

**AMENDED AND RESTATED
LOAN AGREEMENT**

By and Between

CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION

and

TRINITY UNIVERSITY

DATED AS OF DECEMBER 1, 2013

With Respect To

**CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION
HIGHER EDUCATION REVENUE REFUNDING BONDS
(TRINITY UNIVERSITY PROJECT)
SERIES 2011**

and

**CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION
HIGHER EDUCATION REVENUE IMPROVEMENT BONDS
(TRINITY UNIVERSITY PROJECT)
SERIES 2013**

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AMENDED AND RESTATED LOAN AGREEMENT

THIS AMENDED AND RESTATED LOAN AGREEMENT, dated as of December 1, 2013 (this "***Agreement***"), by and between **CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION** (the "***Issuer***") and **TRINITY UNIVERSITY**, a nonprofit corporation organized and existing under the laws of the State of Texas, being a private institution of higher education (the "***University***"),

WITNESSETH THAT:

WHEREAS, this Agreement completely amends and restates the *Loan Agreement*, dated as of June 1, 2011 by and between the Issuer and the University (the "***Original Agreement***") that was originally entered into in connection with the issuance of the "***Series 2011 Bonds***" defined below, for the purpose of providing for the issuance of a series of "***Additional Bonds***" permitted under Section 7.01 of the "***Original Indenture***" (defined below) which are defined herein as the "***Series 2013 Bonds***"; and

WHEREAS, the **CITY OF SAN ANTONIO, TEXAS** (the "***City***") created the Issuer in 1983 pursuant to Chapter 53, Texas Education Code, as amended (the "***Original Act***"); and

WHEREAS, in 2005, during the Regular Session of the 79th Texas Legislature, the Texas Legislature amended the Original Act and re-codified the provisions therein relating to financings for private schools into a new "Chapter 53A" of the Texas Education Code (known as the "***Higher Education Facility Authority for Private Schools Act***"); and

WHEREAS, Chapter 53A, Texas Education Code, is referred to herein as the "***Act***", and the Issuer is deemed to be operating and existing pursuant to the Act, particularly Section 53A.35(b) thereof; and

WHEREAS, the Issuer is a constituted authority and instrumentality (within the meaning of those terms in the Regulations of the Department of the Treasury and the rulings of the Internal Revenue Service prescribed and promulgated pursuant to Section 103 of the Internal Revenue Code of 1986); and

WHEREAS, Section 53A.34 of the Act authorizes the Issuer to issue and execute revenue bonds or other obligations to loan or otherwise provide funds to an institution of higher education to enable an institution of higher education to acquire, construct, enlarge, extend, repair, renovate, or otherwise improve an "educational facility" or "housing facility" (as such terms are defined in the Act) or any facility incidental, subordinate, or related to or appropriate in connection with an educational facility or housing facility, or for acquiring land to be used for those purposes, or to create operating and debt service reserves for and to pay issuance costs related to the bonds or other obligations; and

WHEREAS, Section 53A.331 of the Act further authorizes the Issuer to refinance any educational facility or housing facility acquired, constructed, or improved; and

WHEREAS, Section 53A.35 further provides that the Issuer has all powers granted under the Texas Non-Profit Corporation Act for the purpose of aiding institutions of higher education in providing educational facilities and housing facilities and facilities incidental, subordinate, or related thereto or appropriate in connection therewith; and

WHEREAS, in furtherance of the purposes of the Act, the University requested the Issuer, and in 2011 the Issuer issued bonds, which are designated **CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION HIGHER EDUCATION REVENUE REFUNDING BONDS (TRINITY UNIVERSITY PROJECT), SERIES 2011** (the "**Series 2011 Bonds**"), the proceeds of which were loaned to the University pursuant to the terms of the Original Agreement to enable the University (i) to refinance a portion of the costs of the projects originally financed or refinanced with proceeds of the Issuer's "*Higher Education Variable Rate Demand Revenue Refunding and Improvement Bonds (Trinity University Project) Series 2002*" which were issued in the original the aggregate principal amount of \$32,000,000 (the "**Series 2002 Bonds**"), by refunding \$20,000,000 in principal amount of the outstanding Series 2002 Bonds, and (ii) to pay certain of the costs of issuing the Series 2011 Bonds; and

WHEREAS, the Series 2011 Bonds were issued under and pursuant to and are secured by an Indenture of Trust dated as June 1, 2011 (the "**Original Indenture**"), from the Issuer to Wells Fargo Bank, National Association, as trustee thereunder (the "**Trustee**"); and

WHEREAS, in accordance with Section 7.01 of the Original Indenture, and so long as the Original Agreement is in effect and no Event of Default is then existing under the Original Agreement, one or more series of "Additional Bonds" may be delivered by the Issuer pursuant to the Original Indenture for the purposes provided in the Original Agreement and/or for the purpose of refunding any Outstanding Bonds, and such Additional Bonds shall be on a parity with respect to the Trust Estate and shall be payable by the Issuer solely from the revenues and other amounts derived pursuant to the Original Agreement (except to the extent paid out of moneys attributable to the proceeds derived from the sale of the Additional Bonds or to income from the temporary investment thereof); and

WHEREAS, pursuant to Section 6.3 of the Original Agreement, the University is permitted to incur additional "Long Term Indebtedness" (as defined therein and herein, which includes, but is not limited to, Additional Bonds as permitted by the Original Indenture) if, prior to incurring such additional Long Term Indebtedness, the chief financial officer of the University provides the Issuer and the Trustee with a certificate (i) stating that for the Fiscal Year immediately preceding the incurring or assumption of Long Term Indebtedness, the University was in compliance with the requirements of the Original Agreement, and (ii) demonstrating and concluding that, based on the University's most recent audited financial statements, the University's Expendable Financial Resources (as defined herein) are greater than 50% of all outstanding Long Term Indebtedness (including the Long Term Indebtedness proposed to be incurred); and

WHEREAS, on September 18, 2010, the Board of Trustees of the University approved a resolution expressing the University's intention to reimburse itself for costs related to certain capital improvements including renovating, replacing, and furnishing existing science facilities, and purchasing and installing equipment related thereto, including but not limited to fume hoods and special laboratory equipment (the "**Reimbursement Resolution**"); and

WHEREAS, as contemplated by the Reimbursement Resolution, the University is in the process of constructing and equipping certain science facilities generally known as the Center for Science and Innovation (CSI) complex, which is expected to be completed in 2014, and is further described in Exhibit A-2 attached hereto (the "**Series 2013 Project**"); and

WHEREAS, on September 28, 2013, the Board of Trustees of the University adopted a resolution in which it found that it was appropriate and beneficial for the University to request the Issuer to issue up to \$75,000,000 in principal amount of fixed rate revenue bonds, the interest on which would be excludable from federal income taxation, the proceeds of which would be loaned to the University to be used to (i) pay costs to construct and equip the Series 2013 Project and reimburse the University for expenditures related to the Series 2013 Project which previously have been paid by the University, and (ii) pay costs of issuing the Bonds, and such Board of Trustees delegated to its Finance and Property Committee the authority to review and approve the financing documents and approve other details related thereto; and

WHEREAS, on October 10, 2013, the Finance and Property Committee of the University's Board of Trustees adopted a resolution in which it found that it was appropriate and beneficial for the University to request the Issuer to issue up to \$50,000,000 in principal amount of fixed rate revenue bonds having a maximum maturity not greater than 30 years from the date of issuance thereof; and

WHEREAS, the Board of Directors of the Issuer now deems it appropriate for the Issuer to assist the University with the financing of the Series 2013 Project by issuing a series of Additional Bonds as permitted by the Original Agreement and the Original Indenture, which shall be known as the **CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION HIGHER EDUCATION REVENUE IMPROVEMENT BONDS (TRINITY UNIVERSITY PROJECT), SERIES 2013** (the "**Series 2013 Bonds**"); and

WHEREAS, the Vice President for Finance and Administration of the University, who is the chief financial officer of the University, has provided the Issuer and the Trustee with the certificate required by Section 6.3 of the Original Agreement in connection with incurring additional Long Term Indebtedness that is represented by the issuance of the Series 2013 Bonds; and

WHEREAS, pursuant to Section 11.03 of the Original Indenture, the Issuer and the Trustee may, without the consent of or notice to any of the Bond owners, consent to any amendment, change, or modification of the Original Agreement as may be required by the provisions of the Original Agreement and the Original Indenture in connection with the issuance of Additional Bonds, or for the purpose of complying with the provisions of the Original Agreement; and

WHEREAS, pursuant to Section 11.01 of the Original Indenture, the Issuer and the Trustee may, without the consent of or notice to any of the Bond owners, enter into an indenture or indentures supplemental to the Original Indenture as shall not be inconsistent with the terms and provisions hereof for any one or more of the purposes provided in such Section, including in connection with the issuance of Additional Bonds; and

WHEREAS, the Series 2013 Bonds are to be issued under and pursuant to, and are secured by, an *Amended and Restated Indenture of Trust*, dated as December 1, 2013, between the Issuer and the Trustee, which will serve as an indenture supplemental to the Original Indenture as permitted by Section 11.01 of the Original Indenture and will completely amend and restate the Original Indenture and provide for the issuance of the Series 2013 Bonds (the "**Indenture**"); and

WHEREAS, in compliance with Section 11.05 of the Original Indenture, prior to entering into this Agreement and the Indenture, which as noted above will completely amend and restate the Original Agreement and the Original Indenture, respectively, the Trustee must receive an opinion of Bond Counsel to the effect that such amendment, change, or modification will not cause the interest on any of the Bonds to become subject to federal income taxation and an opinion of counsel that such amendment, change, or modification is authorized by the Original Indenture and all conditions or consents required for the Trustee to enter into such amendment, change, or modification have been met; and

WHEREAS, prior to the issuance and delivery of the Series 2013 Bonds and the Indenture, Bond Counsel related to the issuance of the Series 2013 Bonds provided the Trustee with the opinion required by Section 11.05 of the Original Indenture; and

WHEREAS, the Issuer and the University are entering into this Agreement (which amends and restates the Original Agreement) in order to (i) continue to provide for the loan from the Issuer to the University of the proceeds of the Series 2011 Bonds, (ii) provide for the loan from the Issuer to the University of the proceeds of the Series 2013 Bonds, and (iii) provide for the repayment of such loans by the University; and

WHEREAS, pursuant to the provisions of the Original Agreement, the University executed and delivered to the Issuer a promissory note (in substantially the form attached hereto as Exhibit B-1) evidencing the loan of the proceeds of the Series 2011 Bonds by the Issuer to the University and the obligation of the University under the Original Agreement to repay the same; and

WHEREAS, pursuant to the provisions of this Agreement, the University is executing and delivering to the Issuer a promissory note (in substantially the form attached hereto as Exhibit B-2) to evidence the loan of the proceeds of the Series 2013 Bonds by the Issuer to the University and the obligation of the University under this Agreement to repay the same; and

WHEREAS, pursuant to the Indenture, the Issuer is collaterally assigning to the Trustee all of the Issuer's right, title, and interest in the Notes and the Loan Payments (each as hereinafter defined) to be made by the University pursuant to this Agreement;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE PREMISES AND THE MUTUAL COVENANTS AND AGREEMENTS HEREINAFTER CONTAINED, THE PARTIES HERETO AGREE EACH WITH THE OTHER, AS FOLLOWS:

END OF RECITALS

ARTICLE I

DEFINITIONS

SECTION 1.1. DEFINITIONS OF TERMS USED IN THIS AGREEMENT. Capitalized terms used in Sections 2.2(e) and 6.7 which are not otherwise defined herein have the meaning given to such terms in the Internal Revenue Code of 1986, as amended. In addition to other terms defined herein (including in the preambles hereto), the following terms shall have the meanings that are assigned to them in this Section whenever they are used in this Agreement.

"Additional Bonds" - The additional parity revenue bonds permitted to be authorized by the Indenture.

"Additional Security" - Assets of the University, if any, pledged by the University as additional security for the Bonds, including a mortgage of any of the facilities of the University; provided however, that additional sources of payment obtained by the University for the payment of any series of Bonds, including, but not limited to, letters of credit and payment guaranty insurance policies, shall not constitute Additional Security.

"Agreement" - This Amended and Restated Loan Agreement by and between the Issuer and the University, dated as of December 1, 2013, and any amendments and supplements hereto.

"Annual Debt Service Requirement" for any Fiscal Year means, in connection with Long Term Indebtedness, the sum of (i) an amount equal to the amount of scheduled principal or mandatory sinking fund payments and interest due in such Fiscal Year on Fixed Rate Bonds (excluding principal of any balloon maturity and also excluding principal of any Optional Tender for which a Credit Support Instrument has been provided), (ii) the amount of principal and interest projected to become due in such Fiscal Year on Variable Rate Bonds (excluding principal of any balloon maturity and also excluding principal of any Optional Tender for which a Credit Support Instrument has been provided) and (iii) an amount equal to the principal amount of a balloon maturity occurring after the Fiscal Year in question divided by the number of years to maturity from its date of original issuance or from such later date in or prior to the fiscal year in question as specified in the supplemental indenture authorizing the issuance of such balloon maturity. Such projection of interest on Variable Rate Bonds shall be calculated at any date of calculation as an amount equal to one hundred and ten percent (110%) of the greater of (a) the average daily interest rate during the then preceding 12-month period or (b) the rate in effect on the date of calculation, but in either event, not to exceed any maximum interest which may be set for any Variable Rate Bonds. Interest which is payable from the proceeds of Bonds set aside for such purpose in the Debt Service Fund shall be excluded in determining the Annual Debt Service Requirement. For purposes of this definition, "balloon maturity" shall mean Bonds of any series or multiple series of Bonds issued at substantially the same time with principal amounts maturing or otherwise due and payable within any 12-month period equal to or greater than 15% of the original principal amount of such Bonds; provided that, in calculating the amount due and payable in any 12-month period, such principal amount shall be reduced to the extent that all or any portion of such amount is required to

be amortized prior to such 12-month period; and provided further that for any balloon maturity the University may elect to waive the provisions of clause (iii) above for any one or more series of Bonds at the time of delivery thereof and treat such one or more series of Bonds as if such balloon maturity was not a balloon maturity for purposes of the application of this definition. The maturing amount of any Bonds issued at a discount shall not be considered a balloon maturity unless the original principal amount of such Bonds would be considered a balloon maturity. For any Bonds with respect to which the University has entered into a Qualified Swap Agreement or Agreements, the amount of Qualified Swap Payments, net of all such Qualified Swap Receipts, shall be considered in the calculation of Annual Debt Service Requirements in lieu of the payments described in clauses (i) through (iii) above; provided that such Qualified Swap Agreement shall be in effect for the entire Fiscal Year to which such calculation applies, and that Qualified Swap Agreements applicable to less than the full Fiscal Year shall not alter the calculation of the Annual Debt Service Requirement for such period. Qualified Swap Payments payable at a variable rate per annum shall be calculated on the same basis as Variable Rate Bonds for purposes of the application of various provisions under the Indenture, subject to any applicable interest rate floor or cap with respect to such variable rate.

"Bond Counsel" - McCall, Parkhurst & Horton L.L.P., or such other attorney or firm of attorneys which are nationally recognized as having expertise in the practice of tax-exempt municipal finance law as approved by the Issuer.

"Bond owner" or **"owner"** or **"Owner of the Bonds"** or **"Bondholder"** or **"Registered Owner"** - The registered owner of any Bond.

"Bonds" or **"Bond"** - The Series 2011 Bonds, the Series 2013 Bonds, Additional Bonds, and all substitute and replacement bonds issued pursuant to the Indenture.

"Business Day" - 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 corporate trust office of the Trustee is located are authorized by law or executive order to close.

"City" - The City of San Antonio, Texas.

"Closing Date" - The date of physical delivery of the initial Bonds of a series in exchange for the purchase price therefor.

"Code" - With respect to a series of Bonds, the Internal Revenue Code of 1986, as amended or such other successor federal income tax law, to the extent applicable.

"Construction Fund" - The construction fund created by Section 4.06 of the Indenture.

"Credit Support Instrument" - An irrevocable letter of credit, line of credit, insurance policy, guaranty or surety bond or similar instrument providing for the payment of or guaranteeing the payment of principal or purchase price of and interest on Bonds or other Long Term Indebtedness when due. Any such insurance policy, guaranty or surety bond or similar instrument shall be

noncancellable during the term of the Bonds or other Long Term Indebtedness for which it is provided and must be issued by an insurer with a credit rating within the two highest full rating categories available generally to issuers of such insurance, guaranties or surety bonds from a nationally recognized rating service. Any obligation on the part of the Issuer to purchase Bonds (with funds supplied by the University) or obligation of the University to purchase other Long Term Indebtedness from their holders upon the completion of the term of such Credit Support Instrument shall be treated for these purposes as the conclusion of the term of that Bond or other Long Term Indebtedness. Any such letter of credit or line of credit must be issued by a banking institution which has, or the parent of which has, or the holding corporation of which it is the principal bank has, at the time of insurance, a credit rating on its long-term unsecured debt within the two highest full rating categories generally available to banking institutions from a nationally recognized rating service.

"Debt Service" - As of any particular date of computation, with respect to the Bonds and with respect to any period, the aggregate of the amounts to be paid or set aside by the Issuer as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on the Bonds; assuming in the case of Bonds required to be redeemed or prepaid as to principal prior to maturity that the principal amounts thereof will be redeemed prior to maturity in accordance with the mandatory redemption provisions applicable thereto.

"Debt Service Fund" - The debt service fund created by Section 4.02 of the Indenture.

"Defeasance Obligations" - Any investment that is authorized for the purpose of effecting a defeasance of bonds or other obligations pursuant to State law.

"EMMA" - The Electronic Municipal Market Access system established and operated by the MSRB.

"Event of Default" has the meaning specified in Section 7.1 hereof.

"Expendable Financial Resources" - Unrestricted and temporarily restricted net assets of the University, less net investment in plant, as shown in the University's most recent audited financial statements, or the equivalent as estimated by the University if the University's accounting presentation format changes materially in the future.

"Fiscal Year" - The twelve-month accounting period used with respect to the operations of the University ending May 31 of each year; provided, however, the University, by resolution duly passed, may change such accounting period to end on another date if such change is found and determined to be necessary or appropriate for budgetary or other fiscal purposes.

"Fitch" - Fitch Ratings, Inc., or its legal successor.

"Fixed Rate Bond" - Any Bonds or other Long Term Indebtedness the interest rate on which, at the time of issuance, is established at a fixed numerical rate or rates to Stated Maturity (or in the case of a Variable Rate Bond the interest rate on which has been converted to a final fixed rate).

"Force Majeure" - Any cause or event not reasonably within the control of the University, including without limitation the following: acts of God; strikes, lockouts, or other disturbances; acts of public enemies; orders of any kind of the government of the United States or of the State or of the City, or of any of their departments, agencies, or officials, or civil or military authorities; insurrections; civil disturbances; epidemics; plagues; famines; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; blue northers; storms; typhoons; cyclones; waterspouts; volcanic eruptions; floods; washouts; droughts; arrests; restraints of government and people; explosions; breakage or accident to machinery and transmission lines or pipes; or partial or entire failure of utility services.

"Indenture" - The Amended and Restated Indenture of Trust, dated as of even date herewith, by and between the Issuer and the Trustee, and all amendments and supplements thereto.

"IRS" - The Internal Revenue Service.

"Issuer" - The CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION, a nonstock, nonprofit educational corporation, organized and existing under the Act, and its successor and assigns.

"Issuer Representative" - The person or persons designated from time to time to act on behalf of the Issuer by a written certificate furnished to the University and the Trustee containing the specimen signature or signatures of such person or persons and signed on behalf of the Issuer by the President or any Vice President of the Issuer.

"Loan Payments" - Those payments required to be paid by the University pursuant to Section 5.2 hereof.

"Long Term Indebtedness" - Collectively, the Series 2002 Bonds, the Series 2011 Bonds, the Series 2013 Bonds, and all other outstanding obligations for the repayment of borrowed money incurred by the University after the Closing Date for the Series 2013 Bonds (including but not limited to Additional Bonds), whether due and payable in all events, or upon the performance of work, the possession of property as lessee, or the rendering of services by others, except:

- (a) Short Term Indebtedness;
- (b) Current obligations payable out of current revenues, including current payment for the funding of pension plans;
- (c) Obligations under contracts for supplies, services, and pensions, allocable to current operating expenses of future years in which the supplies are to be furnished, the services rendered, or the pensions paid; and

- (d) Rentals payable in future years under leases not required to be capitalized under generally accepted accounting principles applicable in the preparation of the University's financial statements.

"Maximum Annual Debt Service" - The highest Annual Debt Service Requirement for the current or any succeeding Fiscal Year.

"Moody's" - Moody's Investors Service, Inc., or its legal successor.

"MSRB" - The Municipal Securities Rulemaking Board.

"Notes" - The promissory notes executed and delivered by the University to the Issuer evidencing the loans made by the Issuer to the University pursuant to this Agreement substantially in the form of the promissory note attached hereto as Exhibit B-1 (with respect to the Series 2011 Bonds) and Exhibit B-2 (with respect to the Series 2013 Bonds), and similar promissory notes executed and delivered by the University to the Issuer in connection with the issuance of any Additional Bonds, and all extensions, renewals and replacements thereof.

"Optional Tender" or **"Optional Tenders"** - Bonds or other Long Term Indebtedness which may, at the option of the owners thereof, be subject to payment, redemption or purchase by or on behalf of the Issuer (with funds provided therefor by the University) or directly by the University.

"Outstanding" or **"Bonds Outstanding"** or **"Bonds then outstanding"** - As of the time in question, all Bonds which have been executed and delivered by the Issuer under the Indenture, except:

(a) Bonds theretofore canceled or delivered to the Trustee for cancellation, after purchase in the open market or because of payment at or redemption prior to maturity.

(b) Bonds for the payment or redemption of which moneys sufficient, or Defeasance Obligations the principal of, premium, if any, and interest on which when due will be sufficient, to pay the Debt Service on such Bonds, to the date fixed for payment or redemption, shall have been theretofore or shall be concurrently deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds); provided that, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee.

(c) Bonds in lieu of which other Bonds have been authenticated and delivered under the Indenture.

"Paying Agent" - Any bank or trust company designated pursuant to the Indenture to serve in addition to the Trustee as paying agent or place of payment of the Debt Service, and any

successors designated pursuant to the Indenture. The initial Trustee shall serve as the initial Paying Agent.

"Permitted Investments" - The investments authorized to be made by the Trustee of amounts held in funds established by the Trustee, as provided in Section 5.01 of the Indenture.

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

"Premium" or **"premium"** - Any amounts in addition to the principal of and interest on any Bond required to be paid in the event of the exercise of an option to pay the principal of any Bond prior to maturity as permitted thereby.

"Project" - The buildings, equipment, facilities, and improvements located on the campus of the University that are financed and/or refinanced, in whole or in part, with proceeds from a series of Bonds. With respect to the Series 2011 Bonds, the Project being partially refinanced with proceeds of the Series 2011 Bonds is more fully described in Exhibit A-1 hereto and is defined and referred to herein as the **"Series 2011 Project."** With respect to the Series 2013 Bonds, the Project being financed, in part, with proceeds of the Series 2013 Bonds is more fully described in Exhibit A-2 hereto and is defined and referred to herein as the **"Series 2013 Project."**

"Projects" - Collectively, each Project that is financed or refinanced with proceeds of any then outstanding Bonds.

"Project Costs" - To the extent authorized by the Code, the Regulations, and the Act, all costs incurred by the Issuer or the University with respect to the acquisition, construction, reconstruction, improvement, and expansion, as the case may be, of a Project financed or refinanced, in whole or in part, with proceeds of a series of Bonds, whether paid or incurred prior to or after the date of this Agreement, including the cost of the acquisition of all land, rights-of-way, property rights, easements, and interests; the cost of all machinery and equipment; interest prior to and during construction not in excess of two years' interest on the related Bonds whether or not capitalized; necessary reserve funds; the cost of engineering and legal services; plans, specifications, surveys, and estimates of cost and of revenue; other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving, and expanding such Project; administrative expenses; the Issuer's and the Trustee's charges and expenses in connection with issuance of the related Bonds; and such other expenses as may be necessary or incident to the acquisition, construction, reconstruction, improvement, and expansion thereof, the placing of the same in operation, and the financing or refinancing of the related Project, including the refunding of any outstanding obligations, mortgages, or advances issued, made, or given by any person for any of the aforementioned costs; provided, however, the Project Costs shall not include theoretical costs, but only costs directly attributable to, and specifically identified as being with respect to, the financing, refinancing, acquisition, construction, reconstruction, improvement, and expansion, as the case may be, of a Project.

"Project Site" - The tract(s) of land on which a Project is located.

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

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

"Qualified Swap Payments" - Payments to be made by the University to a Qualified Swap Provider under a Qualified Swap.

"Qualified Swap Provider" - Any Qualified Counterparty, with whom the University has entered into a Qualified Swap.

"Qualified Swap Receipts" - Payments to the University by a Qualified Swap Provider under a Qualified Swap.

"Rebate Fund" - The rebate fund created by Section 4.07 of the Indenture.

"Redemption Price" - The principal of, premium, if any, and interest on Bonds due and payable upon the redemption thereof.

"Regulations" - All applicable temporary, proposed and final regulations and procedures promulgated under the Code or promulgated under the Internal Revenue Code of 1954, to the extent applicable to the Code.

"Resolution" - Any resolution of the Issuer including amendments thereto, authorizing a series of Bonds.

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

"**S&P**" - Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, or its legal successor.

"**SEC**" - The United States Securities and Exchange Commission.

"**Series 2011 Account**" - The account within the Construction Fund so designated in Section 3.4(b) hereof.

"**Series 2011 Bonds**" - The **CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION HIGHER EDUCATION REVENUE REFUNDING BONDS (TRINITY UNIVERSITY PROJECT) SERIES 2011**, in the original aggregate principal amount of **\$20,035,000**, issued pursuant to the Resolution of the Issuer adopted on June 9, 2011, and Article II of the Indenture.

"**Series 2011 Note**" - The promissory note of the University, dated as of June 1, 2011, provided to the Issuer in substantially the form set forth in Exhibit B-1 of this Agreement in connection with the issuance of the Series 2011 Bonds.

"**Series 2011 Project**" - The Project being partially refinanced with proceeds of the Series 2011 Bonds, which is more fully described in Exhibit A-1 hereto.

"**Series 2013 Account**" - The account within the Construction Fund so designated in Section 3.5(b) hereof.

"**Series 2013 Bonds**" - The **CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION HIGHER EDUCATION REVENUE IMPROVEMENT BONDS (TRINITY UNIVERSITY PROJECT), SERIES 2013**, in the original aggregate principal amount of \$_____, issued pursuant to the Resolution of the Issuer adopted on November 21, 2013, and Article II of the Indenture.

"**Series 2013 Note**" - The promissory note of the University, dated as of December 1, 2013, provided to the Issuer in substantially the form set forth in Exhibit B-2 of this Agreement in connection with the issuance of the Series 2013 Bonds.

"**Series 2013 Project**" - The Project being financed, in part, with proceeds of the Series 2013 Bonds, which is more fully described in Exhibit A-2 hereto.

"**Short Term Indebtedness**" - All obligations of the University for the repayment of borrowed money payable upon demand or having a maturity of one year or less from the date incurred, excluding the current portion of any Long Term Indebtedness.

"**State**" - The State of Texas.

"**Stated Maturity**" - When used with respect to any Bond or any installment of interest thereon, the date specified in such Bond as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

"**Tax-Exempt Organization**" - An organization described in section 501(c)(3) of the Code, exempt from federal income taxes under section 501(a) of the Code or any successor provision of similar import hereafter enacted.

"Trustee" - The trustee at the time serving as such under the Indenture.

"United States" - The United States of America.

"University" - **TRINITY UNIVERSITY**, a nonprofit corporation organized and existing under the laws of the State, being a private institution of higher education, and its successors and assigns, including any surviving, resulting, or transferee entity as permitted in this Agreement.

"University Representative" - The person or persons designated from time to time to act on behalf of the University by written certificate furnished to the Issuer and Trustee containing the specimen signature or signatures of such person or persons and signed on behalf of the University by the President or any Vice President of the University.

"Variable Rate Bond" - Any Bonds or other Long Term Indebtedness the interest rate on which, at the time of issuance, is not established at a fixed numerical rate or rates to Stated Maturity; provided that a maximum rate of interest be established for each series of Variable Rate Bonds.

SECTION 1.2. CONSTRUCTION OF TERMS USED IN THIS AGREEMENT. If appropriate in the context of this Agreement, words of the singular number shall be considered to include the plural, words of the plural shall be considered to include the singular, and words of the masculine, feminine, or neuter gender shall be considered to include the other genders. Any reference to a section or provision of the Constitution of the State or the Act, or to a section, provision or chapter of State law or to any statute of the United States, includes that section, provision, chapter or statute as amended, modified, revised, supplemented or superseded from time to time; provided, that no amendment, modification, revision, supplement or superseding constitutes in any way an impairment of the rights or obligations of the Issuer, the Bondholders, the Trustee, or the University under this Agreement.

END OF ARTICLE I

ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.1. THE ISSUER'S REPRESENTATIONS, WARRANTIES, AND FINDINGS. The Issuer represents, warrants, and finds that:

(a) The Issuer is a constituted authority and an instrumentality (within the meaning of those terms in the regulations and the rulings of the IRS prescribed and promulgated pursuant to the Code) and, pursuant to the Act, the Issuer has the power to issue the Bonds, to enter into this Agreement and the transactions contemplated hereby, and to carry out its obligations hereunder.

(b) The Issuer has, by proper corporate action, duly authorized (i) the execution and delivery of this Agreement and the Indenture, and (ii) the issuance of the Series 2011 Bonds and the Series 2013 Bonds.

(c) The Issuer agrees that it will do or cause to be done in a timely manner all things necessary to preserve and keep in full force and effect its existence, and to carry out the terms of this Agreement and the Indenture.

(d) The Issuer shall provide to the City, promptly after the issuance of any Bonds (if it has not previously done so), a full and complete description of any educational or housing facilities, or facilities which are incidental, subordinate, or related thereto or appropriate in connection therewith, the cost of which is to be paid in whole or in part from the proceeds of the Bonds, together with a full and complete description of the Bonds issued in connection therewith.

SECTION 2.2. THE UNIVERSITY'S REPRESENTATIONS AND WARRANTIES. The University hereby makes the following representations and warranties, as the basis for the undertakings on the part of the University herein contained:

(a) The University is a corporation duly incorporated, validly existing, and in good standing under the laws of the State and is not in violation of any provisions of its Articles of Incorporation, its bylaws, or any laws of the State relevant to the transactions contemplated hereby or in connection with the issuance of the Bonds. The University is an "institution of higher education", as such term is defined in Section 53A.02, Texas Education Code, currently accredited as a degree-granting college or university corporation by the Southern Association of Colleges and Schools. The University has requested that the Issuer issue the Series 2011 Bonds for the purpose of refinancing a portion of the Project described in Exhibit A-1 attached hereto, and the University has requested that the Issuer issue the Series 2013 Bonds for the purpose of financing the Project described in Exhibit A-2 attached hereto.

(b) The University has full corporate power and authority to execute and deliver this Agreement, and has, by proper corporate action, duly authorized the execution and delivery of this Agreement.

(c) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby and thereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement conflicts with or results in a breach of the terms, conditions, or provisions of any corporate restriction or any agreement or instrument to which the University is now a party or by which it is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge, or encumbrance whatsoever upon any of the property or assets of the University under the terms of any instrument or agreement.

(d) The University has obtained or will obtain all necessary licenses and permits to acquire, construct, and operate the Project, and the Project has been approved by all necessary governmental bodies or agencies having jurisdiction.

(e) (i) The University is an organization exempt from federal income taxation as provided in Section 501(a) of the Code by virtue of being described in Section 501(c)(3) of the Code;

(ii) The purposes, character, activities and methods of operation of the University are not materially different from the purposes, character, activities and methods of operation at the time of its determination by the IRS to be an organization described in Section 501(c)(3) of the Code (the "Determination") or have been disclosed to the IRS and the University has received confirmation that such activities or methods of operation do not materially adversely affect the status of the Determination;

(iii) The University has not diverted a substantial part of its corpus or income for a purpose or purposes other than the purpose or purposes (a) for which it is organized or operated or (b) disclosed to the IRS in connection with the Determination;

(iv) The University has not operated since its organization in a manner that would result in it being classified as an "action" organization within the meaning of section 1.501(c)(3)-(1)(c)(3) of the Regulations including, but not limited to, by promoting or attempting to influence legislation by means of propaganda or otherwise;

(v) With the exception of the payment of compensation (and the payment or reimbursement of expenses) which is not excessive and is for personal services which are reasonable and necessary to carrying out the purposes of the University, no individual who would be a "foundation manager" within the meaning of Section

4946(b) of the Code with respect to the University, nor any Person controlled by any such individual or individuals, nor any Person having a personal or private interest in the activities of the University has acquired or received, directly or indirectly, any income or assets, regardless of form, of the University during the current Fiscal Year and the five Fiscal Years preceding the current Fiscal Year, other than as reported to the IRS by the University;

(vi) The University is not a "private foundation" within the meaning of Section 509(a) of the Code;

(vii) The University has not received any indication or notice whatsoever to the effect that its exemption under Section 501(c)(3) of the Code has been revoked or modified, or that the IRS is considering revoking or modifying such exemption, and such exemption is still in full force and effect;

(viii) The University has timely filed with the IRS all requests for determination, reports and returns required to be filed by it and such requests for determination, reports and returns have not omitted or misstated any material fact and has timely notified the IRS of any changes in its organization and operation since the date of the application for the Determination;

(ix) The University has not devoted more than an insubstantial part of its activities in furtherance of a purpose other than an exempt purpose within the meaning of Section 501(c)(3) of the Code;

(x) The University has not taken any action, nor does it know of any action that any other Person has taken, nor does it know of the existence of any condition which would cause the University to lose its exemption from taxation under Section 501(a) of the Code or cause interest on the Bonds to be includable in the income of the recipients thereof for federal income tax purposes;

(xi) Taking into account the issue price (as defined in Section 1273 of the Code) of the various Stated Maturities of each issue of the Bonds, the average term of the Bonds of such issue does not exceed 120% of the average reasonably expected economic life of the Project to be financed or refinanced by the Bonds of such issue, weighted in proportion to the respective cost of each item comprising the property, the cost of which has been or will be financed, directly or indirectly, with the Net Proceeds of the Bonds of such issue. For purposes of the preceding sentence, the reasonably expected economic life of property shall be determined as of the later of (A) the Closing Date for the Bonds of such issue or (B) the date on which such property is placed in service (or expected to be placed in service). In addition, land shall not be taken into account in determining the reasonably expected economic life of property, except that, in the event 25% or more of the collective Net Proceeds of the Bonds of such issue, directly or indirectly, have been expended for land, such land shall be treated as having an economic life of 30 years and shall be taken into account for purposes of determining the reasonably expected economic life of such property;

(xii) All of the documents, instruments and written information supplied by or on behalf of the University, which have been reasonably relied upon by Bond Counsel in rendering their opinion with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes or counsel to the University in rendering their opinion with respect to the status of the University under Section 501(c)(3) of the Code, are true and correct in all material respects, do not contain any untrue statement of a material fact and do not omit to state any material fact necessary to be stated therein to make the information provided therein, in light of the circumstances under which such information was provided, not misleading.

(f) Any certificate with respect to factual or financial matters signed by an officer of the University and delivered to the Issuer shall be deemed a representation and warranty by the University as to the statements made therein.

END OF ARTICLE II

ARTICLE III

THE PROJECTS

SECTION 3.1. APPROVALS AND PERMITS. The University has obtained all licenses and permits necessary with respect to any acquisition, construction, reconstruction, improvement, expansion, or operation, as the case may be, of the Series 2011 Project and the Series 2013 Project described in Exhibit A-1 and Exhibit A-2, respectively, of this Agreement and all necessary approvals from any governmental bodies or agencies having jurisdiction in connection therewith.

SECTION 3.2. COMPLETION OF THE SERIES 2011 PROJECT. The University has completed the acquisition, construction, reconstruction, improvement, and expansion of the Project described in Exhibit A-1 of this Agreement, and such Project is currently being operated by the University in accordance with the terms of the documents authorizing the issuance of the Series 2002 Bonds. The University is not in default under the terms of any of such documents.

SECTION 3.3. CHANGES IN THE PLANS AND SPECIFICATIONS. The Plans and Specifications for the Series 2013 Project have been approved by a duly authorized officer of the University. The University may make insubstantial changes in, additions to, or deletions from the Plans and Specifications without prior consultation with the Issuer. The University may make substantial changes in, additions to, or deletions from the Plans and Specifications without prior consultation with the Issuer, only if (a) the Series 2013 Project shall continue to constitute facilities of the type which may be financed by the Issuer under the Act; and (b) any required approvals of such changes, additions, or deletions have been obtained from any governmental bodies or agencies having jurisdiction.

SECTION 3.4. DISBURSEMENTS OF THE SERIES 2011 BOND PROCEEDS. (a) General. The proceeds received from the sale of the Series 2011 Bonds have been fully disbursed for the purposes described in Section 5.1(a) hereof in accordance with a letter of instructions executed by an Issuer Representative and delivered to the Trustee in connection with the issuance of the Series 2011 Bonds.

(b) Disbursements from Construction Fund. Pursuant to the provisions of the Indenture and the letter of instructions described in subsection (a) of this Section, there was deposited into the "Series 2011 Account" of the Construction Fund a portion of the proceeds received from the sale of the Series 2011 Bonds, and the Trustee was authorized and directed to make payments from the Series 2011 Account of the Construction Fund, as requested by the University in writing, to pay costs of issuance of the Series 2011 Bonds and to the University to reimburse the University for any costs paid directly by the University to pay costs of issuance; provided, however, in no event could the amount deposited in the Series 2011 Account of the Construction Fund exceed 2% of the original principal amount of the Series 2011 Bonds. Such payments were required to be made to third parties and/or the University by the Trustee upon receipt of a disbursement request substantially in the form attached as Exhibit C-1 to this Agreement, signed by a University Representative and stating: (a) the requisition number; (b) the amount to be paid; (c) the account from which such payment was to be made; (d) that each obligation mentioned therein has been properly incurred, was a proper charge

against the Series 2011 Account of the Construction Fund, was unpaid or not reimbursed to the University, and had not been the basis of any previous withdrawal or payment; and (e) that the payment of the amounts requested would not result in a breach of any of the covenants of the University contained in this Agreement, including particularly the covenants contained in Section 6.7 hereof. The Issuer and the Trustee were entitled to rely fully on any disbursement request delivered pursuant to this Section and would not be required to make any investigation in connection therewith; provided, however, that duly authorized representatives of the Issuer could at reasonable times, inspect the invoices, statements, and related materials which are the basis for the University's requisition for payment. Any amounts remaining in the Construction Fund 90 days after the date of issuance of the Series 2011 Bonds were required to be deposited to the Debt Service Fund and applied toward the next scheduled payments of Debt Service on the Series 2011 Bonds.

SECTION 3.5. DISBURSEMENTS OF THE SERIES 2013 BOND PROCEEDS. (a) General. The proceeds received from the sale of the Series 2013 Bonds shall be disbursed, for the purposes described in Section 5.1(b) hereof, in accordance with a letter of instructions executed by an Issuer Representative and delivered to the Trustee.

(b) Disbursements from Construction Fund. Pursuant to the provisions of the Indenture and the letter of instructions described in subsection (a) of this Section, there shall be deposited into the "Series 2013 Account" of the Construction Fund a portion of the proceeds received from the sale of the Series 2013 Bonds, and the Trustee is authorized and directed to make payments from the Series 2013 Account of the Construction Fund, as requested by the University in writing, to pay Project Costs related to the Series 2013 Bonds, including costs of issuance thereof, and to the University to reimburse the University for any Project Costs paid directly by the University in connection with the issuance of the Series 2013 Project prior to the issuance of the Series 2013 Bonds; provided, however, in no event shall proceeds of the Series 2013 Bonds used to pay costs of issuance thereof exceed 2% of the original principal amount of the Series 2013 Bonds. Such payments shall be made to third parties and/or the University by the Trustee upon receipt of a disbursement request substantially in the form attached as Exhibit C-2 to this Agreement, signed by a University Representative and stating: (a) the requisition number; (b) the amount to be paid; (c) the account from which such payment is to be made; (d) that each obligation mentioned therein has been properly incurred, is a proper charge against the Series 2013 Account of the Construction Fund, is unpaid or not reimbursed to the University, and has not been the basis of any previous withdrawal or payment; and (e) that the payment of the amounts requested will not result in a breach of any of the covenants of the University contained in this Agreement, including particularly the covenants contained in Section 6.7 hereof. The Issuer and the Trustee may rely fully on any disbursement request delivered pursuant to this Section and shall not be required to make any investigation in connection therewith; provided, however, that duly authorized representatives of the Issuer may, at reasonable times, inspect the invoices, statements, and related materials which are the basis for the University's requisition for payment. Any amounts remaining in the Construction Fund after the Series 2013 Project has been completed, as described in Section 4.08 of the Indenture, shall be deposited to the Debt Service Fund and applied toward the next scheduled payments of Debt Service on the Series 2013 Bonds.

SECTION 3.6. INSPECTION OF THE PROJECTS. The University agrees that the Issuer and its duly authorized agents, including the Trustee, may, at reasonable times as determined by the University, enter upon the Project Site and examine and inspect the Projects and, upon the occurrence of an Event of Default, the books and records of the University that relate to the Projects.

SECTION 3.7. MAINTENANCE AND OPERATION. The University undertakes to cause each item of its buildings and other facilities, including the Projects, to be maintained and operated so long as the operation of each such item, in the sole judgment of the University, is economical, lawful, and feasible and in accordance with good operating practice. The University agrees that during the term of this Agreement it will pay all costs of operating, maintaining, and repairing its buildings and other facilities, including the Projects, and that the Issuer shall have no responsibility or liability whatsoever for operating, maintaining, or repairing its buildings and other facilities, including the Projects.

SECTION 3.8. NONSECTARIAN USE OF THE PROJECTS. The University and the Issuer intend that the loan to the University and all other transactions provided for in this Agreement be made in strict compliance with all applicable laws and constitutional provisions of the United States and the State. Accordingly, the University agrees that to the full extent required from time to time by applicable laws and constitutional provisions of the United States and the State in order for the loan to the University and all other transactions provided for in this Agreement to be made and effected in compliance with such laws and constitutional provisions: (a) no part of the Projects financed or refinanced in whole or in part with proceeds of the Bonds shall be used for sectarian instruction or as a place of religious worship; (b) notwithstanding the payment in full of the Loan Payments and the Bonds, and notwithstanding the termination of this Agreement, each such part of the Projects will continue to be subject to the restrictions set out in subsection (a) of this Section for so long as it is owned by the University, or any voluntary grantee of the University, provided, the continuance of such restriction is necessary to preserve the exemption from federal income taxation of interest on the Bonds under the Code; and (c) the Issuer and its duly authorized agents, including the Trustee, may inspect the Projects from time to time to the extent reasonably required to determine that the provisions of this Section are complied with. It is herein provided, however, that to any extent that a restriction or agreement set out in this Section shall at any time not be required in order for the loan to the University and all other transactions provided for in this Agreement to be made and effected in compliance with applicable constitutional provisions of the United States and the State, such restriction or agreement shall, to that extent and without necessary action by any party, be without any force or effect; and provided further, that in no event shall such restriction or agreement set out in this Section be more expansive than required by an applicable constitutional provision.

SECTION 3.9 INSURANCE. The University shall insure, including at the University's option by means of self-insurance, its buildings and other facilities, including the Projects, against such losses and in such amounts as is customary for persons engaged in the same business as the University and operating facilities similar to its buildings and other facilities, including the Projects.

SECTION 3.10. UNIVERSITY REQUIRED TO FUND ADDITIONAL PROJECT COSTS. If the proceeds derived from the sale of a series of Bonds are not sufficient to pay in full the Project Costs related to a Project, the University shall pay so much of the Project Costs thereof as may be in excess of the proceeds of such series of Bonds issued to finance such Project and any investment

income thereon available therefor. The University agrees that if, after exhaustion of the proceeds derived from the sale of such series of Bonds and investment income thereon, the University should pay any portion of the related Project Costs pursuant to the provisions of this Section, it shall not be entitled to any reimbursement therefor from the Issuer or the Trustee nor shall it be entitled to any abatement, diminution or postponement of its payments hereunder or under the applicable Note.

END OF ARTICLE III

ARTICLE IV

THE BONDS

SECTION 4.1. CONSIDERATION FOR THE BONDS. In consideration of the covenants and agreements set forth herein and the mutual benefits to the parties hereto, and to enable the Issuer to issue the Bonds to carry out the intents and purposes hereof, this Agreement is being executed by the University to assure the issuance of the Bonds, and to provide for the due and punctual payment by the University of the Loan Payments to the Trustee, as assignee of the Issuer, and for the benefit of the Issuer and the owner of any Bond.

SECTION 4.2. ISSUANCE OF ADDITIONAL BONDS. Upon the request of the University and pursuant to the provisions of the Indenture, the Issuer issued the Series 2011 Bonds and is issuing the Series 2013 Bonds, and, subject to the requirements set forth in the Indenture (with respect to issuing Additional Bonds) and Section 6.3 of this Agreement (with respect to incurring Long Term Indebtedness, including Additional Bonds), and provided that the University is not in default under the provisions of this Agreement, and if the Issuer deems it reasonable, necessary and advisable, will cooperate with the University in issuing Additional Bonds to refinance any Project or for such other purposes as permitted by the Act.

SECTION 4.3. CERTAIN APPROVALS. The Indenture provides for the payment of the Loan Payments directly to the Trustee by the University and may provide for additional obligations to be performed by the University. The Indenture is subject to the written approval by a University Representative, and the provisions of the Indenture shall not be binding or effective upon the University unless and until such approval is given. Such approval, if and when given, shall constitute the acknowledgment and agreement of the University that the Bonds are to be issued in accordance and compliance with this Agreement, notwithstanding any other provision of this Agreement or any other agreement to the contrary. Any owner of the Bonds is entitled to rely fully and unconditionally on any such approval. Notwithstanding any provisions of this Agreement, the Notes, or any other agreement to the contrary, if and when a University Representative gives written approval to the Indenture, all covenants and provisions in the Indenture affecting the University shall, upon the delivery of the Bonds authorized by the Indenture, become unconditional, valid, and binding covenants and obligations of the University so long as any Bonds are Outstanding. Particularly, the obligation of the University to pay all Loan Payments promptly when due may be enforced as provided in the Indenture regardless of any other provisions of this Agreement, the Notes, or any other agreement. If any such written approval of the Indenture is given by a University Representative, such approval shall constitute and be the equivalent of the approval of the Indenture by the University and its Board of Trustees, and the provisions of the Indenture affecting the University shall constitute the unconditional obligations of, and be binding upon, the University with the effect described above. After the approval by the University of the Indenture (including supplemental indentures), the Issuer shall not refund, redeem prior to their scheduled maturities, change, or modify the Bonds issued thereunder, or change or modify the Indenture, except as provided therein, without the prior written approval of a University Representative.

SECTION 4.4. REDEMPTION OF BONDS. The Issuer, upon the written request of the University, shall forthwith take any and all steps that may be necessary under the applicable redemption provisions specified in the Indenture to effect redemption, using funds then on deposit in the Debt Service Fund, or other funds made available by the University, of all or part of the then Outstanding Bonds (provided that the Bonds are then subject to redemption), as may be specified by the University, on the earliest date on which such redemption may be made under such applicable provisions; provided that the redemption of any Outstanding Bonds prior to maturity at any time shall not relieve the University of its unconditional obligations to pay each remaining Loan Payment. Upon the occurrence of any event specifically listed in the Indenture requiring redemption of the Bonds, the Issuer, upon payment by the University of all Loan Payments necessary therefor, shall forthwith take all steps necessary to effect such redemption.

END OF ARTICLE IV

ARTICLE V

LOANS AND PROVISIONS FOR REPAYMENT THEREOF

SECTION 5.1. LOANS BY THE ISSUER; DELIVERY OF THE NOTES.

(a) *Relating to the Series 2011 Bonds.* So that the University could refinance the Series 2011 Project described in Exhibit A-1 attached to this Agreement by refunding a portion of the Series 2002 Bonds and pay costs of issuance of the Series 2011 Bonds, the Issuer loaned to the University the proceeds of the Series 2011 Bonds for such purposes. Such proceeds have been disbursed and applied in accordance with Section 3.3 of the Original Agreement (which is substantially restated in Section 3.4 of this Agreement) and Sections 4.03(a) and 4.06(a) of the Indenture. The proceeds of the sale of the Series 2011 Bonds (including amounts representing accrued interest on the Series 2011 Bonds, if any, which were required to be deposited into the Debt Service Fund, and any premium paid as part of the purchase price of the Series 2011 Bonds, if any) were loaned by the Issuer to the University. The University's obligation to make Loan Payments in connection with the Series 2011 Bonds is evidenced by the University's creation and issuance of the Series 2011 Note, substantially in the form attached hereto as Exhibit B-1, dated as of June 1, 2011, and payable to the order of the Issuer. As security for repayment of the Series 2011 Note and performance of the University's obligations under this Agreement, the University pledged, set over, assigned, and granted a security interest to the Issuer in all funds at any time deposited in the Series 2011 Account of the Construction Fund. The University authorized and directed the Trustee to hold such funds as bailee and custodian for the Issuer with respect to the Construction Fund in accordance with the provisions of section 9.313 of the Texas Business & Commerce Code, and to invest and disburse such funds in accordance with the Indenture and this Agreement.

(b) *Relating to the Series 2013 Bonds.* So that the University may finance the Series 2013 Project described in Exhibit A-2 attached to this Agreement, and pay costs of issuance of the Series 2013 Bonds, the Issuer shall loan to the University the proceeds of the Series 2013 Bonds for such purposes. Such proceeds shall be disbursed and applied in accordance with Section 3.5 of this Agreement and Sections 4.03(b) and 4.06(b) of the Indenture. The proceeds of the sale of the Series 2013 Bonds (including amounts representing accrued interest on the Series 2013 Bonds, if any, which shall be deposited into the Debt Service Fund, and any premium paid as part of the purchase price of the Series 2013 Bonds, if any) are hereby loaned by the Issuer to the University. The University's obligation to make Loan Payments in connection with the Series 2013 Bonds shall be evidenced by the University's creation and issuance of the Series 2013 Note, substantially in the form attached hereto as Exhibit B-2, dated as of the date of this Agreement and payable to the order of the Issuer. As security for repayment of the Series 2013 Note and performance of the University's obligations under this Agreement, the University hereby pledges, sets over, assigns, and grants a security interest to the Issuer in all funds at any time deposited in the Series 2013 Account of the Construction Fund. The University hereby authorizes and directs the Trustee to hold such funds as bailee and custodian for the Issuer with respect to the Construction Fund in accordance with the provisions of section 9.313 of the Texas Business & Commerce Code, and to invest and disburse such funds in accordance with the Indenture and this Agreement.

SECTION 5.2. PAYMENT OF THE LOAN PAYMENTS FOR EACH SERIES OF BONDS. In consideration of the loan to it of the proceeds of the Series 2011 Bonds, the Series 2013 Bonds, and any series of Additional Bonds which may hereafter be issued, and of the covenants and agreements set forth herein, the University agrees to pay Loan Payments to the Trustee, for the benefit of and as assignee of the Issuer, for deposit in the Debt Service Fund, all as required by the Indenture. The Loan Payments shall be equal to the amount required to pay, when due (whether at Stated Maturity, upon redemption prior to maturity, upon acceleration of Stated Maturity, or otherwise), the Debt Service on the Outstanding Bonds of each series and, to the extent permitted by law, interest on any overdue payments. The University further agrees to pay or cause to be paid to the Paying Agent under the Indenture an amount which, when added to any other amounts available therefor, will be sufficient to pay the purchase price of Bonds tendered for purchase in accordance with the terms of the Indenture. All payments to be made by the University under this Section 5.2, including Loan Payments to be made in respect to a series of Bonds, shall be paid in immediately available funds to the Trustee not later than the Business Day prior to the day that Debt Service is required to be paid.

The University shall not be obligated to make any further payments of Loan Payments under this Section at such time as the entire Debt Service shall have been fully paid in accordance with the terms of the Bonds, or provision therefor has been made in accordance with the Indenture. In the event that the University shall fail to make any of the payments required in this Section with respect to any Bonds, the payment so in default shall continue as an obligation of the University until the amount of the default shall have been fully paid and the University shall pay interest on any overdue principal and on any overdue interest, to the extent permitted by law, at the rate per annum specified in the Indenture for such overdue payments. Anything contained herein, in the Notes, or in the Bonds to the contrary notwithstanding, any provision for interest, premium, compensatory payment, or payments in the nature of interest shall not exceed, and shall be subject to reduction to, the amount allowed under the laws of the State as now or hereafter construed by courts having jurisdiction, and it is agreed that in no event shall usury be contracted for, paid, or collected.

SECTION 5.3. PREPAYMENTS OF LOAN PAYMENTS. Upon compliance with the redemption notice provisions of the Bonds, the University shall have the right to make prepayments of Loan Payments at any time and the Trustee shall be authorized to receive the same for deposit into the Redemption Fund. Any prepayment by the University shall not relieve it of liability for each remaining Loan Payment or Debt Service as provided in this Agreement and the Indenture. If all or any part of the Bonds are called for redemption in accordance with the Indenture or become subject to mandatory redemption, the University shall prepay Loan Payments sufficient to pay and redeem such Bonds on the date fixed for redemption.

SECTION 5.4. PAYMENT OF THE TRUSTEE AND ANY PAYING AGENTS. The University will promptly pay the reasonable and necessary fees, expenses, attorneys fees, and charges of the Trustee, Registrar, and any Paying Agents under the Indenture, such fees and charges to be paid directly to the Trustee, Registrar, or any Paying Agents for its or their own account as and when such fees and charges become due and payable, and any expenses in connection with any redemption of the Bonds. The University shall also indemnify the Trustee as provided in Section 10.02 of the Indenture.

SECTION 5.5. THE LOAN PAYMENTS AND THE NOTES ASSIGNED. It is understood and agreed that the Loan Payments to be made by the University pursuant to this Agreement, the Notes delivered by the University to the Issuer, and certain rights of the Issuer hereunder are pledged and collaterally assigned by the Issuer to the Trustee pursuant to the Indenture. The Issuer hereby directs the University, and the University hereby agrees, to pay to the Trustee the Loan Payments so assigned.

SECTION 5.6. OBLIGATIONS OF THE UNIVERSITY ARE UNCONDITIONAL AND UNSECURED GENERAL OBLIGATIONS OF THE UNIVERSITY. The obligations of the University to pay Loan Payments, to make the other payments pursuant to this Agreement, and to perform and observe the other agreements and covenants on its part contained herein shall be absolute and unconditional, shall not be subject to any diminution, abatement, set-off, or counterclaim, and shall be considered an unsecured general obligation of the University to which the full faith and credit of the University is hereby pledged. Until such time as the Debt Service shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, the University (a) shall not suspend or discontinue payment of the Loan Payments or any other payments pursuant to this Agreement, (b) shall perform and observe all of its covenants, conditions, and agreements contained in this Agreement, and (c) shall not terminate this Agreement for any cause. The University hereby waives, to the extent permitted by applicable law, any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, or limit its liability under this Agreement, except in accordance with the express terms hereof. The owners of the Bonds shall be entitled to rely upon the agreements, covenants, and representations in this Section 5.6, notwithstanding any other agreement to the contrary and regardless of the validity of the remainder of this Agreement or any other agreement.

SECTION 5.7. UNIVERSITY TO PAY AMOUNTS INTO REBATE FUND. Upon receipt from the Trustee of any notice pursuant to Section 4.07 of the Indenture, or the University's determination, that amounts available in the Debt Service Fund to be transferred to the Rebate Fund are insufficient to make the payments required to be paid to the Rebate Fund, the University shall immediately pay to the Trustee, in immediately available funds, the amount required to cure such insufficiency. The obligations of the University under this Section are direct and unconditional obligations of the University, specifically undertaken to induce the Issuer to make the Loan, and the Issuer shall have no obligation or duty with respect to the Rebate Fund.

END OF ARTICLE V

ARTICLE VI

SPECIAL COVENANTS

SECTION 6.1. NO LIABILITY OF THE ISSUER. No obligation of the Issuer, created by or arising out of this Agreement, including the Bonds, shall impose a debt or pecuniary liability upon the State, the City, or any other political corporation, subdivision, or agency of the State, or constitute a pledge of the faith and credit of any of the foregoing, but shall be payable solely out of the revenues and receipts derived hereunder except (as provided in the Indenture and in this Agreement) to the extent paid out of moneys attributable to the proceeds of the sale of the Bonds or the income from the investment thereof.

Neither the issuance of the Bonds nor the delivery of this Agreement shall, directly or indirectly or contingently, obligate the State, the City, or any political corporation, subdivision, or agency of the State to levy any form of taxation therefor or to make any appropriation for their payment. Nothing in the Bonds, the Indenture, the Notes, or this Agreement, or the proceedings of the Issuer authorizing the Bonds or in the Act shall be construed to authorize the Issuer to create a debt of the State, the City, or any political corporation, subdivision, or agency of the State within the meaning of any constitutional or statutory provision of the State. The Debt Service shall be payable solely from the funds pledged for their payment in accordance with the Indenture. Neither the State, the City, nor any political corporation, subdivision, or agency of the State shall be obligated to pay the Debt Service or be liable for the performance of any pledge, obligation, or agreement of any kind whatsoever which may be undertaken by the Issuer. Neither the faith and credit nor the taxing power of the State, the City, or any political corporation, subdivision, or agency of the State is pledged to the payment of the Debt Service. No breach of any such pledge, obligation, or agreement by the Issuer may impose any pecuniary liability upon the State, the City, or any political corporation, subdivision, or agency of the State, or any charge upon the faith and credit or against the taxing power of the State, the City, or any political corporation, subdivision, or agency of the State.

SECTION 6.2. FINANCIAL REPORTS; NO DEFAULT CERTIFICATES; NOTICE OF DEFAULT. The University shall cause an annual audit of its books and accounts to be made by independent certified public accountants and shall file with the MSRB through EMMA a copy of such audit report in accordance with the provisions of Section 6.11(a) of this Agreement (together with all other financial and operating information required to be filed in accordance with Section 6.11(a) of this Agreement). At the same time said audit report is filed, the University shall also deliver to the Issuer and the Trustee a certificate signed by the University's chief financial officer and dated as of the end of the preceding Fiscal Year stating that such officer has reviewed the obligations of the University under this Agreement, the Notes and the Indenture and the performance of the University hereunder and thereunder, and has consulted with such officers and employees of the University as he deemed appropriate and necessary for the purpose of delivering this certificate, and based on such review and consultation, certifies that no Event of Default and no event which with the giving of notice or the passage of time or both, would constitute an Event of Default has occurred and is continuing

under the aforementioned documents. The University shall also, promptly upon receiving notice thereof, notify the Issuer and the Trustee in writing upon the occurrence of an Event of Default or any event which with the giving of notice or the passage of time or both would constitute an Event of Default under this Agreement, the Notes or the Indenture.

SECTION 6.3. ADDITIONAL LONG TERM INDEBTEDNESS. The University agrees that throughout the term hereof and as long as any of the Bonds shall be outstanding, that prior to the incurrence by the University of additional Long Term Indebtedness, the chief financial officer of the University shall provide the Issuer and the Trustee with a certificate (i) stating that for the Fiscal Year immediately preceding the incurring or assumption of Long Term Indebtedness, the University was in compliance with the requirements of this Agreement, and (ii) demonstrating and concluding that, based on the University's most recent audited financial statements, the University's Expendable Financial Resources are greater than 50% of all outstanding Long Term Indebtedness (including the Long Term Indebtedness proposed to be incurred).

SECTION 6.4. EXISTENCE OF THE UNIVERSITY. While any of the Bonds remains Outstanding, the University shall maintain its corporate existence and qualification to do business in the State and shall not merge or consolidate with any other corporation or entity or sell or dispose of all or substantially all of its assets, unless (a) either the University shall be the surviving corporation in the case of a merger, or the surviving, resulting, or transferee corporation, as the case may be, shall expressly and unconditionally assume, in a written instrument delivered to the Issuer and the Trustee the punctual performance and observance of all of the covenants and conditions of this Agreement to be performed by the University; (b) the University or such surviving, resulting, or transferee corporation, as the case may be, shall not, immediately after such merger or consolidation, or sale or disposition, be in default in the performance of any covenant or condition hereunder; (c) the surviving, resulting, or transferee corporation, as the case may be, shall be duly authorized to transact business in the State; and (d) the University or such surviving, resulting, or transferee corporation, as the case may be, shall have a net worth at least equal to the net worth of the University immediately preceding such merger or consolidation, or sale or disposition, with net worth being determined in accordance with generally accepted accounting principles. Furthermore, at all times during the term of this Agreement, the University or any surviving, resulting or transferee corporation shall qualify as an "institution of higher education" as such term is defined in Section 53A.02, Texas Education Code and shall comply with Section 53A.34(a)(3), Texas Education Code.

SECTION 6.5. NO ASSIGNMENT OF THIS AGREEMENT BY THE UNIVERSITY. Except as provided in Section 6.4 hereof, this Agreement may not be assigned, as a whole or in part, by the University.

SECTION 6.6. FURTHER ASSURANCES AND CORRECTIVE INSTRUMENTS; RECORDATION. The Issuer and the University agree that they will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention or facilitating the performance of this Agreement and the Indenture.

The University covenants that it will cooperate to the end that this Agreement, the Indenture, any financing statements, and all supplements thereto, and any other instruments as may be required from time to time to be kept, will be recorded and filed in such manner and in such places as may from time to time be required by law in order fully to preserve and protect the security of the owners of the Bonds and the rights of the Trustee under the Indenture.

SECTION 6.7 FEDERAL INCOME TAX COVENANTS.

(a) Covenants of University and Issuer. The University and the Issuer hereby represent and covenant as follows:

(1) the University and the Issuer will comply with, and make all filings required by, all effective rules, rulings or Regulations promulgated by the Department of the Treasury or the IRS with respect to obligations such as the Series 2011 Bonds and the Series 2013 Bonds, if any;

(2) the University will continue to conduct its operations in a manner that will result in it continuing to qualify as an organization described in Section 501(c)(3) of the Code including but not limited to the timely filing of all returns, reports and requests for determination with the IRS and the timely notification of the IRS of all changes in its organization and purposes from the organization and purposes previously disclosed to the IRS;

(3) the University will not divert any substantial part of its corpus or income for a purpose or purposes other than those for which it is organized and operated;

(4) the proceeds of the Series 2011 Bonds and the Series 2013 Bonds and any investment earnings thereon will be expended for the purposes set forth in this Agreement and in the Indenture and no portion thereof will be used in an "unrelated trade or business" of the University within the meaning of Section 513(a) of the Code unless, in an opinion of Bond Counsel, such use would not adversely affect the status of the Series 2011 Bonds and the Series 2013 Bonds as obligations described in Section 103(a) of the Code;

(5) the University will not use or invest the proceeds of the Series 2011 Bonds and the Series 2013 Bonds or any other amounts held by the Trustee under the Indenture or any investment earnings thereon in a manner that will result in the Series 2011 Bonds and the Series 2013 Bonds becoming private activity bonds (other than qualified 501(c)(3) bonds) within the meaning of Sections 141 and 145 of the Code;

(6) the University will not use or permit to be used more than 5% of the proceeds of the Series 2011 Bonds and the Series 2013 Bonds, including all

investment income earned on such proceeds prior to the date of completion of the Series 2011 Project and the Series 2013 Project, respectively, directly or indirectly, in any trade or business carried on by any person who is not a governmental unit or an organization described in Section 501(c)(3) of the Code. For purposes of the preceding sentence, use of the proceeds by an organization described in Section 501(c)(3) of the Code with respect to an "unrelated trade or business," determined in accordance with Section 513(a) of the Code, does not constitute a use by a tax-exempt organization; further, any use of proceeds of the Series 2011 Bonds and the Series 2103 Bonds or any investment earnings thereon in any manner contrary to the guidelines set forth in Revenue Procedure 97-13, 1997-1 C.B. 632, including any revisions or amendments thereto, shall constitute the use of such proceeds in the trade or business of a nonexempt person;

(7) the University will not use or permit the use of any portion of the proceeds of the Series 2011 Bonds and Series 2013 Bonds, including all investment income earned on such proceeds directly or indirectly, to make or finance loans to a person who is not a governmental unit or an organization described in Section 501(c)(3) of the Code. For purposes of the preceding sentence, a loan to an organization described in Section 501(c)(3) of the Code for use with respect to an "unrelated trade or business" does not constitute a loan to such a unit or organization;

(8) the Issuer and the University will not cause the Series 2011 Bonds and the Series 2013 Bonds to be treated as "federally guaranteed" obligations for purposes of Section 149 of the Code, as may be modified in any applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the IRS with respect to "federally guaranteed" obligations described in Section 149 of the Code. For purposes of this paragraph, the Series 2011 Bonds and Series 2013 Bonds shall be treated as "federally guaranteed" if (i) all or any portion of the principal or interest is or will be guaranteed directly or indirectly by the United States of America or any agency or instrumentality thereof, or (ii) a significant portion of the proceeds of the Series 2011 Bonds or Series 2013 Bonds will be (a) used in making loans, the payment of principal or interest with respect to which is to be guaranteed in whole or in part by the United States of America or any agency or instrumentality thereof, or (b) invested directly or indirectly in federally insured deposits or accounts, and (iii) such guarantee is not described in Section 149(b) of the Code;

(9) the costs of issuing the Series 2011 Bonds and Series 2013 Bonds which are financed with proceeds of such Bonds will not exceed an amount equal to 2% of the aggregate proceeds of the Series 2011 Bonds and Series 2013 Bonds, respectively. Such amounts will not be taken into account in satisfying the requirement stated above in subsection (a)(6);

(10) no portion of the proceeds of the Series 2011 Bonds and Series 2013 Bonds is to be used to provide the following: an airplane, a skybox or other private luxury box, a facility primarily used for gambling or any store the principal business of which is the sale of alcoholic beverages for consumption off premises; and

(11) the University will not violate the provisions of Section 145(b) of the Code.

(b) Special Arbitrage Covenants. The University and the Issuer hereby represent and covenant as follows:

(1) the University and the Issuer shall make such use of the proceeds of the Series 2011 Bonds and Series 2013 Bonds and any other funds constituting Gross Proceeds (whether or not held by the Trustee under the Indenture) which are allocable to the Series 2011 Bonds and Series 2013 Bonds, respectively, and take such further action as may be required so that such Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and the Regulations. In particular, but not by way of limitation, the University covenants that it will provide written instructions to the Trustee with respect to investments in accordance with Section 5.01 of the Indenture. Moreover, the University agrees to provide to the Issuer and the Trustee all required information, calculations and moneys necessary to enable the Trustee to satisfy the obligations imposed on the Issuer and the Trustee by Section 4.07 of the Indenture with respect to the rebate amount;

(2) the University shall calculate the rebate amount as described in Section 148(f) and immediately remit to the Trustee for deposit in the Rebate Fund any deficiency with respect to the rebate amount as required by Section 4.07 of the Indenture;

(3) the University agrees to provide to the Trustee, at such time as required by the Trustee, all information required by the Trustee with respect to non-purpose obligations not held in any Fund under the Indenture; and

(4) the University will not pay or agree to pay, directly or indirectly, to a party other than the United States, any amount that is required to be paid to the United States as a "rebate amount" as provided in Section 148 of the Code.

(c) Records. The University shall retain all of its accounting records relating to the Debt Service Fund and the Rebate Fund and all calculations made in preparing the statements described in this Section 6.7(b) for at least eight years after the later of the final Maturity of the Series 2011 Bonds and Series 2013 Bonds or the first date on which none of such Bonds is Outstanding.

(d) Modification of Tax Covenants. The covenants and representations contained in Section 6.7 of this Agreement are intended to assure compliance with the Code and the Regulations. In the event that regulations are hereafter promulgated which modify or expand provisions of the Code, the University will not be required to comply with a covenant contained in Section 6.7 of this Agreement to the extent such modification or expansion, in

the opinion of Bond Counsel, will not adversely affect the exemption from federal income taxation of interest on the Series 2011 Bonds and Series 2013 Bonds under Section 103(a) of the Code. In the event that regulations are hereafter promulgated which impose additional requirements which are applicable to such Bonds, the University and the Issuer agree to comply with such additional requirements to the extent necessary, in the opinion of Bond Counsel, to preserve the exemption from federal income taxation of interest on such Bonds under Section 103(a) of the Code.

(e) Allocation of, and Limitation on, Expenditures for the Projects. The University covenants to account for the expenditure of sale proceeds and investment earnings to be used for the Series 2011 Project and the Series 2013 Project on its books and records in accordance with the requirement of the Code. The University recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the related Project is completed, but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the University recognizes that in order for proceeds to be expended under the Code, the sales proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Series 2011 Bonds and the Series 2013 Bonds, respectively, or (2) the date the Series 2011 Bonds and the Series 2013 Bonds are retired, respectively. The University agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Series 2011 Bonds or the Series 2013 Bonds. For purposes hereof, the University shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Disposition of Projects. The University covenants that the property constituting the Series 2011 Project being refinanced with proceeds of the Series 2011 Bonds or constituting the Series 2013 Project being financed with proceeds of the Series 2013 Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the University of cash or other compensation, unless the University obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Series 2011 Bonds or the Series 2013 Bonds. For purposes of the foregoing, 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 hereof, the University shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest. No such disposition shall be made in violation of Section 53A.34(a)(3), Texas Education Code.

SECTION 6.8. THE ISSUER REPRESENTATIVE. Whenever under the provisions of this Agreement the approval of the Issuer is required or the Issuer is required to take some action at the request of the University, any such approval or action shall be evidenced by an instrument signed by the Issuer Representative, and the University and/or the Trustee shall be authorized to act on any such approval or action, and the Issuer shall have no redress against the University and/or the Trustee as a result of any such action taken, subject, however, to the Issuer's rights to indemnification as provided in Section 6.10 hereof.

SECTION 6.9. THE UNIVERSITY REPRESENTATIVE. Whenever under the provisions of this Agreement the approval of the University is required or the University is required to take some action at the request of the Issuer, such approval or such action shall be evidenced by an instrument signed by the University Representative, and the Issuer and/or the Trustee shall be authorized to act on any such approval or action and the University shall have no redress against the Issuer or the Trustee as a result of any such action taken.

SECTION 6.10. RELEASE AND INDEMNIFICATION. The University releases the Issuer, the City, and their respective officers, members and employees (collectively, the "*Indemnified Parties*") from, and the Indemnified Parties shall not be liable for, and the University agrees and shall protect, indemnify, defend, and hold the Indemnified Parties harmless from, any and all losses, costs, damages, expenses, and liabilities of whatsoever nature (including, but not limited to, attorneys fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from or arising out of or related to (a) the issuance, offering, sale, delivery, or payment of the Bonds or the interest thereon, the Indenture, this Agreement, the Notes, and any other documents in connection therewith and the obligations imposed on the Issuer hereby and thereby; (b) the design, construction, installation, operation, use, occupancy, maintenance, or ownership of the Projects (including compliance with laws, ordinances, and rules and regulations of public authorities relating thereto and including damage to property or any injury to, or death of, any person arising therefrom); (c) any written statements or representations made or given by the University, or any of its officers or employees, to the Indemnified Parties, any Trustee, or any underwriters or purchasers of any of the Bonds, with respect to the Issuer, the City, the University, the Projects, or the Bonds, including, but not limited to, statements or representations of facts, financial information, or corporate affairs; and (d) any loss or damage incurred by the Indemnified Parties as a result of violation by the University of any of the provisions of this Agreement, including, without limitation, Section 6.7 hereof. **THE PROVISIONS OF THE PRECEDING SENTENCE SHALL REMAIN AND BE IN FULL FORCE AND EFFECT EVEN IF ANY SUCH LIABILITY, COST, EXPENSE, DAMAGE, OR LOSS OR CLAIM THEREFOR BY ANY PERSON, DIRECTLY OR INDIRECTLY RESULTS FROM, ARISES OUT OF, OR RELATES TO OR IS ASSERTED TO HAVE RESULTED FROM, ARISEN OUT OF, OR RELATED TO, IN WHOLE OR IN PART, ONE OR MORE NEGLIGENT ACTS OR OMISSIONS OF THE ISSUER, THE CITY OR THE OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES, AGENTS, SERVANTS, OR ANY OTHER PARTY ACTING FOR OR ON BEHALF OF THE ISSUER OR THE CITY, IN CONNECTION WITH THE MATTERS SET FORTH IN CLAUSES (A) THROUGH (D), INCLUSIVE, OF THE PRECEDING SENTENCE.** The University will also pay and discharge and will indemnify and

hold harmless the Indemnified Parties from any lien or charge upon payments by the University to the Indemnified Parties hereunder. If any such lien or charge upon payments, taxes, assessments, impositions, or other charges are sought to be imposed, the Indemnified Parties will give prompt notice to the University, and the University shall have the sole right and duty to assume, and will assume, the defense thereof, with full power to litigate, compromise, or settle the same in its sole discretion. Nothing in this Section 6.10 or elsewhere shall relieve an Indemnified Party from liability for, or provide an Indemnified Party with indemnity for, gross negligence or willful misconduct of such Indemnified Party or its officers, members or employees.

SECTION 6.11. CONTINUING ONGOING DISCLOSURE. (a) Annual Reports. Following the issuance of Bonds of any series, the offer or sale of which is not exempt from the Rule and, until the University is no longer obligated, contingently or otherwise, to make Loan Payments in respect of the Bonds of such series, the University undertakes to and shall provide annually to the MSRB through EMMA, within six months after the end of each Fiscal Year, (1) financial information and operating data of the general type included in the sale and offering documents for the Bonds of such series, and (2) audited general purpose financial statements of the University, if then available. Any financial statements so to be provided shall be (1) prepared in accordance with generally accepted accounting principles for governmental agencies or such other accounting principles as the University may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the University commissions an audit of such statements and the audit is completed within the period during which it must be provided. If the audit of such financial statements is not complete within such period, then the University shall provide unaudited financial statements within the required period, and shall provide audited financial statements for the applicable Fiscal Year to the MSRB through EMMA, when and if the audit report on such statements become available.

If the University changes its Fiscal Year, it will notify the Trustee and the MSRB through EMMA in writing of the change (and of the date of the new Fiscal Year end) prior to the next date by which the University otherwise would be required to provide financial information and operating data pursuant to this Section 6.11.

The financial information and operating data to be provided pursuant to this Section 6.11 may be set forth in full in one or more documents or may be incorporated by specific reference to any document or specific part thereby (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB through EMMA or filed with the SEC. Copies of such information and operating data shall be furnished to the Issuer at the same time the information and data are furnished to the MSRB through EMMA.

(b) Event Notices.

(i) The University shall notify the MSRB through EMMA in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to a series of Bonds, if such event is material within the meaning of the federal securities laws:

1. Non-payment related defaults;

2. Modifications to rights of Bondholders;
3. Bond calls;
4. Release, substitution, or sale of property securing repayment of the Bonds;
5. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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; and
6. Appointment of a successor or additional trustee or the change of name of a trustee.

(ii) The University shall notify the MSRB through EMMA in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to a series of Bonds, without regard to whether such event is considered material within the meaning of the federal securities laws:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEN) or other material notices or determinations with respect to the tax-exempt status of a series of Bonds, or other events affecting the tax-exempt status of a series of Bonds;
6. Tender offers;
7. Defeasances;
8. Rating changes; and

9. Bankruptcy, insolvency, receivership or similar event of an obligated person.

(iii) The University shall notify the MSRB through EMMA, in a timely manner, of any failure by the University to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such subsection.

(c) Limitations, Disclaimers, and Amendments. The University shall be obligated to observe and perform the covenants specified in this Section 6.11 in respect of the Bonds of any series for so long as, but only for so long as, the University remains an "obligated person" with respect to the Bonds of such series within the meaning of the Rule, except that the University in any event will give notice of any deposit made in accordance with the Indenture that causes Bonds of such series no longer to be Outstanding.

The provisions of this Section 6.11 are for the sole benefit of (and may be enforced by) the owners and beneficial owners of the Bonds, and nothing in this Section 6.11, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The University undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section 6.11 and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the University's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section 6.11 or otherwise, except as expressly provided herein. The University makes no 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 UNIVERSITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE UNIVERSITY WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, 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 University in observing or performing its obligations under this Section 6.11 shall comprise a breach of or default under this Agreement for purposes of any other provision of this Agreement.

Nothing in this Section 6.11 is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer or the University under federal and state securities laws.

The provisions of this Section 6.11 may be amended by the Issuer and the University 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 Issuer or the University, but only if (1) the provisions of this Section 6.11, as so amended, would have permitted

an underwriter to purchase or sell Bonds of the applicable series in the primary offering of the Bonds of such series in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances, and (2) either (a) the owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Agreement that authorizes such an amendment) of the outstanding Bonds of each such series affected consent to such amendment or (b) an entity that is unaffiliated with the Issuer or the University (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the owners and beneficial owners of the Bonds of such series and is permitted by the terms of this Section 6.11. If the Issuer and the University so amend the provisions of this Section 6.11 in connection with the financial or operating data which the University is required to disclose under subsection (a) hereof, the University shall provide a notice of such amendment to be filed in accordance with subsection (b)(ii) hereof, together with an explanation, in narrative form, of the reason for the amendment and the impact of any change in the type of financial information or operating data to be so provided. The Issuer and the University may also amend or repeal the provisions of this Section 6.11 if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

SECTION 6.12. WRITTEN PROCEDURES RELATING TO CHANGE OF USE, REBATE REPORTS, AND REMEDIAL ACTIONS.

(a) Notices and Reports from University to Issuer. The University has designated its chief financial officer (currently its Vice President for Finance and Administration) as the person who (i) will contact the Issuer in the event of any change of use of any portion of the Projects ("change of use") within 15 days of such change of use event, and (ii) will provide to the persons designated in Section 6.12(b) hereof, within 60 days of the applicable date, a rebate report or certificate in satisfaction of the requirements of Section 4.07 of the Indenture, or a letter (prepared by a certified public accountant or firm of certified public accountants, nationally recognized rebate consultant, or Bond Counsel) attesting that such rebate report or certificate is not required.

(b) Issuer's Receipt of Notices and Reports from University. The Issuer has designated the Executive Director and the Treasurer of the Corporation as the persons who (i) will receive notice by the person described in Section 6.12(a) hereof of any change of use of the Projects and who will determine, upon consultation with Bond Counsel, whether to take a remedial action or any other remedy available at law to ensure that the tax-exempt status of the Bonds is preserved following such change of use, and (ii) will receive the aforementioned rebate report or certificate, or the aforementioned letter attesting that such report or certificate is not required.

END OF ARTICLE VI

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.1. EVENTS OF DEFAULT DEFINED. The following shall be "Events of Default" under this Agreement and the term "Events of Default" shall mean, whenever used in this Agreement, any one or more of the following events:

(a) Failure by the University to pay the Loan Payments within two Business Days after such Loan Payments were due.

(b) Any representation or warranty made or deemed made by the University under this Agreement, the Notes or the Indenture shall be false, misleading or erroneous in any material respect when made or deemed made, or failure by the University to observe and perform any covenant, condition, or agreement on its part to be observed or performed under this Agreement or the Indenture, other than as referred to in subsection (a) of this Section, for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, is given to the University by the Issuer or the Trustee, unless both the Issuer and the Trustee shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in such notice can be corrected but cannot be corrected within the applicable period, the Issuer and the Trustee will not unreasonably withhold their consent to an extension of such time if corrective action has been instituted by the University within the applicable period and is being diligently pursued.

(c) The dissolution or liquidation by the University or the filing by the University of a voluntary petition for relief, or the entry of an order or decree for relief in an involuntary case, or the entry of an order or decree for dissolution, liquidation or winding up of the affairs of the University under any applicable bankruptcy, insolvency, or similar law now or hereafter in effect, and such order or decree shall remain unstayed and in effect for a period of 60 consecutive days, or the University consents to or a competent court decrees or orders the appointment of and taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestration, or other similar official of the University, of any substantial part of its property or the Projects, or the University shall make any general assignment for the benefit of creditors or shall fail generally to pay its debts as they become due or shall take any corporate action in furtherance of any of the foregoing. The term "dissolution or liquidation", as used in this subsection, shall not be construed to include the cessation of the corporate existence of the University or the combination or merger of the University into or with another corporation or a dissolution or liquidation of the University following the transfer of all or substantially all of its assets as an entirety, under the conditions permitting such action contained in Section 6.4 hereof.

The foregoing provisions of this Section (except Subsection (a) of this Section) are subject to the following limitations: If by reason of Force Majeure the University is unable in whole or in part to carry out its agreements contained herein, other than the obligations on the part of the

University contained in Article V hereof, the University shall not be deemed in default during the continuance of such inability. The University agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the University from carrying out its agreements.

SECTION 7.2. REMEDIES UPON AN EVENT OF DEFAULT. Whenever any Event of Default shall have happened and be continuing, the Issuer may take any one or more of the following remedial steps:

(a) By written notice to the University, the Issuer may declare all unpaid indebtedness hereunder to be immediately due and payable, whereupon the same shall become immediately due and payable. The term "all unpaid indebtedness" shall mean Loan Payments in an amount equal to the Debt Service on all Bonds then Outstanding and interest to accrue thereon to the date of receipt by the Trustee of such moneys, and other payments due or to become due hereunder, including without limitation, any unpaid fees and expenses of the Trustee and any Paying Agents, for the Bonds which are then or will become due prior to the time that the Bonds are paid in full.

(b) The Issuer may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement, or covenant of the University under this Agreement.

SECTION 7.3. NO REMEDY TO BE EXCLUSIVE. No remedy herein conferred upon or reserved to the Issuer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice other than such notice as may be herein expressly required.

SECTION 7.4. NO ADDITIONAL WAIVER IMPLIED BY ONE WAIVER. In the event any provision, covenant, or agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

SECTION 7.5. REMEDIAL RIGHTS ASSIGNED TO THE TRUSTEE. Such rights and remedies as are given the Issuer hereunder (except the Issuer's rights under Sections 6.10, 7.6 and 8.11 hereof) shall upon execution and delivery of the Indenture be assigned to the Trustee, and the Trustee shall have the right to exercise such rights and remedies in the same manner and under the limitations and conditions that the Trustee is entitled to exercise rights and remedies upon the occurrence of an Event of Default pursuant to Article IX of the Indenture.

SECTION 7.6. AGREEMENT TO PAY ATTORNEY'S FEES AND EXPENSES. If the University should default under any of the provisions of this Agreement and as a consequence the Issuer and/or the Trustee should employ attorneys or incur other expenses for the collection for amounts payable hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the University contained in this Agreement, the University agrees that it will on demand therefor reimburse the Issuer and/or the Trustee for the reasonable fees of such attorneys and such other reasonable expenses so incurred. When the Trustee incurs expenses, attorneys' fees, or renders services after an Event of Default specified in Section 7.1(c) hereof occurs, the expenses, attorneys' fees and compensation for the services are intended to constitute post-petition expenses of administration under any bankruptcy law.

END OF ARTICLE VII

SECTION 8.3. BINDING EFFECT OF THIS AGREEMENT. This Agreement shall inure to the benefit of and shall be binding upon the Issuer, the University, and to their respective successors and assigns, subject, however, to the limitations contained in Section 6.5 hereof.

SECTION 8.4. SEVERABILITY OF PROVISIONS OF THIS AGREEMENT. In the event any provision of this Agreement shall be held invalid or unenforceable by any court or competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 8.5. AMOUNTS REMAINING IN THE DEBT SERVICE FUND OR THE CONSTRUCTION FUND. It is agreed by the parties hereto that any amounts remaining in the Debt Service Fund or the Construction Fund upon expiration or sooner termination of the term of this Agreement, as provided in this Agreement, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and the reasonable and necessary fees and expenses of, and other amounts due, the Issuer, the Trustee, and any Paying Agents in accordance with the Indenture, shall belong and be paid to the University by the Trustee.

SECTION 8.6. AMENDMENTS, CHANGES, AND MODIFICATIONS TO THIS AGREEMENT. Subsequent to the issuance of Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), this Agreement may not be amended except in accordance with the procedures set forth in the Indenture; provided, however, that this Agreement may not be amended, without the consent of the owner of each Outstanding Bond affected thereby, so as to:

- (a) alter the obligation of the University to pay Loan Payments when due;
- (b) change or affect Sections 5.2, 5.3, 5.4, 6.4, 6.5, 6.6, 6.7, or 6.10 hereof;
- (c) terminate or cancel this Agreement; or
- (d) decrease the minimum percentage of the principal amount of the Bonds the owners of which must consent to any such amendment.

SECTION 8.7. EXECUTION OF THIS AGREEMENT IN COUNTERPARTS. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 8.8. CAPTIONS AND PREAMBLES. The captions or headings in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Agreement. The preambles hereto are hereby incorporated herein and made a part of this Agreement for all purposes.

SECTION 8.9. NO PECUNIARY LIABILITY OF THE ISSUER. No provision, covenant, or agreement contained in this Agreement or breach thereof shall constitute or give rise to any pecuniary liability on the part of the Issuer or any charge upon its general credit. In making such provisions, covenants, or agreements, the Issuer has not obligated itself, except with respect to the

Projects and the application of the revenues of this Agreement, as herein above provided. It is recognized that the Issuer's only source of funds with which to carry out its commitments under this Agreement will be from the proceeds of the sale of the Bonds and payments to be made by the University hereunder; and it is expressly agreed that the Issuer shall have no liability, obligation, or responsibility with respect to this Agreement or the Projects except to the extent of funds available from such Bond proceeds and payments to be made by the University hereunder.

SECTION 8.10. PAYMENTS DUE ON HOLIDAYS. If the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this Agreement, shall be a Saturday, Sunday, or legal holiday or a day on which banking institutions in the city in which the principal business office of the Trustee, or any Paying Agent, as the case may be, is located are authorized or required by law or executive order to close, such payment may be made, act performed, or right exercised on the next succeeding day not a Saturday, Sunday, or legal holiday or a day on which such banking institutions are authorized or required by law or executive order to close with the same force and effect as if done on the date provided in this Agreement, and if done on such succeeding day no interest shall accrue for the period after such date.

SECTION 8.11. PAYMENT TO THE ISSUER. The University agrees to pay directly to the Issuer all fees required to be paid by the University under the Issuer's regulations as in effect as of the date hereof, costs of issuance reasonably incurred by the Issuer in connection with the issuance of the Bonds, and other expenses, if any, incurred from time to time by the Issuer in connection with the Projects or the Bonds.

SECTION 8.12. STATUS OF THE PARTIES' RELATIONSHIP. Nothing in this Agreement shall be construed to make either party the partner or joint venturer of or with the other party.

SECTION 8.13. GOVERNING LAW. The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State.

END OF ARTICLE VIII

IN WITNESS WHEREOF, the Issuer and the University have caused this Agreement to be executed in their respective corporate names, and the Issuer has caused its corporate seal to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

**CITY OF SAN ANTONIO, TEXAS
EDUCATION FACILITIES CORPORATION**

By: _____
President

ATTEST:

Secretary

(SEAL)

TRINITY UNIVERSITY

By: _____
Title: President

By: _____
Title: Vice President for Finance and Administration

Signature Page to Loan Agreement Relating to
City of San Antonio, Texas Education Facilities Corporation

Higher Education Revenue Refunding Bonds
(Trinity University Project), Series 2011
and
Higher Education Revenue Improvement Bonds
(Trinity University Project), Series 2013

EXHIBIT A-1

DESCRIPTION OF THE 2011 PROJECT FACILITIES

Proceeds of the Series 2011 Bonds not used to pay costs of issuance of the Series 2011 Bonds shall be used to refinance a portion of the costs of the University's educational facilities and housing facilities that were financed or refinanced with proceeds of the Series 2002 Bonds.

The facilities which were originally financed with a portion of the proceeds of the Series 2002 Bonds are described as follows:

<u>Project Description</u>	<u>Estimated Cost</u>
Construction of Northrop Hall (Administration Building)	\$21,500,000
Renovation of McFarlane Residence Hall Complex	1,500,000
Repairs and improvements to Thomas Residence Hall	400,000
New boiler room and elevator for East Residence Hall Complex	1,000,000
Security doors for upper campus buildings	<u>200,000</u>
Total:	<u>\$24,600,000</u>

Among the facilities which were refinanced with a portion of the proceeds of the Series 2002 Bonds were the following:

<u>Project Description</u>	<u>Estimated Cost</u>
Verna McLean Residence Hall	\$6,332,210
Renovation of Richardson Communication Center	138,622
Renovation of Thomas and Lightner Residences Halls	1,281,001
Renovation of Herndon and Herff-Beze Residences	564,974
Moody Engineering Renovation	726,757
Prassel Residence Hall and Garage	11,713,920
Organic Laboratory	1,493,323
Coates University Center Renovation	5,795,807
South Campus Land Acquisition	<u>1,811,921</u>
Total:	<u>\$29,858,535</u>

EXHIBIT A-2

DESCRIPTION OF THE 2013 PROJECT FACILITIES

Proceeds of the Series 2013 Bonds not used to pay costs of issuance of the Series 2013 Bonds shall be used to finance a portion of the costs, and reimburse the University for prior expenditures as permitted under the Code, related to constructing and equipping certain science facilities, generally known as the *Center for Science and Innovation* (CSI) complex, on the University's campus in San Antonio, Texas, which project was the subject of a "Reimbursement Resolution adopted by the University's Board of Trustees on September 18, 2010.

EXHIBIT B-1

(FORM OF THE SERIES 2011 NOTE)

\$20,035,000

June 1, 2011

FOR VALUE RECEIVED, TRINITY UNIVERSITY (the "*University*"), does hereby promise to pay to the order of the **CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION** (the "*Issuer*"), at the principal corporate trust office of Wells Fargo Bank, National Association, or any successor trustee acting as such under that certain Indenture of Trust (the "*Indenture*") dated as of June 1, 2011, by and between the Issuer and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, as trustee (the "*Trustee*"), in lawful money of the United States of America, the principal sum of **TWENTY MILLION THIRTY-FIVE THOUSAND DOLLARS (\$20,035,000)** and to pay interest and any premium on the unpaid principal amount hereof, in like money, at such office at the rate, by the times, and in the amounts specified in Section 5.2 of that certain Loan Agreement dated as of June 1, 2011, by and between the Issuer and the University (hereinafter referred to as the "*Agreement*"), as such amounts relate to the Series 2011 Bonds (as defined in the Agreement).

ALL SUMS PAID HEREON shall be applied first to the satisfaction of accrued interest and any premium, and the balance to the unpaid principal.

THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THIS NOTE are due and payable in the installments designated as "Loan Payments" and described in Section 5.2 of the Agreement.

THIS NOTE IS THE NOTE REFERRED TO in the Agreement, and is subject to all of the terms, conditions, and provisions thereof, including those respecting prepayment and the acceleration of maturity and is further subject to all of the terms, conditions, and provisions of the Indenture, all as provided in the Agreement.

THE UNIVERSITY HEREBY ACKNOWLEDGES that, pursuant to the Indenture, the Issuer is collaterally assigning to the Trustee all of the Issuer's right, title, and interest in and to this Note.

THIS NOTE IS A CONTRACT made under and shall be construed in accordance with and governed by the laws of the State of Texas.

TRINITY UNIVERSITY

By: _____
Title: President

By: _____
Title: Vice President for Finance
and Administration

Pay to the order of **WELLS FARGO BANK, NATIONAL ASSOCIATION**, as trustee for the owners of the Bonds issued pursuant to the Indenture herein above mentioned, without recourse or warranty.

**CITY OF SAN ANTONIO, TEXAS
EDUCATION FACILITIES CORPORATION**

Attest: _____
President

Secretary

EXHIBIT B-2

(FORM OF THE SERIES 2013 NOTE)

\$ _____

December 1, 2013

FOR VALUE RECEIVED, TRINITY UNIVERSITY (the "*University*"), does hereby promise to pay to the order of the **CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION** (the "*Issuer*"), at the principal corporate trust office of Wells Fargo Bank, National Association, or any successor trustee acting as such under that certain Amended and Restated Indenture of Trust (the "*Indenture*"), dated as of December 1, 2013, by and between the Issuer and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, as trustee (the "*Trustee*"), in lawful money of the United States of America, the principal sum of _____ **DOLLARS** (\$) _____ and to pay interest and any premium on the unpaid principal amount hereof, in like money, at such office at the rate, by the times, and in the amounts specified in Section 5.2 of that certain Amended and Restated Loan Agreement, dated as of December 1, 2013, by and between the Issuer and the University (hereinafter referred to as the "*Agreement*"), as such amounts relate to the Series 2013 Bonds (as defined in the Agreement).

ALL SUMS PAID HEREON shall be applied first to the satisfaction of accrued interest and any premium, and the balance to the unpaid principal.

THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THIS NOTE are due and payable in the installments designated as "Loan Payments" and described in Section 5.2 of the Agreement.

THIS NOTE IS THE NOTE REFERRED TO in the Agreement, and is subject to all of the terms, conditions, and provisions thereof, including those respecting prepayment and the acceleration of maturity and is further subject to all of the terms, conditions, and provisions of the Indenture, all as provided in the Agreement.

THE UNIVERSITY HEREBY ACKNOWLEDGES that, pursuant to the Indenture, the Issuer is collaterally assigning to the Trustee all of the Issuer's right, title, and interest in and to this Note.

THIS NOTE IS A CONTRACT made under and shall be construed in accordance with and governed by the laws of the State of Texas.

TRINITY UNIVERSITY

By: _____
Title: President

By: _____
Title: Vice President for Finance
and Administration

Pay to the order of **WELLS FARGO BANK, NATIONAL ASSOCIATION**, as trustee for the owners of the Bonds issued pursuant to the Indenture herein above mentioned, without recourse or warranty.

**CITY OF SAN ANTONIO, TEXAS
EDUCATION FACILITIES CORPORATION**

By: _____
President

Attest:

Secretary

**EXHIBIT C-1
FORM OF THE DISBURSEMENT REQUEST**

Date _____

Requisition No. _____

Wells Fargo Bank, National Association
1445 Ross Avenue, 2nd Floor
MAC: T5303-022
Dallas, Texas 75202-2812
Attention: Corporate, Municipal & Escrow Services

DISBURSEMENT REQUEST

Ladies and Gentlemen:

This certificate is provided pursuant to the requirements of Section 3.3 of the Loan Agreement, dated as of June 1, 2011 (the "**Agreement**"), by and between the **CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION** (the "**Issuer**") and **TRINITY UNIVERSITY** for requesting payment to the University as provided herein.

(a) Pay to (name and address):

(b) The total amount of this request is: \$_____. The payment is to be withdrawn from the Series 2011 Account. The purpose or purposes to which such payment will be applied and the amount to be applied to each purpose are reflected in Schedule A attached hereto.

(c) Such payment will constitute payment of or reimbursement for a properly incurred obligation, is a proper charge against the Construction Fund (as defined in the Agreement), is unpaid or not reimbursed to the University, and has not been the basis of any previous withdrawal or payment.

(d) Such payment, together with all previously requested payments, will not result in less than 95 percent of the proceeds being used for a purpose qualified to be financed with "qualified 501(c)(3) bonds," as described in Section 145 of the Internal Revenue Code of 1986.

(e) The payment of the amount requested herein will not result in a breach of any covenant of the University contained in the Agreement, including particularly the covenants contained in Section 6.7 thereof.

(f) [Insert wire instructions if applicable.]

TRINITY UNIVERSITY

By _____
University Representative

SCHEDULE A

**PROJECT COSTS
APPLICATION OF FUNDS**

REQUISITION NUMBER _____

<u>Description of Item or Service</u>	<u>Total Expended To Date</u>	<u>Amount Previously Drawn Down</u>	<u>Amount of This Request</u>
1.	\$	\$	\$
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.	_____	_____	_____
TOTAL	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

EXHIBIT C-2
FORM OF THE DISBURSEMENT REQUEST FOR SERIES 2013 PROJECT

Date _____

Requisition No. _____

Wells Fargo Bank, National Association
1445 Ross Avenue, 2nd Floor
MAC: T5303-022
Dallas, Texas 75202-2812
Attention: Corporate, Municipal & Escrow Services

DISBURSEMENT REQUEST

Ladies and Gentlemen:

This certificate is provided pursuant to the requirements of Section 3.5 of the Amended and Restated Loan Agreement, dated as of December 1, 2013 (the "*Agreement*"), by and between the **CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION** (the "*Issuer*") and **TRINITY UNIVERSITY** for requesting payment to the University as provided herein.

(a) Pay to (name and address):

(b) The total amount of this request is: \$_____. The payment is to be withdrawn from the Series 2013 Account. The purpose or purposes to which such payment will be applied and the amount to be applied to each purpose are reflected in Schedule A attached hereto.

(c) Such payment will constitute payment of or reimbursement for a properly incurred obligation, is a proper charge against the Construction Fund (as defined in the Agreement), is unpaid or not reimbursed to the University, and has not been the basis of any previous withdrawal or payment.

(d) Such payment, together with all previously requested payments, will not result in less than 95 percent of the proceeds being used for a purpose qualified to be financed with "qualified 501(c)(3) bonds," as described in Section 145 of the Internal Revenue Code of 1986.

(e) The payment of the amount requested herein will not result in a breach of any covenant of the University contained in the Agreement, including particularly the covenants contained in Section 6.7 thereof.

(f) [Insert wire instructions if applicable.]

TRINITY UNIVERSITY

By _____
University Representative

SCHEDULE A

**SERIES 2013 PROJECT COSTS
APPLICATION OF FUNDS**

REQUISITION NUMBER _____

<u>Description of Item or Service</u>	<u>Total Expended To Date</u>	<u>Amount Previously Drawn Down</u>	<u>Amount of This Request</u>
1.	\$	\$	\$
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
TOTAL	<u>\$</u>	<u>\$</u>	<u>\$</u>