

**TEXAS STATE TECHNICAL COLLEGE
Executive Committee Meeting
of the Board of Regents**

**Wednesday, May 27, 2020
3:00pm**

**Texas State Technical College
1651 E. Crest Dr.
Waco, TX 76705
And
Teleconference
US Toll +1-415-655-0003
Access code: 195 253 997**

- I. MEETING CALLED TO ORDER**
- II. DETERMINATION OF QUORUM**
- III. CHANCELLOR COMMENTS**
- IV. EXECUTIVE ACTION ITEMS**

EA 25-20 Authorize the Eighth Supplemental Resolution to the Master Resolution Authorizing the Issuance of \$30,000,000 in Principal Amount of Texas State Technical College System Revenue Financing System Improvement Bond, Series 2020, for the Purpose of Financing Certain Improvements at Various Campuses; Authorizing the Sale Thereof Pursuant to a Private Placement; Approving and Authorizing the Execution of Instruments and Procedures Related Thereto; Approving a Paying Agent / Registrar Agreement and a Purchase Contract; and Approving Other Matters Related Thereto.....2

Jonathan Hoekstra

EA 26-20 Approve the Pursuit of Economic Development Administration CARES Act Funding in Support of COVID-Specific Renovation, Construction, and Infrastructure on the Waco Campus35

Gail Lawrence

- V. ADJOURN**





Executive Committee Meeting Date: May 27, 2020 **Proposed Executive Action #: EA 25-20**

Proposed By: Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

Subject: **Eighth Supplemental Resolution to the Master Resolution Authorizing the Issuance of \$30,000,000 in Principal Amount of Texas State Technical College System Revenue Financing System Improvement Bond, Series 2020, for the Purposes of Financing Certain Improvements at Various Campuses; Authorizing the Sale Thereof Pursuant to a Private Placement; Approving and Authorizing the Execution of Instruments and Procedures Related Thereto; Approving a Paying Agent/Registrar Agreement and a Purchase Contract; and Approving Other Matters Related Thereto**

Background: On April 9, 2020, the Executive Committee of the Texas State Technical College (TSTC) Board of Regents authorized the submission of an application to the Texas Bond Review Board to issue a series of Revenue Financing System Bonds for the following major projects:

- Expansion of the Industrial Technology Center and Electrical Lineworker Technology Facility at TSTC in Ft. Bend County,
- Expansion of the Welding Technology Facility in the Industrial Technology Center at TSTC in Waco,
- Expansion of the Welding Technology Facility in the Industrial Technology Building in Harlingen, and
- Renovation of the Industrial Technology Center at TSTC in Waco

Justification: The projects outlined above have received Board approval and are critical to the business operations and to address unmet student demand, and to continue critical sequencing of significant facilities projects (including the facilities abatement and demolition project at TSTC in Waco).

Additional Information: Frost Bank, San Antonio, Texas is buying the Bond in a private placement of a single \$30 million bond by TSTC to the Bank.

Fiscal Implications: The Bond will mature and be payable in principal installments on October 15 in each of the years 2021 through 2030. Interest on the bond is tax exempt at a fixed rate of 2.53%.

Attestation: This Executive Action is in compliance with all applicable laws and regulations to the best of my knowledge.

Attachment(s): Eighth Supplemental Resolution to the Master Resolution Authorizing the Issuance of \$30,000,000 in Principal Amount of Texas State Technical College System Revenue Financing System Improvement Bond, Series 2020

**Recommended
Executive Action:**

“The Texas State Technical College Board of Regents approves the Eighth Supplemental Resolution to the Master Resolution Authorizing the Issuance of \$30,000,000 in Principal Amount of Texas State Technical College System Revenue Financing System Improvement Bond, Series 2020, for the Purposes of Financing Certain Improvements at Various Campuses; Authorizing the Sale Thereof Pursuant to a Private Placement; Approving and Authorizing the Execution of Instruments and Procedures Related Thereto; Approving a Paying Agent/Registrar Agreement and a Purchase Contract; and Approving Other Matters Related Thereto.”

Recommended By:

[ORIGINAL SIGNED BY]

Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

EIGHTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE OF \$30,000,000 IN PRINCIPAL AMOUNT OF *TEXAS STATE TECHNICAL COLLEGE SYSTEM REVENUE FINANCING SYSTEM IMPROVEMENT BOND, SERIES 2020*, FOR THE PURPOSE OF FINANCING CERTAIN IMPROVEMENTS AT VARIOUS CAMPUSES; AUTHORIZING THE SALE THEREOF PURSUANT TO A PRIVATE PLACEMENT; APPROVING AND AUTHORIZING THE EXECUTION OF INSTRUMENTS AND PROCEDURES RELATED THERETO; APPROVING A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE CONTRACT; AND APPROVING OTHER MATTERS RELATED THERETO

Date of Approval: May 27, 2020

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EIGHTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE OF \$30,000,000 IN PRINCIPAL AMOUNT OF TEXAS STATE TECHNICAL COLLEGE SYSTEM REVENUE FINANCING SYSTEM IMPROVEMENT BOND, SERIES 2020, FOR THE PURPOSE OF FINANCING CERTAIN IMPROVEMENTS AT VARIOUS CAMPUSES; AUTHORIZING THE SALE THEREOF PURSUANT TO A PRIVATE PLACEMENT; APPROVING AND AUTHORIZING THE EXECUTION OF INSTRUMENTS AND PROCEDURES RELATED THERETO; APPROVING A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE CONTRACT; AND APPROVING OTHER MATTERS RELATED THERETO

WHEREAS, the TEXAS STATE TECHNICAL COLLEGE SYSTEM (the "*System*" or "*TSTC*") is an "institution of higher education" within the meaning of Sections 55.01 and 61.003(8), Texas Education Code; and

WHEREAS, pursuant to the provisions of Chapter 135, Texas Education Code, the organization and control of the System is vested in the Board of Regents of the System (the "*Board*"); and

WHEREAS, the System currently operates (i) campuses located in the Cities of Harlingen, Marshall, Waco, and Red Oak; (ii) a campus serving West Texas operating in the Cities of Sweetwater, Abilene, Brownwood, and Breckenridge, (iii) a campus located in Fort Bend County; and (iv) a higher education center in East Williamson County; and

WHEREAS, pursuant to Sections 55.02 and 55.13(a), Texas Education Code, the System is authorized to issue its revenue bonds from time to time, payable from and secured by liens on and pledges of all or any part of any of the revenue funds of the System, or any branch or branches of the System, for the purpose of providing funds to acquire, purchase, construct, improve, enlarge, and/or equip any property, building, structures, activities, services, operations or other facilities, for and on behalf of the System; and

WHEREAS, on October 18, 2002, the Board adopted the "*Master Resolution Establishing the Revenue Financing System Under the Authority and Responsibility of the Board of Regents of the Texas State Technical College System*" (referred to herein as the "**Master Resolution**"); and

WHEREAS, unless otherwise defined herein (including *Exhibit A* attached hereto), terms used herein shall have the meaning given in the Master Resolution; and

WHEREAS, the Master Resolution establishes the Revenue Financing System and pledges the Pledged Revenues to the payment of Parity Obligations to be outstanding under the Master Resolution; and

WHEREAS, the Board has previously determined to implement the Revenue Financing System in order to establish a system of financing improvements at the various colleges and locations it operates; and

WHEREAS, on October 18, 2002, the Board authorized the issuance of the first series of Parity Obligations pursuant to the *First Supplemental Resolution to the Master Resolution Authorizing the Issuance and Delivery of \$10,880,000 in Principal Amount of Texas State Technical College System Revenue Financing System Bonds, Series 2002; Authorizing the Sale Thereof Pursuant to a Competitive Sale and Authorizing the Chancellor to Approve All Final Terms Following Receipt of Competitive Bids; and Approving and Authorizing Instruments and Procedures Relating Thereto*; and

WHEREAS, on May 2, 2008, the Board authorized the issuance of the second series of Parity Obligations pursuant to the *Second Supplemental Resolution to the Master Resolution Authorizing the Issuance and Delivery of \$3,125,000 in Principal Amount of Texas State Technical College System Revenue Financing System Bonds, Series 2008; Authorizing the Sale Thereof Pursuant to a Competitive or Private Placement Sale and Authorizing the Chancellor to Approve All Final Terms Following Receipt of Bids; and Approving and Authorizing Instruments and Procedures Relating Thereto*; and

WHEREAS, on November 17, 2008, the Board authorized the issuance of the third series of Parity Obligations pursuant to the *Third Supplemental Resolution to the Master Resolution Authorizing the Issuance and Delivery of \$1,000,000 in Principal Amount of Texas State Technical College System Revenue Financing System Bonds, Taxable Series 2008A; Authorizing the Sale Thereof Pursuant to a Competitive Sale; Approving All Final Terms Thereof; and Approving and Authorizing Instruments and Procedures Relating Thereto*; and

WHEREAS, on November 13, 2009, the Board authorized the issuance of the fourth series of Parity Obligations pursuant to the *Fourth Supplemental Resolution to the Master Resolution Authorizing the Issuance and Delivery of Texas State Technical College System Revenue Financing System Bonds, Series 2009 in an Amount Not to Exceed \$31,555,000; Authorizing the Sale Thereof Pursuant to a Competitive Sale and Authorizing the Chancellor and the Vice Chancellor for Financial & Administrative Services to Individually or Jointly Approve All Final Terms Following Receipt of Bids; and Approving and Authorizing Instruments and Procedures Relating Thereto*; and

WHEREAS, on August 5, 2011, the Board authorized the issuance of the fifth series of Parity Obligations pursuant to the *Fifth Supplemental Resolution to the Master Resolution Authorizing the Issuance and Delivery of Texas State Technical College System Revenue Financing System Bonds, Series 2011 in an Amount Not to Exceed \$28,500,000; Authorizing the Sale Thereof Pursuant to a Negotiated Underwriting and Authorizing the Chancellor and the Vice Chancellor for Financial & Administrative Services to Individually or Jointly Approve All Final Terms Following Receipt of Bids; and Approving and Authorizing Instruments and Procedures Relating Thereto*; and

WHEREAS, on August 5, 2011, the Board authorized the issuance of the sixth series of Parity Obligations pursuant to the *Sixth Supplemental Resolution to the Master Resolution Authorizing the Issuance and Delivery of Texas State Technical College System Revenue Financing System Bonds, Series 2011A in an Amount Not to Exceed \$5,200,000; Authorizing the Sale Thereof*

Pursuant to a Negotiated Underwriting, a Competitive Sale or a Private Placement and Authorizing the Chancellor and the Vice Chancellor for Financial & Administrative Services to Individually or Jointly Approve All Final Terms of the Bonds; and Approving and Authorizing All Instruments and Procedures Relating Thereto; and

WHEREAS, on February 11, 2016, the Board authorized the issuance of the seventh series of Parity Obligations pursuant to the *Seventh Supplemental Resolution to the Master Resolution Authorizing the Issuance of up to \$64,740,000 in Principal Amount of Texas State Technical College System Revenue Financing System Bonds, in One or More Series, for the Purpose of Financing Certain Improvements at Various Campuses and Refunding Certain Outstanding Obligations; Authorizing the Sale Thereof Pursuant to a Negotiated Underwriting; Approving and Authorizing the Execution of Instruments and Procedures Related Thereto; Delegating Authority to Certain System Officials to Select Underwriters, Approve All Final Terms with Respect to the Sale of the Bonds, and Approve a Paying Agent/Registrar Agreement, an Escrow Agreement and a Purchase Contract; and Approving Other Matters Related Thereto; and*

WHEREAS, the Board hereby finds and declares a public purpose and deems it advisable and in the best interests of the System to issue a series of Parity Obligations pursuant to this Eighth Supplement to the Master Resolution (defined in *Exhibit A* hereof as the "**Bond**") to finance the following improvements at various campuses of the System:

- (i) renovate, expand, improve and equip existing facilities located at the System's campuses in Fort Bend County and in the Cities of Harlingen and Waco to be used primarily for their welding and/or electrical line worker programs;
- (ii) renovate, remodel and equip the Industrial Technology Center at the System's Waco campus to be used primarily for administrative office space; and
- (iii) acquire real estate at the System's Waco campus to be used primarily for campus expansion; and

WHEREAS, the Bond authorized to be issued by this Eighth Supplement is to be issued and delivered pursuant to laws of the State of Texas, including particularly Chapter 55, Texas Education Code, and Sections 55.02 and 55.13(a) thereof; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Eighth Supplement was adopted was open to the public and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE TEXAS STATE TECHNICAL COLLEGE SYSTEM THAT:

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

SECTION 2. AMOUNT AND PURPOSE OF THE BOND. A Bond of the System is hereby authorized to be issued and delivered in the aggregate principal amount of \$30,000,000 for the purpose of paying costs of issuance to and provide funds to acquire, purchase, construct, improve, enlarge, and/or equip any property, building, structures, activities, services, operations or other facilities, for and on behalf of the System including primarily to (i) renovate, expand, improve and equip existing facilities located at the System's campuses in Fort Bend County and in the Cities of Harlingen and Waco to be used primarily for their welding and/or electrical line worker programs; (ii) renovate, remodel and equip the Industrial Technology Center at the System's Waco campus to be used primarily for administrative office space; and (iii) acquire real estate at the System's Waco campus to be used primarily for campus expansion.

Section 3. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, PRINCIPAL INSTALLMENT PAYMENTS, AND INTEREST RATES.

(a) Designation. The Bond issued pursuant to this Eighth Supplement shall be designated **TEXAS STATE TECHNICAL COLLEGE SYSTEM REVENUE FINANCING SYSTEM IMPROVEMENT BOND, SERIES 2020.**

(b) Date, Denomination and Numbers. Initially there shall be issued, sold, and delivered hereunder one fully registered Bond, without interest coupons, dated June 1, 2020, in the denomination and principal amount of **\$30,000,000**, numbered R-1, with any bond issued in replacement thereof being in the denomination and principal amount hereinafter stated and numbered consecutively from R-2 upward, payable in installments to the Holder thereof.

(c) Principal Installment Payments and Interest Rates. The principal of the Bond shall mature and be payable in installments on the dates and in the principal installment amounts and shall bear interest at the per annum rates set forth in the following schedule:

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Payment Date (October 15)	Principal Installment Amount (\$)	Interest Rate (%)
2021	2,670,000	2.53
2022	2,740,000	2.53
2023	2,810,000	2.53
2024	2,880,000	2.53
2025	2,955,000	2.53
2026	3,030,000	2.53
2027	3,110,000	2.53
2028	3,185,000	2.53
2029	3,270,000	2.53
2030	<u>3,350,000</u>	2.53
Total	<u>30,000,000</u>	***

The term "Bond" as used in this Eighth Supplement shall mean and include collectively the bond initially issued and delivered pursuant to this Eighth Supplement, as well as all other substitute bonds and replacement bonds issued pursuant hereto.

SECTION 4. INTEREST. The principal of this Bond shall bear interest from the dates specified in the FORM OF BOND set forth in this Eighth Supplement to date of the respective principal installment payment date at the respective rates per annum set forth above. Said interest shall be payable in the manner provided and on the dates stated in the FORM OF BOND set forth in this Eighth Supplement.

SECTION 5. REGISTRATION, TRANSFER, AND EXCHANGE; AUTHENTICATION.

(a) *Registration and Transfer; Authentication.* The System shall keep or cause to be kept at the designated corporate trust or commercial banking office (the "**Designated Office**," currently located in San Antonio, Texas) of **FROST BANK** (the "**Paying Agent/Registrar**"), books or records for the registration of the transfer of the Bond (the "**Registration Books**"), and the System hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers under such reasonable regulations as the System and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations and transfers as herein provided within three days of presentation in due and proper form. Attached hereto as *Exhibit B* is a copy of the Paying Agent/Registrar Agreement between the System and the Paying Agent/Registrar which is hereby approved in substantially final form, and the Chair and Vice Chair of the Board of the System and the Vice Chancellor and Chief Financial Officer of the System are each hereby authorized to execute the Paying Agent/Registrar Agreement and approve any changes in the final form thereof.

The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Holder of the Bond to which payments with respect to the Bond shall be mailed, as herein provided; but it shall be the duty of the Holder to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The System shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The System shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer and delivery of a substitute Bond. Registration of assignment and transfer of a Bond shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Eighth Supplement. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

Except as provided in Section 5(c) hereof, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign said Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so executed. The Paying Agent/Registrar promptly shall cancel the paid Bond or a Bond surrendered for transfer. No additional ordinances, orders or resolutions need be passed or adopted by the governing body of the System or any other body or person so as to accomplish the foregoing, and the Paying Agent/Registrar shall provide for the printing, execution and delivery of the substitute Bond in the manner prescribed herein. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of transfer of the Bond as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Bond, the transferred Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bond which initially was issued and delivered pursuant to this Eighth Supplement, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(b) *Payment of Bond and Interest.* The System hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bond, all as provided in this Eighth Supplement. The Paying Agent/Registrar shall keep proper records of all payments made by the System and the Paying Agent/Registrar with respect to the Bond, and of all transfers of the Bond, and all replacements of the Bond, as provided in this Eighth Supplement. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "**Special Record Date**") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the System. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of the Holder appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(c) *In General.* The Bond (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bond to be payable only to the Holder thereof, (ii) may be transferred and assigned, (iii) shall have the characteristics, (iv) shall be signed, sealed, executed and authenticated, (v) shall be payable as to principal and interest, and (vi) shall be

administered, and the Paying Agent/Registrar and the System shall have certain duties and responsibilities with respect to the Bond, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth in this Eighth Supplement. The Bond initially issued and delivered pursuant to this Eighth Supplement is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in transfer or replacement for any Bond issued under this Eighth Supplement the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF BOND.

(d) *Substitute Paying Agent/Registrar.* The System covenants with the registered Owner of the Bond that at all times while the Bond is outstanding the System will provide a competent and legally qualified bank, trust company, financial institution or other agency to act as and perform the services of Paying Agent/Registrar for the Bond under this Eighth Supplement, and that the Paying Agent/Registrar will be one entity. The System reserves the right to, and may, at its option, but only with the prior written consent of the Holder, change the Paying Agent/Registrar upon not less than 40 days written notice to the Paying Agent/Registrar, to be effective not later than 30 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the System covenants that promptly it will appoint, but only upon the prior written consent of the Holder, a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Eighth Supplement. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bond, to the new Paying Agent/Registrar designated and appointed by the System. Upon any change in the Paying Agent/Registrar, the System promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to the Holder of the Bond, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Eighth Supplement, and a certified copy of this Eighth Supplement shall be delivered to the Paying Agent/Registrar.

(e) On the closing date, one Initial Bond representing the entire principal amount of the Bond, payable in stated installments to the initial purchaser of the Bond identified in Section 19 hereof (the "**Purchaser**"), executed by manual or facsimile signature of the Chair and Secretary of the Board, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to the Purchaser or its designee. The Paying Agent/Registrar shall insert the date of delivery and deliver the Bond to the Purchaser.

SECTION 6. FORM OF BOND. The form of the Bond, including the form of the Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas, with respect to the Bond initially issued and delivered to the Purchaser, shall be, respectively, substantially as set forth in *Exhibit C*, with such appropriate variations, omissions, or insertions as are permitted or required by this Eighth Supplement.

SECTION 7. ESTABLISHMENT OF FINANCING SYSTEM AND ISSUANCE OF PARITY OBLIGATIONS. By adoption of the Master Resolution, the Board has established the Revenue Financing System for the purpose of providing a financing structure for revenue supported indebtedness of the System. The Master Resolution is intended to establish a master plan under which revenue supported debt of the Financing System can be incurred. This Eighth Supplement provides for the authorization, issuance, sale, delivery, form, characteristics, provisions of payment, and security of the Bond, which is the eighth series of Parity Obligations. The Master Resolution is incorporated herein by reference and as such made a part hereof for all purposes, except to the extent modified and supplemented hereby, and the Bond is hereby declared to be a Parity Obligation under the Master Resolution. As required by Section 5(a) of the Master Resolution, the Board hereby determines, in connection with the issuance of the Bond, that (i) it will have sufficient funds, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the Board relating to the Financing System (including the payment of Prior Encumbered Obligations and the currently outstanding Parity Obligations), and (ii) each Participant for whom the Bond is are being issued or incurred possesses the financial capability to satisfy its respective Direct Obligation related to the Bond.

SECTION 8. SECURITY AND PAYMENTS. The Bond is a special obligation of the System payable from and secured solely by the Pledged Revenues pursuant to the Master Resolution and this Eighth Supplement. The Pledged Revenues are hereby pledged, subject to the liens securing the Prior Encumbered Obligations, to the payment of the principal of, premium, if any, and interest on the Bond as the same shall become due and payable. The System agrees to pay the principal of and the interest on the Bond when due.

SECTION 9. PAYMENTS. Semiannually on or before each principal or interest payment date while the Bond is outstanding and unpaid, commencing on the first interest payment date for the Bond as provided therein, the System shall make available to the Paying Agent/Registrar, money sufficient to pay such interest on and such principal of the Bond as will accrue or mature on such principal or interest payment date. Upon payment of the final principal installment of the Bond, the Paying Agent/Registrar shall cancel the Bond and shall furnish the System with an appropriate certificate of cancellation.

SECTION 10. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BOND.

(a) Replacement Bond. In the event the outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same series, principal installment payment amounts, maturity, and interest rate or rates, and in the same form, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

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

loss, theft, or destruction of the Bond, the applicant shall furnish to the System and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of the Bond, as the case may be. In every case of damage or mutilation of the Bond, the applicant shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

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

(d) Charge for Issuing Replacement Bond. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the Holder of the Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that the Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the System whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Eighth Supplement.

(e) Authority for Issuing Replacement Bond. In accordance with Chapter 1201, Texas Government Code, as amended, this Section shall constitute authority for the issuance of any such replacement bond without the necessity of further action by the System or any other body or person, and the duty of the replacement of the Bond is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bond in the form and manner and with the effect, as provided in Section 5(c) of this Eighth Supplement such Bond issued in exchange and replacement for the Bond.

SECTION 11. AMENDMENT OF SUPPLEMENT.

(a) Amendments Without Consent. This Eighth Supplement and the rights and obligations of the System and of the Holder of the Bond may be modified or amended at any time without notice to or the consent of the Holder of the Bond or any other Parity Obligations, solely for any one or more of the following purposes:

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

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

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

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

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

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

Notice of any such amendment may be published by the System in the manner described in subsection (c) of this Section; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory resolution and the failure to publish such notice shall not adversely affect the implementation of such amendment as adopted pursuant to such amendatory resolution.

(b) Amendments With Consent. Subject to the other provisions of this Eighth Supplement, the Holder of the Bond shall have the right from time to time to approve any amendment, other than amendments described in Subsection (a) of this Section, to this Eighth Supplement which may be deemed necessary or desirable by the Board.

(c) Notice. If at any time the Board shall desire to amend this Eighth Supplement other than pursuant to (a) above, the Board shall cause notice of the proposed amendment to be given in writing to the Holder of the Bond.

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

(e) Effect of Amendments. Upon the adoption by the Board of any resolution to amend this Eighth Supplement pursuant to the provisions of this Section, this Eighth Supplement shall be deemed to be amended in accordance with the amendatory resolution, and the respective rights, duties, and obligations of the System and the Holder of the Outstanding Bond and all successor

Holders of the Bond shall thereafter be determined, exercised, and enforced under the Master Resolution and this Eighth Supplement, as amended.

(f) Consent Irrevocable. Any consent given by the Holder of the Bond pursuant to the provisions of this Section shall be irrevocable.

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

SECTION 12. COVENANTS REGARDING TAX-EXEMPTION.

(a) Covenants. The System covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bond as an obligation described in section 103 of the Internal Revenue Code of 1986, as amended (the "**Code**"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the System covenants as follows:

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

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bond or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

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

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

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

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

(A) proceeds of the Bond invested for a reasonable temporary period of 90 days or less until such proceeds are needed for the purpose for which the Bond is issued,

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

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

(7) to otherwise restrict the use of the proceeds of the Bond or amounts treated as proceeds of the Bond, as may be necessary, so that the Bond does not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Bond or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bond in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

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

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

(c) Proceeds. The System understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bond. It is the understanding of the System that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department

of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bond, the System will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bond under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bond, the System agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bond under section 103 of the Code. In furtherance of such intention, the System hereby authorizes and directs the Chancellor and the Vice Chancellor and Chief Financial Officer of the System to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the System, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bond.

(d) Allocation of, and Limitation on, Expenditures for the Project. The System covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 2 of this Eighth Supplement (the "**Project**") on its books and records in accordance with the requirements of the Internal Revenue Code. The System 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 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 System recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale 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 Bond, or (2) the date the Bond is retired. The System 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 Bond. For purposes hereof, the issuer 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.

(e) Disposition of Project. The System covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the System of cash or other compensation, unless the System obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bond. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the System 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) Written Procedures. Unless superseded by another action of the System, to ensure compliance with the covenants contained herein regarding private business use, remedial actions,

arbitrage and rebate, the Board hereby adopts and establishes the instructions attached hereto as Exhibit D as the System's written procedures.

SECTION 13. EIGHTH SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY. In consideration of the acceptance of the Bond, the issuance of which is authorized hereunder, by those who shall hold the same from time to time, this Eighth Supplement shall be deemed to be and shall constitute a contract between the Board and the Holder from time to time of the Bond and the pledge made in this Eighth Supplement by the Board and the covenants and agreements set forth in this Eighth Supplement to be performed by the Board shall be for the equal and proportionate benefit, security, and protection of all Holders, without preference, priority, or distinction as to security or otherwise of the Bond authorized hereunder over any of the others by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Eighth Supplement.

SECTION 14. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements, or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements, or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bond issued hereunder.

SECTION 15. PAYMENT AND PERFORMANCE ON BUSINESS DAYS. Except as provided to the contrary in the FORM OF BOND, whenever under the terms of this Eighth Supplement or the Bond, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Bond, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Bond, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the date of performance or payment.

SECTION 16. LIMITATION OF BENEFITS WITH RESPECT TO THE EIGHTH SUPPLEMENT. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Eighth Supplement or the Bond is intended or should be construed to confer upon or give to any person other than the Board, the Holder, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Eighth Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Eighth Supplement and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Board, the Holder, and the Paying Agent/Registrar as herein and therein provided.

SECTION 17. CUSTODY, APPROVAL, BOND COUNSEL'S OPINION, CUSIP NUMBERS, PREAMBLE AND INSURANCE. The Vice Chancellor and Chief Financial Officer of the System is hereby authorized to have control of the Bond initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bond pending its delivery and its investigation, examination, and approval by the Attorney General of the State of Texas, and its registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Bond the Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to the Bond, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of bond counsel relating to the Bond, a statement regarding the issuance of a municipal bond insurance policy to secure payment of debt service on the Bond, if any, and the assigned CUSIP numbers, if any, may be printed on the Bond issued and delivered under this Eighth Supplement, but neither shall have any legal effect, and shall be solely for the convenience and information of the Holder of the Bond.

SECTION 18. NO RULE 15c2-12 UNDERTAKING; ANNUAL FINANCIAL STATEMENTS. The System has not made an undertaking in accordance with Rule 15c2-12 of the Securities and Exchange Commission (the "**Rule**") in connection with the issuance of the Bond inasmuch as the Purchaser is not acting as an "underwriter in a primary offering of municipal securities" within the meaning of the Rule. The System is not, therefore, obligated pursuant to the Rule to provide any on-going disclosure relating to the System or the Bond; however, as long as the Bond is outstanding, the System shall provide the following to the Holder:

- (a) An unaudited financial report of the System, to be provided within six months after the close of each fiscal year ending on and after August 31, 2020; and
- (b) A copy of the System's annual budget, to be provided within not more than 30 days after it is adopted by the System's governing body.

SECTION 19. SALE AND DELIVERY OF THE BOND. The Bond is hereby initially sold and shall be delivered to **FROST BANK** (the "**Purchaser**") for cash for the par value thereof and no accrued interest, pursuant to the *Purchase Contract and Investment Letter*, attached hereto as *Exhibit E*, dated the date of the final passage of this Eighth Supplement, which the Chair or Vice Chair of the Board and the Vice Chancellor and Chief Financial Officer of the System are hereby authorized to execute and deliver. In satisfaction of Section 1201.022(a)(3), Texas Government Code, and upon consultation with the System's Financial Advisor, the Board hereby determines that the final terms of the Bond as set forth in this Eighth Supplement are in the System's best interests. The Bond initially shall be registered in the name of **FROST BANK**

SECTION 20. SECURITY INTEREST. Chapter 1208, Texas Government Code, applies to the issuance of the Bond and the pledge of the Pledged Revenues granted by the System under Section 8 of this Eighth Supplement and Section 2 of the Master Resolution, and is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bond is outstanding and unpaid such that the pledge of the Pledged Revenues granted by the System under Section 8 of this

Eighth Supplement and Section 2 of the Master Resolution is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the Holder of the Bond the perfection of the security interest in said pledge, the System agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code, and enable a filing to perfect the security interest in said pledge to occur.

SECTION 21. FURTHER PROCEDURES. The Chair of the Board, and the Chancellor and the Vice Chancellor and Chief Financial Officer of the System, and all other officers of the Board and the System, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the System all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Eighth Supplement, the Bond, the sale and delivery of the Bond and fixing all details in connection therewith, and to approve any supplements or amendments to the Official Statement in connection with the Bond.

SECTION 22. REPEAL OF CONFLICTING RESOLUTIONS. All resolutions and all parts of any resolutions (other than the Master Resolution) which are in conflict or inconsistent with this Eighth Supplement are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

SECTION 23. INCORPORATION OF RECITALS. The Board hereby finds that the statements set forth in the recitals of this Eighth Supplement are true and correct, and the Board hereby incorporates such recitals as a part of this Eighth Supplement.

SECTION 24. EFFECTIVE DATE. Pursuant to the provisions of Section 1201.028, Texas Government Code, this Eighth Supplement shall become effective immediately after its adoption.

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ADOPTED BY THE BOARD OF REGENTS OF THE TEXAS STATE TECHNICAL COLLEGE SYSTEM AT A SPECIAL MEETING HELD ON THE 27TH DAY OF MAY, 2020.

Chair, Board of Regents
Texas State Technical College System

ATTEST:

Secretary, Board of Regents
Texas State Technical College System

Execution Page to Eighth Supplement to Master Resolution Authorizing the Issuance of
Texas State Technical College System Revenue Financing System Improvement Bond, Series 2020

EXHIBIT A

DEFINITIONS

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

"Bond" shall mean the **TEXAS STATE TECHNICAL COLLEGE SYSTEM REVENUE FINANCING SYSTEM IMPROVEMENT BOND, SERIES 2020**, authorized by this Eighth Supplement to be issued for the purpose of financing certain improvements to the System's facilities, as further described in the recitals of this Eighth Supplement.

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

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

"Designated Office" shall have the meaning ascribed to said term in Section 5(a) of this Eighth Supplement.

"Eighth Supplement" shall mean this resolution authorizing the Bond.

"Master Resolution" shall mean the "Master Resolution Establishing The Revenue Financing System under the Authority and Responsibility of the Board of Regents of the Texas State Technical College System", adopted by the Board on October 18, 2002.

"Paying Agent/Registrar," "Paying Agent" or "Registrar" shall mean the financial institution approved by the Board in Section 5(a) of this Eighth Supplement to serve as the initial paying agent/registrar for the Bond, or any successor to such agent.

"Record Date" shall mean, with respect to the Bond, the last business day of the month preceding an interest payment date.

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

EXHIBIT B

FORM OF PAYING AGENT/REGISTRAR AGREEMENT

EXHIBIT C

FORM OF BOND

**UNITED STATES OF AMERICA
STATE OF TEXAS
TEXAS STATE TECHNICAL COLLEGE SYSTEM
REVENUE FINANCING SYSTEM IMPROVEMENT BOND
SERIES 2020**

NO. R-__

**PRINCIPAL
AMOUNT**
\$ _____

Interest Rate

As shown below

Delivery Date

June __, 2020

Maturity Date

As shown below

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ **DOLLARS**

THE TEXAS STATE TECHNICAL COLLEGE SYSTEM (the "*Issuer*"), for value received, hereby promises to pay, from the sources described herein, to the registered owner specified above, or registered assign (the "*Registered Owner*"), the principal amount from time to time unpaid and to pay interest thereon from the date of delivery of this Bond as specified above, at the rate per annum set forth in the table below, calculated on the basis of a 360-day year of twelve 30-day months. The principal of this Bond shall mature and be paid in installments on the dates and in the amounts set forth in the table below:

Payment Date (October 15)	Principal Installment Amount (\$)	Interest Rate (%)
2021	2,670,000	2.53
2022	2,740,000	2.53
2023	2,810,000	2.53
2024	2,880,000	2.53
2025	2,955,000	2.53
2026	3,030,000	2.53
2027	3,110,000	2.53
2028	3,185,000	2.53
2029	3,270,000	2.53
2030	<u>3,350,000</u>	2.53
Total	<u>30,000,000</u>	***

THE PRINCIPAL OF AND INTEREST ON THIS BOND are payable in lawful money of the United States of America, without exchange or collection charges. The Issuer shall pay interest on the unpaid principal installments of this Bond on October 15, 2020, and on each April 15 and October 15 thereafter to the date of maturity thereof. The last principal installment of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity at the designated corporate trust or commercial banking office of **FROST BANK** (the "**Designated Office**," currently located in San Antonio, Texas), which is the "**Paying Agent/Registrar**" for this Bond. The payment of all other principal installments of and interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each principal and interest payment date by check or draft, dated as of such principal and interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the Bond Resolution (as defined below) authorizing the issuance of this Bond to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared on the last business day of the month next preceding each such date (the "**Record Date**") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, principal and interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner.

THIS BOND, DATED AS OF THE DATED DATE STATED ABOVE, has been authorized in accordance with the Constitution and laws of the State of Texas in the aggregate principal amount of \$30,000,000, and was issued pursuant to a Eighth Supplemental Resolution to the Master Resolution adopted on May 27, 2020, and pursuant to the Master Resolution referred to therein (collectively, the "**Bond Resolution**") for the purpose of paying costs of issuance and to provide funds to acquire, purchase, construct, improve, enlarge, and/or equip any property, building, structures, activities, services, operations or other facilities, for and on behalf of the System including primarily to (i) renovate, expand, improve and equip existing facilities located at the System's campuses in Fort Bend County and in the Cities of Harlingen and Waco to be used

primarily for their welding and/or electrical line worker programs; (ii) renovate, remodel and equip the Industrial Technology Center at the System's Waco campus to be used primarily for administrative office space; and (iii) acquire real estate at the System's Waco campus to be used primarily for campus expansion.

THE PRINCIPAL INSTALLMENTS OF THIS BOND ARE NOT SUBJECT TO REDEMPTION PRIOR TO STATED MATURITY.

UPON THE PAYMENT OF ANY OUTSTANDING principal balance of this Bond, the Paying Agent/Registrar shall note in the Bond Registration Books the amount of such payment, the date said payment was made and the remaining unpaid principal balance of this Bond.

IF THE DATE FOR THE PAYMENT of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND IS ISSUED AS A FULLY REGISTERED BOND, without interest coupons, in the denomination of the principal amount thereof. As provided in the Bond Resolution, this Bond may, at the request of the Registered Owner or the assignee hereof, be assigned or transferred for a like aggregate principal amount of a fully registered Bond in the denomination of the principal amount hereof, without interest coupons, payable to the Registered Owner or assignees as the case may be, having the same denomination, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond. The form of Assignment printed or endorsed on this Bond may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring or exchanging any Bond will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment or transfer, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date.

IN THE EVENT ANY PAYING AGENT/REGISTRAR FOR THE BOND IS CHANGED by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owner of the Bond.

IN THE EVENT ANY PAYING AGENT/REGISTRAR for this Bond is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the Registered Owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED, AND COVENANTED that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond constitutes a Parity Obligation under the Master Resolution; and that the interest on and principal of this Bond, together with the other outstanding Parity Obligations, are equally and ratably secured by and payable from a lien on and pledge of the Pledged Revenues, subject only to the provisions of, and the lien on and pledge of certain Pledged Revenues to, the Prior Encumbered Obligations, if any.

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

THE REGISTERED OWNER HEREOF SHALL NEVER HAVE THE RIGHT to demand payment of this Bond or the interest hereon out of any funds raised or to be raised by taxation or from any source whatsoever other than specified in the Bond Resolution.

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

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

Secretary, Board of Regents of the
Texas State Technical College System

Chair, Board of Regents of the
Texas State Technical College System

(BOARD SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Bond is not accompanied by an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

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

FROST BANK
as Paying Agent/Registrar

Dated

Authorized Representative

FORM OF ASSIGNMENT:

ASSIGNMENT

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

(Assignee's Social Security or Taxpayer Identification Number) / _____
(print or typewrite Assignee's name and address, including zip code)

_____ and
hereby irrevocably constitutes and appoints _____
attorney to transfer the registration of this Bond on the Paying Agent/Registrar's Registration Books with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

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

COMPTROLLER'S REGISTRATION CERTIFICATE:

REGISTER NO. _____

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

Witness my signature and seal this

Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

EXHIBIT D

WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS

A. Arbitrage. With respect to the investment and expenditure of the proceeds of the Bond, the System's chief financial officer (the "*Responsible Person*"), which currently is the System's Vice Chancellor and Chief Financial Officer, will:

- (i) instruct the appropriate person or persons that the construction, renovation or acquisition of the facilities must proceed with due diligence and that binding contracts for the expenditure of at least 5% of the proceeds of the Bond will be entered into within six (6) months of the date of delivery of the Bond (the "*Issue Date*");
- (ii) monitor that at least 85% of the proceeds of the Bond to be used for the construction, renovation or acquisition of any facilities are expended within three (3) years of the Issue Date;
- (iii) restrict the yield of the investments to the yield on the Bond after three (3) years of the Issue Date;
- (iv) ensure that no more than 50% of the proceeds of the Bond are invested in an investment with a guaranteed yield for four years or more;
- (v) monitor all amounts deposited into a sinking fund or funds (e.g., the Interest and Sinking Fund), to assure that the maximum amount invested at a yield higher than the yield on the Bond does not exceed an amount equal to the debt service on the Bond in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Bond for the immediately preceding 12-month period;
- (vi) ensure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS;
- (vii) assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (A) at least every five (5) years after the Issue Date, and (B) within 30 days after the date the Bond is retired; and
- (viii) maintain any official action of the System (such as a reimbursement resolution) stating its intent to reimburse with the proceeds of the Bond any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities.

B. Private Business Use. With respect to the use of the facilities financed or refinanced with the proceeds of the Bond the Responsible Person will:

- (i) monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;
- (ii) monitor whether, at any time the Bond is outstanding, any person, other than the System, the employees of the System, the agents of the System or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;
- (iii) monitor whether, at any time the Bond is outstanding, any person, other than the System, the employees of the System, the agents of the System or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);
- (iv) monitor whether, at any time the Bond is outstanding, any person, other than the System, the employees of the System, the agents of the System or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;
- (v) determine whether, at any time the Bond is outstanding, any person, other than the System, has a naming right for the facilities or any other contractual right granting an intangible benefit;
- (vi) determine whether, at any time the Bond is outstanding, the facilities are sold or otherwise disposed of; and
- (vii) take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Eighth Supplement related to the public use of the facilities.

C. Record Retention. The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Bond and the use of the facilities financed thereby for a period ending three (3) years after the complete extinguishment of the Bond. If any portion of the Bond is refunded with the proceeds of another series of tax-exempt obligations, such records shall be maintained until the three (3) years after the refunding obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Person. The Responsible Person shall receive appropriate training regarding the System's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed with the proceeds of the Bond. The foregoing notwithstanding, the Responsible Person is authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

EXHIBIT E

FORM OF PURCHASE CONTRACT AND INVESTMENT LETTER



Executive Committee Meeting Date: May 27, 2020 **Proposed Executive Action #: EA 26-20**

Proposed By: Gail Lawrence, Executive Vice Chancellor & Chief of Staff to the Chancellor & CEO

Subject: Approve the Pursuit of Economic Development Administration CARES Act Funding in Support of COVID-Specific Renovation, Construction, and Infrastructure on the Waco Campus

Background: Texas State Technical College (TSTC) is eligible to apply for FY 2020 federal Economic Development Administration (EDA) Public Works and Economic Adjustment Assistance Program including CARES Act funding. This program supports a wide range of technical, planning, and public works and infrastructure projects in regions that are experiencing adverse economic changes. TSTC has been notified by the EDA that the Waco campus is in an area that meets the criteria to submit a request.

Additional Information: Funds must support the college's ongoing effort to respond to COVID-19 and Center for Disease Control (CDC) guidelines affecting instructional delivery, pedagogical methods and resources, and the actual physical structure and deployment of the curriculum through remote learning, hybrid course offerings, performance-based education, and more.

Fiscal Implications: TSTC's proposed initial request will be for \$20 million but the actual award may be negotiated to a lower amount by regional EDA officials. A non-federal 20% match will be required to receive the grant.

Attestation: This Executive Action is in compliance with all applicable laws and regulations to the best of my knowledge.

Attachment(s): None.

Recommended Executive Action: "The Texas State Technical College Board of Regents approves the pursuit of Economic Development Administration CARES Act funding in support of COVID-19 specific renovation, construction, and/or infrastructure on the Waco Campus. In the event of a funding award, TSTC shall comply with EDA rules and regulations in the implementation of the grant."

Recommended By: [ORIGINAL SIGNED BY]
Gail Lawrence, Executive Vice Chancellor & Chief of Staff to the Chancellor & CEO