to the Financing System including all deposits or payments due on or with respect to (i) the Prior Encumbered Obligations and (ii) all Outstanding Parity Obligations.

(b) Tuition. Subject to the provisions of the resolutions authorizing Prior Encumbered Obligations and to the other provisions of this Resolution, the Board covenants and agrees to fix, levy, charge and collect at each Participant student tuition charges required or authorized by law to be imposed on students enrolled at each Participant (excepting, with respect to each series or issue of Parity Obligations, any student in a category which, at the time of adoption of a resolution relating to such Parity Obligations, is exempt by law or by the Board from paying such tuition charges). Each student (excluding those exempt from payment as provided above), enrolled at each Participant, respectively, at each regular fall and spring semester and at each term of each summer session, shall pay tuition charges in such amounts, without any limitation whatsoever, as will be sufficient at all times, together with other legally available funds, including other Pledged Revenues, to provide the money to make or pay the principal of, interest on, and other payments or deposits with respect to Outstanding Parity Obligations when and as required. All changes in the tuition charged students at each Participant shall be made by resolution of the Board, but such procedure shall not constitute or be regarded as an amendment of this Resolution, but merely the carrying out of the provisions and requirements hereof.

(c) Student Center Fees. Subject to the provisions of the resolution authorizing the Series 2004 Bonds, the Board covenants and agrees to fix, levy, charge and collect student center fees required or authorized by law to be imposed on students pursuant to Section 54.520 of the Texas Education Code for the purpose of paying debt service on the Series 2004 Bonds; provided however, that such student center fees shall be used only for the purpose of acquiring, constructing, renovating, operating, maintaining, improving, equipping and financing a university center or additions to the center. All references to Series 2004 Bonds in this subsection shall include any applicable Parity Obligations issued to refund such Series 2004 Bonds.

(d) Student Recreational Sport Fees. Subject to the provisions of the resolution authorizing the Series 2005A Bonds, the Board covenants and agrees to fix, levy, charge and collect student recreational sport fees required or authorized by law to be imposed on students pursuant to Section 54.5201 of the Texas Education Code for the purpose of paying debt service on the Series 2005A Bonds; provided however, that such student recreational sport fees shall be used only to purchase equipment for and to construct, operate and maintain recreational sports facilities and programs. All references to Series 2005A Bonds in this subsection shall include any applicable Parity Obligations issued to refund such Series 2005A Bonds.
(e) **Anticipated Deficit.** If the Board determines, for any reason whatsoever, that there are not anticipated to be legally available funds, including Pledged Revenues, sufficient to meet all financial obligations of the Board relating to the Financing System including the deposits and payments due on or with respect to Outstanding Parity Obligations as the same mature or come due, or that any Participant in the Financing System will be unable to pay its Annual Direct Obligation in full, then the Board shall fix, levy, charge, and collect such rentals, rates, fees, tuition, or other charges at each Participant in the Financing System with enrolled students, effective at the next succeeding regular semester or semesters or summer term or terms, in such amounts, without any limitation whatsoever (other than as provided in subsection (f) below), as will be at least sufficient to provide, together with other legally available funds, including Pledged Revenues, the money for making when due all financial obligations of the Board relating to the Financing System including all payments and deposits due on or with respect to Outstanding Parity Obligations when and as required by this Resolution.

(f) **Economic Effect of Adjustments.** Any adjustments in the rate or manner of charging for any rentals, rates, fees, tuition, or other charges included in Pledged Revenues at any Participant in the Financing System resulting from an event described in subsection (e) above will be based upon a certificate and recommendation of the Designated Financial Officer, delivered to the Board, as to the rates and anticipated collection of the Pledged Revenues at each Participant in the Financing System (after taking into account the anticipated effect the proposed adjustments in such rentals, rates, fees, tuition, or other charges would have on enrollment and the receipt of Pledged Revenues and other funds at each Participant in the Financing System) which will be anticipated to result in (i) Pledged Revenues attributable to each Participant being sufficient (to the extent possible) to satisfy the Annual Obligation of such Participant and (ii) Pledged Revenues being sufficient, together with other legally available funds, to meet all financial obligations of the Board relating to the Financing System including all deposits and payments due on or with respect to (A) the Prior Encumbered Obligations and (B) all Outstanding Parity Obligations, when and as required by this Resolution.

(g) **Annual Obligation.** If, in the judgment of the Board, any Participant in the Financing System has been or will be unable to satisfy its Annual Obligation, the Board shall fix, levy, charge, and collect rentals, rates, fees, and charges for goods and services furnished by such Participant and, with respect to Participants with enrolled students, tuition, effective at the next succeeding regular semester or semesters or summer term or terms, in amounts sufficient, without limit (subject to the provisions of (c) and (d) above, respectively), together with other legally available funds, including other Pledged Revenues attributable thereto, to enable it to make its Annual Obligation payments.

(h) **Additional Participants.** The Board hereby agrees to apply the covenants hereinabove made to any institution, branch or entity hereinafter placed under the control and governance of the Board and added as a Participant in the Financing System in accordance with the provisions of Section 7 hereof.
Section 4. GENERAL COVENANTS. The Board further represents, covenants, and agrees that while any Parity Obligations or interest thereon is Outstanding:

(a) Payment of Parity Obligations. On or before each payment date it shall make available to the Paying Agent for such Parity Obligations or to such other party as required by the resolution authorizing the sale of such Parity Obligations, money sufficient to pay the interest on, principal of, and premium, if any, on the Parity Obligations as will accrue or otherwise come due or mature, or be subject to mandatory redemption prior to maturity, on such date and the fees and expenses related to the Parity Obligations, including the fees and expenses of the Paying Agent and any Registrar, trustee, remarketing agent, tender agent, or Credit Provider.

(b) Performance. It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution, and in each and every Parity Obligation or evidence thereof.

(c) Redemption. It will duly cause to be called for redemption prior to maturity, and will cause to be redeemed prior to maturity, all Parity Obligations which by their terms are mandatorily required to be redeemed prior to maturity, when and as so required.

(d) Lawful Title. It lawfully owns, has title to, or is lawfully possessed of the lands, buildings, and facilities now constituting the University, and it will defend said title and title to any lands, buildings, and facilities which may hereafter become part of the Financing System, for the benefit of the owners of Parity Obligations against the claims and demands of all persons whomsoever.

(e) Lawful Authority. It is lawfully qualified to pledge the Pledged Revenues herein pledged in the manner prescribed herein and has lawfully exercised such right.

(f) Preservation of Lien. Subject to the conditions set forth in Sections 5, 6, and 7 of this Resolution, it will not do or suffer any act or thing whereby the Financing System might or could be impaired, and that it will at all times maintain, preserve, and keep the real and tangible property of the Financing System and every part thereof in good condition, repair, and working order and operate, maintain, preserve, and keep the facilities, buildings, structures, and equipment pertaining thereto in good condition, repair, and working order.

(g) No Additional Encumbrance. It shall not incur additional Debt secured by the Pledged Revenues in any manner, except as permitted by this Resolution in connection with Parity Obligations, unless said Debt is made junior and subordinate in all respects to the liens, pledges, covenants, and agreements of this Resolution. Notwithstanding anything to the contrary contained herein, and in addition to the right hereunder to refund the Prior Encumbered Obligations with Parity Obligations, the Board reserves the right to issue obligations to refund any Prior Encumbered Obligations and to secure the refunding obligations with the same source or sources securing the Prior Encumbered Obligations being refunded. Upon the defeasance of the refunded Prior Encumbered Obligations, the refunding obligations will be Prior Encumbered Obligations (unless the refunding obligations are made Parity Obligations in accordance with the
terms of this Resolution and the resolution authorizing their issuance) under this Resolution for all purposes.

(h) **Investments and Security.** It will invest and secure money in all accounts and funds established pursuant to this Resolution in the manner prescribed by law for such funds, including, but not by way of limitation, the Public Funds Investment Act (Chapter 2256, Texas Government Code), Chapter 163, Texas Property Code, and Section 51.0031, Texas Education Code, and in accordance with written policies adopted by the Board.

(i) **Records.** It will keep proper books of record and account in which full, true, and correct entries will be made of all dealings, activities, and transactions relating to the University. Each year while Parity Obligations are Outstanding, the Board will cause to be prepared from such books of record and account an annual financial report of the University and shall furnish such report to the principal municipal bond rating agencies and to any owner of Parity Obligations who shall request same. In addition, the Board shall submit such financial report and other information required by law for examination in connection with financial compliance and other audits required to be conducted by the office of the Auditor of the State of Texas.

(j) **Inspection of Books.** It will permit any owner or owners of twenty-five percent (25%) or more of the then Outstanding Principal Amount at all reasonable times to inspect all records, accounts, and data of the Board relating to the University and the Financing System.

(k) **Annual and Direct Obligations.** In establishing the annual budget for each Participant in the Financing System, it shall provide for the satisfaction by each Participant in the Financing System of its Annual Obligation. The Direct Obligation shall represent the financial responsibility of each Participant in the Financing System with respect to Outstanding Parity Obligations. Each such Participant's Direct Obligation and Annual Obligation shall be evidenced by a financing agreement between the Board and each Participant.

(l) **Determination of Outstanding Parity Obligations.** For all purposes of this Resolution, the judgment of the chief financial officer of the University, presently the Vice President for Finance and Administration, shall be deemed final in the determination of which obligations of the Board constitute Parity Obligations; provided, however, such judgment is subject to confirmation by the Auditor of the State of Texas in connection with the annual audit of the records of the University.

(m) **Execution of Credit Agreements.** (i) Should the Board determine that it is in the best interests of the University to obtain a Credit Agreement to enhance the security for or provide for the payment, redemption or remarketing of Parity Obligations, the Board, upon approval of the Attorney General, may from time to time and at any time execute and deliver a Credit Agreement to which the Pledged Revenues are to be pledged. Prior to the Board adopting any resolution authorizing the execution and delivery of any such Credit Agreement, it shall receive from the University an Officer's Certificate to the effect that (i) the Board has determined that the Participant for whom the Credit Agreement is to be executed and delivered possesses the financial capability to satisfy its Direct Obligation after taking into account the payment...
obligations under the proposed Credit Agreement, and (ii) to the best of his or her knowledge, the Board is in compliance with all covenants contained in this Resolution and any resolution adopted authorizing the issuance of Parity Obligations, and is not in default in the performance and observance of any of the terms, provisions, and conditions hereof or thereof.

(ii) The lien on and pledge of Pledged Revenues to pay the cost of any such credit agreement may be on a parity with, but not superior to, the lien on and pledge of the Pledged Revenues securing the Parity Obligations.

Section 5. ISSUANCE OF ADDITIONAL OBLIGATIONS. (a) Parity Obligations. The Board reserves and shall have the right and power to issue or incur, Parity Obligations for any purpose authorized by law pursuant to the provisions of this Resolution and the applicable laws of the State of Texas governing the issuance of bonds for the benefit of each Participant (currently the University) in the Financing System. The Board may incur, assume, guarantee, or otherwise become liable in respect of any Parity Obligations if the Board shall have determined that it will have sufficient funds to meet the financial obligations of each Participant (currently the University) in the Financing System, 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. In addition, the Board shall not issue or incur Parity Obligations unless (i) the Board shall determine that the Participant for whom the Parity Obligations are being issued or incurred possesses the financial capability to satisfy its Direct Obligation after taking into account the then proposed Parity Obligations, and (ii) a Designated Financial Officer shall deliver to the Board a certificate stating that, to the best of his or her knowledge, the Board is in compliance with all covenants contained in this Resolution and any resolution adopted authorizing the issuance of Parity Obligations, and is not in default in the performance and observance of any of the terms, provisions, and conditions hereof or thereof.

(b) Non–Recourse Debt and Subordinated Debt. Non-Recourse Debt and Subordinated Debt may be incurred by the Board without limitation, subject to the applicable laws of the State of Texas.

Section 6. DISPOSITION OF ASSETS ATTRIBUTABLE TO FINANCING SYSTEM PARTICIPANTS. The Board may convey, sell, or otherwise dispose of any properties of each Participant (currently the University) in the Financing System provided:

(a) Ordinary Course. Such conveyance, sale, or disposition shall be in the ordinary course of business of such Participant which uses, operates, owns, or is otherwise responsible for such properties; or

(b) Disposition Upon Board Determination. The Board shall determine that after the conveyance, sale, or other disposition of such properties, the Board shall have sufficient funds during each Fiscal Year during which Parity Obligations are to be Outstanding to meet the financial obligations of each Participant in the Financing System, 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.
Section 7. COMBINATION, DIVISION, RELEASE AND ADMISSION OF NEW INSTITUTIONS UNDER THE FINANCING SYSTEM.  (a) Combination and Division. Notwithstanding anything to the contrary contained herein, it is recognized that certain institutions which may become Participants in the Financing System may be combined or divided and that so long as such combined or divided institutions continue to be governed by the Board such action shall not be in violation of the provisions of this Resolution or require any amendments of the provisions hereof.

(b) Release. Subject to the conditions set forth below, any Participant in the Financing System or portion thereof may be closed and abandoned by law or may be removed from the Financing System (thus deleting the revenues, income, funds and balances attributable to said Participant or portion thereof from Pledged Revenues) without violating the terms of this Resolution provided:

1. the Board approves and delivers an Officers' Certificate to the effect that, to the knowledge thereof, after the release of such Participant or portion thereof, the Board will have sufficient funds during each Fiscal Year in which Parity Obligations shall thereafter be Outstanding to meet the financial obligations of the Board, 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

2. the Board receives an Opinion of Counsel which shall state that such release will not affect the status for federal income tax purposes of interest on any Outstanding Parity Obligations and that all conditions precedent provided in this Resolution or any resolution hereafter adopted governing the issuance of Parity Obligations relating to such release have been complied with; and

3. (A) if the Participant or portion thereof to be released from the Financing System is to remain under the governance and control of the Board, the Board must either (i) provide, from lawfully available funds, including Pledged Revenues attributable to said withdrawing Participant, for the payment or discharge of said Participant's Direct Obligation or (ii) pledge to the payment of Parity Obligation, additional resources not then pledged in an amount sufficient to satisfy such withdrawing Participant's Direct Obligation; or

(B) if the Participant or portion thereof to be released from the Financing System is to no longer be under the governance and control of the Board and remains in operation independent of the Board, the Board must enter into a binding obligation with the new governing body of the withdrawing institution or the portion thereof being withdrawn, obligating said governing body to make payments to the Board at the times and in the amounts equal to said Participant's Annual Obligation or to pay or discharge said Participant's Direct Obligation, or, in the case of a portion of a Participant being
withdrawn, the proportion of the Participant's Annual Obligation or Direct Obligation, as the case may be, attributable to the withdrawing portion of the Participant.

(c) If, after the date of the adoption of this Resolution, the Board desires for an institution or agency governed by the Board to become a Participant of the Financing System, or if the Board is required by law to assume the governance of an institution or agency, it may include said institution or agency in the Financing System with the effect set forth in this Resolution by the adoption of a resolution amending this Resolution.

Section 8. WAIVER OF CERTAIN COVENANTS. The Board may omit in any particular instance to comply with any covenant or condition set forth in Sections 3 through 7 hereof if before or after the time for such compliance the Owners of the same percentage in principal amount of all Parity Obligations then Outstanding, the consent of which would be required to amend the provisions hereof to permit such noncompliance, shall either waive such compliance in such instance or generally waive compliance with such covenant or condition, but no such waiver shall extend to or affect such covenant or condition except to the extent so expressly waived and, until such waiver shall become effective, the obligations of the Board and the duties of the Board in respect to any such covenant or condition shall remain in full force and effect.

Section 9. AMOUNT, PURPOSE, AND DESIGNATION OF THE BONDS. (a) Amount and Designation. The Board's bonds each entitled "BOARD OF REGENTS OF stephen f. austin state university revenue financing system revenue bond, series 2014" are hereby authorized to be issued in one series and delivered in an aggregate principal amount of $12,000,000.

(b) Purpose. The Bond is to be issued for the following purposes: (i) acquiring, purchasing, constructing, improving, renovating, enlarging, or equipping university property, buildings, structures, facilities, roads, or related infrastructure and (ii) paying the costs of issuance of the bonds.

Section 10. DATE, DENOMINATIONS, NUMBERS, MATURITY AND TERMS OF BOND. (a) Terms of the Bond. The Bond shall initially be issued, sold, and delivered hereunder as one fully registered bond, without interest coupons, numbered R-1, payable in annual installments to the respective initial registered owners thereof, or 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"), maturing on the dates, in the years and in the principal amounts, respectively, as provided in Section 11, all as set forth herein.

(b) Sale of the Bond. The Bond is hereby officially sold and awarded to ______________________ (the "Owner"), in accordance with the terms and provisions of that certain Letter of Investment relating to the Bond between the University and the Owner and dated the date of the passage of this Resolution. The form and content of such Letter of
Investment are hereby approved, and the Designated Financial Officer is hereby authorized and directed to execute and deliver such Letter of Investment. It is hereby officially found, determined and declared that the terms of this sale are the most advantageous reasonably obtainable. The Bond shall initially be registered in the name of the Owner or its designee.

All officers of the University are authorized to take such actions and to execute such documents, certificates and receipts as they may deem necessary and appropriate in order to consummate the delivery of the Bond.

The obligation of the Owner to accept delivery of the Bond is subject to the Owner being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel for the University, which opinion shall be dated as of and delivered on the Closing Date.

(c) In General. The Bond (i) may and shall be redeemed prior to the respective scheduled maturity date, (ii) may be assigned and transferred, (iii) may be exchanged for other Bonds, (iv) shall have the characteristics, (v) shall be Tax-Exempt Bonds, and (vi) shall be signed and sealed, and the principal of and interest on the Bond shall be payable, all as provided, and in the manner required or indicated, in the FORM OF BOND set forth in Exhibit "B" to this Resolution as provided herein.

Section 11. INTEREST. The Bond shall bear interest, calculated on the basis of a 360-day year composed of twelve 30-day months, from their date, until maturity or redemption, at the rate of ____%. Interest shall be payable to the registered owner of the Bond in the manner provided and on the dates stated in the FORM OF BOND set forth in this Resolution.

Section 12. REGISTRATION, TRANSFER, AND EXCHANGE; AUTHENTICATION; BOOK-ENTRY-ONLY SYSTEM. (a) Paying Agent/Registrar. So long as the Bond remains outstanding, the University shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a register (the “Register”) in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Order. The Paying Agent/Registrar is ___________________.

(b) Registration Books. The Board shall keep or cause to be kept at the corporate trust office of the Paying Agent/Registrar 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 Paying Agent/Registrar is hereby appointed to serve as 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 Board 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 Board 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 the 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 Resolution, whether such Bond shall be overdue, and, to the extent permitted by law, the Board 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 Bond, all as provided in this Resolution. The Paying Agent/Registrar shall keep proper records of all payments made by the University and the Paying Agent/Registrar with respect to the Bond.

(e) Authentication. The Bond initially issued and delivered pursuant to this Resolution shall be authenticated by the Paying Agent/Registrar by execution of the Paying Agent/Registrar's Authentication Certificate unless they have been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and on each substitute Bond issued in exchange for any Bond or Bonds issued under this Resolution the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE (the "Authentication Certificate"). The Authentication Certificate shall be in the form set forth in the FORM OF BONDS.

(f) Transfer, Exchange, or Replacement. Each Bond issued and delivered pursuant to this Resolution, to the extent of the unpaid or unredeemed principal amount thereof, may, 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, may, at the option of the registered owner or such assignee or assignees, as appropriate, be exchanged for fully registered bonds, without interest coupons, in the appropriate form prescribed in the FORM OF BOND set forth in this Resolution, 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 an 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 Resolution shall constitute one of the Bonds for all purposes of this Resolution, and may again be exchanged or replaced. On each substitute Bond issued in exchange for or replacement of any Bond or Bonds issued under this Resolution there shall be printed an Authentication Certificate, in the form set forth in the FORM OF BONDS set forth in Exhibit "B" to this Resolution. 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 Board 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 Designated Financial Officer. 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 Bond which was originally issued pursuant to this Resolution. The Board 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 45 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 Bond to be cancelled and the written request as described above.

(g) Substitute Paying Agent/Registrar. The Board covenants with the registered owner of the Bond that at all times while the Bond is outstanding the Board 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 Bond under this Resolution, and that the Paying Agent/Registrar will be one entity. The Board reserves the right to, and may, at
its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 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 Board 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 Resolution. 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 Bond, to the new Paying Agent/Registrar designated and appointed by the Board. Upon any change in the Paying Agent/Registrar, the Board promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bond, 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 Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.

(h) **Notice of Redemption.** In addition to the method of providing a notice of redemption set forth in the FORM OF BOND, the Paying Agent/Registrar shall give notice of redemption of the Bond by United States mail, first-class postage prepaid, at least thirty (30) days prior to a redemption date to each registered securities depository and to any national information service that disseminates redemption notices. In addition, in the event of a redemption caused by an advance refunding of the Bond, the Paying Agent/Registrar shall send a second notice of redemption to the persons specified in the immediately preceding sentence at least thirty (30) days but not more than ninety (90) days prior to the actual redemption date. Any notice sent to the registered securities depositaries 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 Bond in for redemption sixty (60) days after the redemption date.

Each notice of redemption, whether required in the FORM OF BOND or in this Section, shall contain a description of the Bond to be redeemed including the complete name of the Bond, the Series, the date of issue, the interest rate, the maturity date, a reference to the principal amounts of each annual installment called for redemption, 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 Bond may be redeemed, including a contact person and telephone number.

**Section 13. FORM OF BOND.** The form of the Bond, including the form of the Authentication Certificate, the form of Assignment, and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas, with respect to the Bond initially issued and delivered to the Owner pursuant to this Resolution, shall be, respectively, substantially as set forth in Exhibit "B", with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution.
Section 14. INDIVIDUALS NOT LIABLE. All covenants, stipulations, obligations, and agreements of the Board contained in this Resolution shall be deemed to be covenants, stipulations, obligations, and agreements of the Financing System and the Board to the full extent authorized or permitted by the Constitution and laws of the State of Texas. No covenant, stipulation, obligation, or agreement herein contained shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the Board or agent or employee of the Board in the individual capacity thereof and neither the respective members of the Board, nor any officer thereof or of any participant shall be liable personally on Parity Obligations when issued, or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 15. SECURITY FOR THE BONDS. The Bond is a special obligation of the Board payable from and secured solely by the Pledged Revenues pursuant to this Resolution. 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 Bond as the same shall become due and payable. The Board agrees to pay the principal of, premium, if any, and the interest on the Bond when due, whether by reason of maturity or redemption.

Section 16. PAYMENTS. Immediately after the delivery of the Bond, the Board shall deposit any accrued interest received from the sale and delivery of the Bond to the credit of a special account to be held to pay interest on such Bond on the first interest payment date, to be held to pay interest on such Bond.

Section 17. 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 Board and 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 Board and the Paying Agent/Registrar evidence of 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 Board, 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 Board whether or not 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 Resolution equally and proportionately with any and all other Bonds duly issued under this Resolution.

(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 Board 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 12(f) of this Resolution for Bonds issued in exchange and replacement for other Bonds.

Section 18. **REMEDIES.** Any owner of Parity Obligations in the event of default in connection with any covenant contained herein or in any resolution adopted hereafter authorizing the issuance of Parity Obligations, or default in the payment of said obligations, or of any interest due thereon, or other costs and expenses related thereto, may require the Board, their respective officials and employees, and any appropriate official of the State of Texas, to carry out, respect, or enforce the covenants and obligations of this Resolution by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings in any court of competent jurisdiction against the Board, their respective officials and employees, or any appropriate official of the State of Texas.

Section 19. **DEFEASANCE OF OBLIGATIONS.** (a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer Outstanding (a "Defeased Bond") within the meaning of this Resolution, except to the extent provided in subsections (c) and (e) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date or dates (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar or any other eligible bank or trust company then authorized by State law for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the Board with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due
and payable or (3) any combination of (1) and (2). At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the revenues herein pledged as provided in this Resolution, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) The deposit under clause (ii) of subsection (a) shall be deemed a payment of a Bond as aforesaid when proper notice of redemption of such Bonds shall have been given, in accordance with this Resolution. Any money so deposited with the Paying Agent/Registrar or other eligible institution as provided in this Section may at the written discretion of the Board also be invested in Defeasance Securities, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Securities in possession of the Paying Agent/Registrar or other eligible institution pursuant to this Section which is not required for the payment of such Bond and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be turned over to the Board.

(c) Notwithstanding any provision of any other Section of this Resolution which may be contrary to the provisions of this Section, all money or Defeasance Securities set aside and held in trust pursuant to the provisions of this Section for the payment of principal of the Bond and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Bond and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the Board shall make proper arrangements to provide and pay for such services as required by this Resolution.

(d) Notwithstanding anything elsewhere in this Resolution, if money or Defeasance Securities have been deposited or set aside with the Paying Agent/Registrar or other eligible institution pursuant to this Section for the payment of the Bond and such Bond shall not have in fact been actually paid in full, no amendment of the provisions of this Section shall be made without the consent of the registered owner of each Bond affected thereby.

(e) Notwithstanding the provisions of subsection (a) immediately above, to the extent that, upon the defeasance of any Defeased Bond to be paid at its maturity, the Board retains the right under Texas law to later call that Defeased Bond for redemption in accordance with the provisions of this Resolution, the Board may call such Defeased Bond for redemption upon complying with the provisions of Texas law and upon the satisfaction of the provisions of subsection (a) immediately above with respect to such Defeased Bond as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bond and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Bond.
In the event that the Board elects to defease less than all of the principal amount of the Bond of an annual installment, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

Section 20. AMENDMENT OF RESOLUTION. (a) Amendment Without Consent. This Resolution and the rights and obligations of the Board and of the owners of the Outstanding Parity Obligations may be modified or amended at any time without notice to or the consent of any owner of the Outstanding 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 Resolution, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Board in this Resolution;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Resolution, 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 Resolution;

(iii) To supplement the security for the Parity Obligations, including, but not by way of limitation, to provide for the addition of new institutions and agencies to the Financing System or to clarify the provisions regarding the University as a Participant in the Financing System; provided, however, if the definition of Pledged Revenues is amended in any manner which results in the pledge of additional resources, the terms of such amendment may limit the amount of such additional pledge and the manner, extent, and duration of such additional pledge all as set forth in such amendment;

(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 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;

(vi) 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; or

(vii) To make such changes or amendments as contemplated by Section 24(c) of this Resolution in order to comply with the Rule.
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.

(b) **Amendments With Consent.** Subject to the other provisions of this Resolution, the owners of Outstanding Parity Obligations aggregating a majority in Outstanding Principal Amount shall have the right from time to time to approve any amendment to this Resolution, other than amendments described in subsection (a) of this Section, 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 owners of all of the Outstanding Parity Obligations, the amendment of the terms and conditions in this Resolution so as to:

1. Grant to the owners of any Outstanding Parity Obligations a priority over the owners of any other Outstanding Parity Obligations;
2. Materially adversely affect the rights of the owners of less than all Parity Obligations then Outstanding;
3. Change the minimum percentage of the Outstanding Principal Amount necessary for consent to such amendment;
4. Make any change in the maturity of the Outstanding Bonds;
5. Reduce the rate of interest borne by Outstanding Bonds;
6. Reduce the amount of the principal payable on Outstanding Bonds; or
7. Modify the terms of payment of principal of or interest on the Outstanding Bonds, or impose any conditions with respect to such payment; or
8. Adversely affect the tax exempt status of the interest on the Outstanding Bonds to the owners thereof.

(c) **Notice.** If at any time this Resolution is to be amended pursuant to the provisions of subsection (b) 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 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 each Registrar for the Parity Obligations for inspection by all owners of Parity Obligations. Such publication is not required, however, if the Board gives or causes to be given such notice in writing, by certified mail, to each owner of Parity Obligations.
Obligations. Such publication is not required with respect to amendments to this Resolution effected pursuant to the provisions of subsection (a) of this Section.

(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 or instruments executed by all of the owners or the owners of at least a majority in Outstanding Principal Amount, as appropriate, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve 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 of any resolution to amend this Resolution pursuant to the provisions of this Section, this Resolution 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 Parity Obligations and all future Parity Obligations shall thereafter be determined, exercised, and enforced under this Resolution, as amended.

(f) **Consent Irrevocable.** Any consent given by any owner of Parity Obligations pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication or other service of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Parity Obligations during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing notice thereof with the Registrar for such Parity Obligations and the Board, but such revocation shall not be effective if the owners of a majority in Outstanding Principal Amount, prior to the attempted revocation, consented to and approved the amendment.

(g) **Ownership.** For the purpose of this Section, the ownership and other matters relating to all Parity Obligations shall be determined by the Registration Books maintained by the Registrar.

**Section 21. COVENANTS REGARDING TAX-EXEMPTION.** (a) **Covenants.** The Board covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bond as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "IRS 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 Board covenants as follows:

1. to take any action to assure that no more than 10 percent of the proceeds of the Bond 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 IRS Code or, if more than 10 percent of the proceeds of the Bond or the projects financed or refinanced therewith are so used, such amounts,
whether or not received by the Board, with respect to such private business use, do not, under the terms of this Resolution or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bond, in contravention of section 141(b)(2) of the IRS Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bond 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 IRS Code, to the governmental use;

(3) 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 the Bond (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 IRS Code;

(4) to refrain from taking any action which would otherwise result in the Bond being treated as "private activity bonds" within the meaning of section 141(b) of the IRS Code;

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

(6) to refrain from using any portion of the proceeds of the Bond, 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 IRS Code) which produces a materially higher yield over the term of the Bond, other than investment property acquired with:

(A) proceeds of the Bond invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the Bond is issued,

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

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

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

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bond) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the IRS Code and to pay to the United States of America, not later than 60 days after the Bond has 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 IRS Code.

(b) **Rebate Fund.** In order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the Board for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the IRS Code.

(c) **Proceeds.** The Board understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds not expended prior to the date of issuance of the Bond. It is the understanding of the Board that the covenants contained herein are intended to assure compliance with the IRS Code and any regulations or rulings promulgated 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 IRS Code, as applicable to the Bond, the Board 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 the Bond under section 103 of the IRS Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bond, the Board 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 the Bond under section 103 of the IRS Code. In furtherance of such intention, the Board hereby authorizes and directs the Designated Financial Officer to execute any documents, certificates or reports required by the IRS Code and to make such elections, on behalf of the Board, which may be permitted by the IRS Code as are consistent with the purpose for the issuance of the Bond.

**Section 24. BOND PLACEMENT.**

(a) **Placement Agent.** The Board hereby approves ______________ as the Placement Agent for the Bonds.

(b) **Financial Information and Operating Data of the University.** While the Bond remains outstanding, unless waived by the Owner, the University shall provide the following to the Owner:

(i) Audited financial statements, to be provided within 270 days after the close of each University fiscal year ending on and after August 31, 2015.
(ii) Annual budget reports in a form reasonably acceptable to the Owner, to be provided within 120 days after approval by the Board; and

(iii) Such other financial information regarding the University as the Owner shall reasonably request.

Section 25. APPLICATION OF BOND PROCEEDS. (a) Proceeds. Proceeds from the sale of the Bond shall, promptly upon receipt thereof, be applied by the Designated Financial Officer as follows:

(i) accrued interest, if any, for the Bond shall be deposited as provided in Section 16;

(ii) an amount sufficient to accomplish the purposes of Section 9 shall be so applied; and

(iii) any proceeds from the sale of the Bond remaining after the deposits provided for in clauses (i) and (ii) above, shall be applied to pay expenses arising in connection with the issuance of the Bond.

Any sale proceeds of the Bond remaining after making all deposits and payments provided for above shall be applied to the payment of interest on the Bond.

(b) Funds. The Designated Financial Officer is hereby authorized to establish such funds, accounts and/or sub–accounts as necessary to administer any remaining proceeds of the Bond after applying proceeds for the purposes described in Section 9 hereof, including for accrued interest and costs of issuance. Proceeds deposited into any such funds, accounts and/or sub–accounts shall remain therein until from time to time expended for the purposes described in this Resolution, and shall not be used for any other purposes whatsoever, except as otherwise provided below, and pending such expenditure, such moneys may be invested at the direction of the Designated Financial Officer or the designee thereof in eligible investments in accordance with the provisions of Section 4(h) of this Resolution. Interest earnings shall accrue to the respective funds, accounts and/or sub–accounts in which moneys are held and invested. The Board shall cause moneys on deposit in any such funds, accounts and/or sub–accounts representing accrued interest to be used to pay debt service on the Bond as the same shall become due and payable.

Section 26. RESOLUTION TO CONSTITUTE A CONTRACT; EQUAL SECURITY. In consideration of the acceptance of the Bond, the issuance of which is authorized hereunder, by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Board and the Owner from time to time of the Bond and the pledge made in this Resolution by the Board and the covenants and agreements set forth in this Resolution to be performed by the Board shall be for the equal and proportionate benefit, security, and protection of all Owners, 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 Resolution.

Section 27. 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 28. PAYMENT AND PERFORMANCE ON BUSINESS DAYS. Except as provided to the contrary in the FORM OF BOND, whenever under the terms of this Resolution or the Bonds, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Bond, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Bond, 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 29. LIMITATION OF BENEFITS WITH RESPECT TO THE RESOLUTION. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Resolution or the Bond is intended or should be construed to confer upon or give to any person other than the Board, the Owners, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Resolution or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Resolution 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 Owners, and the Paying Agent/Registrar as herein and therein provided.

Section 30. CUSTODY, APPROVAL, AND BOND COUNSEL'S OPINION. The Designated Financial Officer 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 Designated Financial Officer is hereby authorized, to the extent deemed necessary or advisable thereby, in the discretion thereof, to request that the Attorney General approve the Bonds as permitted by Chapter 1202, in which case the Designated Financial Officer also is authorized to request the Comptroller of Public Accounts register the Bond, and to cause an appropriate legend reflecting such approval and registration to appear on the Bonds and the substitute Bonds. The approving legal opinion of Bond Counsel may be printed on the Bond and on any Bonds issued and delivered in exchange or replacement of any Bond, but it shall not have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bond. The preamble to this Resolution is hereby adopted and made a part of this Resolution for all purposes.
Section 31. RESERVED FUNDS. The Board may establish a reserve fund, and/or any other fund or funds pursuant to any resolution authorizing the issuance of Parity Obligations, for the purpose of paying or securing a particular issue or series of Parity Obligations or any specific group of issues or series of Parity Obligations and the amounts once deposited in said funds shall no longer constitute Pledged Revenues but shall be held solely for the benefit of the owners of the particular issue or series or group of issues or series of Parity Obligations for which such fund was established. Each such fund shall be designated in such manner as is necessary to identify the Parity Obligations it secures and to distinguish such fund from any other funds created for the benefit of any other Parity Obligations.

Section 32. FURTHER PROCEDURES. The Chair of the Board, the Designated Financial Officer, and all other officers, employees, and agents of the University, 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 Board, all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Bonds, the sale and delivery of the Bonds and fixing all details in connection therewith, and to approve any Official Statement, or supplements thereto, in connection with the Bonds including any necessary filings with the Attorney General of Texas, the Texas Bond Review Board an any other necessary parties.

Section 33. PAYMENT OF ATTORNEY GENERAL FEE. The Board hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of the Bond or (ii) $9,500 per Series, provided that such fee shall not be less than $750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The Designated Financial Officer is hereby instructed to take the necessary measures to make this payment. The Board is also authorized to reimburse the appropriate funds for such payment from proceeds of the Bond.

Section 34. REPEAL OF CONFLICTING RESOLUTIONS. All resolutions and all parts of any resolutions which are in conflict or inconsistent with this Resolution are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

Section 35. PERFECTION OF PLEDGE. Chapter 1208, Government Code, applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted under Section 2 of this Resolution, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bond is outstanding and unpaid such that the pledge of the Pledged Revenues under Section 2 of this Resolution is to be subject to the filing requirements of Chapter 9, 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, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.
Section 36. 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 their respective meetings at which this Resolution was adopted, and that this Resolution would be introduced and considered for adoption at said meetings; and that said meetings were open to the public, and public notice of the time, place, and purpose of said meetings was given, all as required by Chapter 551, Texas Government Code.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
EXECUTED this 27th day of October, 2014.

Chair, Board of Regents

Secretary, Board of Regents
EXHIBIT A

DEFINITIONS

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

"Annual Debt Service Requirements" means, for any Fiscal Year, the principal of and interest on all Parity Obligations coming due at Maturity or Stated Maturity (or that could come due on demand of the owner thereof other than by acceleration or other demand conditioned upon default by the Board on such Debt, or be payable in respect of any required purchase of such Debt by the Board) in such Fiscal Year, and, for such purposes, any one or more of the following rules shall apply at the election of the Board:

(1) **Committed Take Out.** If the Board has entered into a Credit Agreement constituting a binding commitment within normal commercial practice to discharge any of its Funded Debt at its Stated Maturity (or, if due on demand, at any date on which demand may be made) or to purchase any of its Funded Debt at any date on which such Debt is subject to required purchase, all under arrangements whereby the obligation to repay the amounts advanced for such discharge or purchase constitutes Funded Debt, then the portion of the Funded Debt committed to be discharged or purchased shall be excluded from such calculation and the principal of and interest on the Funded Debt incurred for such discharging or purchase that would be due in the Fiscal Year for which the calculation is being made, if incurred at the Stated Maturity or purchase date of the Funded Debt to be discharged or purchased, shall be added;

(2) **Balloon Debt.** If the principal (including the accretion of interest resulting from original issue discount or compounding of interest) of any series or issue of Funded Debt due (or payable in respect of any required purchase of such Funded Debt by the Board) in any Fiscal Year either is equal to at least 25% of the total principal (including the accretion of interest resulting from original issue discount or compounding of interest) of such Funded Debt or exceeds by more than 50% the greatest amount of principal of such series or issue of Funded Debt due in any preceding or succeeding Fiscal Year (such principal due in such Fiscal Year for such series or issue of Funded Debt being referred to herein as "Balloon Debt"), the amount of principal of such Balloon Debt taken into account during any Fiscal Year shall be equal to the debt service calculated using the original principal amount of such Balloon Debt amortized over the Term of Issue on a level debt service basis at an assumed interest rate equal to the rate borne by such Balloon Debt on the date of calculation;

(3) **Consent Sinking Fund.** In the case of Balloon Debt (as defined in clause (2) above), if a Designated Financial Officer shall deliver to the Board an Officer's Certificate providing for the retirement of (and the instrument creating such Balloon Debt shall permit the retirement of), or for the accumulation of a sinking fund for (and the instrument creating such Balloon Debt shall permit the accumulation of a sinking fund
for), such Balloon Debt according to a fixed schedule stated in such Officer's Certificate ending on or before the Fiscal Year in which such principal (and premium, if any) is due, then the principal of (and, in the case of retirement, or to the extent provided for by the sinking fund accumulation, the premium, if any, and interest and other debt service charges on) such Balloon Debt shall be computed as if the same were due in accordance with such schedule, provided that this clause (3) shall apply only to Balloon Debt for which the installments previously scheduled have been paid or deposited to the sinking fund established with respect to such Debt on or before the times required by such schedule; and provided further that this clause (3) shall not apply where the Board has elected to apply the rule set forth in clause (2) above;

(4) **Prepaid Debt.** Principal of and interest on Parity Obligations, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal or interest are payable from funds on deposit or set aside in trust for the payment thereof at the time of such calculations (including without limitation capitalized interest and accrued interest so deposited or set aside in trust) with a financial institution acting as fiduciary with respect to the payment of such Debt;

(5) **Variable Rate.** As to any Parity Obligation that bears interest at a variable interest rate which cannot be ascertained at the time of calculation of the Annual Debt Service Requirement then, at the option of the Board, either (1) an interest rate equal to the average rate borne by such Parity Obligations (or by comparable debt in the event that such Parity Obligations has not been outstanding during the preceding 24 months) for any 24 month period ending within 30 days prior to the date of calculation, or (2) an interest rate equal to the 30-year Tax-Exempt Revenue Bond Index (as most recently published in The Bond Buyer), shall be presumed to apply for all future dates, unless such index is no longer published in The Bond Buyer, in which case an index of tax-exempt revenue bonds with maturities of at least 20 years which is published in a newspaper or journal with national circulation may be used for this purpose. If two Series of Parity Obligations which bear interest at variable interest rates, or one or more maturities within a Series, of equal par amounts, are issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such Parity Obligations taken as a whole, such composite fixed rate shall be used in determining the Annual Debt Service Requirement with respect to such Parity Obligations;

(6) **Guarantee.** In the case of any guarantee, as described in clause (2) of the definition of Debt, no obligation will be counted if the Board does not anticipate in its annual budget that it will make any payments on the guarantee. If, however, the Board is making payments on a guarantee or anticipates doing so in its annual budget, such obligation shall be treated as Parity Obligations and calculations of Annual Debt Service Requirements with respect to such guarantee shall be made assuming that the Board will make all additional payments due under the guaranteed obligation. If the entity whose obligation is guaranteed cures all defaults and the Board no longer anticipates making
payments under the guarantee, the guaranteed obligations shall not be included in the calculation of Annual Debt Service Requirements;

(7) **Commercial Paper.** With respect to any Parity Obligations issued in the form of commercial paper with maturities not exceeding 270 days, the interest on such Parity Obligations shall be calculated in the manner provided in clause (5) of this definition and the maturity schedule shall be calculated in the manner provided in clause (2) of this definition; and

(8) **Credit Agreement Payments.** If the Board has entered into a Credit Agreement in connection with an issue of Debt, payments due under the Credit Agreement (other than payments for fees and expenses), for either the Board or the Credit Provider, shall be included in such calculation, except to the extent that the payments are already taken into account under (1) through (7) above and any payments otherwise included above under (1) through (7) which are to be replaced by payments under a Credit Agreement, from either the Board or the Credit Provider, shall be excluded from such calculation.

With respect to any calculation of historic data, only those payments actually made in the subject period shall be taken into account in making such calculation and, with respect to prospective calculations, only those payments reasonably expected to be made in the subject period shall be taken into account in making the calculation.

"**Annual Direct Obligation**" means the amount budgeted each Fiscal Year by the Board with respect to each Participant in the Financing System to satisfy said Participant's proportion of debt service (calculated based on said Participant's Direct Obligation) due by the Board in such Fiscal Year on Outstanding Parity Obligations.

"**Annual Obligation**" means, with respect to each Participant in the Financing System and for each Fiscal Year, said Participant's Annual Direct Obligation plus the amount budgeted by the Board for such Fiscal Year to allow said Participant to retire its obligation for advances made to it by the Board in the management of the Financing System to satisfy part or all of a previous Annual Direct Obligation payment.

"**Authorized Denomination**" shall have the meaning ascribed to said term in Section 10 of this Resolution.

"**Board**" means the Board of Regents of Stephen F. Austin State University, acting as the governing body of the University, or any successor thereto.

"**Bond Counsel**" means McCall, Parkhurst & Horton L.L.P., or such other firm of attorneys of nationally recognized standing in the field of law relating to municipal revenue bonds selected by the Board.
"Bondholder" or "Owner" means the registered owner of any Parity Obligation registered as to ownership and the holder of any Parity Obligation payable to bearer.

"Bond" or "Bonds" means of the Bond designated in Section 9 of this Resolution, and all substitute bonds exchanged therefor, and all other substitute and replacement bonds issued pursuant to this Resolution; and the term "Bond" means any of the Bonds.

"Business Day" means 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.

"Credit Agreement" means, collectively, a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase Parity Obligations, purchase or sale agreements, interest rate swap agreements, currency exchange agreements, interest rate floor or cap agreements, or commitments or other contracts or agreements authorized, recognized and approved by the Board as a Credit Agreement in connection with the authorization, issuance, security, or payment of Parity Obligations and on a parity therewith.

"Credit Provider" means any bank, financial institution, insurance company, surety bond provider, or other entity which provides, executes, issues, or otherwise is a party to or provider of a Credit Agreement.

"Debt" means all:

(1) indebtedness incurred or assumed by the Board for borrowed money (including indebtedness arising under Credit Agreements) and all other financing obligations of the Board that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet;

(2) all other indebtedness (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction, or improvement of property or capitalized lease obligations that is guaranteed, directly or indirectly, in any manner by the Board, or that is in effect guaranteed, directly or indirectly, by the Board through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise; and
(3) all indebtedness secured by any mortgage, lien, charge, encumbrance, pledge or other security interest upon property owned by the Board whether or not the Board has assumed or become liable for the payment thereof.

For the purpose of determining the "Debt" of the Board, there shall be excluded any particular Debt if, upon or prior to the Maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or (b) evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements prepared by or for the benefit of the Board in prior Fiscal Years.

"Defeasance Securities" means (i) Federal Securities, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the Board adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the Board adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm no less than "AAA" or its equivalent and (iv) any other then authorized securities or obligations under applicable state law in existence at the time of such defeasance that may be used to defease obligations such as the Bonds.

"Designated Financial Officer" means the Vice President for Finance and Administration of the University, or such other official of the University appointed by the Board to carry out the functions of the Vice President for Finance and Administration specified herein.

"Designated Trust Office" shall have the meaning ascribed to said term in Section 12(b) of this Resolution.

"Direct Obligation" means the proportionate share of Outstanding Parity Obligations attributable to and the responsibility of each Participant in the Financing System.

"Federal Securities" as used herein means direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America (including Interest Strips of the Resolution Funding Corporation).

"Fiscal Year" means the fiscal year of the Board which currently ends on August 31 of each year.
"Funded Debt" means all Parity Obligations that mature by their terms (in the absence of the exercise of any earlier right of demand), or are renewable at the option of the Board to a date, more than one year after the original creation, assumption, or guarantee of such Debt by the Board.

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

"Maturity", when used with respect to any Debt, means the date on which the principal of such Debt or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption, or otherwise.

"MSRB" means the Municipal Securities Rulemaking Board.

"Non−Recourse Debt" means any Debt secured by a lien (other than a lien on Pledged Revenues), liability for which is effectively limited to the property subject to such lien with no recourse, directly or indirectly, to any other property of the Board attributable to the Financing System; provided, however, that such Debt is being incurred in connection with the acquisition of property only, which property is not, at the time of such occurrence, owned by the Board and being used in the operations of a Participant.

"Officer's Certificate" means a certificate executed by the Designated Financial Officer.

"Opinion of Counsel" means a written opinion of counsel, which counsel shall be acceptable to the Board.

"Outstanding" when used with respect to Parity Obligations means, as of the date of determination, all Parity Obligations theretofore delivered under this Resolution and any resolution hereafter adopted authorizing the issuance of Parity Obligations, except:

1. Parity Obligations theretofore cancelled and delivered to the Board or delivered to the Paying Agent or the Registrar for cancellation;

2. Parity Obligations deemed paid pursuant to the provisions of Section 19 of this Resolution or any comparable section of any resolution hereafter adopted authorizing the issuance of Parity Obligations;

3. Parity Obligations upon transfer of or in exchange for and in lieu of which other Parity Obligations have been authenticated and delivered pursuant to this Resolution; and

4. Parity Obligations under which the obligations of the Board have been released, discharged, or extinguished in accordance with the terms thereof;
provided, however, that, unless the same is acquired for purposes of cancellation, Parity Obligations owned by the Board shall be deemed to be Outstanding as though it was owned by any other owner.

"Outstanding Principal Amount" means, with respect to all Parity Obligations or to a series of Parity Obligations, the outstanding and unpaid principal amount of such Parity Obligations paying interest on a current basis and the outstanding and unpaid principal and compounded interest on such Parity Obligations paying accrued, accreted, or compounded interest only at maturity as of any Record Date established by a Registrar in connection with a proposed amendment of this Resolution.

"Parity Obligations" means all Debt of the Board which may be issued or assumed in accordance with the terms of this Resolution and any resolution authorizing the issuance of Debt on a parity with the Bonds, secured by a pledge of the Pledged Revenues subject only to the liens securing Prior Encumbered Obligations. For purposes of this definition, the Previously Issued Parity Obligations and the Bonds constitute Parity Obligations.

"Participant in the Financing System" and "Participant" means each of the agencies, institutions and branches of the University and such agencies, institutions and branches hereafter designated by the Board to be a participant in the Financing System. Currently, the University is the only Participant in the Financing System.

"Paying Agent/Registrar", "Paying Agent" or "Registrar" means each of the agents (one or more) appointed pursuant to Section 12 of this Resolution, or any successor to any such agent.

"Pledged Revenues" means, subject to the provisions of the Prior Encumbered Obligations, the Revenue Funds, including all of the funds and balances now or hereafter lawfully available to the Board and derived from or attributable to any Participant of the Financing System which are lawfully available to the Board for payments on Parity Obligations; provided, however, that the following shall not be included in Pledged Revenues unless and to the extent set forth in a resolution authorizing the issuance of Parity Obligations: (a) amounts received by the University under Article VII, Section 17 of the Constitution of the State of Texas, including the income therefrom and any fund balances relating thereto; and (b) except to the extent so specifically appropriated, general revenue funds appropriated to the Board by the Legislature of the State of Texas.

"Previously Issued Parity Obligations" means the Parity Obligations previously issued by or on behalf of the Board payable from the same source as the Bonds that remain Outstanding.

"Prior Encumbered Obligations" means those outstanding bonds or other obligations of an institution which becomes a Participant of the Financing System after the date of adoption of this Resolution, which are secured by a lien on and pledge of the Prior Encumbered Revenues charged and collected at such institution or agency, and any other bonds or other obligations secured by revenues which are hereafter designated by the Board as a Pledged Revenue.
"Prior Encumbered Revenues" means (i) the revenues pledged to the payment of Prior Encumbered Obligations of the University and (ii) the revenues of any revenue producing system or facility of an institution or agency which hereafter becomes a Participant of the Financing System and which are pledged to the payment of bonds or other obligations outstanding on the date such institution or agency becomes a Participant of the Financing System.

"Prior Resolutions" means the resolutions adopted by the Board authorizing the issuance of the Previously Issued Parity Obligations.

"Registration Books" means 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 12 of this Resolution.

"Resolution" means this Resolution authorizing the sale of the Bonds.

"Revenue Financing System" or "Financing System" means the "Stephen F. Austin State University Revenue Financing System", currently for the benefit of the University, and such other institutions and agencies now or hereafter under the control or governance of the Board, and made a Participant of the Revenue Financing System by specific action of the Board.

"Revenue Funds" means the "revenue funds" of the Board (as defined in Section 55.01 of the Texas Education Code to mean the revenues, incomes, receipts, rentals, rates, charges, fees, grants, and tuition levied or collected from any public or private source by an institution of higher education, including interest or other income from those funds) derived by the Board from the operations of each of the Participants. The term "Revenue Funds" does not include, with respect to each series or issue of Parity Obligations, any tuition, rentals, rates, fees, or other charges attributable to any student in a category which, at the time of the adoption by the Board of a resolution relating to such Parity Obligations, is exempt by law or by the Board from paying such tuition, rentals, rates, fees, or other charges.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

"Series 2004 Bonds" means the Board of Regents of Stephen F. Austin State University Revenue Financing System, Texas Public Finance Authority Revenue Bonds, Series 2004, issued in the original aggregate principal amount of $26,030,000.


"Stated Maturity" when used with respect to any Debt or any installment of interest thereon means any date specified in the instrument evidencing or authorizing such Debt or such
installment of interest as a fixed date on which the principal of such Debt or any installment thereof or the fixed date on which such installment of interest is due and payable.

"Subordinated Debt" means any Debt which expressly provides that all payments thereon shall be subordinated to the timely payment of all Parity Obligations then Outstanding or subsequently issued.

"Tax–Exempt Bonds" means the Bond bearing interest which is excludable from gross income for federal taxation purposes pursuant to Section 103 of the IRS Code.

"Term of Issue" means with respect to any Balloon Debt, including, without limitation, commercial paper, a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Debt and ending on the final maturity date of such Balloon Debt or the maximum maturity date in the case of commercial paper or (ii) twenty-five years.

"University" means Stephen F. Austin State University, together with every other agency or general academic institution or branch thereof now or hereafter operated by or under the jurisdiction of the Board acting for and on behalf of Stephen F. Austin State University pursuant to law.
EXHIBIT B

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF TEXAS

BOARD OF REGENTS OF STEPHEN F. AUSTIN STATE UNIVERSITY REVENUE
FINANCING SYSTEM REVENUE BONDS, SERIES 2014

NO. R-1

<table>
<thead>
<tr>
<th>INTEREST RATE</th>
<th>MATURITY DATE</th>
<th>BOND DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Board of Regents of Stephen F. Austin State University (the "Board"), State of Texas, for value received, hereby promises to pay to

__________________________________________

or registered assigns, on _________ in the years, in the principal installments and bearing interest at _____% per annum as set forth in the following schedule:

<table>
<thead>
<tr>
<th>Years</th>
<th>Principal Installments</th>
<th>Years</th>
<th>Principal Installments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

the sum of

__________________________________________

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Bond Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid beginning ____________, 20__ and semiannually on ____________ and ____________ of each year, thereafter.

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 Board 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 at the designated corporate trust office in ________, Texas (the "Designated Trust Office") of ______________, which is the initial "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 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. The Bond Resolution (hereinafter defined) contains covenants for the benefit of the registered owner of this Bond that on or before each principal payment date and interest payment date for this Bond, the amounts required to provide for the payment, when due, in immediately available funds, of all principal of and interest on the Bonds will be made available to the Paying Agent/Registrar. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Board and the securities depository. All Bonds of this Series are issuable solely as fully registered bonds, without interest coupons in the denomination of any integral multiple of $5,000 (an "Authorized Denomination"). Terms used herein and not otherwise defined have the meaning given in the Bond Resolution (hereinafter defined).

THIS BOND is dated as of ____________, 2014, authorized in accordance with the Constitution and laws of the State of Texas in the aggregate principal amount of $______________, issued pursuant to a resolution adopted by the Board on October 27, 2014, (the "Bond Resolution"), FOR THE PURPOSE OF (i) ACQUIRING, PURCHASING, CONSTRUCTING, IMPROVING, RENOVATING, ENLARGING, OR EQUIPPING UNIVERSITY PROPERTY, BUILDINGS, STRUCTURES, FACILITIES, ROADS, OR RELATED INFRASTRUCTURE AND (ii) PAYING THE COSTS OF ISSUANCE OF THE BONDS.

ON ____________, 20__, or on any date thereafter, the Bond may be redeemed prior to their scheduled maturities, by the Board, with funds derived from any available and lawful source, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption as a whole, or from time to time in part, and, if in part, the particular annual installments of the Bond, or portions thereof, to be redeemed shall be selected and designated by the Board.
AT LEAST 30 calendar days prior to the date fixed for any redemption of the Bond or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to (i) the registered owner of the Bond to be redeemed at its address as it appeared on the Registration Books on the 45th calendar day prior to such redemption date and (ii) major securities depositaries and bond information services. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bond or portions for which such payment is made, all as provided above. If such written notice of redemption is effected and if due provision for such payment is made, all as provided above, the Bond or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any authorized denomination or denominations in any integral multiple of $5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Board, all as provided in the Bond Resolution.

WITH RESPECT TO any optional redemption of the Bond, unless certain prerequisites to such redemption required by the Bond Resolution have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bond to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the Board, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Board shall not redeem such Bond and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bond has not been redeemed.

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 kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bond, 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 Board
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 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. The registered owner of this Bond shall be deemed and treated by the Board 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 Board and the Paying Agent/Registrar shall not be affected by any notice to the
contrary.

AS PROVIDED IN THE BOND RESOLUTION, this Bond, or any unredeemed
portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be
exchanged for a like aggregate principal amount of fully registered bonds, without interest
coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be,
having the same maturity date, in the same form, and bearing interest at the same rate, in any
Authorized Denomination as requested in writing by the appropriate registered owner, assignee,
or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for
cancellation, all in accordance with the form and procedures set forth in the Bond Resolution.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a
securities depository for the Bonds, the foregoing requirements of holding, delivering, or
transferring this Bond shall be modified to require the appropriate person or entity to meet the
requirements of the securities depository as to registering or transferring the book entry to
produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Bond is changed by the Board,
resigns, or otherwise ceases to act as such, the Board 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 Bond.
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 Bond constitutes Parity Obligations under the Bond Resolution; and that the interest on and principal of this Bond, together with the other outstanding Parity Obligations are equally and ratably secured by and payable from a lien on and pledge of the Pledged Revenues, subject only to the provisions of, and the lien on and pledge of certain Pledged Revenues to, the Prior Encumbered Obligations.

THE BOARD 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.

NEITHER THE State of Texas, the Board, nor any other agency, political corporation, or political subdivision of the State of Texas is obligated to pay the principal of or interest on the Bond, other than as provided herein and in the Bond Resolution. Neither the faith and credit nor the taxing power of the State of Texas, nor any agency, political corporation or political subdivision of the State of Texas is pledged to the payment of the principal of or interest on the Bond.

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 Board, and agrees that the terms and provisions of this Bond and the Bond Resolution constitute a contract between each registered owner hereof and the Board.

IN WITNESS WHEREOF, in accordance with the terms of the Bond Resolution, this Bond has been signed with the manual or facsimile signature of the Chair of the Board and countersigned with the manual or facsimile signature of the Secretary of the Board, and the official seal of Stephen F. Austin State University has been duly impressed, or placed in facsimile, on this Bond.

Secretary, Board of Regents of
Stephen F. Austin State University

Chair, Board of Regents of
Stephen F. Austin State University

(BOARD SEAL)
### FORM OF PREPAYMENT RECORD

**PREPAYMENT RECORD**

<table>
<thead>
<tr>
<th>Date of Payment</th>
<th>Principal Prepayment (amount and installment(s) to which payment is applied)</th>
<th>Remaining Principal Balance</th>
<th>Name and Title of Authorized Officer making Entry</th>
<th>Signature of Authorized Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 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.

____________________________________,

Paying Agent/Registrar

Dated: ________________________________

Authorized Representative
FORM OF ASSIGNMENT

ASSIGNMENT

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
<th>Additional Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>TEN COM</td>
<td>as tenants in common</td>
<td></td>
</tr>
<tr>
<td>TEN ENT</td>
<td>as tenants by the entireties</td>
<td></td>
</tr>
<tr>
<td>JT TEN</td>
<td>as joint tenants with right of survivorship and not as tenants in common</td>
<td></td>
</tr>
</tbody>
</table>

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

Please insert Social Security or Other Identification Number of Assignee

/___________________________________/

____________________________________
(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitutes and appoints

____________________________________
to transfer said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: ____________________

Signature Guaranteed:__________________________________________
NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

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

COMPTROLLER'S REGISTRATION CERTIFICATE

REGISTER NO. _________

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

Witness my signature and seal this

Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)
## Policies for Board Review

**October 27, 2014**

<table>
<thead>
<tr>
<th>Policy Name</th>
<th>Policy Number</th>
<th>BOR Cte</th>
<th>Action/Change</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessibility for Persons with Disabilities</td>
<td>2.2</td>
<td>ASA</td>
<td>Minor wording changes</td>
<td>P-2</td>
</tr>
<tr>
<td>Assessment of Institutional Effectiveness</td>
<td>2.3</td>
<td>ASA</td>
<td>Reviewed with no changes.</td>
<td>P-4</td>
</tr>
<tr>
<td>Commencement</td>
<td>6.8</td>
<td>ASA</td>
<td>Title updates.</td>
<td>P-5</td>
</tr>
<tr>
<td>Discontinuance of Program or Academic Unit</td>
<td>5.9</td>
<td>ASA</td>
<td>Discontinuance must be approved by BOR.</td>
<td>P-6</td>
</tr>
<tr>
<td>Environmental Management</td>
<td>13.26</td>
<td>F&amp;A</td>
<td>New policy</td>
<td>P-7</td>
</tr>
<tr>
<td>Faculty Code of Conduct</td>
<td>7.11</td>
<td>ASA</td>
<td>Discrimination and sexual harassment language added. Reporting details added.</td>
<td>P-10</td>
</tr>
<tr>
<td>Gift Reporting</td>
<td>3.16</td>
<td>F&amp;A</td>
<td>Gifts to be forwarded to Office of Development for deposit.</td>
<td>P-13</td>
</tr>
<tr>
<td>Investments-Endowment Funds</td>
<td>3.20</td>
<td>F&amp;A</td>
<td>Major rewrite.</td>
<td>P-15</td>
</tr>
<tr>
<td>Student Organization Formation and Recognition</td>
<td>10.9</td>
<td>ASA</td>
<td>Employees (except students) may not serve as officers.</td>
<td>P-29</td>
</tr>
<tr>
<td>Travel Card</td>
<td>3.30</td>
<td>F&amp;A</td>
<td>New policy.</td>
<td>P-33</td>
</tr>
<tr>
<td>Tuition Rebate</td>
<td>6.21</td>
<td>ASA</td>
<td>Minor changes.</td>
<td>P-36</td>
</tr>
</tbody>
</table>
Accessibility for Persons with Disabilities

Original Implementation: Unpublished
Last Revision: October 18, 2011 October 27, 2014

Stephen F. Austin State University does not discriminate on the basis of disability in admission to, access to, or operations of its programs, services or activities, including hiring or employment practices.

The university is committed to providing equal opportunities in higher education to academically qualified students with disabilities who demonstrate a reasonable expectation of college success. Students with disabilities who attend SFA will be provided the same opportunity to actively engage in campus activities as all other students, to the extent reasonably possible integrated as completely as reasonably possible into the university community. The university shares responsibility with the student for modifying campus facilities and programs to meet the individual needs of the student.

Compliance with Section 504 of the Rehabilitation Act of 1973, as amended, and the Americans with Disabilities Act, as amended, is coordinated through the Office of Disability Services. Department heads and directors have primary responsibility for providing access to programs and activities in their respective divisions and for seeking assistance to ensure physical access to the facilities in which those programs are offered. Disability Services works directly with students with disabilities, individual faculty members, and academic departments in the provision of classroom accommodations, and assists other university departments in providing access and coordinating accommodations for programs, activities and services offered by the university outside the classroom.

SFA will make reasonable workplace accommodations for any employee having a known physical or mental impairment (policy 11.22). Requests for workplace accommodations are submitted to the director of human resources, who reviews and recommends reasonable workplace accommodations on a case-by-case basis.

Requests for housing accommodations for students with disabilities are submitted to the director of residence life department, who makes housing assignments based on individual need with assistance from Disability Services and a review committee if needed.

Requests for specific persons to provide academic accommodations will be given consideration based upon the requested person's employment qualifications and ability to satisfy uniform quality assurance standards. Persons who are involved in an ongoing relationship with, or are related within the second degree of affinity or the third degree of consanguinity to the student or employee with a disability, as defined by policy 11.16, may not receive compensation for...
providing services to that particular student or employee.

For specific information regarding provision of academic assistance, refer to policy 6.1, Academic Accommodation of Students with Disabilities.

For specific information regarding resolution of disagreements, refer to policy 6.6, Appeal Procedure Relating to the Provision of Accommodations for Students with Disabilities.

For specific information about workplace accommodations, refer to policy 11.22, Reasonable Workplace Accommodation for Disabilities.

For information regarding discrimination or harassment refer to policy 2.11, Discrimination Complaints/Sexual Harassment.

For information on the use of service animals refer to policy 13.2, Animals on University Property.

**Cross Reference:** Appeal Procedure Relating to the Provision of Accommodations for Students with Disabilities (6.6); Academic Accommodation of Students with Disabilities (6.1); Reasonable Workplace Accommodation for Disabilities (11.22); Animals on University Property (13.2); Nepotism (11.16); Compliance with the Americans with Disabilities Act and the ADA Amendments Act (2.5); Section 504 of the Rehabilitation Act of 1973, Pub. L. 93-112 (29 U.S.C. 701 et seq.) and the Americans with Disabilities Act of 1990, Pub. L. 101-336 (42 U.S.C. 12101 et seq.) as amended by the ADA Amendments Act of 2008, Pub. L. No. 110-325, 122 Stat. 3553.

**Responsible for Implementation:** Vice President for University Affairs

**Contact for Revision:** Director of Disability Services

**Forms:** None

**Board Committee Assignment:** Academic and Student Affairs
Assessment of Institutional Effectiveness

Original Implementation: Unpublished
Last Revision: April 19, 2011 October 27, 2014

Stephen F. Austin State University will demonstrate institutional effectiveness through ongoing, integrated, and institution-wide, research-based planning and evaluation. The institutional effectiveness process will document the achievement of the university mission and goals. Each educational program and administrative and educational support service unit will electronically submit institutional effectiveness documents as scheduled.

The institutional effectiveness documents will identify expected outcomes, report outcomes assessments and indicate how assessment results will be used to improve the unit or program.

The format of these documents may be determined by accreditation requirements.

Cross Reference: None

Responsible for Implementation: President

Contact for Revision: Director, Institutional Research

Forms: None

Board Committee Assignment: Academic and Student Affairs
Commencement

**Original Implementation:** February, 1984

**Last Revision:** July 19, 2014 *October 27, 2014*

Stephen F. Austin State University will hold commencement ceremonies at the end of the fall, spring, and summer terms. Arrangements for the ceremonies are the responsibility of the registrar. Selection of and arrangements for a speaker are the responsibility of the president in consultation with the commencement committee.

Commencement is an important symbol of the university's core function. In order to have adequate faculty representation at commencement, full-time faculty members are obligated to attend at least one commencement each academic year. For faculty teaching in the second summer term, attendance at the August ceremony is required. Academic unit chairs/directors/heads are responsible for informing faculty members of the provisions of this policy and encouraging them to comply.

**Cross Reference:** None

**Responsible for Implementation:** Provost and Vice President for Academic Affairs

**Contact for Revision:** Provost and Vice President for Academic Affairs

**Forms:** None

**Board Committee Assignment:** Academic and Student Affairs
Discontinuance of Program or Academic Unit

**Original Implementation:** October 18, 2011

**Last Revision:** None October 27, 2014

This policy will govern the discontinuance of a program or academic unit for reasons other than financial exigency.

Termination of an appointment with tenure, or of a probationary or special appointment before the end of the specified term may occur as a result of bona fide formal discontinuance of a program or academic unit.

The decision to formally discontinue a program or academic unit will be based on educational consideration as determined by the university administration after consultation with the affected faculty and appropriate standing or ad hoc committees and will be subject to approval by the Board of Regents.

Before the administration issues notice to a faculty member of its intention to terminate an appointment because of formal discontinuance of a program or academic unit, the university will make every reasonable effort to place the faculty member concerned in another position for which the individual is professionally qualified.

In each case of termination of appointment because of program discontinuance, probationary faculty members will be given notice as prescribed in policy 7.29, Tenure. Tenured faculty members will be given notice at least twelve months prior to termination of appointment.

A faculty member who alleges discrimination or abridgement of constitutional guarantees or academic freedom will be afforded due process.

**Cross Reference:** Tenure (7.29)

**Responsible for Implementation:** President

**Contact for Revision:** Provost and Vice President for Academic Affairs

**Forms:** None

**Board Committee Assignment:** Academic and Student Affairs
**Environmental Management**

**Original Implementation:** October 27, 2014  
**Last Revision:** None

**PURPOSE**

The purpose of this policy is to aid in protecting the environment and promote environmental stewardship among Stephen F. Austin State University’s faculty, staff, students, and visitors. To achieve this goal the Environmental Health, Safety, and Risk Management (EHSRM) department is committed to continuous environmental improvement and protection through a variety of training and inspection programs.

The EHSRM department has primary responsibility for promulgating environmental health, safety, and risk management policies and procedures, to ensure that the university complies with federal, state, and local guidelines; as well as best management practices related to environmental compliance and protection. Program safety manuals and detailed safety procedures are available on the EHSRM website at [http://www.sfasu.edu/safety](http://www.sfasu.edu/safety).

Stephen F. Austin State University is committed to the protection and enhancement of the environment, while continually seeking new ways to minimize the environmental impact of our past, present, and future activities. As a result of this continuous effort, an environmental management system (EMS) has been created to serve as a planned, documented, systematic, and comprehensive program for managing environmental compliance at SFA. Detailed information on the EMS can be found on the EHSRM website.

**POLICY STATEMENTS**

Stephen F. Austin State University shall:

1. Ensure compliance with applicable federal, state, and local environmental legislation, regulations, and best management practices.
2. Prevent pollution by managing and reducing: water and energy consumption, air emissions, discharges to water, and contamination of soil and/or groundwater.
3. Facilitate employee and student awareness of environmental issues through education and training for further protection of the surrounding environment.
4. Promote and facilitate the reduction, reuse, and recycling of waste.
5. Consider the impact on the environment when designing new projects and procedures or changing existing practices.

**RESPONSIBILITIES**

It is imperative that Stephen F. Austin State University employees comply with federal, state, and local environmental health, safety, and risk management legislation, and relevant environmental compliance and protection codes. In addition, it is essential that employees
observe industry best practices and comply with SFA safety policies, programs, and procedures. Noncompliance may result in disciplinary action.

1. The director of EHSRM (or designee) has primary responsibility for administration of and compliance with the university’s EMS. Duties of the EHSRM department include:

   a) Ensure the most current legal environmental requirements are identified and evaluated for compliance.
   b) Establish, coordinate, and adhere to the environmental management programs outlined in the university’s EMS, to comply with regulatory requirements or upon request of department supervisors.
   c) Provide training focused on protecting the environment and ensuring environmental compliance.
   d) Inspect university buildings and property for environmental compliance and protection, or in response to a notice of a possible violation. In carrying out this duty the EHSRM director or representative shall have the authority to enter any university building, structure, room, office, or laboratory without prior notice to department supervisors and staff.
   e) Serve as the official university contact for federal, state, and local environmental regulatory agencies regarding environmental compliance and communicate compliance requirements to university officials. These include, but are not limited to: the U.S. Environmental Protection Agency (EPA), Texas Commission on Environmental Quality (TCEQ), Texas Department of State Health Services (TDSHS), Texas State Office of Risk Management (SORM), and the city of Nacogdoches.

2. University employees must comply with the following guidelines and responsibilities:

   a) Comply with all permit requirements, regulations, programs, and procedures specified by the EHSRM department and described in the university’s EMS.
   b) Attend environmental training courses and use required protective equipment provided by departments.
   c) Handle all hazardous waste in accordance with the SFA hazardous waste and universal waste manuals. Each department is responsible for the payment of fees associated with the disposal of their hazardous and/or regulated waste.
   d) Report environmental non-compliance issues or concerns through administrative channels or to the director of EHSRM.


Responsible for Implementation: Vice President for Finance and Administration

Contact for Revision: Director of Environmental Health, Safety, and Risk Management
Forms: None

Board Committee Assignment: Finance and Audit
Faculty Code of Conduct

Original Implementation: April 28, 2005
Last Revision: July 19, 2011 October 27, 2014

Tax-supported colleges and universities must function in accordance with the public trust, and actions by faculty within them must be consistent with the execution of that trust. The following offenses represent breaches of that trust and violations of the Stephen F. Austin State University Faculty Code of Conduct:

- A. Plagiarism;
- B. Forgery or unauthorized alteration or use of university documents, records or identification materials;
- C. Knowingly furnishing false information to the university, or failure to acquire and maintain appropriate licensure and certification required for supervision and practice;
- D. The use of violent or other forceful methods to obstruct the functions of the university, which include teaching, research, administration, public service, presentations by guest lecturers and speakers, and other authorized activities;
- E. Physical abuse of any person on university-owned or controlled property or at university-sponsored or supervised functions, or conduct that threatens or endangers the health or safety of any such person;
- F. Theft of or negligent damage to the university or to the property of a member of the university community or a campus visitor;
- G. Unauthorized entry to or use of university facilities or resources;
- H. Unlawful manufacture, distribution, dispensing, possession, or use of controlled substances, or any substance the possession or distribution of which is regulated by federal or Texas law, except where the manufacture, distribution, dispensing, possession, or use are in accordance with the laws of each (See Illicit Drugs and Alcohol Abuse (13.11));
- I. Discrimination and/or sexual harassment as determined under university policy (See Discrimination Complaints/Sexual Harassment (2.11));
- J. Lewd, indecent, or obscene conduct or language on university-owned or controlled property or at a university-sponsored or supervised function;
• K. Violation of other promulgated university policies or rules;

• L. Conviction of a criminal or civil offense that reflects negatively upon the university.

Procedures

1. Each faculty member is required to notify his or her immediate supervisor of any felonious criminal conviction no later than five days after such conviction. Additionally, each faculty member is required to notify his or her immediate supervisor of alleged violations of D, E, H, I or L no later than five days after any faculty member becomes aware of such alleged violation.

2. Violations of the standards established in this policy can result in the assessment of a penalty ranging from an oral reprimand to termination. Tenured and tenure-track faculty members are also subject to standards and procedures in Tenure Policy (7.29).

3. Faculty members are required to abide by the terms of this policy as a condition of employment.

3-2. Alleged violations of the standards established in this policy should immediately be brought to the attention of the academic unit chair/director/head to whom the individual is responsible. The academic unit head will then immediately notify and the dean of the college, if part of a college. The dean of the college, or academic unit head if not part of a college, will inform the provost and vice president for academic affairs of the alleged violation without delay. The provost and vice president for academic affairs will immediately notify the president and general counsel. The general counsel will determine whether the alleged violation should be investigated pursuant to the Faculty Code of Conduct or other applicable policy. If the investigation is to proceed under the Faculty Code of Conduct, the provost and vice president for academic affairs or his or her designee in consultation with the chair/director and the dean will immediately investigate the incident and determine what action should be taken. Promptly provide a written report to the president which includes the allegation, scope, findings and results of the investigation, and recommendation for action, if any. The president may accept, modify, or reject the report and/or recommendation. The faculty member will be notified in writing of the president’s determination and any action to be taken.

4. Violations of the standards established in this policy can result in the assessment of a penalty ranging from an oral reprimand to termination. Tenured and tenure-track faculty members are also subject to standards and procedures in the Tenure policy (7.29).
5. Faculty members may appeal disciplinary action, other than dismissal or non-renewal, taken pursuant to this policy by following the appeal procedure outlined in Faculty Disagreements: Resolving Faculty Disagreements in Issues Other Than Termination and Non-Renewal of Contracts (7.25). If the president determines that dismissal or non-renewal is appropriate, the procedures outlined in Termination and Non-Renewal of Contracts Procedural Guarantees in Tenure (7.29) will control.

**Cross Reference:** Tenure (7.29), Discrimination Complaints/Sexual Harassment (2.11), Property Inventory and Management (17.14), Use of University Facilities (16.33), Illicit Drugs and Alcohol Abuse (13.11), Faculty Disagreements: Resolving Faculty Disagreements in Issues Other Than Termination and Non-Renewal of Contracts (7.25), Misconduct in Scholarly or Creative Activities (7.19), Misconduct in Federally Funded Research (8.7)

**Responsible for Implementation:** Provost and Vice President for Academic Affairs

**Contact for Revision:** Provost and Vice President for Academic Affairs

**Forms:** None

**Board Committee Assignment:** Academic and Student Affairs
Gift Reporting

Original Implementation: July 18, 1981
Last Revision: October 18, 2011, October 27, 2014

The following procedural steps should be used when depositing private funds.

1. All gifts payable to the university and its departments should be immediately delivered to the bursar’s office for deposit and must be delivered in a university approved locked bag.

2. Information relevant to any gifts received in the form of cash, checks, money orders, or other forms of negotiable instruments will be forwarded to the Office of Development from the bursar’s office for purposes of updating donor records, and official acknowledgment and receipt of gift. The department receiving the gift should complete the "Gift Transmittal donation" form, attach any original documentation which accompanied the gift, and submit them when depositing the gift at the bursar’s office. The bursar’s office will forward the "Gift Transmittal donation" form and any original documentation included with gift to the Office of Development for gift processing within 24 hours of the deposit. Furthermore, the bursar’s office will stamp each "Gift Transmittal donation" form with the date of deposit and initials verifying that the gift has been properly recorded and deposited by the university.

3. Deposit of all negotiable instruments must be completed within 24 hours of receipt of the gift and must be accompanied by the "Gift Transmittal donation" form unless granted an exception. All exceptions are to be reported to and approved by the vice president, executive director of development, and the gift deposited within 48 hours of receipt.

4. In-kind gifts, contributions other than cash, check or other readily negotiable security, retained in a department, program, activity center, or other university facility, should be reported by completing the "Gift-in-kind Report" form and forwarding it directly to the Office of Development. A comprehensive description of the gift, background information concerning the origin of the gift, value at the time of contribution and any correspondence or wishes of the donor, along with a photograph whenever possible, should be included with the completed form. For those in-kind gifts valued at more than $5,000, a written qualified appraisal must be submitted, which has been signed and dated by a qualified appraiser.

5. All gifts, negotiable and in-kind, will be acknowledged officially on behalf of the university by the Office of Development, and may also be acknowledged by the university area recipient and/or the president. Departments should not generate receipts for gifts unless approved by the Office of Development to avoid duplicate receipts. Gifts received by the university and made payable to the Stephen F. Austin State University Foundation, Inc., any private support organization that has entered into a written agreement with the university should be forwarded to the Office of Development for transfer and deposit to the foundation.
6. All eligible matching gift requests will be processed by the Office of Development upon recording the original gift of the donor. If a matching gift proves to be ineligible, the matching gift form will be returned to the department submitting the request.

Cross Reference: None

Responsibility for Implementation: Vice President for Development

Contact for Revision: Vice President for Development

Forms: Gift Transmittal Donation form, Gift-in-kind Report form (available in Office of Development)

Board Committee Assignment: Finance and Audit
Investments - Endowment Funds

Original Implementation: Unpublished
Last Revision: January 28, 2014

GENERAL

This Investment Policy Statement (IPS) applies to all Stephen F. Austin State University (the university) endowment funds. These represent private funds given to the university by individuals and institutions to promote, encourage and advance education and to improve the degree and non-degree educational functions by establishing scholarships, fellowships, professorships, academic chairs and other academic endeavors at the university, as specified by donors. Quasi-endowment funds that are not considered to be public funds may be governed by this policy.

As provided in the Texas Education Code, each member of the Board of Regents (board) has the legal responsibilities of a fiduciary in the management of funds under the control of the university. The board recognizes its responsibility to insure that the assets of the endowment funds are managed for the exclusive benefit of the university in accordance with its donors’ intentions, effectively and prudently, in full compliance with all applicable laws.

Separate fund balance accounts are maintained for all funds. Funds may be restricted either by the donor or the board. Restricted funds are available primarily for specific purposes considered beneficial to the university.

The investment of the endowment funds is governed by Section 51.0031 of the Texas Education Code. This section states that the university "... with regard to donations, gifts and trusts, may establish endowment funds that operate as trusts and are managed under prudent person standards... As used in this section, ‘prudent person standard’ is the standard of care described in Article VII, Section 11b, of the Texas Constitution, and means that standard of judgment and care that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment.”

As provided in the Texas Education Code, each member of the Board of Regents (board) has the legal responsibilities of a fiduciary in the management of funds under the control of the university. The board recognizes its responsibility to ensure that the assets of the endowment funds are managed for the exclusive benefit of the university in accordance with its donors’ intentions, effectively and prudently, in full compliance with all applicable laws.

This Investment Policy Statement (IPS) applies to all Stephen F. In the management of the university endowment investments, consideration will be given to the need to balance a requirement for current income for present activities with a requirement for growth in principal to-
compensate for inflation. Consideration will be given to the need for safety of principal, liquidity, diversification, yield and quality.

The overall objective of the IPS is to assure that the university’s Austin State University (the "university") endowment funds are invested in a manner to achieve as high a level of return as can reasonably be expected to be achieved given the primary objective of safety and preservation of principal, including those that function as endowments, and are not considered to be public funds. The IPS states the boards' attitudes, goals and objectives in the investment of the endowment assets. As such, it is intended to provide guidance to the board, the finance committee, the university administration, and the investment consultant(s)/managers in the management of the endowment assets. The IPS clearly and concisely states the responsibilities of all parties involved with the endowment funds.

INVESTMENT OBJECTIVES

The overall objective of the IPS is to assure that the university’s endowment funds are invested in a manner to achieve as high a level of return as can reasonably be expected to be achieved given the primary objective of safety and preservation of principal. In the management of the university endowment investments, consideration will be given to the need to balance a requirement for current income for present activities with a requirement for growth in principal to compensate for inflation.

INVESTMENT RISK TOLERANCE

The board believes that the endowment assets should be managed in a way that reflects the application of sound investment principles.

The board adheres to the traditional capital market theory that maintains that over the long term, the risk of owning equities should be rewarded with a somewhat greater return than available from fixed-income investments. This reward comes at the expense of higher volatility of returns and more exposure to market fluctuations than with fixed-income investments. Fixed-income investments provide a more predictable return and higher current income than do equities. Thus assets should be allocated between fixed-income investments, equities, and alternative investments in such a manner as to provide for current income while providing for maintenance of principal in real terms.

Avoiding large risks is essential. The university is willing to trade off some potential opportunities for gain from high-risk investments (with high loss potential) by assuming a moderate-risk posture in order to have a more stable positive return. This may result in sacrificing some potential opportunities for gain during rising markets in order to avoid large short term declines in market value during falling markets. Since the university is adverse to large downward fluctuations in the value of its investments resulting from volatile market value fluctuations, such year-to-year volatility should be minimized.
The IPS will assist the board, the finance/audit committee ("committee") and the university administration in effectively communicating with and monitoring the investment manager(s) and the investment firm(s) that will be engaged from time to time to facilitate

DEFINITIONS

True (or Permanent) Endowment Funds are funds which a donor or other outside agencies have stipulated, as a condition of the gift instrument, that the principal is to be maintained in perpetuity and invested for the purposes of producing present and future income.

Funds Functioning as Endowment Funds are funds for which the university, rather than a donor, has determined that the corpus is to be retained and invested. Since these funds are internally designated rather than externally restricted, the management of the endowment assets of the university. It states the boards' attitudes, guidelines and objectives in the investment of the endowment assets-university has the right at any time to expend principal.

RESPONSIBILITIES

Gift Instrument refers to the records that establish the terms of the gift and may consist of more than one document. The release or modification of restrictions on management, investment or purpose contained within the gift instrument is governed by Texas Property Code Section 163.007.

Investment Consultant represents an external firm or individual who can provide advice and/or guidance regarding investment decisions on behalf of the university, and/or hire investment managers.

RESPONSIBILITY AND DELEGATION OF AUTHORITY

The university acknowledges that the ultimate responsibility for satisfactory investment results of endowment funds rests with the board. The board believes that will determine the institutional approach used to invest endowment funds. The board may choose to hire external investment consultants and/or managers, contract with another institution, or manage funds internally. To carry out this responsibility is best discharged by delegating, the board delegates certain authority to the university administration/financial officer(s) to oversee and by appointing one or more work with external investment management organizations to assume certain responsibilities consultants and/or managers the board has selected.

The Board

The specific responsibilities of the board in the investment process include and are limited to developing:

- Develop a sound and consistent investment policy, developing sound and consistent investment policy that establishes guidelines, establishing and reasonable investment objectives, allocating the endowment assets between equity and fixed-income investments, and other investment mediums which it may deem appropriate for the management of endowments;
• At least annually, review the policy for continued accuracy and prudence, communicating clearly the major duties and responsibilities of those accountable for investing the completeness;
• Select suitable investment consultants, managers or qualifying institutions to provide for the management of endowment assets and achieving investment results, evaluating performance results, and abiding within funds;
• Evaluate performance results; and
• Comply with all applicable laws, including conflict of interest provisions therein.

University Administration

The vice president for finance and administration (vice president) and director of financial services are designated as the investment officers for the university. As such, the vice president or designee are responsible for accounting for investments, monitoring and evaluating performance results, and ensuring that policy guidelines are being adhered to and investment objectives are being met. In addition, the vice president is responsible for the purchase, sale, assignment, transfer and management of investments, for communicating with investment managers, brokers and dealers, for compiling performance results, and for determining the proper distribution of investment returns to the various accounts. The vice president is also responsible for determining the appropriate distribution of income in accordance with the distribution policy in the distribution policy section. The vice president, or designee, will submit an annual investment perspective to the Board of Regents. As such, the specific responsibilities of the vice president in the investment process include:
• Communicate with outside investment management team (consultants, managers and qualifying institutions);
• If appropriate, prudently select and recommend investment options to the board;
• Review and evaluate performance results to ensure policy guidelines are being adhered to and objectives are being met;
• Submit quarterly and annual investment reports to the board;
• Annually, determine the proper distribution of investment returns to the various spending accounts in accordance with the distribution section of this policy; and
• Comply with all applicable laws, including conflict of interest provisions.

The vice president may also establish an investment committee. The committee may review and evaluate investment reports, monitor investment activity or performance and review and revise qualified investment brokers managers that are eligible to serve in an investment capacity for the university. The chair of the Board of Regents may designate a board member to serve as a liaison on the investment committee.

Qualifying Institution

The board may contract to invest its funds with another Texas public institution. Endowment funds invested with a qualifying institution will be invested in accordance with the institution’s Investment Policy and the asset allocation of the institution’s policy will supersede the Investment
Guidelines Section of this policy. The university’s investment officer(s) will provide investment performance reports to the board.

**Investment Consultant**

The board may contract with an investment consultant to manage the university’s endowment funds. The consultant may employ or delegate investment management to discretionary investment managers or affiliates. The consultant is responsible for ensuring that investment managers are in compliance with the IPS.

Specifically, the consultant will:

- Assist the officers in the development of investment policy, objectives, asset allocation strategy and portfolio structure;
- Review investment managers, including search, selection and recommendation to the investment officers and committee;
- Monitor and report on investment manager performance;
- Monitor asset allocation and rebalance to target allocation on a periodic basis; and
- Provide written performance measurement reports as required to the investment officers, investment committee and board. The reports will contain sufficient information to determine if any changes or other actions are called for with respect to the investment portfolio.

**Investment Managers**

The board may choose to use an investment consultant to select investment managers. The investment consultant may exercise discretion to hire investment managers. If an investment manager is hired through the investment consultant, the consultant is responsible for ensuring that investment managers comply with all applicable IPS guidelines.

The board may choose to directly contract with external investment managers. Each investment manager selected or approved by the board is expected to manage the endowment’s assets in a manner consistent with the investment objectives, guidelines and constraints of this policy and in accordance with applicable laws. This obligation includes discharging responsibilities with respect to the endowment consistent with “Prudent Investor” standards, and all other applicable fiduciary regulations and requirements.

If the university directly contracts with the investment manager then the manager(s) will receive a copy of the IPS and the manager must execute a written statement to the effect that the registered principal of the organization has received and thoroughly reviewed the investment policy of the university. The statement must also acknowledge that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities.

The investment manager(s) will:

- Be registered as an investment adviser under the Investment Advisers Act of 1940 (where applicable);
- Maintain adequate fiduciary liability insurance and bonding for the management of this account;
- Acknowledge in writing that it is a fiduciary with respect to the assets under its control;
- Be responsible for making decisions on a discretionary basis. This includes buy, hold, sell and timing decisions. The external manager(s) must make responsible decisions in the selections of specific securities and the general timing of purchases and sales necessary to invest only into the security class(es) for which they were retained to manage.

Custodian

The custodian is responsible for the safekeeping for the endowment’s investment assets. The specific duties and responsibilities of the custodian include:
- Maintain separate accounts by legal registration;
- Value the holdings;
- Collect all income and dividends owed to the endowment in its custody;
- Settle all transactions initiated by the investment manager; and
- Provide monthly reports that detail transactions, cash flows, securities held and their current value, and change in value of each security and the overall portfolio since the previous report.

INVESTMENT POLICY

The board believes that the endowment assets should be managed in a way that reflects the application of sound investment principles.

The board adheres to the traditional capital market theory that maintains that over the long term, the risk of owning equities should be rewarded with a somewhat greater return than available from fixed-income investments. This reward comes at the expense of higher volatility of returns and more exposure to market fluctuations than with fixed-income investments. Fixed-income investments provide a more predictable return and higher current income than do equities. Thus assets should be allocated between fixed-income investments, equities, and alternative investments in such a manner as to provide for current income while providing for maintenance of principal in real terms.

Avoiding large risks is essential. The university is willing to trade off some potential opportunities for gain from high-risk investments (with high loss potential) by assuming a moderate-risk posture in order to have a more stable positive return. This may result in sacrificing some potential opportunities for gain during rising markets in order to avoid large short term declines in market value during falling markets. Since the university is adverse to large downward fluctuations in the value of its investments resulting from volatile market value fluctuations, such year-to-year volatility should be minimized.

INVESTMENT POLICY GUIDELINES

For the purpose of this policy, all individual securities which use long-term credit ratings must be rated the equivalent of “BBB” or better by a nationally recognized credit rating service.
fixed income portfolio must have an overall credit rating of “A”. Securities using short-term credit ratings must be rated at least A-2, P-2, F-2 or the equivalent by a nationally recognized credit rating service.

The following categories of securities are permissible investments:

**Permissible Investments**

a. Direct obligations of the United States government or its direct agencies.
b. Direct obligations of federally-sponsored agencies in accordance with the above paragraph.
c. Taxable obligations of U.S. states, agencies, counties, cities, and other political subdivisions of any state and local governments in accordance with the above paragraph.
d. United States dollar denominated bonds, debentures, or commercial paper and convertible securities issued by corporations in accordance with the above paragraph.
e. Debentures or obligations, and preferred or common stock of international governments and corporations. International preferred and common stock issues must be listed on and organized stock exchange.
f. Common stock and preferred stock issued by United States domiciled corporations and common stocks of foreign companies listed on the major U.S. or foreign security exchanges.
g. Certificates of Deposit issued by federally insured state banks, federally insured savings and loan associations and saving banks or federally insured credit unions. Amounts over the insurance limit of the institutions must be secured by pledged securities.
h. Bankers’ acceptances accepted by a bank organized and existing under laws of the United States or any state in accordance with the above paragraph.
i. Money Market Mutual Funds. Funds must be registered with the Securities and Exchange Commission, have a maximum dollar weighted average maturity of no longer than 13 months, and be no-load funds. Funds must have assets consisting of securities described in the paragraphs above and seek to maintain a stable net asset value of $1.00 per share (or unit).
j. Mutual Funds. Funds must be registered with the Securities and Exchange Commission and invest in assets authorized under this policy.
k. Direct Security Repurchase Agreements. Direct Repos must be fully secured (collateralized) by securities authorized under the sections (a) through (f) above. Such collateral must be held by a third party. All agreements will comply with Federal Reserve Bank guidelines.
l. Shares of investment companies as defined by the Investment Company Act of 1940. These companies include both closed-end investment companies and open-end investment companies (mutual funds). Shares in these companies may be purchased if they own securities described in sections (a) through (h) above.
m. Shares of Exchange Traded Funds, known as ETFs, are permissible investments under this section.

Certain types of transactions and purchase of certain types of securities are specifically prohibited by this policy. Commodity trading including all futures contracts, purchasing of letter stock, short selling, option trading, and margin trading are specifically prohibited.
Neither tax-exempt debt of state and local governments, private placements, nor guaranteed investment contracts may be purchased. No investments will be made in derivative products as defined by the Financial Accounting Standards Board in Statements of Financial Accounting Standards, No. 133. Collateralized mortgage obligations that do not pass the Federal Financial Institution’s Examination Council test may not be purchased.

b—Assets and/or funds reportable within the scope of the university’s annual financial report may not be invested in or used to purchase securities, including obligations, of a private corporation or other private business entity that owns 10% or more of a corporation or business entity which records or produces any song, lyrics or other musical work that explicitly describes, glamorizes or advocates: (1) acts of criminal violence, including murder, assault, assault on police officers, sexual assault, and robbery; (2) necrophilia, bestiality, or pedophilia; (3) illegal use of controlled substance; (4) criminal street gang activity; (5) degradation or denigration of females; or (6) violence against a particular sex, race, ethnic group, sexual orientation, or religion.

1.n. No more than six percent (6%) of the portfolio, including convertible securities, can be invested in any one company. This will be measured on a cost basis. No more than ten percent (10%) of the equity portfolio can be invested at any time in one company based on the market value of the stock and portfolio. This section is not applicable to investments in U.S. government securities.

m.o. No more than fifteen percent (15%) of the portfolio can be invested in any one industry sector, as defined by Standard and Poor’s broad categories, based on the cost value of the portfolio. No more than thirty percent (30%) of the equity portfolio can be invested in any one industry sector based on the market value of the portfolio. The holdings do not have to be invested in industry groups that represent a cross-section of the economy.

p. Permitted alternative investments may include hedge funds, managed futures funds, private equity funds, or real estate. Hedge funds are not subject to limitations of the “Prohibited Investment” section below. Investments in other strategies shall be reviewed and recommended by the investment officer prior to purchase.

q. Permitted alternative investments in the portfolio are limited to diversified commingled trust fund vehicles or limited partnerships offered through a third party distribution channel, such as what is offered through many broker-dealer firms. Mutual funds securities that are rated below A must comprise less than 1 percent of the holdings in the alternative portion of the endowment portfolio and must have a minimum B rating. These securities may be rated by standard & poor’s, moody’s, or other recognized bond authorities.

r. Permitted alternative investments in the portfolio are limited to investment vehicles that offer the ability for the portfolio to make contributions or receive distributions at least quarterly (but preferably monthly) without restriction or incurring additional fees.

n. The portfolio shall emphasize investments in fund-of-fund vehicles that are diversified by investment style and typically utilize multiple investment managers within a fund. The portfolio, however, may invest in single manager funds, but these investments shall not comprise the majority of the investment. Permitted alternative investments in the portfolio are limited to investment vehicles that offer the ability for the portfolio to make contributions or receive distributions at least quarterly (but preferably monthly) without restriction or incurring additional fees.
additional fees. The maximum allocation to any one fund shall not exceed 25% of the total investment portfolio. If the allocation to alternative investments exceeds the limit at any point in time, the investment officer shall rebalance the allocation to the fund at the next opportunity when the fund permits liquidation of fund holdings. For the alternative portion of the portfolio, an allocation that exceeds 10% of the total endowment portfolio shall require approval of the investment officer and the investment committee.

s. All of

Prohibited Investments

The endowment’s assets should not be invested in the following unless agreed to by the vice president pursuant to an approved strategy or specifically approved in writing by the vice president:

a. Commodity trading including all futures contracts, equities purchased
b. Short selling, option trading and margin trading unless by managers approved for the portfolio (based at market value) should have a minimum market capitalization of $250 million, that strategy, and
c. Guaranteed investment contracts.

Asset Allocation

The allowable range and target asset allocation for the endowment funds is:

<table>
<thead>
<tr>
<th>Class</th>
<th>Allowable Range</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Fixed Income</td>
<td>Minimum 0.0%</td>
<td>Maximum 60.0%</td>
</tr>
<tr>
<td>Total Equity</td>
<td>Minimum 0.0%</td>
<td>Equities securities 0%</td>
</tr>
<tr>
<td>Total Alternatives</td>
<td>Fixed income securities 0%</td>
<td>60%-0.0%</td>
</tr>
<tr>
<td>Total Cash or cash equivalents</td>
<td>9% - 100% Cash Equivalents</td>
<td>Minimum 0.0%</td>
</tr>
<tr>
<td>Alternative Investments</td>
<td>Minimum 0%</td>
<td>Maximum 25%</td>
</tr>
</tbody>
</table>

For the equity portion of the portfolio, the International Equities should represent at a maximum 30% and minimum 0%.
For the fixed income portion of the portfolio, the asset mix should be: maximum U.S. government
bonds 100%, minimum government bonds 0%, maximum corporate bonds 50%, minimum
corporate bonds 0%, maximum cash 100%, minimum cash 0%. Gifts of individual securities will
be liquidated or transferred to an equity fund manager currently employed by the university under
the Use of Investment Firms section. The liquidation or transfer will take place as soon as possible.
If liquidated, the proceeds will be invested in accordance with the allowable range and target asset
allocation set forth in this policy. Exceptions to this policy are securities described by sections (a),
(b) and (c) above. The allowable asset mix for fixed income and equities is:

<table>
<thead>
<tr>
<th>Fixed Income</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Government Bonds</td>
<td>0.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>0.0%</td>
<td>50.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Equity</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Equity</td>
<td>0.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>International Equity</td>
<td>0.0%</td>
<td>30.0%</td>
</tr>
</tbody>
</table>

**Interest Rate, Credit and Foreign Currency Risks**

- Such securities may be held so long as the asset allocation ranges are maintained. The policy in
this section can be overridden by a written directive from a donor.

The university will insure the safety of its invested funds by limiting interest rate, credit and
foreign currency risks. Interest rate risk is the risk that changes in market interest rates will
adversely affect the fair value of an investment. Generally, the longer the maturity of an
investment the greater the sensitivity of its fair value to changes in market interest rates. The vice
president may diversify investment maturity to limit interest rate risk. The average weighted
duration of the portfolio should not vary from industry benchmarks by more than +/-20%.

Credit risk is the risk that an issuer or counterparty to the investment will not fulfill its
obligations to the holder of the investment. This is measured by the assignment of a rating by a
nationally recognized statistical rating organization. To limit credit risk, this policy requires
investments in US dollar denominated bonds, debentures, or commercial paper and convertible
all securities issued by corporations which use long-term credit ratings to be rated the equivalent
of “BBBB” or better using long-term ratings and at least A-2, P-2, F-2 or equivalent using with
the overall credit rating for the fixed income portfolio to be rated “A” or better. All short-term
credit ratings must be rated at least A-2, P-2, F-2.
Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of investment. In order to mitigate this risk, foreign equity investments are limited to a maximum of 30% of the equity portfolio.

**Use gifts of investment firms/individual securities**

The vice president or designee is responsible for the selection of brokers and dealers for the execution of security transactions and for the safekeeping of securities. Sales, purchases and exchanges will be transacted through well-capitalized, nationally recognized investment firms which are major participants in the equity and fixed-income markets. Firms should be selected to provide the maximum benefit to the university. The vice president may choose to use a request for proposals to select the firm or firms with which the university deals.

Selection of outside investment managers will follow these guidelines:

a. The vice president or designee, within statutory and other regulatory authority, may place selected funds of the university with investment managers outside the university for investment purposes. The investment of such funds will be subject to the provisions of this investment policy statement. The vice president or designee is authorized to negotiate with outside investment managers for the benefit of the university.

Outside investment manager(s) will receive a copy of the IPS and a Letter of Instructions outlining investment instructions and asset allocation parameters expressed in writing by the vice president or designee. The Letter of Instructions will state return objectives that are reasonable and achievable within the guidelines provided herein. These return objectives should be achieved over a reasonable time frame, thus it is not necessary for the outside manager(s) to exceed the return expectations each quarter. In addition, each outside investment manager must execute a written statement to the effect that the registered principal of the organization has received and thoroughly reviewed the investment policy of the university. The statement must also acknowledge that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities.

b. Consistent with this investment policy statement and their Letter of Instruction, the outside investment manager(s) will be responsible for making decisions on a discretionary basis. This includes buy, hold, sell and timing decisions. Gifts of individual securities will be liquidated and invested in accordance with IPS guidelines and investment procedures. Exceptions to this policy are securities described by sections (a), (b) and (c) of the investment guidelines. Such securities may be held so long as the asset allocation ranges are maintained. The outside manager(s) must make responsible decisions in the selections of specific securities and the general timing of purchases and sales necessary to achieve a satisfactory overall return for the assets.

c. Outside manager(s) will invest only into the security class(es) for which they were retained to manage. The manager(s) have discretion to place funds into cash, however, their performance will be measured against an index which measures their security class without deducting the cash position.
**FUNDS FUNCTIONING AS (QUASI) ENDOWMENTS**

The board may establish a quasi-endowment using unrestricted gifts. Income from funds held in quasi-endowments is available for the purpose established by the board. The corpus of such funds will be held until such time as the board abolishes the quasi-endowment, at which time the corpus is available for such purpose(s) as may be designated by the board. Quasi-endowment funds that are not considered to be public funds may be governed by this policy.

The overall portfolio and the individual managers will be evaluated on a periodic basis using industry benchmarks.

The annualized Alpha should exceed both individual managers’ and total portfolio fees. Alpha measures the excess return for the amount of risk taken. Portfolio turnover will be monitored. If the performance results of the portfolio meet the objectives stated herein, the rate of turnover in the portfolio will not be an evaluative factor. However, a portfolio turnover higher than the average of similar fund managers is considered a negative. Files will be maintained on investment firms with which the university deals. The files will contain information that supports the financial stability of the firms. These files will be updated annually. A list of approved brokers and firms will be maintained and changes will be approved by the Board of Regents.

**DISTRIBUTION POLICY**

The spending policy should balance the long-term objective of maintaining the purchasing power to the endowment funds with the goal of providing a reasonable, predictable, stable, and sustainable level of income to support current needs. At the end of the investment year, in consultation with the investment manager, the investment officer will review the total return on the endowment accounts and recommend an annual distribution. The target distribution will be between 4% and 5%. The investment officer will recommend an amount up to 5.00% of the average invested balance for the purposes delineated in the endowment memorandum of understanding. If returns permit, an amount equal to the rate of inflation will be added back to each endowment principal balance. If there are positive total returns beyond the inflation rate, then the investment officer will recommend that this amount be added to a contingency reserve that may be distributed during years of poor investment performance as determined by the officer. When the contingency reserve has reached a balance in excess of two years of normal distributions, the investment officer may recommend that additional distributions be made from the contingency reserve. The vice president will review the total return on the endowment accounts and recommend an annual distribution.

**PERFORMANCE EVALUATION**

The vice president will submit quarterly reports to the board on the performance of the investment portfolio. The reports will disclose the book value and market value of the portfolio at the beginning and ending of the reporting period by the type of asset and fund type invested. The reports will disclose the realized and unrealized gains/losses and total return on the portfolio for the reporting period. Additions and changes in the market value of the portfolio -
during the period will be reported. The reports will show the pooled fund value as well as individual assets by fund type. The reports will state the maturity date of each asset that has a maturity date. The total return on the portfolio, on each asset class and for each manager will be reported.

The performance of the total portfolio, each asset class and each manager will be compared to appropriate benchmarks and included in the quarterly reports to the board. The report will contain sufficient information for the board to determine if actions should be taken to correct any deficiencies that may exist.

CONFLICTS OF INTEREST

Members of the board are frequently persons of wide-ranging business interests. Therefore, a prudent, independent investment decision process may result in investments in firms or organizations with which a member of the board is affiliated. Affiliation shall be interpreted within this section to mean an employee, officer, director, or owner of five percent or more of the voting stock of a firm or organization. The investment staff or an unaffiliated investment manager may invest in such securities. However, the following restrictions shall apply

1. A member of the board shall not direct nor participate in the decision to purchase or sell securities of a firm with which such member is affiliated; and
2. Investments will not be purchased from or sold to a member of the board.

DISCLOSURE REQUIREMENTS

Disclosure Requirements for Outside Financial Advisors

External financial advisors and service providers shall comply with Texas Government Code Chapter 2263, Ethics and Disclosure Requirements for Outside Financial Advisors and Service providers.

Disclosure Requirements for Investment Officers

Pursuant to Texas Government Code Sec. 2256.005(i), an investment officer of an entity who has a personal business relationship with a business organization offering to engage in an investment transaction with the entity shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree by affinity or consanguinity, as determined under Chapter 573, to an individual seeking to sell an investment to the investment officer's entity shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the governing body of the entity. For purposes of this subsection, an investment officer has a personal business relationship with a business organization if:

1. the investment officer owns 10 percent or more of the voting stock or shares of the business
organization or owns $5,000 or more of the fair market value of the business organization;
2. funds received by the investment officer from the business organization exceed 10 percent
   of the investment officer's gross income for the previous year; or
3. the investment officer has acquired from the business organization during the previous year
   investments with a book value of $2,500 or more for the personal account of the investment
   officer.

AUDITS

The Department of Audit Services of the university shall include endowment assets as a component
of its annual audit risk assessment. If the department determines that the endowment assets meet its
risk assessment criteria, audit services may perform an annual audit of the endowment assets to
ensure compliance with the endowment investment policy.

Cross Reference: Tex. Educ. Code § 51.0031; Tex. Gov’t Code Ch. 573, § 2256.005, Ch. 2263;

Responsible for Implementation: Vice President for Finance and Administration

Contact for Revision: Vice President for Finance and Administration

Forms: None

Board Committee Assignment: Finance and Audit
Student Organization Formation and Recognition

Original Implementation: Unpublished

Last Revision: April 14, 2014

October 27, 2014

Stephen F. Austin State University recognizes the right of enrolled students to form voluntary organizations for purposes that are not forbidden by state or federal law.

Student organizations will be recognized with one of the following designations:

Temporary—designation given to proposed student organizations during their formation process. Temporary designations last no more than 90 days. Temporary organizations are not eligible for funding from the Student Organization Reserve Fund (SORF).

Probationary—newly formed student organizations are designated as probationary for a 12 month period. During this time, these groups may not use the name or registered marks of the university as a part of their name. Probationary organizations are not eligible for SORF Funding.

Recognized—organizations that have been in existence for at least 12 months and are in good standing with the Office of Student Engagement. Recognized organizations are eligible for SORF Funding.

Sponsored—organizations sponsored by a university department and designated as such by the Office of Student Engagement. Sponsored organizations are not eligible for SORF Funding.

In order to form a recognized student organization, a group must:

1. Have four (4) students (in good standing as defined by SFA General Bulletin) to act as incorporators who will be legally responsible for the formation of the organization. One of the four must be designated as the initial Registered Agent. The Registered Agent is the legal contact and spokesperson for the group. After an organization forms, the currently registered organizational president will be considered the organization’s Registered Agent.
2. Select an advisor from the faculty/administrative staff who is a benefits-eligible full-time university employee.
3. Complete required risk management training as administered by the Office of Student Engagement Programs with a minimum of four (4) officers participating.
4. Complete and submit all of the documents required in the Student Organization Formation Packet. This packet is available in the Office of Student Engagement Programs.
A group seeking recognition must not:
1. Be a commercial enterprise.
2. Be an unsolicited and/or unrecognized auxiliary of a larger organization.
3. Allow minors to become organizational members unless they are full-time enrolled students at Stephen F. Austin State University

Applications for recognition can be made at any time during the year. The Office of Student Engagement Programs may grant a group temporary recognition while they are finalizing their formation paperwork and securing an on-campus advisor. The length of temporary recognition shall be no more than 90 days.

The director of student engagement will review the application for recognition when it is complete and determine whether recognition is granted.

**REQUIREMENTS FOR MAINTAINING RECOGNITION**

The authority of an organization to function as a student organization may cease upon:

a. the removal or resignation of the advisor, unless a qualified replacement is registered within 90 days.
b. violation by the organization of any rules or regulations of the university, state or federal law.
c. failure by the organization, its officers or advisor(s) to adhere to the requirements set forth by the university.
d. the organization remaining in an inactive status for three or more long semesters.
e. failure to provide acceptable documentation of affiliation with any parent organization when requested.

Students selected, elected or appointed as a student organization officer (an officer is an individual in a leadership position as defined in the organization’s constitution) shall be in good standing with the university and:

For undergraduates, be enrolled for six (6) or more credit hours during their term of office.

For graduate students, be enrolled for four (4) or more credit hours during their term of office.

All meetings and activities of each student organization shall be subject to, and held under, all applicable university regulations and policies. Student organizations must abide by the policies and procedures set forth by the SFA Board of Regents including the Student Conduct Code.
Being recognized as a student organization is an awarded privilege, not a right, and requires responsibility on the part of the membership of the organization for meeting university requirements for student organizations.

All student organizations must register with the Office of Student Engagement Programs as often as is required. At the time of registration, all information requested on the registration documents must be supplied. A constitution that provides information on the structure, purpose, and operation of the organization must be provided and kept on file in the Office of Student Engagement Programs, reaffirmed by the organization on an annual basis and updated whenever the document is revised.

A minimum of four (4) officers must complete the annual risk management training administered by the Office of Student Engagement Programs.

**RELATIONSHIP BETWEEN THE UNIVERSITY AND STUDENT ORGANIZATIONS**

Aside from the supervision exercised by university departments over the Student Activities Association, Student Government Association, Residence Hall Association, and certain other social and cultural activities conducted on the campus of Stephen F. Austin State University, the university recognizes registered student organizations as independent entities and assumes no responsibility or liability for their programs or activities. Some organizations, if closely connected with the activities of academic departments of the institution may, in some cases, receive special help and supervision from those departments.

To protect the student-led nature of student organizations, university employees (excluding student employees) should may not serve in any officer role within the organization other than advisor as officers within a student organization without the written approval of the dean of student affairs, other than fulfilling the role of advisor. No employee of the university has the authority to open a bank account in the name of, or for the benefit of, any student organization nor should any employee be included as an allowable signatory on any off-campus bank account of any student organization. Student employees are exempted from these prohibitions.

The name of the university (including abbreviations) may not be used within the name or description of any off-campus banking account established and/or maintained by any student organization.

Responsibility for any views expressed in a meeting or activity of a student organization is solely that of the individuals concerned and the university is not to be held to approve or disapprove such views, whatever their nature. The university is to be concerned exclusively with the discharge of its educational obligation and to facilitate free discussion of all points of view to the extent constitutionally guaranteed.
Cross Reference: Stephen F. Austin State University Web Pages; Student Handbook; U.S. Const. amend. I, XIV; Student Organization Risk Management Training (10.10)

Responsible for Implementation: Vice President for University Affairs

Contact for Revision: Director of Student Engagement

Forms: Student Organization Formation Packet

Board Committee Assignment: Academic and Student Affairs
Travel Card

Original Implementation: October 27, 2014
Last Revision: None

The university travel card (t-card) is designed as a payment method for travel and travel related expenses. Approved university employees may use the t-card in accordance with the T-Card Program Guide and SFA Travel Guidelines to pay for travel related expenses not exceeding individual transaction and monthly limits. The travel supervisor and other employees of the travel office may incur charges that exceed transaction and monthly limits using a travel card if they have determined payment by t-card represents the best value to the university, all travel policies and guidelines have been followed and state and federal regulations have not been violated.

The terms and conditions of the MasterCard travel card contract were specified and awarded by the Texas Procurement and Support Services for the state of Texas. In addition to internal policies and procedures, Stephen F. Austin State University will comply with the terms and conditions of the state contract.

Responsibilities

T-Cards will be issued in the name of the employee with the SFA logo and the wording 'Official Use Only' clearly indicated on the card. The t-card is to be used for official university business purposes only and may not be used for ANY personal transactions. The cardholder is responsible and accountable for the security and documentation associated with the use of the SFA travel card and for complying with all policies and procedures related to the t-card program. Department heads are responsible for ensuring that all employees issued a card understand the departmental budget constraints under which they are to use the card. Documentation shall follow procedural requirements in the T-Card Program Guide.

The department head or his/her designee is responsible for: 1) designating departmental cardholders; 2) determining spending limits; 3) approving monthly reconciliations of t-card cardholder statements and 4) verifying charges and reviewing supporting documentation to ensure t-card charges are within SFA policies and procedures, and departmental budgets.

Card Use by Another Employee or Student

The only person authorized to use the t-card is the cardholder whose name appears on the card, unless the cardholder and department head have completed a T-Card Use form to allow other employees to use the card. The T-Card Program Guide provides detailed information regarding the use of the card by other employees or students.
Training and Issuing Cards

All department heads will be required to attend training and sign the Travel Cardholder Application/Approval Form before any cards will be issued to employees within the department. All employees will be required to attend training and sign a Cardholder Agreement before being issued a card. All cardholders will be required to comply with training requirements as outlined in the T-Card Program Guide.

Travel Card Documentation

The documentation identified in the T-Card Program Guide must be kept for three (3) years plus the current fiscal year to comply with the State of Texas Records Retention Schedule. These are the official university records. The records for t-card charges will be required for periodic audits by the travel office or audit services, or when SFA is audited by the Texas Procurement and Support Services Division of the State Comptroller’s Office, the State Auditor, State Comptroller or SFA’s department of audit services.

Card Termination

Certain t-card rule violations will result in immediate deactivation or cancellation of all of a cardholder’s cards. The T-Card Program Guide lists violations and associated penalties.

Administrative Authority

The department head or supervising dean, vice president, or president has the authority to request that the travel office deactivate or cancel an employee's card at any time if fraud or misuse is suspected. Any card so deactivated or cancelled may be reactivated or new card issued only with approval by the position that originally requested the deactivation or cancellation. Audit services or general counsel’s office has the authority to request that the travel office deactivate an employee’s card while transactions are being researched or investigated, or an audit is being conducted. At the conclusion of the research, investigation or audit, the cards will be reactivated and/or appropriate action taken as specified herein and in the T-Card Program Guide.

Fees

A foreign transaction fee may be assessed by Citibank in addition to all charges assessed by the bankcard associations. These fees may be paid by the university if the foreign travel is approved in advance of the charge. Fees associated with inappropriate card use, such as cash advances and convenience checks, will be the responsibility of the person making the charge.
Cross Reference: T-Card Program Guide

Responsible for Implementation: Vice President for Finance and Administration

Contact for Revision: Controller

Forms: Cardholder Application/Approval Form, Cardholder T-Card Agreement, T-Card Use Form, Tax Exempt Letter, Hotel Tax Exempt Form, T-Card Dispute Form, T-Card Documentation/Problem Resolution Form, T-Card Exception Form

Board Committee Assignment: Finance and Audit
Tuition Rebate

Original Implementation: January 30, 2001
Last Revision: October 18, 2011; October 27, 2014

Section 54.0065 of the Texas Education Code authorizes a tuition rebate of up to $1,000 for certain undergraduates. The purpose of this program is to provide a financial incentive for students to complete their baccalaureate studies with as few courses outside the degree plan as possible. Minimizing the number of courses taken by students results in financial savings to students, parents, and the state.

To be eligible for a rebate under this program, a student must:

1. have enrolled for the first time in an institution of higher education in the fall 1997 semester or later;

2. request a rebate for coursework related to a first baccalaureate degree received from a general academic teaching institution;

3. have been a resident of Texas as set forth under rules established by the Texas Higher Education Coordinating Board and have been entitled to pay resident tuition at all times while pursuing the degree;

4. if enrolled for the first time in fall 2005 or later, graduate within four calendar years for a four-year degree program or within five calendar years for any program determined by the Texas Higher Education Coordinating Board to require more than four years to complete*; and

5. have attempted no more than three hours in excess of the minimum number of semester credit hours required to complete the degree under the catalog under which the student graduated.

In addition to hours completed at SFA, hours attempted include:

- transfer credits
- course credit earned exclusively by examination (except the first nine semester credit hours are excluded)
- courses dropped after the official census date
- for-credit developmental courses
- optional internship and cooperative education courses
- repeated courses
Hours attempted exclude:

- course credit that is earned to satisfy requirements for a Reserve Officers’ Training Corps (ROTC) program but that is not required to complete the degree program
- course credit, other than course credit earned exclusively by examination, that is earned before graduating from high school (i.e., dual credit hours earned in high school) (effective June 17, 2011)
- required teacher education courses to the extent that they are over and above the free electives allowed in the baccalaureate degree program (for students concurrently earning a baccalaureate degree and a Texas teaching certificate)
- courses dropped for reasons that are determined by the institution to be totally beyond the control of the student

* If enrolled for the first time in fall 2005 or later, a student may be eligible for a tuition rebate if the otherwise eligible student is awarded a baccalaureate degree but does not satisfy the time requirement solely as a result of a hardship or other good cause. Such student must follow the appeal procedures below to be considered for the rebate.

The amount of the tuition rebate is the lesser of $1,000 or the actual amount of undergraduate tuition paid by the student to Texas public institutions of higher education, Stephen F. Austin State University. If the amount paid to Stephen F. Austin State University is less than $1,000, the student may qualify for an increase in the amount of the rebate, not to exceed $1,000 by providing proof of tuition paid to other Texas institutions of higher education.

The rebate shall first be applied to any outstanding balance due to Stephen F. Austin State University, including outstanding charges on the student’s account, short term loans or book loans any loans or other amounts owed to the university. Then, if the student has an outstanding student loan owed to or guaranteed by the state of Texas, the university shall apply the rebate to the student loan, and then pay the student any excess amount. If a student has more than one outstanding student loan owed to or guaranteed by the state of Texas, the university shall apply the amount of the rebate to the loans as directed by the student. If the student fails to provide timely instructions on the application of the amount, the university shall apply the amount of the rebate to retire the loans with the highest interest rates first.

Students wishing to apply for tuition rebates must do so at the time they apply for baccalaureate degrees by completing the information on the back of the Graduation Application Form pertaining to the tuition rebate. Applications are available in the registrar’s office.
The registrar's office will evaluate all applications and make a determination of rebate eligibility, based on number of hours attempted as posted on the student's academic record. The registrar's office will provide the controller's office with the names, addresses and social security numbers of all applicants eligible for tuition rebates. *The controller’s office will review the list and make a determination of rebate eligibility, based on amounts the student has paid the university for tuition.* Within 60 days after graduation, the controller's office will remit rebates to eligible students and the registrar's office will mail denial notices to ineligible students. Each notice will include the reason for denial. A student may appeal a denial decision to the Fiscal Appeals Panel in accordance with Student Fiscal Appeals (6.19). Information on the appeal process is available in the registrar's office. All appeals must be filed within 60 days of the university's written notification of denial.

**Cross Reference:** Tex Educ. Code § 54.0065; 19Tex. Admin. Code §§ 13.80-.87; Student Fiscal Appeals (6.19)

**Responsible for Implementation:** Vice President for Finance and Administration

**Contact For Revision:** Controller, Registrar

**Forms:** Graduation Application Form (available in the Registrar's Office)

**Board Committee Assignment:** Academic and Student Affairs