

THE UNIVERSITY OF NEW MEXICO



**December 1, 2020  
12:30 p.m.  
Scholes Hall, Roberts Room**

# TAB 1

## **Item 1**

Call to Order, Confirmation of a Quorum, and Adoption of Agenda

**The University of New Mexico**  
**Board of Regents' Finance and Facilities Committee**  
**December 1, 2020, 12:30 p.m.**  
**Held Virtually, Via Zoom**  
<https://live.unm.edu/board-of-regents>  
**AGENDA**

**ACTION ITEMS:**

1. Call to Order, Confirmation of a Quorum, and Adoption of Agenda

**COMMENTS:**

- Open for Comments

**ACTION ITEMS (Continued):**

2. Approval of Finance and Facilities Committee Meeting Summary from October 13, 2020
3. Approval of Disposition of Surplus Property for September and October 2020 *(Presenter: Bruce Cherrin, Chief Procurement Officer, Purchasing Department)*
4. Approval of 1<sup>st</sup> Quarter Athletics' Enhanced Fiscal Oversight Program Report and Certification through September 30, 2020 and 1<sup>st</sup> Quarter Information on Athletics' Report by Sport through September 30, 2020 *(Presenters: Eddie Nunez, Dir., Athletics and Nicole Dopson, Dir., Financial Operations, EVP for AA/Provost's Office)*
5. Approval of Potential Advanced Refunding of UNM Series 2014A and 2014C Bonds *(Presenter: Vahid Staples, Budget Officer, Office of Planning, Budget & Analysis)*
6. Recommendations for Consent Agenda Items on Full Board of Regents' Agenda *(Sandra Begay, Chair, Regents' Finance & Facilities Committee)*

**INFORMATION ITEMS:**

7. Monthly Consolidated Financial Reports for Month Ended September 30, 2020 *(Presenter: Elizabeth Metzger, University Controller)*
8. Information on the Dissolution of Innovate ABQ, Inc. and the Transfer of its Real Estate to UNM *(Presenters: Thomas M. Neale, Dir. Real Estate and Randall J. McDonald, Counsel, Innovate ABQ, Inc.)*
9. Investment Overview and Introduction to New Investment Advisors - NEPC *(Presenters: Kenny Stansbury, CFO, UNM Foundation, Inc. and Kristi Hanson and Dan Hennessy, NEPC)*

**EXECUTIVE SESSION:**

- A. Vote to close the meeting and proceed into executive session.
- B. Discussion and determination where appropriate of potential purchase, acquisition or disposal of real property, pursuant to Section 10-15-1 H (8), NMSA (1978).
- C. Vote to re-open the meeting.
- D. Certification that only those matters described in paragraph B above were discussed in executive session, and any matter discussed in executive session will, if necessary, be subsequently ratified in the open session of the public meeting.

# TAB 2

## **Item 2**

Approval of Finance and Facilities Committee Meeting Summary from  
October 13, 2020

**THE UNIVERSITY OF NEW MEXICO**  
**Board of Regents' Finance and Facilities (F&F) Committee**  
**October 13, 2020 – Meeting Summary <<<Draft>>>**

**Committee Members Present:** Regent Sandra Begay, Regent Doug Brown, and Regent Rob Schwartz

**Administration Present:** Garnett Stokes, University President, and Teresa Costantinidis, Senior Vice President for Finance and Administration (SVPF&A)

**Presenters in Attendance:** Bruce Cherrin, Purchasing; Elizabeth Metzger, Controller; Eddie Nuñez, Athletics; Lisa Marbury, Institutional Support Services (ISS); Kelly Ward, Lobo Development Corporation; Jason Strauss, Lobo Energy Inc.; Norma Allen, OPBA; and Kenny Stansbury, UNM Foundation.

**ACTION ITEMS:**

- 1. Call to Order, Confirmation of a Quorum, and Adoption of Agenda.** Regent Begay called the virtual meeting to order at 12:30 p.m. and confirmed that a quorum was established with Regent Begay and Regent Brown present. **Regent Brown moved to adopt the agenda and Regent Begay seconded. The motion passed unanimous vote with a quorum of committee members present and voting.**
- 2. Approval of Finance and Facilities Committee Meeting Summary from July 7, 2020.** **Regent Begay moved to approve and Regent Brown seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
- 3. Approval of Disposition of Surplus Property for July and August 2020.** Bruce Cherrin gave the presentation. Regents' approval was requested for the disposition of surplus property for July and August 2020. Items listed in the E-Book are either obsolete or beyond repair, except for two items (uPrint 3D Printer and Labconco Biocabinet) which are included in the report. Bruce Cherrin noted that these two items will be listed on auction sites to obtain the maximum dollar amount possible. The detailed report is in the E-book. **Regent Begay moved to approve and Regent Brown seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
- 4. Approval of Contract: Athletics Department – Nike All-Sport Agreement.** Bruce Cherrin gave the presentation. Regents' approval was requested for the approval of the Nike All-Sport agreement that expired July 31, 2020. The agreement is for a new three-year-term, and the estimated annual expenditure is \$500K with an estimated total value of \$1.5M. The funding for this service is from Athletic revenues. The detailed report is in the E-book. **Regent Brown moved to approve and Regent Begay seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

**5. Approval of 1st Quarter Financial Actions Report and Certification through September 30, 2020 and 4th Quarter Informational Financial Report through June 30, 2020.**

Elizabeth Metzger gave the presentation. Regents' approval was requested for the First Quarter Financial Actions Report and Certification through September 30, 2020. The Quarterly Financial Actions Report is a one-page report submitted to the New Mexico Higher Education Department (HED), comprised of "yes" or "no" questions regarding the University's financial transactions. Answering any question "yes" requires further information to be provided to HED. Question 6 was answered "yes". By responding "yes" to Question 6, the additional information reported to HED will indicate the University is evaluating the overall impact of the pandemic on FY 21 auxiliary and athletic revenues and expenditures for Main Campus and Branches. The detailed report is in the E-book. **Regent Brown moved to approve and Regent Begay seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

**Informational Item: 4<sup>th</sup> Quarter Informational Financial Report through June 30, 2020.**

Elizabeth Metzger gave the presentation. The report covers the current fund operations for the University including Main Campus, Branch Campuses, and Clinical Operations including the Health Sciences Center (HSC) Campus. Ms. Metzger provided an update on the Federal FY 20 audit and she explained the University and HSC received CARES ACT funds in FY 20. Due to receiving the CARES ACT funds, the auditors were unable to complete the audit because the compliance guidelines for these types of funds had not been received. These guidelines are expected to be available to the auditors in November 2020. The NM State Auditor's office were made aware of the delay in receiving the guidelines and acknowledged the circumstances were beyond the University's control. Ms. Metzger noted there will not be a finding due to the lateness of the submission of the report. The detailed reports are in the E-book.

**6. Approval of 4th Quarter Athletics' Enhanced Fiscal Oversight Program (EFOP) Report and Certification through June 30, 2020 and 4th Quarter Information on Athletics' Report by Sport through June 30, 2020.** Eddie Nuñez gave the presentation. Regents' approval was requested for the Athletics' EFOP Report and Certification instituted by the Higher Education Department (HED). The detailed report is in the E-book. **Regent Brown moved to approve and Regent Begay seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

**Informational Item: 4<sup>th</sup> Quarter Informational on Athletics' Report by Sport through June 30, 2020.** Eddie Nuñez gave the presentation. This report covers the FY20 4th quarter financial status and budget exhibits for the Athletics' department. The detailed reports are in the E-book.

\*\*\*Regent Schwartz entered the meeting during this presentation, and the full committee with three regents were present.\*\*\*

**7. Requests for Project Construction Approvals:**

**a. UNM Reserve Officer Training Corps (ROTC) Renovation.** Lisa Marbury gave the presentation. Regents' approval was requested for the UNM Reserve Officer Training Corps

(ROTC) Renovation. The total estimated project budget is \$9.5M, and \$6.8M is funded by 2018 General Obligation Bonds (GOB), \$2M is funded by the University Income Fund, and \$714K is funded by 2019 State General Funds. The detailed report is in the E-book. **Regent Schwartz moved to approve and Regent Begay seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

\*\*\*Regent Brown left the meeting during this presentation. The F&F Committee meeting continued with a quorum of two regents, (Regent Begay and Regent Schwartz).\*\*\*

**b. UNM Popejoy Hall Artist Support Spaces Phase 2 Renovation.** Lisa Marbury gave the presentation. Regents' approval was requested for the UNM Popejoy Hall Artist Support Spaces Phase 2 Renovation. The total estimated project budget is \$798K, and \$598K is funded by 2020 Severance Tax Bond (STB) and \$200K is funded by 2018 STB. The detailed report is in the E-book. **Regent Schwartz moved to approve and Regent Begay seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

**c. Lomas Chiller #3 Replacement.** Lisa Marbury gave the presentation. Regents' approval was requested for the Lomas Chiller Replacement. The total estimated project budget is \$1.2M and is funded by Facilities Management-Utilities Division (FM-UT) capital reserves. The detailed report is in the E-book. **Regent Schwartz moved to approve and Regent Begay seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

**d. Hibben Center for Archaeology Research – Smoke Control Upgrade Project.** Lisa Marbury gave the presentation. Regents' approval was requested for the Hibben Center for Archaeology Research – Smoke Control Upgrade Project. The total estimated project budget is \$400K and is funded by FY 21 Building Renewal and Replacement (BR&R) funds. The detailed report is in the E-book. **Regent Schwartz moved to approve and Regent Begay seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

\*\*\*Regent Brown re-entered the meeting during this presentation, and the full committee with three regents were present.\*\*\*

**e. Natural History Science Center Re-Approval.** Lisa Marbury gave the presentation. Regents' approval was requested for the Natural History Science Center Re-Approval. The original budget for this project was \$3.8M and was approved by the NM State Board of Finance in March 2019. Since then, three additional funding allocations have increased the budget requiring re-approval. The legislature allocated an additional \$100K in April 2019. In January 2020, an additional \$100K was re-authorized for this project from prior year funds and an additional \$205K was appropriated in July of 2020. Therefore, re-approval is required to encumber these additional funds. The detailed report is in the E-book. **Regent Schwartz moved to approve and Regent Brown seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

**f. Innovation Discovery & Training Center (IDTC) Roof Replacement.** Lisa Marbury gave the presentation. Regents' approval was requested for the Innovation Discovery & Training Center (IDTC). The total estimated project budget is \$510K and is funded by FY21 Building Renewal and Replacement (BR&R) funds. The detailed report is in the E-book. **Regent Schwartz moved to approve and Regent Brown seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

**g. Artificial Turf Replacement, University Stadium.** Lisa Marbury gave the presentation. Regents' approval was requested for the artificial turf replacement, University Stadium. The total estimated project budget is \$700K and is funded from 2020 Severance Tax Bond (STB). The detailed report is in the E-book. **Regent Schwartz moved to approve and Regent Brown seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

**h. UNM Los Alamos Library Renovation.** Lisa Marbury gave the presentation. Regents' approval was requested for the UNM Los Alamos Library Renovation. The total estimated budget is \$625K, and \$500K is funded by 2019 NM General funds and \$125K is funded by UNM-Los Alamos Building Renewal & Replacement (BR&R) funds. The detailed report is in the E-book. **Regent Schwartz moved to approve and Regent Brown seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

\*\*\*Regent Brown left the meeting during this presentation. The F&F Committee meeting continued with a quorum of two regents, (Regent Begay and Regent Schwartz).\*\*\*

**i. UNM Valencia Campus Workforce Training Center.** Lisa Marbury gave the presentation. Regents' approval was requested for the UNM Valencia Campus Workforce Training Center. The estimated project budget is \$7.6M and is funded by the UNM Valencia Campus Reserves. The detailed report is in the E-book. **Regent Schwartz moved to approve and Regent Begay seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

**8. Approval of Lobo Development Corporation Board of Directors Reappointments of Louis Abruzzo, Stephen Ciepiela, Maria Griego-Raby, and Rick Siegel.** Kelly Ward gave the presentation. Regents' approval was requested for the reappointment of Louis Abruzzo, Stephen Ciepiela, Maria Griego-Raby, and Rick Siegel for another year. The request is detailed in the E-book. **Regent Schwartz moved to approve and Regent Begay seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

**9. Approval of Lobo Energy, Incorporated - Revised Management Services Agreement effective November 1, 2020.** The presentation was given by Jason Strauss. Regents' approval was requested for the approval of the Lobo Energy-Revised Management Services agreement effective November 1, 2020. Lobo Energy has been providing services to UNM since 1998 under a series of revised agreements, and the current agreement has been in effect for five years and expires October 31, 2020. Lobo Energy and UNM have drafted an agreement to continue services. The revised contract is noted in the E-book. **Regent Schwartz moved to approve**



**and Regent Begay seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

**10. Recommendations for Consent Agenda Items on Full Board of Regents' Agenda.** Regent Begay recommended items 3, 7, 8, 9 and 12 be placed on the full Board of Regents' consent agenda. **Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

#### **INFORMATION ITEM(S):**

**11. Information on FY 20 Main and Branch Campuses, Categorization of Reserves Report, Pursuant to UAP 7000.** Norma Allen gave the presentation. The detailed report is in the E-Book.

**12. UNM Foundation Fundraising and Financial Report for FY 2020/4th Quarter.** Kenny Stansbury gave the presentation on the Foundation's fundraising and endowment results, including investment performance and background information on the University's institutional endowments. Regent Begay requested a list of the chairs and the departments that received a benefit from the beginning of the endowment. President Stokes also requested a copy and recommended the list be provided to the full Board of Regents.

#### **COMMENTS:**

Stefi Weisburd, School of Engineering Education and Outreach Manager, commented on the impact of climate change and encouraged the University to work with the Foundation on the management of UNM's Endowment. She also expressed the importance of making business decisions that reduce the negative effects on our climate which will benefit future generations.

Joshua Parks, Student at UNM and member of UNM LEAF (Leaders for Environmental Action and Foresight) was not able to present his comments because of a schedule conflict. He submitted a written statement, and it was read by Mallory Reviere, Special Assistant to the Board of Regents. Mr. Parks commented on his concerns over climate change and the related importance of shifting UNM's investments from companies that are tied to oil and gas extraction, hydraulic fracturing, and the burning of fossil fuels to investments that are tied more closely to life-promoting industries and renewable energy.

#### **EXECUTIVE SESSION:**

An Executive session was not held.

**Regent Begay moved to adjourn at 1:43 p.m. and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**

# TAB 3

## **Item 3**

Approval of Disposition of Surplus Property for Main Campus for  
September and October 2020

**University Services**  
Marcos Roybal  
Associate Director

**Business Operations**  
1128 University Blvd NE  
505.277.2366

**CRLS**  
Clark Hall  
505.277.5109

**Copy Center**  
Dane Smith Hall  
505.277.8267

**Mailing Systems**  
1128 University Blvd NE  
505.277.4124

**Records Management**  
1128 University Blvd NE  
505.277.1136

**Shipping & Receiving**  
915 Camino de Salud  
505.272.6302

**Surplus Property**  
1128 University Blvd NE  
505.277.2923

## **Disposition of Surplus Property Approval September & October 2020**

**Date:** November 17, 2020

**To:** Bruce Cherrin  
Chief Procurement Officer  
Purchasing Department

**From:** Marcos Roybal  
Associate Director – Finance & Administration  
Purchasing Department  
University Services

Attached for your review and submission to the Board of Regents is the Surplus Property Disposition detail list for the month of September 2020 and October 2020.

Consistent with UNM Board of Regents Policy 7.9 and the NM Disposition of Surplus Property Act, 13-6-1, NMSA 1978, and based upon documentation submitted by the UNM departments responsible for the equipment, I certify that the equipment identified on the monthly list is worn-out, unusable or obsolete to the extent that the items are no longer economical or safe for continued use by the University. I recommend that the items be deleted from UNM's inventory and disposed of in accordance with the above noted Regents Policy and NM Surplus Property Act.



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UNIVERSITY SERVICES – DISPOSITION OF SURPLUS PROPERTY  
SEPTEMBER & OCTOBER 2020

### Surplus Property Disposition - September & October FY21

Memo	Asset Tag	Department	Description	Manufacturer	Purchased	Total Cost (\$)	NBV (\$)	Disposal Method
1	209173	Pathology Department	ULTRACENTRIFUGE	Beckman	03/06/1995	\$23,911.00	\$0.00	Beyond Repair
2	N00030761	AS Biology CETI Gen Admin	Freezer	VWR	06/03/2011	\$13,192.19	\$0.00	Beyond Repair
3	N00007813	Physics Astronomy Faculty #102	Crystal-Growing Facility	(Fabricated, multiple suppliers)	06/14/2006	\$11,946.11	\$0.00	Cannibalized
4	N00017991	Physics Astronomy Faculty #119	Assembly #75 - Cassette - One for Mini Clean	Equipment Fabrication	10/02/2008	\$10,396.82	\$0.00	Obsolete
	205965	Electrical Computer Engineering	SPECTROMETER/MASS	Mks	01/24/1995	\$9,093.00	\$0.00	Beyond Repair
	257892	IT Academic Technologies	PROJECTOR	EIKI	09/25/2002	\$8,938.00	\$0.00	Obsolete
	257891	IT Academic Technologies	PROJECTOR	EIKI	09/25/2002	\$8,937.00	\$0.00	Obsolete
	242898	University Press UP	SHRINK WRAPPING MACH	Beseler	07/25/2000	\$5,800.00	\$0.00	Obsolete
	252318	Biochemistry Molecular Biology	FREEZER	VWR	09/21/2001	\$5,693.00	\$0.00	Beyond Repair
	N00022582	CRTC Information Systems	Computer Server	Cisco	09/09/2009	\$5,652.50	\$0.00	Obsolete
	N00022583	CRTC Information Systems	Computer Server	Cisco	09/09/2009	\$5,652.50	\$0.00	Obsolete
	N00022634	CRTC Information Systems	Computer Server	INX	09/09/2009	\$5,355.00	\$0.00	Obsolete
	N00022635	CRTC Information Systems	Computer Server	INX	09/09/2009	\$5,355.00	\$0.00	Obsolete
<b>Total Asset Disposition (#)</b>								<b>13</b>
<b>Total Capitalization (\$)</b>								<b>\$119,922.12</b>
<b>Total Net Book Value (\$)</b>								<b>\$0.00</b>





# SCHOOL OF MEDICINE

## DEPARTMENT OF PATHOLOGY

August 31<sup>st</sup>, 2020

University Services

Attention: Surplus Property

CC: Norris Cain

RE: Disposal of Asset# 209173

Hello,

I have a Beckman Optima TL Ultra Centrifuge that is broken beyond repair. For decades, this machine was used for centrifugal separation of samples at extremely high speeds. Unfortunately, the vacuum system in the machine is broken beyond repair and the equipment is no longer operational. This was diagnosed by the Beckman field service technician. The UNM Asset #209173 was obtained in March 6<sup>th</sup>, 1995 for \$23,911.00. The net book value of the machine is \$0.

The centrifuge is located in the Cancer Research Facility, room 205. It is too large to be removed by one person. **The dimensions are 23d x 21h x 29w inches.** The machine has been cleaned, and the associated rotors and manuals have been placed in a box.

A member of my laboratory can be available at any time during the removal of this equipment.

Thank you,

Rachel Grattan  
Associate Scientist  
Department of Pathology  
Cancer Research Facility Rm 203  
989-621-1558  
[rgrattan@salud.unm.edu](mailto:rgrattan@salud.unm.edu)

UNM ASSET TAG #	DESCRIPTION	TOTAL COST	ADJUSTED COST	NBV	PURCHASED DATE
209173	TL Ultra Centrifuge	\$23,911.00	\$23,911.00	\$0	03/06/1995



*Department of Biology*

Disposition of surplus property UNM tag N00030761

August 20, 2020

To: Marcos Roybal  
From: Biology  
Subject: Freezer Disposition

Dear Mr Roybal:

UNM tag N00030761 ( VWR Ultracold freezer, 23 CU FT ULT 2 DR 230V) was purchased on June 6, 2011 (organization code 048H0, grant number 2R94P, Biology department) for \$13192.19 (total and adjusted cost). The freezer was kept in the Biology Department, Castetter Hall room 2429 and used for safe storage of biological samples and reagents at -80C, it has a net book value (NBV) of \$0. The freezer malfunctioned in 2019: it does not maintain a temperature below room temperature and cannot be used to store samples and reagents that require an ultra low temperature. Repair is not cost-efficient.

The decision to surplus this defective freezer will free up space for a replacement ultracold freezer, and allow effective use of Castetter Hall room 2429, a dedicated freezer farm.

Thank you for your consideration.

C.M Adema  
Professor

Director Controlled Environments Core, CETI, Biology, UNM

Digitally signed by William  
Pockman  
Date: 2020.08.20 16:47:22  
-06'00'

William Pockman, Chair

August 20, 2020

Date:

UNM Asset Tag #	Description	Total cost	Adjusted cost	NBV	Purchased date
N00030761	VWR Freezer	\$13,192.19	\$13,192.19	\$0.00	June 6, 2011





# DEPARTMENT OF PHYSICS & ASTRONOMY

March 17, 2020

To: Marcos Roybal, Associate Director, University Services

Re: Surplus of UNM Assets #'s: N00007813

Dear Mr. Roybal,

UNM Asset # N00007813 purchased 6/14/2006 is a custom fabricated UNM Assembly #41 belonging to Dr. S. Boyd. This item was a Crystal Growing Facility Assembly w/no serial number and no model number because it is a multiple supplier fabricated assembly. This item is not being used because it is outdated/obsolete. We are in the process of making the department lean and would like to leave unused equipment in the old building and have Surplus Property pick up the item directly from there. Although this machine was once valuable equipment, it is of no further use to our department. We would like to send this item to Surplus Property. The original cost of the item amounted to \$11,431.25 but adjusted cost of this item is \$11,946.11 but has a book value of \$0. Please accept this memo and approve disposal to Surplus Property.

  
Richard Rand

Professor & Chair: rjr@unm.edu

277-1517

UNM Asset Tag #	Description	Total cost	Adjusted cost	NBV	Purchased date	Serial number/VIN	Grant
N00007813	Custom Fabric	\$11,431.25	\$11,946.11	\$0.00	6/14/2006	ASSEMBLY #41	2R115





# DEPARTMENT OF PHYSICS & ASTRONOMY

September 9, 2020

To: Marcos Roybal, Associate Director, University Services

Re: Surplus of UNM Assets #'s: N00017991, Assmb.#75

Dear Mr. Roybal,

UNM Asset # N00017991 purchased on 10/02/2008 is a UNM item belonging to Dr. J. Matthews. This item is a CASSETTE-ONE FOR MINI CLEAN that was fabricated by our UNM Machine Shop. Because this equipment was fabricated there are no visible identifying model or serial numbers. This item is not being used because it is outdated/obsolete. We were in the process of making the department lean in preparation for the move to our new building recently made this year and this item was part of the equipment left in the old building that was picked up early March 20'. Although this equipment was once valuable equipment, it is of no further use to our department. We would like to send this item to Surplus Property. The total cost is \$1,604.29, adjusted cost is \$10,369.82, and NBV \$0. Please accept this memo and approve disposal to Surplus Property.

Sincerely,



Richard Rand

Professor & Chair: [rjr@unm.edu](mailto:rjr@unm.edu)

277-1517

UNM Asset tag #	Description	Total Cost	Adjusted cost	NBV	Purchased date	S/N	Grant
N00017991	Cassette one for mini clean	\$1,604.29	\$10,369.82	\$0	10/2/2008	Assembly #75	N/A

# New Mexico Compilation Commission

## 13-6-1 . Disposition of obsolete, worn-out or unusable tangible personal property.

A. The governing authority of each state agency, local public body, school district and state educational institution may dispose of any item of tangible personal property belonging to that authority and delete the item from its public inventory upon a specific finding by the authority that the item of property is:

- (1) of a current resale value of five thousand dollars (\$5,000) or less; and
- (2) worn out, unusable or obsolete to the extent that the item is no longer economical or safe for continued use by the body.

B. The governing authority shall, as a prerequisite to the disposition of any items of tangible personal property:

- (1) designate a committee of at least three officials of the governing authority to approve and oversee the disposition; and
- (2) give notification at least thirty days prior to its action making the deletion by sending a copy of its official finding and the proposed disposition of the property to the state auditor and the appropriate approval authority designated in Section 13-6-2 NMSA 1978, duly sworn and subscribed under oath by each member of the authority approving the action.

C. A copy of the official finding and proposed disposition of the property sought to be disposed of shall be made a permanent part of the official minutes of the governing authority and maintained as a public record subject to the Inspection of Public Records Act [Chapter 14, Article 2 NMSA 1978].

D. The governing authority shall dispose of the tangible personal property by negotiated sale to any governmental unit of an Indian nation, tribe or pueblo in New Mexico or by negotiated sale or donation to other state agencies, local public bodies, school districts, state educational institutions or municipalities or through the central purchasing office of the governing authority by means of competitive sealed bid or public auction or, if a state agency, through the surplus property bureau of the transportation services division of the general services department.

E. A state agency shall give the surplus property bureau of the transportation services division of the general services department the right of first refusal when disposing of obsolete, worn-out or unusable tangible personal property of the state agency.

F. If the governing authority is unable to dispose of the tangible personal property pursuant to Subsection D or E of this section, the governing authority may sell or, if the property has no value, donate the property to any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986.

G. If the governing authority is unable to dispose of the tangible personal property pursuant to Subsection D, E or F of this section, it may order that the property be destroyed or otherwise permanently disposed of in accordance with applicable laws.

H. If the governing authority determines that the tangible personal property is hazardous or contains hazardous materials and may not be used safely under any circumstances, the property shall be destroyed and disposed of pursuant to Subsection G of this section.

I. No tangible personal property shall be donated to an employee or relative of an employee of a state agency, local public body, school district or state educational institution; provided that nothing in this subsection precludes an employee from participating and bidding for public property at a public auction.

J. This section shall not apply to any property acquired by a museum through abandonment procedures pursuant to the Abandoned Cultural Properties Act [18-10-1 to 18-10-5 NMSA 1978].

K. Notwithstanding the provisions of Subsection A of this section, the department of transportation may sell through public auction or dispose of surplus tangible personal property used to manage, maintain or build roads that exceeds five thousand dollars (\$5,000) in value. Proceeds from sales shall be credited to the state road fund. The department of transportation shall notify the department of finance and administration regarding the disposition of all property.

L. If the secretary of public safety finds that the K-9 dog presents no threat to public safety, the K-9 dog shall be released from public ownership as provided in this subsection. The K-9 dog shall first be offered to its trainer or handler free of charge. If the trainer or handler does not want to accept ownership of the K-9 dog, then the K-9 dog shall be offered to an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 free of charge. If both of the above fail, the K-9 dog shall only be sold to a qualified individual found capable of providing a good home to the animal.

History: 1953 Comp., § 6-1-7.1, enacted by Laws 1961, ch. 100, § 1; 1979, ch. 195, § 2; 1984, ch. 47, § 1; 1987, ch. 15, § 1; 1989, ch. 211, § 6; 1995, ch. 181, § 1; 1998, ch. 16, § 1; 2001, ch. 317, § 1; 2007, ch. 57, § 4; 2012, ch. 10, § 1; 2013, ch. 9, § 1.

# TAB 4

## **Item 4**

Approval of 1st Quarter Athletics' Enhanced Fiscal Oversight Program Report and Certification through September 30, 2020 and 1st Quarter Information on Athletics' Report by Sport through September 30, 2020

New Mexico Higher Education Department  
Institutional Finance Division  
University of New Mexico Athletics Department  
Quarterly Enhanced Fiscal Oversight Program (EFOP) Report

Please certify the following EFOP report and submit with the Quarterly Financial Certification and Financial Action Reports.

To the best of my knowledge, I certify that the information provided in the attached EFOP report for the:

1<sup>st</sup> X 2<sup>nd</sup> \_\_\_\_\_ 3<sup>rd</sup> \_\_\_\_\_ 4<sup>th</sup> \_\_\_\_\_ Quarter, FY 2021

is correct as of the signature dates noted below:

**The University of New Mexico**

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Sandra Begay, Chair, Board of Regents – Finance and Facilities Committee	Date
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Garnett S. Stokes, President	Date
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Teresa Costantinidis, SVP for Administration	Date
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**To:** Members of the Board of Regents

**From:** Eddie Nunez, Director of Athletics

Nicole Dopson, Director of Financial Operations for Academic Affairs

**Date:** December 1, 2020

**Re:** Approval of the FY21 First Quarter Submission to Higher Education Department for the Enhanced Fiscal Oversight Program (EFOP)

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In order to respond to concerns brought by the New Mexico Higher Education Department (NMHED), the University has agreed to provide the attached Enhanced Fiscal Oversight Program (EFOP) Report. This report will be provided in addition to the Quarterly Financial Actions Report and Certification that are already required for all higher education institutions.

The report will provide Athletics financial status through reporting templates provided by the Higher Education Department for the Athletics budget exhibits as well as a template for the plan associated with resolving the overall deficit within Athletics budget.

The EFOP report will accompany the report submitted by the Controller's Office until NMHED is satisfied with the University's progress on these issues.

Thank you for your consideration.



Exhibit 21 - UNM MAIN Campus  
Summary of InterCollegiate Athletics

	Original Approved Budget Budget 2021				Actuals Quarter 1 - FY21				Actuals Quarter 2 - FY21				Actuals Quarter 3 - FY21				Actuals Quarter 4 - FY21				Increase / Decrease YTD									
	FTE	Unrestricted	FTE	Restricted	FTE	Unrestricted	FTE	Restricted	FTE	Unrestricted	FTE	Restricted	FTE	Unrestricted	FTE	Restricted	FTE	Unrestricted	FTE	Restricted	FTE	Unrestricted	FTE	Restricted						
Tuition and Fees		3,285,556		-		1,697,536		-														1,588,020		-						
State Appropriations		4,063,600		-		960,800		-														3,102,800		-						
Federal Grants and Contracts		-		30,601		-		-														-		30,601						
State Grants and Contracts		-		25,500		-		-														-		25,500						
Private Gifts Grants and Contracts		800,000		-		-		-														800,000		-						
Sales and Services		9,704,400		-		469,635		-														9,234,765		-						
Other Sources		14,189,846		-		3,383,504		-														10,806,342		-						
		32,043,402		56,101		6,511,475		-		0		0		0		0		0		0		25,531,927		56,101						
Beginning Balance		(3,464,380)		-		(1,627,657)		-														(1,836,723)		-						
									0				0				0				0				23,695,204				56,101	
Administrative Professional	89	9,100,029		-		2,275,784		-													89.00	6,824,245	0.00	0						
Federal Workstudy Salaries		-	2	30,601		915		-													0.00	(915)	2.00	30,601						
GA TA RA PA Salary	9	223,934		-		59,924		-													9.00	164,010	0.00	0						
Other Salaries	28	1,255,355		-		2,937		-													28.00	1,252,418	0.00	0						
State Workstudy Salaries		-	1	25,500		(872)		-													0.00	872	1.00	25,500						
Student Salaries	6	110,300		-		1,084		-													6.00	109,216	0.00	0						
Support Staff Salary	2	52,312		-		10,664		-													2.00	41,648	0.00	0						
Technician Salary	6	234,714		-		51,817		-													6.00	182,897	0.00	0						
Accrued Annual Leave		-		-		-		-														0		0						
Fica		712,775		-		127,062		-														585,713		0						
Group Insurance		575,710		-		163,080		-														412,630		0						
Other Staff Benefits		502,359		-		98,441		-														403,918		0						
Retirement		1,192,636		-		259,052		-														933,584		0						
Tuition Waivers		97,644		-		44,817		-														52,827		0						
Unemployment Compensation		8,387		-		2,107		-														6,280		0						
Workers Compensation		6,758		-		2,042		-														4,716		0						
Contract Services		1,085,636		-		23,333		-														1,062,303		0						
Cost of Good Sold		550		-		-		-														550		0						
Electricity		312,264		-		4,175		-														308,089		0						
Equipment		118,035		-		25,557		-														92,478		0						
Fuel_Heat_Cool		61,200		-		522		-														60,678		0						
Officials Expense 63T3		597,750		-		(13,885)		-														611,635		0						
Sewer_Other		201,200		-		52,348		-														148,852		0						
Student Awards and Aid		4,590,180		-		2,484,907		-														2,105,273		0						
Supplies_Expense		8,321,950		-		1,073,821		-														7,248,129		0						
Travel		136,700		-		7,165		-														129,535		0						
Travel-Group		2,840,838		-		15,599		-														2,825,239		0						
Travel-Recruiting		592,150		-		50		-														592,100		0						
Internal Service Ctr																														
Internal Sales		(281,000)		-		-		-														(281,000)		0						
	140.00	32,650,366	3.00	56,101		6,772,445		-	0	0	0	0	0	0	0	0	0	0	0	0	140	25,877,921	3	56,101						
Transfers (IN) or OUT		(606,964)		0		(541,823)		0														(65,141)								
Ending Balance		(3,464,380)		0		(1,346,804)		0		0			0			0				0		(2,117,576)								

Exhibit 21a - UNM MAIN Campus - Detail of InterCollegiate Athletics

Budget Unit 350 - Administration

		Actuals 2020 PERIOD 14		Original Budget 2021		Actuals Quarter 1 - FY21		Actuals Quarter 2 - FY20		Actuals Quarter 3 - FY20		Actuals Quarter 4 - FY20		Increase / Decrease YTD	
		FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted
<b>Revenues</b>	Tuition and Fees		3,571,257		3,285,556		1,697,536								1,588,020
	State Appropriations		3,793,000		4,063,600		960,800								3,102,800
	Federal Grants and Contracts		2,046,871		-		-								-
	Private Gifts Grants and Contracts		704,204		800,000		-								800,000
	Sales and Services		1,874,556		3,342,900		169,702								3,173,198
	Other Sources		(3,900,517)		3,853,704		(6,753,697)								10,607,401
<b>Total Revenues</b>			<b>8,089,371</b>		<b>15,345,760</b>		<b>(3,925,659)</b>	-	-	-	-	-	-		<b>19,271,419</b>
<b>Beginning Balance</b>			(4,547,810)		(3,464,380)		(1,644,384)								(1,819,996)
<b>Total Available</b>			<b>3,541,561</b>		<b>11,881,380</b>		<b>(5,570,044)</b>	-	-	-	-	-	-		<b>17,451,423</b>
<b>Expenditures</b>	Administrative Professional	32	2,354,201	33	2,499,548		561,808							33.00	1,937,740
	Faculty Salaries		-		-		-							-	-
	Federal Workstudy Salaries	0	4,901		-		915							-	(915)
	GA TA RA PA Salary	5	139,921	5	146,934		25,978							5.04	120,956
	Other Salaries	16	243,882	19	626,583		2,937							19.01	623,646
	State Workstudy Salaries	0	4,643		-		(872)							-	872
	Student Salaries	5	102,835	6	110,300		1,084							5.73	109,216
	Support Staff Salary	0	623		-		-							-	-
	Technician Salary	6	265,302	6	234,714		51,817							6.00	182,897
	Accrued Annual Leave		28,580		-		-							-	-
	Fica		190,388		220,995		39,810							-	181,185
	Group Insurance		288,403		195,536		63,526							-	132,010
	Other Staff Benefits		112,353		209,251		28,435							-	180,816
	Retirement		358,681		371,979		87,102							-	284,877
	Tuition Waivers		57,868		59,644		21,963							-	37,681
	Unemployment Compensation		2,000		2,600		555							-	2,045
	Workers Compensation		2,828		2,203		536							-	1,667
	Contract Services		540,218		703,544		22,308							-	681,236
	Cost of Good Sold		309		550		-							-	550
	Equipment		58,949		24,800		14,263							-	10,537
	Officials Expense 63T3		209,281		195,000		(13,431)							-	208,431
	Sewer_Other		4,756		1,200		-							-	1,200
	Student Awards and Aid		501,057		4,537,180		2,484,907							-	2,052,273
	Supplies_Expense		4,365,433		5,936,606		719,939							-	5,216,667
	Travel		60,847		66,000		7,165							-	58,835
	Travel-Group		245,067		(176,443)		18,000							-	(194,443)
	Internal Service Ctr Internal Sales		(9,129)		(16,000)		-							-	(16,000)
<b>Total Expenditures</b>		<b>66</b>	<b>10,134,197</b>	<b>69</b>	<b>15,952,724</b>		<b>4,138,745</b>	-	-	-	-	-	-	<b>68.78</b>	<b>11,813,979</b>
<b>Transfers (IN) or OUT</b>	Trsfr From Auxiliaries		(250,000)		(250,000)		-							-	(250,000)
	Trsfr From I G		(9,020)		(625,000)		(670,583)							-	45,583
	Trsfr From Plant Fund Minor		(4,841,607)		(411,200)		(411,200)							-	-
	Trsfr From Public Service		(534,133)		-		-							-	-
	Trsfr To Debt Service		60,086		78,121		19,530							-	58,591
	Trsfr To I G		9,020		51,641		51,641							-	-
	Trsfr To Internal Services		23,800		-		-							-	-
	Trsfr To Public Service		247,275		452,062		452,062							-	-
	Trsfr To Student Social Cultural		146,384		97,412		-							-	97,412
<b>Total Transfers (IN) or OUT</b>			<b>(5,148,195)</b>		<b>(606,964)</b>		<b>(558,550)</b>	-	-	-	-	-	-		<b>(48,414)</b>
<b>Ending Balance</b>			<b>(1,444,442)</b>		<b>(3,464,380)</b>		<b>(9,150,238)</b>	-	-	-	-	-	-		<b>5,685,858</b>
<b>Budget Unit 351 - Basketball</b>															
		FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted		
<b>Revenues</b>	Tuition and Fees		-		-		-								-



	Sales and Services		3,376,314		3,050,000		-						3,050,000
	Other Sources		(214,844)		(125,000)		(170,675)						45,675
<b>Total Revenues</b>			<b>3,161,470</b>		<b>2,925,000</b>		<b>(170,675)</b>		-	-	-	-	<b>3,095,675</b>
<b>Beginning Balance</b>			54,778		-		-		-	-	-	-	-
<b>Total Available</b>			<b>3,216,248</b>		<b>2,925,000</b>		<b>(170,675)</b>		-	-	-	-	<b>3,095,675</b>
<b>Expenditures</b>	Administrative Professional	8.96	1,470,972	7.77	1,515,594		353,349					7.77	1,162,245
	GA TA RA PA Salary		0		-		-					-	-
	Other Salaries	.01	9,554	.74	15,000		-					0.74	15,000
	Student Salaries		0		-		-					-	-
	Support Staff Salary		1,985		-		-					-	-
	Technician Salary		6,893		-		-					-	-
	Accrued Annual Leave		400		-		-					-	-
	Fica		71,031		80,753		14,563					-	66,190
	Group Insurance		60,114		65,349		18,070					-	47,279
	Other Staff Benefits		46,844		49,532		11,167					-	38,365
	Retirement		142,638		147,244		22,583					-	124,661
	Unemployment Compensation		1,031		951		318					-	633
	Workers Compensation		954		739		268					-	471
	Contract Services		55,823		50,000		793					-	49,207
	Equipment		4,765		2,650		1,272					-	1,378
	Officials Expense 63T3		0		-		-					-	-
	Sewer_Other		3,280		-		-					-	-
	Student Awards and Aid		270,169		18,000		-					-	18,000
	Supplies_Expense		770,829		634,688		68,736					-	565,952
	Travel		2,627		14,500		-					-	14,500
	Travel-Group		470,749		410,000		-					-	410,000
	Travel-Recruiting		109,146		120,000		-					-	120,000
	Internal Service Ctr Internal Sales		(145,980)		(200,000)		-					-	(200,000)
<b>Total Expenditures</b>		<b>8.97</b>	<b>3,353,824</b>	<b>8.51</b>	<b>2,925,000</b>		<b>491,119</b>		-	-	-	-	<b>8.51</b> <b>2,433,881</b>
<b>Transfers (IN) or OUT</b>			0		-		-						-
<b>Ending Balance</b>			<b>-137,575</b>		<b>-</b>		<b>(661,795)</b>		-	-	-	-	<b>661,794</b>
<b>Budget Unit 352 - Football</b>													
		<b>FTE</b>	<b>Unrestricted</b>	<b>FTE</b>	<b>Unrestricted</b>	<b>FTE</b>	<b>Unrestricted</b>	<b>FTE</b>	<b>Unrestricted</b>	<b>FTE</b>	<b>Unrestricted</b>	<b>FTE</b>	<b>Unrestricted</b>
<b>Revenues</b>	Sales and Services		1,929,492		2,960,000		299,933						2,660,067
	Other Sources		5,830,365		4,008,115		3,969,037						39,078
<b>Total Revenues</b>			<b>7,759,857</b>		<b>6,968,115</b>		<b>4,268,970</b>		-	-	-	-	<b>2,699,145</b>
<b>Beginning Balance</b>			0		-		-		-	-	-	-	-
<b>Total Available</b>			<b>7,759,857</b>		<b>6,968,115</b>		<b>4,268,970</b>		-	-	-	-	<b>2,699,145</b>
<b>Expenditures</b>	Administrative Professional	14.46	2,859,645	14.00	2,442,693		735,409					14.00	1,707,284
	GA TA RA PA Salary	2.63	71,160	3.00	60,000		17,669					3.00	42,331
	Other Salaries	.03	30,762	3.44	523,772		-					3.44	523,772
	Student Salaries		72		-		-					-	-
	Technician Salary		2,112		-		-					-	-
	Accrued Annual Leave		4,757		-		-					-	-
	Fica		161,590		203,985		32,560					-	171,425
	Group Insurance		120,201		146,993		26,359					-	120,634
	Other Staff Benefits		105,593		119,034		29,539					-	89,495
	Retirement		277,381		303,191		59,505					-	243,686
	Tuition Waivers		26,250		30,000		15,533					-	14,467
	Unemployment Compensation		2,017		2,399		662					-	1,737
	Workers Compensation		2,846		1,909		702					-	1,207
	Contract Services		126,703		209,633		91					-	209,542
	Cost of Good Sold		0		-		-					-	-
	Equipment		17,757		13,400		256					-	13,144
	Officials Expense 63T3		150,470		162,000		-					-	162,000
	Sewer_Other		24,527		25,000		-					-	25,000

	Student Awards and Aid	1,766,535		25,000	-							-	25,000
	Supplies_Expense	1,132,918		1,238,106	199,892							-	1,038,214
	Travel	13,174		36,000	-							-	36,000
	Travel-Group	1,185,450		1,200,000	-							-	1,200,000
	Travel-Recruiting	172,897		265,000	-							-	265,000
	Internal Service Ctr Internal Sales	(29,137)		(40,000)	-							-	(40,000)
Total Expenditures		17.12	8,225,680	20.44	6,968,115	1,118,177	-	-	-	-	-	20.44	5,849,938
Transfers (IN) or OUT			0		-	-			-		-		-
Ending Balance			-465,824		-	3,150,794	-		-		-		(3,150,793)
Budget Unit 353 - Other Mens Sports													
		FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted
Revenues	Sales and Services		24,973		15,500	-							15,500
	Other Sources		1,553,114		1,346,250	1,301,590							44,660
Total Revenues			1,578,087		1,361,750	1,301,590	-		-		-		60,160
Beginning Balance			0		-	-			-		-		-
Total Available			1,578,087		1,361,750	1,301,590	-		-		-		60,160
Expenditures	Administrative Professional	5.90	590,341	6.87	640,172	150,542						6.87	489,630
	GA TA RA PA Salary	.80	41,600		-	5,000						-	(5,000)
	Other Salaries		6,399	1.28	26,000	-						1.28	26,000
	Technician Salary		1,300		-	-						-	-
	Accrued Annual Leave		535		-	-						-	-
	Fica		37,993		46,900	8,152						-	38,748
	Group Insurance		44,870		36,868	12,692						-	24,176
	Other Staff Benefits		24,201		27,945	6,534						-	21,411
	Retirement		83,808		83,071	21,302						-	61,769
	Tuition Waivers		8,267		-	2,440						-	(2,440)
	Unemployment Compensation		418		552	136						-	416
	Workers Compensation		461		429	122						-	307
	Contract Services		5,778		14,600	141						-	14,459
	Equipment		39,235		32,500	4,064						-	28,436
	Fuel_Heat_Cool		604		600	63						-	537
	Officials Expense 63T3		40,375		56,500	-						-	56,500
	Sewer_Other		0		-	-						-	-
	Student Awards and Aid		245,019		-	-						-	-
	Supplies_Expense		113,843		91,670	20,903						-	70,767
	Travel		1,624		-	-						-	-
	Travel-Group		219,781		278,068	(2,401)						-	280,469
	Travel-Recruiting		34,267		25,875	-						-	25,875
	Internal Service Ctr Internal Sales		(280)		-	-						-	-
Total Expenditures		6.70	1,540,439	8.15	1,361,750	229,690	-	-	-	-	-	8.15	1,132,060
Transfers (IN) or OUT			0		-	-			-		-		-
Ending Balance			37,650		-	1,071,900	-		-		-		(1,071,900)
Budget Unit 354 - Other Womens Sports													
		FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted
Revenues	Sales and Services		419,293		336,000	-							336,000
	Other Sources		6,140,995		4,556,777	4,487,249							69,528
Total Revenues			6,560,288		4,892,777	4,487,249	-		-		-		405,528
Beginning Balance			117,200		-	16,727							(16,727)
Total Available			6,677,488		4,892,777	4,503,976	-		-		-		388,801
Expenditures	Administrative Professional	26.40	1,928,058	27.82	2,002,022	474,676						27.82	1,527,346
	GA TA RA PA Salary	1.10	39,950	1.06	17,000	11,277						1.06	5,723
	Other Salaries	.02	49,100	3.14	64,000	-						3.14	64,000
	Student Salaries		459		-	-						-	-

	Support Staff Salary	1.46	52,517	2.00	52,312	10,664						2.00	41,648
	Technician Salary		6,016		-	-						-	-
	Accrued Annual Leave		(2,354)		-	-						-	-
	Fica		141,197		160,142	31,976						-	128,166
	Group Insurance		185,468		130,964	42,433						-	88,531
	Other Staff Benefits		88,410		96,597	22,766						-	73,831
	Retirement		276,591		287,151	68,560						-	218,591
	Tuition Waivers		12,928		8,000	4,881						-	3,119
	Unemployment Compensation		1,416		1,885	437						-	1,448
	Workers Compensation		1,585		1,478	414						-	1,064
	Contract Services		82,663		107,859	-						-	107,859
	Equipment		68,699		44,685	5,702						-	38,983
	Fuel_Heat_Cool		604		600	63						-	537
	Officials Expense 63T3		203,975		184,250	(454)						-	184,704
	Sewer_Other		3,345		-	-						-	-
	Student Awards and Aid		1,697,338		10,000	-						-	10,000
	Supplies_Expense		374,644		418,144	64,067						-	354,077
	Travel		146,150		20,200	-						-	20,200
	Travel-Group		918,953		1,129,213	-						-	1,129,213
	Travel-Recruiting		192,404		181,275	50						-	181,225
	Internal Service Ctr Internal Sales		(17,375)		(25,000)	-						-	(25,000)
Total Expenditures		28.98	6,452,741	34.02	4,892,777	737,512	-	-	-	-	-	34.02	4,155,265
Transfers (IN) or OUT			0		-	16,727							(16,727)
Ending Balance			224,747		-	3,749,738	-	-	-	-	-		(3,749,737)
Budget Unit 409 - Utilities													
		FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted
Revenues			550,000		550,000	550,000							-
Total Revenues			550,000		550,000	550,000	-	-	-	-	-		-
Beginning Balance			0		-	-			-	-	-		-
Total Available			550,000		550,000	550,000	-	-	-	-	-		-
Expenditures			144,384		312,264	4,175						-	308,089
	Electricity		144,384		312,264	4,175						-	308,089
	Fuel_Heat_Cool		61,473		60,000	395						-	59,605
	Sewer_Other		183,916		175,000	52,348						-	122,652
	Supplies_Expense		2,439		2,736	285						-	2,451
Total Expenditures			392,212		550,000	57,203	-	-	-	-	-		492,797
Transfers (IN) or OUT			0		-	-	-	-	-	-	-		-
Ending Balance			157,789		-	492,797	-	-	-	-	-		(492,797)
Budget Unit 437 - Miscellaneous													
		FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted
Revenues			-		-	-						-	-
	Federal Grants and Contracts		-		-	-						-	-
	State Grants and Contracts		-		-	-						-	-
Total Revenues			-		-	-	-	-	-	-	-		-
Beginning Balance			-		-	-							-
Total Available			-		-	-	-	-	-	-	-		-
Expenditures			-		-	-						-	-
	Federal Workstudy Salaries		-		-	-						-	-
	State Workstudy Salaries		-		-	-						-	-
Total Expenditures			-		-	-	-	-	-	-	-		-
Transfers (IN) or OUT			-		-	-							-
Ending Balance			-		-	-	-	-	-	-	-		-

# UNM- Department of Athletics Deficit Reduction Plan

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Beginning Fund Balance (Deficit)	(4,713,999)	(4,492,380)	(4,375,833)	(1,627,658)	(1,627,658)	(1,627,658)	(1,627,658)	(1,627,658)	(1,627,658)	(1,627,658)	(1,627,658)	(1,627,658)
Recurring Fund Balance (Deficit)												
Net Balance (Deficit) (1)	(4,713,999)	(4,492,380)	(4,375,833)	(1,627,658)	(1,627,658)	(1,627,658)	(1,627,658)	(1,627,658)	(1,627,658)	(1,627,658)	(1,627,658)	(1,627,658)
Revenues	32,944,217	31,669,259	27,699,073	32,043,402	32,043,402	32,043,402	32,043,402	32,043,402	32,043,402	32,043,402	32,043,402	32,043,402
Other Sources	814,207	789,039										
Subtotal Revenues	33,758,424	32,458,298	27,699,073	32,043,402	32,043,402	32,043,402	32,043,402	32,043,402	32,043,402	32,043,402	32,043,402	32,043,402
Expenses	33,541,301	33,829,147	33,570,560	32,650,366	32,650,366	32,650,366	32,650,366	32,650,366	32,650,366	32,650,366	32,650,366	32,650,366
Cost containment (reduction in expenses)	(4,496)	(737,396)	(2,496,467)									
Grant-aid subsidies (reduction in expenses)		(750,000)	(975,000)									
Subtotal Expenses	33,536,805	32,341,751	30,099,092	32,650,366	32,650,366	32,650,366	32,650,366	32,650,366	32,650,366	32,650,366	32,650,366	32,650,366
Transfers												
Transfer for Accumulated Deficit (2)			4,520,857									
Other Transfers	0	0	627,338	606,964	606,964	606,964	606,964	606,964	606,964	606,964	606,964	606,964
Subtotal Transfers	0	0	5,148,195	606,964	606,964	606,964	606,964	606,964	606,964	606,964	606,964	606,964
Net Annual Balance	221,619	116,547	2,748,175	0	0	0	0	0	0	0	0	0
Ending Fund Balance (Deficit) (3)	(4,492,380)	(4,375,833)	(1,627,658)	(1,627,658)	(1,627,658)	(1,627,658)	(1,627,658)	(1,627,658)	(1,627,658)	(1,627,658)	(1,627,658)	(1,627,658)

(1) Net balance does not include use of reserves for sport expenses already committed in FY20, total accumulated deficit for FY20 was (\$4.5M)

(2) Transfer to eliminate the accumulated deficit

(3) FY20 ending balance was (\$1.6M), which reflects the fiscal impact of COVID-19



THE UNIVERSITY OF  
NEW MEXICO



**Athletics' FY21 Budget and Actuals (Exhibit P21)**

**Updated through September 30, 2020 (YTD)**

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**Schedule A: (FY21 Budget and Actuals)**- This schedule details out pooled revenues and directed revenues by sport for FY21 budget and actuals year-to-date through September 30, 2020. Please note that a majority of revenues are pooled centrally into Athletics and are not distributed by sport, however ticket sales and game guarantees are distributed by sport.

This report also compares FY21 budget to quarterly actuals, and FY21 year-to-date actuals to prior year-to-date actuals. Major variances are due to timing on when revenue accruals and expenses were posted in the prior year and differences in institutional transfers.

**Schedule B: (Expenses by Sports)**- This schedule details out the FY21 expense budget and year-to-date expense actuals through September 31, 2020. Please note grant-in-aid expenses have been budgeted centrally and then reallocated based on FY21 year-to-date actuals, which will be allocated to individual sports as expenses post throughout the fiscal year.



## Schedule A

### FY21 Budget and Actuals by Exhibit P21

Revenue/Expense Description (2)	FY21 Original Budget	FY21 Revised Budget	Fiscal Year 2020-21 (FY21)				FY21 YTD	FY21 Budget to Projected Actuals Variance	Actuals % of Revised Budget	FY20 YTD Actuals	FY21 YTD vs. FY20 YTD Actuals
			Quarter 1 (7/1-9/30/20)	Quarter 2 (10/1-12/31/20)	Quarter 3 (1/1-3/31/21)	Quarter 4 (4/1-6/30/21)					
<b>Pooled Revenues</b>											
NCAA/Mountain West Conference	6,364,846	6,364,846	1,594,556				1,594,556	(4,770,290)	25.1%	1,205,886	388,670
Media Rights/Sponsorship/Licensing	3,400,000	3,400,000	861,681				861,681	(2,538,319)	25.3%	1,000,002	(138,321)
Commissions	680,000	680,000	169,997				169,997	(510,003)	25.0%	203,333	(33,336)
Naming Rights	800,000	800,000	-				-	(800,000)	0.0%	175,000	(175,000)
Student Fees	3,285,556	2,682,377	1,697,536				1,697,536	(984,841)	63.3%	1,969,952	(272,417)
Scholarship Fund (Fundraising)	2,200,000	2,200,000	549,999				549,999	(1,650,001)	25.0%	549,999	-
State Appropriation	4,063,600	3,776,900	960,800				960,800	(2,816,100)	25.4%	986,800	(26,000)
Facility Rental/Merchandise/GIK	1,716,900	1,716,900	375,000				375,000	(1,341,900)	21.8%	473,070	(98,070)
Special Events and Other Revenues	3,193,500	3,193,500	1,972				1,972	(3,191,528)	0.1%	360,230	(358,258)
CARES Act Distribution	-	-	-				-	-	0.0%	-	-
Transfers to/from Campus	606,964	635,820	541,823				541,823	(93,997)	85.2%	(15,022)	556,845
Budgeted Use of Reserves		16,727	-				-	(16,727)	0.0%	-	-
<b>Sub-total</b>	<b>26,311,366</b>	<b>25,467,070</b>	<b>6,753,365</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,753,365</b>	<b>(18,713,705)</b>	<b>26.5%</b>	<b>6,909,251</b>	<b>(155,886)</b>
<b>Directed Revenues (by Sports)</b>											
Men's Basketball Tickets	3,250,000	3,250,000	-				-	(3,250,000)	0.0%	2,219,523	(2,219,523)
Football Tickets	800,000	800,000	299,933				299,933	(500,067)	37.5%	694,175	(394,242)
Women's Basketball Tickets	350,000	350,000	-				-	(350,000)	0.0%	236,360	(236,360)
Other Sports Tickets (1)	20,000	20,000	-				-	(20,000)	0.0%	12,506	(12,506)
Football Game Guarantees	2,200,000	2,200,000	-				-	(2,200,000)	0.0%	-	-
<b>Sub-total</b>	<b>6,620,000</b>	<b>6,620,000</b>	<b>299,933</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>299,933</b>	<b>(6,320,067)</b>	<b>4.5%</b>	<b>3,162,565</b>	<b>(2,862,631)</b>
<b>Total</b>	<b>32,931,366</b>	<b>32,087,070</b>	<b>7,053,298</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,053,298</b>	<b>(25,033,772)</b>	<b>22.0%</b>	<b>10,071,816</b>	<b>(3,018,518)</b>
<b>Expenses</b>											
Salaries	10,976,644	10,976,644	2,402,252				2,402,252	(8,574,392)	21.9%	2,538,263	(136,011)
Payroll Benefits	3,096,269	3,096,269	696,601				696,601	(2,399,668)	22.5%	732,274	(35,673)
Communication Charges	86,768	86,768	13,768				13,768	(73,000)	15.9%	19,114	(5,346)
Other Expense	2,876,677	2,026,881	432,118				432,118	(1,594,763)	21.3%	696,258	(264,140)
Patient Care Costs	179,861	179,861	8,713				8,713	(171,148)	4.8%	54,768	(46,056)
Plant Maintenance	214,849	214,849	29,429				29,429	(185,420)	13.7%	71,923	(42,494)
Services	4,138,925	4,138,925	141,332				141,332	(3,997,593)	3.4%	669,696	(528,363)
Student Costs (includes Grant-in-Aid)	5,397,328	5,397,328	2,797,922				2,797,922	(2,599,406)	51.8%	2,428,752	369,170
Supplies	1,819,693	1,825,193	170,451				170,451	(1,654,742)	9.3%	586,647	(416,197)
Travel	3,569,688	3,569,688	22,814				22,814	(3,546,874)	0.6%	1,298,592	(1,275,778)
Utilities	574,664	574,664	57,045				57,045	(517,619)	9.9%	115,251	(58,206)
<b>Total</b>	<b>32,931,366</b>	<b>32,087,070</b>	<b>6,772,445</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,772,445</b>	<b>(25,314,625)</b>	<b>21.1%</b>	<b>9,211,539</b>	<b>(2,439,094)</b>
<b>Net</b>	<b>-</b>	<b>-</b>	<b>280,853</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>280,853</b>	<b>280,853</b>	<b>0.9%</b>	<b>860,277</b>	<b>(579,423)</b>

(1) Other sports tickets include women's soccer, track, baseball, softball, and volleyball

(2) Actuals through September 30, 2020



FY21 Budgeted Expenses and Actuals by Sport Exhibit P21 (1)

Football			
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance
Salaries	2,572,693	613,200	1,959,493
Payroll Benefits	755,029	154,374	600,655
Communication Charges	25,050	2,302	22,748
Other Expense	72,847	5,468	67,379
Patient Care Costs	18,000	1,993	16,007
Plant Maintenance	35,300	2,563	32,737
Services	984,733	13,484	971,249
Student Costs/Grant-in-Aid (2)	380,000	148,201	231,799
Supplies	90,600	25,475	65,125
Travel	1,501,000	-	1,501,000
Utilities	25,000	-	25,000
<b>Total</b>	<b>6,460,252</b>	<b>967,061</b>	<b>5,493,191</b>

Men's Baseball			
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance
Salaries	394,672	92,167	302,505
Payroll Benefits	106,168	25,597	80,571
Communication Charges	-	135	(135)
Other Expense	7,379	865	6,514
Patient Care Costs	-	-	-
Plant Maintenance	3,900	-	3,900
Services	51,200	15,000	36,200
Student Costs/Grant-in-Aid (2)	5,000	-	5,000
Supplies	35,155	3,246	31,909
Travel	185,675	-	185,675
Utilities	-	-	-
<b>Total</b>	<b>789,149</b>	<b>137,009</b>	<b>652,140</b>

Women's Softball			
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance
Salaries	183,000	37,414	145,586
Payroll Benefits	58,376	13,214	45,162
Communication Charges	540	203	338
Other Expense	4,209	348	3,861
Patient Care Costs	-	-	-
Plant Maintenance	2,422	-	2,422
Services	29,360	386	28,974
Student Costs/Grant-in-Aid (2)	2,000	-	2,000
Supplies	19,016	5,759	13,257
Travel	146,900	-	146,900
Utilities	-	-	-
<b>Total</b>	<b>445,823</b>	<b>57,324</b>	<b>388,499</b>

Men's Basketball			
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance
Salaries	1,582,594	353,349	1,229,245
Payroll Benefits	348,629	66,970	281,659
Communication Charges	12,750	1,214	11,536
Other Expense	32,284	2,901	29,383
Patient Care Costs	5,000	293	4,707
Plant Maintenance	39,140	75	39,065
Services	724,790	22,565	702,225
Student Costs/Grant-in-Aid (2)	105,500	19,623	85,877
Supplies	58,550	24,130	34,420
Travel	544,500	-	544,500
Utilities	-	-	-
<b>Total</b>	<b>3,453,737</b>	<b>491,120</b>	<b>2,962,617</b>

Women's Basketball			
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance
Salaries	804,741	179,583	625,159
Payroll Benefits	244,723	55,844	188,879
Communication Charges	1,550	383	1,168
Other Expense	17,927	1,543	16,384
Patient Care Costs	-	-	-
Plant Maintenance	15,700	75	15,625
Services	288,852	16,992	271,860
Student Costs/Grant-in-Aid (2)	42,000	4,562	37,438
Supplies	44,941	5,364	39,577
Travel	452,375	50	452,325
Utilities	-	-	-
<b>Total</b>	<b>1,912,809</b>	<b>264,394</b>	<b>1,648,415</b>

Women's Soccer			
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance
Salaries	201,900	46,363	155,537
Payroll Benefits	65,115	15,902	49,213
Communication Charges	1,060	150	910
Other Expense	3,599	383	3,216
Patient Care Costs	-	-	-
Plant Maintenance	-	-	-
Services	9,600	-	9,600
Student Costs/Grant-in-Aid (2)	6,500	8,325	(1,825)
Supplies	6,650	1,847	4,803
Travel	127,100	-	127,100
Utilities	-	-	-
<b>Total</b>	<b>421,524</b>	<b>72,969</b>	<b>348,555</b>

Men's Golf			
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance
Salaries	168,500	42,125	126,375
Payroll Benefits	55,606	17,001	38,605
Communication Charges	-	68	(68)
Other Expense	2,182	358	1,824
Patient Care Costs	-	-	-
Plant Maintenance	-	-	-
Services	2,680	141	2,539
Student Costs/Grant-in-Aid (2)	-	410	(410)
Supplies	(2,000)	3,801	(5,801)
Travel	69,568	-	69,568
Utilities	600	63	537
<b>Total</b>	<b>297,136</b>	<b>63,967</b>	<b>233,169</b>

Women's Golf			
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance
Salaries	151,726	37,931	113,795
Payroll Benefits	50,069	15,567	34,502
Communication Charges	-	-	-
Other Expense	3,137	296	2,841
Patient Care Costs	-	-	-
Plant Maintenance	-	-	-
Services	12,600	-	12,600
Student Costs/Grant-in-Aid (2)	568	-	568
Supplies	3,150	1,905	1,245
Travel	51,850	-	51,850
Utilities	600	63	537
<b>Total</b>	<b>273,700</b>	<b>55,764</b>	<b>217,936</b>



Men's Tennis			
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance
Salaries	103,000	21,250	81,750
Payroll Benefits	33,991	8,780	25,211
Communication Charges	290	68	223
Other Expense	3,214	128	3,086
Patient Care Costs	-	-	-
Plant Maintenance	-	-	-
Services	18,810	389	18,421
Student Costs/Grant-in-Aid (2)	3,000	-	3,000
Supplies	13,300	500	12,800
Travel	48,700	(2,401)	51,101
Utilities	-	-	-
<b>Total</b>	<b>224,305</b>	<b>28,713</b>	<b>195,592</b>

Women's Tennis			
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance
Salaries	103,000	23,450	79,550
Payroll Benefits	33,991	6,790	27,201
Communication Charges	610	-	610
Other Expense	1,924	162	1,762
Patient Care Costs	-	-	-
Plant Maintenance	-	-	-
Services	17,910	237	17,673
Student Costs/Grant-in-Aid (2)	2,000	-	2,000
Supplies	11,615	500	11,115
Travel	50,500	-	50,500
Utilities	-	-	-
<b>Total</b>	<b>221,550</b>	<b>31,139</b>	<b>190,411</b>

Cross Country (M/W) (3)			
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance
Salaries	110,325	27,581	82,744
Payroll Benefits	36,406	9,493	26,913
Communication Charges	-	-	-
Other Expense	1,648	185	1,463
Patient Care Costs	111	-	111
Plant Maintenance	487	-	487
Services	3,314	-	3,314
Student Costs/Grant-in-Aid (2)	55	-	55
Supplies	1,855	-	1,855
Travel	55,060	-	55,060
Utilities	-	-	-
<b>Total</b>	<b>209,261</b>	<b>37,260</b>	<b>172,001</b>

Track (M/W) (3)			
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance
Salaries	196,825	49,034	147,791
Payroll Benefits	70,877	19,634	51,243
Communication Charges	560	68	493
Other Expense	4,864	374	4,490
Patient Care Costs	-	-	-
Plant Maintenance	-	-	-
Services	725	-	725
Student Costs/Grant-in-Aid (2)	8,000	24	7,976
Supplies	(2,187)	1,808	(3,995)
Travel	227,950	-	227,950
Utilities	-	-	-
<b>Total</b>	<b>507,614</b>	<b>70,940</b>	<b>436,674</b>

Women's Volleyball			
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance
Salaries	237,007	58,559	178,448
Payroll Benefits	78,212	21,714	56,498
Communication Charges	330	83	248
Other Expense	4,646	538	4,108
Patient Care Costs	-	-	-
Plant Maintenance	23,300	-	23,300
Services	38,100	-	38,100
Student Costs/Grant-in-Aid (2)	3,200	5,242	(2,042)
Supplies	28,437	7,291	21,146
Travel	111,253	-	111,253
Utilities	-	-	-
<b>Total</b>	<b>524,485</b>	<b>93,428</b>	<b>431,057</b>

Swimming/Diving			
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance
Salaries	146,810	36,703	110,107
Payroll Benefits	48,448	13,307	35,141
Communication Charges	-	-	-
Other Expense	2,975	306	2,669
Patient Care Costs	-	-	-
Plant Maintenance	-	-	-
Services	500	-	500
Student Costs/Grant-in-Aid (2)	2,325	360	1,965
Supplies	22,725	3,616	19,109
Travel	107,700	-	107,700
Utilities	-	-	-
<b>Total</b>	<b>331,483</b>	<b>54,292</b>	<b>277,191</b>

Spirit			
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance
Salaries	-	-	-
Payroll Benefits	-	-	-
Communication Charges	-	-	-
Other Expense	508	30	478
Patient Care Costs	-	-	-
Plant Maintenance	-	-	-
Services	-	-	-
Student Costs/Grant-in-Aid (2)	-	6,000	(6,000)
Supplies	33,900	-	33,900
Travel	-	-	-
Utilities	-	-	-
<b>Total</b>	<b>34,408</b>	<b>6,030</b>	<b>28,378</b>

Administration/Events/Other Operating (4)			
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance
Salaries	4,019,851	783,543	3,236,308
Payroll Benefits	1,110,629	252,413	858,216
Communication Charges	44,028	9,097	34,931
Other Expense	1,863,538	418,231	1,445,307
Patient Care Costs	156,750	6,427	150,323
Plant Maintenance	94,600	26,715	67,885
Services	1,955,751	72,139	1,883,612
Student Costs/Grant-in-Aid (2)	4,837,180	2,605,175	2,232,005
Supplies	1,459,486	85,208	1,374,278
Travel	(110,443)	25,165	(135,608)
Utilities	548,464	56,918	491,546
<b>Total</b>	<b>15,979,834</b>	<b>4,341,032</b>	<b>11,638,802</b>

<b>Total</b>	<b>32,087,070</b>	<b>6,772,445</b>	<b>25,314,625</b>
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(1) Does not include special events and bowl games

(2) FY21 Grant-in-Aid actuals will be allocated to individual sports as expenses post

(3) MW track and cross-country coaches salaries split 50/50 between sports.

(4) Includes Events Management, Special Events, Bowl Games, Championships, Gifts-in-Kind, Parking, Concessions, Ticket Office, Administration, Business Office, Leagues and Clubs, Compliance, Advisement, Facility Rentals, Sports Camps, Utilities, Student Assistance Funds, Life skills, Pre Season Training, Athletic Vans, Insurance, Marketing and Media Relations

# TAB 5

## **Item 5**

Potential Advanced Refunding of UNM Series 2014A and 2014C  
Bonds

## MEMORANDUM

TO: Members of the Board of Regents' Finance & Facilities Committee

THRU: Teresa Costantinidis, Senior Vice President, Finance and Administration

FROM: Vahid Staples, Budget Officer, Office of Planning, Budget & Analysis

DATE: November 18, 2020

**SUBJECT: Potential Advanced Refunding of UNM Series 2014A and 2014C Bonds**

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As part of an ongoing evaluation process, the Office of Planning, Budget & Analysis and its Municipal Advisor, Hilltop Securities, monitor refunding (refinancing) opportunities associated with outstanding university bond issues. Even though interest rates have remained near historic lows for several years, some refunding opportunities have not met the university's fiscal threshold of a present value savings of at least 3% due to the fact that the issues have not been callable within a reasonable time period. Although changes due to the 2017 Tax Reform Act now only allow advanced refunding of tax-exempt debt at taxable interest rates, the current spread between taxable and non-taxable remain at attractive levels. Refunding the 2014A&C bonds would be an advanced refunding since the call date on the bonds is June, 2024 and June, 2024, respectively. The refunding is expected to produce annual savings for fiscal years 2022 through 2035 and there would be no extension of the existing debt beyond 2035 which is the current end date. This is very similar to the refunding of the Series 2012 issue, which was completed in early 2020.

As the attached analysis from Hilltop Securities details, the Net Present Value Savings for the 2014A&C series is currently estimated at \$4.7M or 7.38%, representing an extremely attractive savings opportunity. Although the university's administration believes the interest rate environment should likely remain relatively stable, it is important to note that these savings are tied to **current** market rates and cannot be guaranteed months down the line after all required State approvals are secured. A sensitivity analysis performed by Hilltop Securities reveals interest rates would need to increase by more than 40 basis points for the deal to no longer merit being refunded.

With your approval, the administration will proceed with the Parameters Resolution of the Series 2014A and 2014C bonds for approval of the full Board of Regents during their December 2020 meeting. The bonds would most likely be refunded in January 2021 in accordance with the prospective timeline.

Thank you for your consideration.



## **Prospective Refunding of Series 2014A and Series 2014C Bonds**



**Financial Advisor to UNM**

**University of New Mexico**  
**Potential Advance Refunding (Refinancing)**  
**of Series 2014A and 2014C Bond Issues**

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Callable maturities of Series 2014A and Series 2014C have a 4.97% average interest rate

Call date on Series 2014A - June 1, 2023

Call date on Series 2014C - June 1, 2024

Opportunity to realize significant annual debt service savings from refunding at present time

Refunding issue that closes more than 90 days prior to call date is "advance" refunding

- Tax reform act of 2017 requires advance refundings to be done at taxable interest rates

**University of New Mexico**  
**Summary of Bonds to Potentially be Refunded**

Subordinate Lien System Refunding Revenue Bonds, Series 2014A

Maturity Date	Par Amount	Interest Rate	Refunded Amount	Call Date *
6/1/2021	\$ -		\$ -	
6/1/2022	-		-	
6/1/2023	-		-	
6/1/2024	45,000	4.000%	45,000	6/1/2023
6/1/2025	335,000	5.000%	335,000	6/1/2023
6/1/2026	350,000	5.000%	350,000	6/1/2023
6/1/2027	370,000	5.000%	370,000	6/1/2023
6/1/2028	390,000	5.000%	390,000	6/1/2023
6/1/2029	405,000	5.000%	405,000	6/1/2023
6/1/2030	430,000	3.000%	430,000	6/1/2023
6/1/2031	440,000	3.130%	440,000	6/1/2023
6/1/2032	455,000	5.000%	455,000	6/1/2023
6/1/2033	475,000	5.000%	475,000	6/1/2023
	<b>\$ 3,695,000</b>		<b>\$ 3,695,000</b>	

\* Refunding sooner than March 2023 would have to be **on a taxable basis**.

**University of New Mexico**  
**Summary of Bonds to Potentially be Refunded**

Subordinate Lien System Refunding Revenue Bonds, Series 2014C

Maturity Date	Par Amount	Interest Rate	Refunded Amount	Call Date *
6/1/2021	\$ 5,210,000	5.000%	\$ -	
6/1/2022	6,140,000	5.000%	-	
6/1/2023	6,770,000	5.000%	-	
6/1/2024	5,230,000	5.000%	-	
6/1/2025	5,500,000	5.000%	5,500,000	6/1/2024
6/1/2026	3,965,000	5.000%	3,965,000	6/1/2024
6/1/2027	5,580,000	5.000%	5,580,000	6/1/2024
6/1/2028	5,855,000	5.000%	5,855,000	6/1/2024
6/1/2029	6,140,000	5.000%	6,140,000	6/1/2024
6/1/2030	6,185,000	5.000%	6,185,000	6/1/2024
6/1/2031	4,570,000	5.000%	4,570,000	6/1/2024
6/1/2032	4,795,000	5.000%	4,795,000	6/1/2024
6/1/2033	5,225,000	5.000%	5,225,000	6/1/2024
6/1/2034	6,235,000	5.000%	6,235,000	6/1/2024
6/1/2035	6,545,000	5.000%	6,545,000	6/1/2024
	<b>\$ 83,945,000</b>		<b>\$ 60,595,000</b>	

\* Refunding sooner than March 2024 would have to be **on a taxable basis**.



**University of New Mexico**  
**Refund Series 2014A and Series 2014C**  
Preliminary/Subject to Change

Year	Refunded Debt Service	Unrefunded Debt Service	New Refunding Debt Service	Savings
2021	\$ 9,574,700	\$ 6,377,500	\$ 3,190,445	\$ 6,755
2022	10,244,200	7,047,000	2,801,416	395,785
2023	10,567,200	7,370,000	2,802,056	395,145
2024	8,733,700	5,491,500	2,845,456	396,745
2025	9,030,400	-	8,635,406	394,995
2026	7,218,650	-	6,819,996	398,655
2027	8,637,900	-	8,245,273	392,627
2028	8,635,400	-	8,236,949	398,451
2029	8,623,150	-	8,225,581	397,569
2030	8,365,900	-	7,969,894	396,006
2031	6,438,750	-	6,044,264	394,486
2032	6,436,500	-	6,043,230	393,270
2033	6,624,000	-	6,224,430	399,570
2034	6,874,000	-	6,501,250	372,750
2035	6,872,250	-	6,497,915	374,336
	<u>\$ 122,876,700</u>	<u>\$ 26,286,000</u>	<u>\$ 91,083,558</u>	<u>\$ 5,507,142</u>

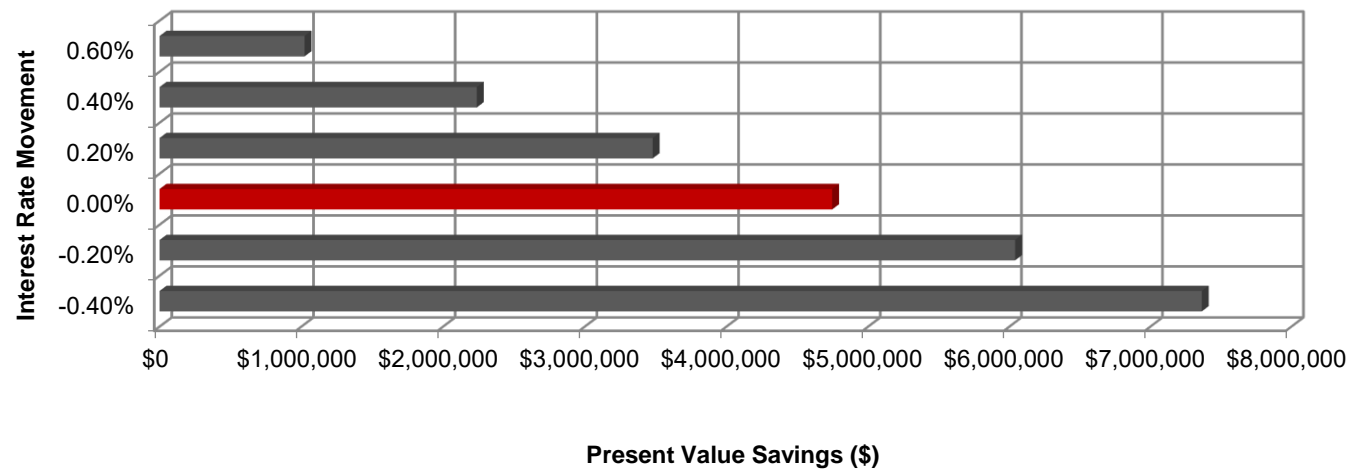
Maturities	2024-2035
Refunded Principal	\$ 64,290,000
Average Coupon of Refunded Bonds	4.97%
True Interest Cost (TIC) on Refunding Bonds	2.09%
Net Present Value Savings	\$ 4,746,697

**Percentage Savings of Refunded Bonds = 7.38%**

**SAVINGS SENSITIVITY**  
**University of New Mexico**  
Refund Series 2014A and Series 2014C  
Preliminary / Subject to Change

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Interest Rate Change	-0.40%	-0.20%	0.00%	0.20%	0.40%	0.60%
<b>PV Savings (\$)</b>	7,365,419	6,041,346	4,746,697	3,480,058	2,238,727	1,022,842
<b>PV Savings (%)</b>	11.457%	9.397%	7.383%	5.413%	3.482%	1.591%



**University of New Mexico**  
**Prospective Timetable**

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Facilities and Finance Committee meeting	Dec 1, 2020
Regent approval	Dec 9, 2020
HED meeting	Dec 9, 2020
SBOF meeting	Jan 19, 2021
Sale	January 26-28, 2021 or after

Recommended minimum savings parameter - 3% present value savings

**RESOLUTION**

**of**

**THE REGENTS OF THE UNIVERSITY OF NEW MEXICO**

Authorizing the Issuance of its:

Not to Exceed \$80,000,000  
Subordinate Lien System Refunding Revenue Bonds  
Series 2021

Dated December 9, 2020

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## CERTIFICATE AS TO RESOLUTION

I, the duly qualified and acting Secretary and Treasurer of The Regents of the University of New Mexico, hereby certify that attached hereto is a true and correct copy of a resolution duly adopted by The Regents of the University of New Mexico at a regular meeting thereof held on December 9, 2020, notice of which was duly given and at which a quorum was present and acting throughout. I hereby certify that due and proper notice of the meeting has been given as required by Sections 10-15-1 through 10-15-4, NMSA 1978, as amended and as required by the regulations of the Regents.

I further certify that I caused to be published in the *Albuquerque Journal* the Notice of Resolution Authorizing Issuance of Public Securities as evidenced, by an affidavit of publication thereof attached hereto as Exhibit B.

WITNESS my hand and seal this 9<sup>th</sup> day of December, 2020.

[SEAL]

THE REGENTS OF THE UNIVERSITY  
OF NEW MEXICO

By

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Sandra K. Begay, Secretary and Treasurer

STATE OF NEW MEXICO     )  
COUNTY OF BERNALILLO   ) ss.  
CITY OF ALBUQUERQUE     )

The Regents of the University of New Mexico convened virtually via Zoom on December 9, 2020 at 9:00 a.m.

There were present:

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Those absent:

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The members present constituting a quorum, the Regents transacted the following business:

Regent \_\_\_\_\_ moved that the bond resolution be adopted and Regent \_\_\_\_\_ seconded the motion.

The motion to adopt the bond resolution prevailed upon the following vote:

AYES:            —

NAYS:           —

The bond resolution as adopted is as follows:



**THE REGENTS OF THE UNIVERSITY OF NEW MEXICO  
RESOLUTION**

AUTHORIZING THE ISSUANCE AND SALE OF THE REGENTS OF THE UNIVERSITY OF NEW MEXICO SUBORDINATE LIEN SYSTEM REFUNDING REVENUE BONDS, SERIES 2021 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$80,000,000, IN ONE OR MORE SERIES, FOR THE PURPOSE OF REFUNDING CERTAIN MATURITIES OF THE REGENTS OF THE UNIVERSITY OF NEW MEXICO, SUBORDINATE LIEN SYSTEM REFUNDING REVENUE BONDS, SERIES 2014A AND THE REGENTS OF THE UNIVERSITY OF NEW MEXICO, SUBORDINATE LIEN SYSTEM REFUNDING REVENUE BONDS, SERIES 2014C, ACQUIRING A RESERVE FUND INSURANCE POLICY TO FUND, OR OTHERWISE FUNDING, A RESERVE FUND FOR SUCH 2021 BONDS, AND PAYING THE COSTS OF ISSUANCE ASSOCIATED THEREWITH; PROVIDING FOR THE PLEDGE OF CERTAIN REVENUES FOR THE PAYMENT OF THE SERIES 2021 BONDS; PROVIDING FOR ENTERING INTO CERTAIN CONTRACTS AND AGREEMENTS IN CONNECTION THEREWITH; DELEGATING AUTHORITY TO THE DELEGATE TO EXECUTE AND DELIVER A PURCHASE CONTRACT FOR THE SALE OF THE BONDS TO THE UNDERWRITER AND TO EXECUTE THE PRICING CERTIFICATE PURSUANT TO THE SUPPLEMENTAL PUBLIC SECURITIES ACT; PRESCRIBING OTHER DETAILS CONCERNING SUCH BONDS AND THE BOND PROCEEDS; PROVIDING FOR THE APPROVAL AND EXECUTION OF CERTAIN DOCUMENTS OTHERWISE RELATING TO THE FOREGOING; AND PROVIDING FOR THE PUBLICATION OF NOTICE OF ADOPTION OF THIS RESOLUTION.

WHEREAS, the capitalized terms used in the following preambles are defined in Section 1.01 of this Bond Resolution, unless the context requires otherwise; and

WHEREAS, the University of New Mexico, at Albuquerque, New Mexico (the "University"), is declared to be and is confirmed as a state educational institution by Section 11 of Article XII of the Constitution of the State of New Mexico (the "State"), as amended; and

WHEREAS, the Regents of the University of New Mexico (the "Regents") are a body corporate in which is vested the management and control of the University; and

WHEREAS, the Regents are authorized, pursuant to the Act, and desire to issue the Bonds for the purpose of undertaking the Refunding Project, such Bonds to be payable from the Pledged Revenues; and

WHEREAS, the Regents have sold and delivered the 1992A Bonds, being the only outstanding Superior Lien Parity Bonds; and

WHEREAS, the Regents have sold and delivered the following Subordinate Lien Parity Bonds: the 2001 Bonds, the 2002B Bonds, the 2002C Bonds, the 2014A Bonds, the 2014B Bonds, the 2014C Bonds, the 2016A Bonds, the 2016B Bonds, the 2017 Bonds, and the 2019 Bonds; and

WHEREAS, except for the 1992A Bonds, the 2001 Bonds, the 2002B Bonds, the 2002C Bonds, the 2014A Bonds, the 2014B Bonds, the 2014C Bonds, the 2016A Bonds, the 2016B Bonds, the 2017 Bonds, the 2019 Bonds and other obligations relating to those bonds, the Pledged Revenues are not pledged on a senior or subordinate basis to the payment of any bonds or other obligations which are presently outstanding and unpaid except as may otherwise be permitted hereby and except for lease-purchase obligations which are subject to annual appropriation by the Regents and other lease obligations which have a subordinate claim upon the Pledged Revenues relative to the Superior Lien Parity Bonds and the Subordinate Lien Parity Bonds; and

WHEREAS, the Regents have determined to finance the following with the proceeds of the 2021 Bonds and other legally available funds: (a) the defeasance and refunding all or a portion of the 2014A Bonds maturing on and after June 1, 2024 and the 2014C Bonds maturing on and after June 1, 2025 (b) the acquisition of a reserve fund insurance policy to fund or otherwise funding a debt service reserve fund for the 2021 Bonds; and (c) the funding of the costs of issuance associated therewith (collectively, the “Refunding Project”) as described on Exhibit C; and

WHEREAS, the Bonds will be issued as fixed rate bonds; and

WHEREAS, the Regents hereby determine that issuance of the Bonds for the purpose of funding the Refunding Project is necessary and desirable and to the advantage of the University, and further that the Pledged Revenues may lawfully be pledged to secure the payment of the Bonds and that it is economically feasible to defray the cost of the Refunding Project by the issuance of the Bonds and that it is necessary that the Bonds be issued in order to finance the Refunding Project; and

WHEREAS, the Regents have determined and hereby determine that the requirements established by the prior resolutions of the Regents for the issuance of the Bonds as Subordinate Lien Parity Bonds have been or will be satisfied prior to the issuance of the Bonds and that it is in the best interest of the University that the Bonds be issued as Subordinate Lien Parity Bonds; and

WHEREAS, the Regents expect the Purchaser to offer to purchase the Bonds pursuant to the Purchase Contract upon the terms and conditions set forth therein and herein, the final terms of which will be established by the Delegate in the Pricing Certificate pursuant to Section 6-14-10.2 NMSA 1978, all within the parameters set forth in this Resolution; and

WHEREAS, all required authorizations, consents or approvals of any state or city, governmental body, agency or authority in connection with the authorization, execution and issuance of the Bonds which are required to be obtained by the date of issuance of the Bonds, will be obtained prior to the date of issuance of the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE REGENTS OF THE UNIVERSITY OF NEW MEXICO, AS FOLLOWS:

## **ARTICLE I**

### **DEFINITIONS**

As used herein the following terms shall have the following meanings unless the context clearly requires otherwise (such meanings to be equally applicable to both the singular and the plural forms of the terms defined):

*"Accreted Value"* means, with respect to Capital Appreciation Bonds, if any, the amount (per \$5,000 Maturity Amount) to be set forth in the Pricing Certificate as of each June 1 or December 1, which is compounded on a semiannual basis. The Accreted Value with respect to any date other than each June 1 or December 1 shall be the amount to be set forth in the Pricing Certificate with respect to the last preceding June 1 or December 1, as the case may be, plus the portion of the difference between such amount and the amount to be set forth in the Pricing Certificate with respect to the next June 1 or December 1, as the case may be, that the number of days (based on a 360-day year of twelve 30-day months) from such last preceding June 1 or December 1, as the case may be, to the date for which such determination is being calculated bears to the total number of days (based on a 360-day year of twelve 30-day months) from such last preceding June 1 or December 1, as the case may be, to the next succeeding June 1 or December 1, as the case may be.

*"Act"* means the general laws of the State, including Sections 6-17-1 through 6-17-19 NMSA 1978, as amended, and 6-14-1 through 6-14-12 NMSA 1978, as amended, and the enactments of the Regents relating to the issuance of the Bonds, including the Bond Resolution and the Pricing Certificate.

*"Authorized Denominations"* means \$5,000 principal amount (\$5,000 Maturity Amount with respect to the Capital Appreciation Bonds) and any integral multiple thereof.

*"Authorized Officer"* means the President and Vice President of the Regents and the following officers of the University: President, Senior Vice President for Finance and Administration or any other officer of the University when designated by a certificate signed by the President of the Regents from time to time, a certified copy of which shall be delivered to the Paying Agent and the Registrar.

*"Bond"* or *"Bonds"* or *"2021 Bonds"* or *"Series 2021 Bonds"* means the bonds authorized herein and designated as "The Regents of the University of New Mexico Subordinate Lien System Refunding Revenue Bonds, Series 2021".

*"Bond Counsel"* means an attorney at law or a firm of attorneys, designated by the Regents, experienced in matters pertaining to the issuance of, and the tax-exempt nature of interest on, bonds issued by states and their political subdivisions.

*"Bond Register"* means the books maintained by the Registrar for the registration, transfer and exchange of the Bonds.

*"Bond Resolution"* means this resolution, as amended or supplemented from time to time by the Pricing Certificate or otherwise, but only as may be permitted by this resolution.

*"Bond Value"* means, as of any date of calculation, a Bond's outstanding principal amount (or its Accreted Value, with respect to Capital Appreciation Bonds).

*"1992A Bonds"* means the bonds designated as "The Regents of the University of New Mexico, System Revenue Refunding Bonds, Series 1992A" issued in the original principal amount of \$36,790,000.

"*2001 Bonds*" means the bonds designated as "The Regents of the University of New Mexico, Subordinate Lien System Improvement Revenue Bonds, Series 2001" issued in the original principal amount of \$52,625,000.

"*2002B Bonds*" means the bonds designated as "The Regents of the University of New Mexico, Subordinate Lien System Refunding Revenue Bonds, Series 2002B" issued in the original principal amount of \$25,475,000.

"*2002C Bonds*" means the bonds designated as "The Regents of the University of New Mexico, Subordinate Lien System Revenue Bonds, Series 2002C" issued in the original principal amount of \$37,840,000.

"*2014A Bonds*" means the bonds designated as "The Regents of the University of New Mexico, Subordinate Lien System Refunding Revenue Bonds, Series 2014A" issued in the original principal amount of \$10,980,000.

"*2014B Bonds*" means the bonds designated as "The Regents of the University of New Mexico, Subordinate Lien System Refunding Revenue Bonds, Taxable Series 2014B" issued in the original principal amount of \$3,710,000.

"*2014C Bonds*" means the bonds designated as "The Regents of the University of New Mexico, Subordinate Lien System Refunding Revenue Bonds, Series 2014C" issued in the original principal amount of \$100,085,000.

"*2016A Bonds*" means the bonds designated as "The Regents of the University of New Mexico, Subordinate Lien System Refunding and Improvement Revenue Bonds, Series 2016A" issued in the original principal amount of \$16,290,000.

"*2016B Bonds*" means the bonds designated as "The Regents of the University of New Mexico, Subordinate Lien System Refunding Revenue Bonds, Taxable Series 2016B" issued in the original principal amount of \$8,215,000.

"*2017 Bonds*" means the bonds designated as "The Regents of the University of New Mexico Subordinate Lien System Improvement Revenue Bonds, Series 2017" issued in the original principal amount of \$40,900,000.

"*2019 Bonds*" means the bonds designated as "The Regents of the University of New Mexico Taxable Subordinate Lien System Refunding Revenue Bonds, Series 2019" issued in the original principal amount of \$24,150,000.

"*Business Day*" means any day other than (a) a Saturday or Sunday, (b) any day on which the following offices are authorized or required to remain closed: offices of the University and offices of banks located in the cities in which the principal offices of the Fiscal Agent are located or (c) a day on which the New York Stock Exchange is closed.

"*Capital Appreciation Bonds*" means any Series 2021 Bonds designated as Capital Appreciation Bonds in the Pricing Certificate and maturing on the dates to be set forth in the Pricing Certificate.

"*Closing Date*" means the date of the original issuance and delivery to the Purchaser or their designee of the Series 2021 Bonds.

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

"*Continuing Disclosure Undertaking*" means the written undertaking for the benefit of the registered owners of the Bonds required by Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12) to provide continuing disclosure.

"*Counsel*" means an attorney or a firm of attorneys admitted to practice law in the highest court of any state in the United States of America or in the District of Columbia.

"*Debt Service*" means for any particular Fiscal Year and for all series of Subordinate Lien Parity Bonds, an amount equal to the sum of (a) all interest payable during such Fiscal Year on all Outstanding Subordinate Lien Parity Bonds, plus (b) the principal installment or installments of Outstanding Subordinate Lien Parity Bonds falling due during such Fiscal Year, calculated on the assumption that Outstanding Subordinate Lien Parity Bonds on the day of calculation cease to be outstanding by reason of payment either upon maturity or by application of any scheduled sinking fund installments as provided for in resolutions now or hereafter adopted authorizing the issuance of Subordinate Lien Parity Bonds, plus (c) any net periodic payments on a notional amount required to be made by the Regents pursuant to a Qualified Exchange Agreement minus (d) any net periodic payments on a notional amount to be received by the Regents pursuant to a Qualified Exchange Agreement.

"*Debt Service Grants*" means, collectively, the aggregate of the payments received or to be received by the Regents, whether as grants or otherwise, pursuant to presently outstanding agreements of the Regents with the United States of America, or any of its agencies, within the meaning of the provisions of Section 6-17-14 NMSA 1978, as amended, which have been specifically pledged or dedicated to specific prior Superior Lien Parity Bonds or other bonds, and only if in compliance with the covenant of Section 7.09 hereof, pursuant to such agreements hereafter entered into by the Regents.

"*Delegate*" means the President of the University or the Senior Vice President for Finance and Administration or such other Authorized Officer of the University delegated the authority to approve the final terms of the bonds.

"*Depository*" means any of the following registered securities depositories: (a) The Depository Trust Company, 55 Water Street, New York, New York 10041; and (b) Philadelphia Depository Trust Company, Inc., 1900 Market Street, Philadelphia, Pennsylvania 19103, Attn: Bond Department, Fax (215) 496-5058; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other address and/or such other securities depositories as an Authorized Officer of the University may designate.

"*Eligible Investments*" means (a) Permitted Investments, (b) any money market fund whose investments are restricted to Permitted Investments, and (c) to the extent to which they are at the time legal investments for the University, any of the following:

- (a) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including (i) Export-Import Bank, (ii) Farm Credit System Financial Assistance Corporation, (iii) Farmers

Home Administration, (iv) General Services Administration, (v) United States Maritime Administration, (vi) Small Business Administration, (vii) Government National Mortgage Association (GNMA), (viii) United States Department of Housing and Urban Development (PHAs) and (ix) Federal Housing Administration;

(b) (i) Senior debt obligations rated "AAA" by S&P and "Aaa" by Moody's issued by (A) the Federal National Mortgage Association or (B) the Federal Home Loan Mortgage Corporation, or (ii) senior debt obligations of other government sponsored agencies approved by S&P and Moody's;

(c) United States dollar denominated deposit accounts, federal funds and bankers acceptances with domestic commercial banks which have a rating on their short-term certificates of deposit on the date of purchase of "A-1" or "A-1+" by S&P and "P-1" by Moody's and maturing no more than 360 days after the date of purchase (ratings on holding companies are not to be considered as the rating of the bank);

(d) Commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by S&P and "P-1" by Moody's and which matures not more than 270 days after the date of purchase;

(e) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by Moody's or S&P;

(f) Pre-refunded Municipal Obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(i) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of S&P and Moody's or any successors thereto; or

(ii) (A) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(g) Investment agreements (supported by appropriate opinions of counsel) with notice to S&P and Moody's; and

(h) Other forms of investments (including repurchase agreements) with notice to S&P and Moody's.



The value of the above investments, which shall be determined as of the end of each month, shall be calculated as follows:

(a) As to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times), the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(b) As to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times, the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Regents in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;

(c) As to certificates of deposit and bankers acceptances, the face amount thereof, plus accrued interest; and

(d) As to any investment not specified above, the value thereof established by prior agreement among the Regents, the Paying Agent, S&P and Moody's.

"EMMA" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system located on its website at [emma.msrb.org](http://emma.msrb.org).

"Escrow Agent" means BOKF, NA serving as escrow agent pursuant to the Escrow Agreement.

"Escrow Agreement" means the escrow agreement between the Regents and the Escrow Agent for defeasance of the Refunded 2012 Bonds.

"2021 Escrow Fund" or "Escrow Fund" means the Series 2021 Escrow Fund created herein for the refunding of the Refunded Bonds.

"Expenses" means the reasonable and necessary fees, costs and expenses incurred by the University or the Regents in connection with the issuance of the Bonds and the execution and delivery of the Related Documents, including, without limitation, costs of advertising and publication of the Bond Resolution, cost of printing bonds and any disclosure documents, legal fees and expenses, fees and expenses of the Fiscal Agent, Escrow Agent, the Purchaser (including underwriters discount), any premium payable to a provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond, fees and expenses of any certified public accountant or firm of certified public accountants incurred in connection with the issuance of, and disclosure matters pertaining or allocable to, the Bonds and the Refunding Project and all reasonable fees and administrative costs of the Regents or the University relating to the foregoing.

"Favorable Opinion of Bond Counsel" means an opinion or opinions of Bond Counsel, addressed to the Regents and any other party required by the Bond Resolution or a Related Document to the effect that the action proposed to be taken is authorized or permitted by the laws of the State, the Bond Resolution and applicable Related Document and will not adversely affect any exclusion from gross income for federal income tax purposes of interest on the Series 2021 Bonds, any exemption for the Series 2021 Bonds from federal or state securities laws or any

protection afforded to the Series 2021 Bond owners by applicable federal bankruptcy laws, as the case may be.

"*Federal Securities*" means direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by the United States of America.

"*Fiscal Agent*" means, BOKF, NA serving as the Paying Agent/Registrar, or such other financial institution which shall be an Insured Bank.

"*Fiscal Year*" means the twelve-month period used by the University for its general accounting purposes as the same may be changed from time to time, presently being a period beginning on July 1 of each year and ending on June 30 of the next succeeding year.

"*Income from the Permanent Fund*," "*Income from the Other Lands Fund*" and "*Income from the Land Fund*" shall mean, respectively, the gross income from the Permanent Fund of the University, the gross income of the University derived from the lease or rentals of its lands or its other property, and the gross income of the University derived from the lease or rental of such of the lands or other property, if any, held by the State for the benefit of the University which remain unsold, as established and provided for by Article XII of the New Mexico Constitution, which income may be pledged to the payment of the obligations of the Regents pursuant to Section 6-17-14 NMSA 1978, as amended.

"*Insured Bank*" means a bank or savings and loan association whose deposits are insured by an agency of the United States of America and having a capital and surplus of not less than \$10,000,000 at the time of such appointment.

"*Interest Payment Date*" means each June 1 and December 1 or, if any June 1 or December 1 is not a Business Day, the next succeeding Business Day or such other day designated in the Pricing Certificate.

"*Issuance Expense Fund*" means the fund created in this Bond Resolution for the deposit of a portion of the proceeds of the 2021 Bonds to pay Expenses associated with the issuance of the 2021 Bonds.

"*Letter of Representations*" means the Blanket Issuer Letter of Representations provided to the Depository Trust Company and dated April 24, 1996.

"*Maturity Amount*" means the maximum amount payable, to a registered owner of a Capital Appreciation Bond to be set forth in the Pricing Certificate.

"*Moody's*" means Moody's Investors Service, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the University.

"*NMSA 1978*" means the compilation of the laws of the State known as New Mexico Statutes Annotated, 1978 Compilation, as amended and supplemented from time to time.

"*Officer's Certificate*" means a certificate executed by an Authorized Officer.

"*Official Statement*" means a Preliminary Official Statement and a final Official Statement relating to the sale of the Bonds (including the cover page and all summary statements,



appendices and other materials included or incorporated by reference or attached thereto), as amended or supplemented, or any other preliminary or final official statement of the University or prospectus used with respect to the Bonds.

*"Operating and Maintenance Expenses"* means the reasonable operating and maintenance expenses of the System which shall be deemed to include all costs of heating and lighting the buildings, improvements and facilities comprising the System, insurance, the cost of services of employees operating and maintaining the buildings, improvements or facilities comprising the System, the cost of food, repairs, costs of reasonable replacements of equipment, and any other incidental costs not herein specifically enumerated, but which are reasonably necessary to operate and maintain the buildings, facilities, improvements and equipment comprising the System.

*"Outstanding"* or *"outstanding"* when used in reference to bonds means, on any particular date, the aggregate of all bonds delivered under the applicable resolution authorizing the issuance of such bonds including, without limiting the generality of the foregoing, the Series 2021 Bonds issued hereunder, excepting:

(a) those paid but not yet cancelled, those cancelled at or prior to such date or those delivered or acquired by the Regents at or prior to such date for cancellation;

(b) those otherwise deemed to be paid in accordance with Article IX hereof or similar section of any resolution of the Regents authorizing the issuance of the applicable bonds;

(c) those in lieu of or in exchange or substitution for which other bonds shall have been delivered, unless proof satisfactory to the Regents and the paying agent for the applicable bonds is presented that any bond for which a new bond was issued or exchanged is held by a bona fide holder or in due course; and

(d) those which have been refunded in accordance with Section 6.03 hereof or similar section of any resolution of the Regents authorizing the issuance of the applicable bonds.

*"Overdue Bond"* means a Capital Appreciation Bond on which the entire Accreted Value or Maturity Amount, as applicable, shall not have been punctually paid or duly provided for when and as due and payable.

*"Owner"* means the registered owner of any Bond as shown on the Bond Register.

*"Paying Agent Agreement"* or *"Series 2021 Paying Agent Agreement"* means the Paying Agent and Fiscal Agent Agreement relating to the Bonds by and between the Regents and the Fiscal Agent, as amended from time to time.

*"Paying Agent/Registrar"* means BOKF, NA or such other commercial bank or financial institution designated in the Pricing Certificate to serve as paying agent and registrar hereunder, or any successor thereto, as agent of the Regents, for the payment, registration, transfer and exchange of the Bonds, which shall be an Insured Bank.

*"Permitted Investments"* means direct obligations of the United States of America, or any of its agencies, or obligations fully guaranteed by the United States of America.

"*Person*" means any individual, corporation, partnership (in which case each general partner shall be deemed a Person), joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision of a government.

"*Pledged Revenues*" means:

(a) The gross income and revenues of whatever nature derived from the operation or ownership of the System (except as otherwise excluded under the definition of System).

(b) All gross proceeds of student tuition and fees of every nature collected from students at the University, except (i) the fee now known as "Student Activity Fee" and (ii) fees expressly imposed for the use or availability of buildings, structures or facilities excluded from the System under the definition thereof.

(c) The gross amounts received by the University from the Income from the Permanent Fund, the Income from the Other Lands Fund and the Income from the Land Fund.

(d) With respect to any Superior Lien Parity Bonds to which applicable, the proceeds of Debt Service Grants and the proceeds of any interest subsidy paid for or on account of the Regents or the University by any governmental body or agency.

(e) All other income or revenues received by the University from proprietary activities carried on by the University, but excluding: (i) revenues arising from the operation, ownership or leasing of the University of New Mexico Hospital, other than payments made by the University of New Mexico Hospital, or successor thereto, to the University or the Regents for the use of the ambulatory care center previously financed with the proceeds of bonds issued by the Regents in 1989, (ii) the proceeds of ad valorem taxes, (iii) the proceeds of any University contracts and grants, whether from or with public, private or governmental sources, which are restricted as to use, and (iv) State appropriations. If the pledge of any one or more sources of other income or revenue to the payment of the Bonds shall ever be held by final decision of a court of competent jurisdiction to make the Bonds invalid because of constitutional restrictions on State indebtedness, the income or revenue derived from such other source or sources shall no longer be subject to the pledge herein contained; and provided further, that there shall not be included in the other income or revenue which is the subject of this paragraph any income or revenue excluded under the provisions of paragraphs (a) or (b) of this definition.

"*Pledged Revenues Fund*" means "The Regents of the University of New Mexico System Pledged Revenues Fund" which is contained in Section 5.01 hereof.

"*Pricing Certificate*" means one or more certificates executed by the Delegate dated on or before the date of delivery of the Bonds, setting forth the following final terms of the Bonds including, but not limited to: (i) the interest and principal payment dates; (ii) the principal amount, denominations and maturity amortization of the Bonds, including the series designations; (iii) the sale price; (iv) the Purchaser; (v) the interest rate or rates; (vi) the interest payment periods; (vii) the redemption and tender provisions; (viii) the creation of any capitalized interest fund, including the size and funding of such fund(s); (ix) the amount of Underwriter's discount; (x) the acquisition of and terms related to a bond insurance policy and/or Subordinate Lien Parity

Bonds Reserve Fund Surety Bond, if any, (xi) the maturities of the Series 2014A Bonds and Series 2014C Bonds to be refunded pursuant to the Refunding Project, (xii) the federal tax status of the Bonds, and (xiii) the final terms of Related Documents and agreements, if any, with agents or service providers required for the purchase, sale, issuance and delivery of the Bonds, all subject to the parameters and conditions contained in this Resolution.

"*Principal Office*" means the address for the Regents, the Fiscal Agent and any other party to a Related Document as stated in the Bond Resolution or a Related Document.

"*Purchase Contract*" means the purchase contract or contracts among the Regents and the Purchaser relating to the purchase and sale of the Bonds.

"*Purchaser*" means the purchaser of the Bonds to be designated by the Delegate in the Pricing Certificate.

"*Qualified Counterparty*" or "*Qualified Swap Provider*" means any Person entering into a Qualified Exchange Agreement with the Regents which, at the time of the execution of the Qualified Exchange Agreement, is rated in one of the two highest rating categories by S&P or Moody's and meets all the requirements of the Public Securities Short-Term Rate Act, Sections 6-18-1 through 6-18-16 NMSA 1978, as amended, its successors and assigns, or any substitute Qualified Counterparty or Qualified Swap Provider, appointed or consented to from time to time by an Authorized Officer.

"*Qualified Exchange Agreement*" means any financial arrangement between the Regents and a Qualified Counterparty which satisfies the requirements of the Public Securities Short-Term Interest Rate Act, Sections 6-18-1 through 6-18-16 NMSA 1978, as amended, at the time the agreement is entered into.

"*Rating Agency*" means (a) Moody's and (b) S&P, the successor of either of them, or if either of them no longer exists and has no successor, then any other nationally recognized rating agency requested by the University to maintain a rating on any of the Bonds.

"*Rating Category*" means a generic securities rating category, without regard, unless otherwise stated with respect to any Rating Category in the Bond Resolution, in the case of a long-term rating category, to any refinement or gradation of such long-term rating category by a numerical modifier or otherwise.

"*Rebate Fund*" or "*Series 2021 Rebate Fund*" means the Series 2021 Rebate Fund established pursuant to Section 5.01 hereof to be established only if all or a portion of the Bonds are issued as tax-exempt under the Code.

"*Record Date*" means the fifteenth day immediately preceding an Interest Payment Date.

"*Redemption Account*" means each account of the Subordinate Lien Bond Service Fund for the deposit of money as set forth in Section 5.03 hereof to pay the optional redemption price of a series of Subordinate Lien Parity Bonds.

"*Redemption Price*" means the redemption price set forth herein of the Bonds payable to a Bondholder in connection with a redemption in whole or in part of the Bonds prior to the maturity date thereof expressed as a percentage of the Bond Value of such Bonds, and accrued interest, if any, to the date of redemption.

"*Refunded Bonds*" means those maturities of the 2014A Bonds maturing on and after June 1, 2024 and the 2014C Bonds maturing on and after June 1, 2025 designated by the Delegate in the Pricing Certificate.

"*Refunding Project*" or "*Project*" means (i) the University's advance refunding, refinancing, and defeasing of all of the Refunded Bonds on and until the earliest redemption date with respect to the Refunded Bonds, all as described in Exhibit C attached hereto.

"*The Regents of the University of New Mexico*," "*the Regents*," "*the Board of Regents*" and "*the Board*" mean the body corporate in which is vested the management and control of the University pursuant to Section 21-7-3 NMSA 1978 as amended.

"*Related Documents*" means, collectively, the Purchase Contract, the Escrow Agreement, the Continuing Disclosure Undertaking, the Paying Agent Agreement, and any and all other documents contemplated thereby or as required by the provider of the Subordinate Lien Parity Bonds Reserve Fund Surety Bond.

"*Renewal and Replacement Fund*" means "The Regents of the University of New Mexico System Renewal and Replacement Fund" continued by Section 5.01 hereof.

"*Reserve Requirement*" for (a) cash funded reserve accounts shall mean the average annual Debt Service on all Subordinate Lien Parity Bonds with cash funded reserve accounts as calculated from time to time or as to any particular issue of Subordinate Lien Parity Bonds, if less, the maximum amount of proceeds of such Subordinate Lien Parity Bonds permitted to be placed in a reserve fund by the Code or (b) for a reserve account funded with the purchase of a reserve fund surety bond, the least of the following with respect to the Subordinate Lien Parity Bonds for which the reserve fund surety is obtained (i) 10% of the proceeds (ii) the maximum annual debt service or (iii) 125% of the average annual debt service as permitted by the Code.

"*S&P*" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, and, if such entity no longer performs the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the University.

"*Special Record Date*" means a date established for payment of overdue interest on the Bonds by the Paying Agent pursuant to Section 3.01 hereof.

"*State*" means the State of New Mexico.

"*Subordinate Lien Parity Bond Service Fund*" means the fund created in Section 5.01(b) hereof for the payment of principal of and interest on the Bonds, as well as any accounts designated thereunder.

"*Subordinate Lien Parity Bonds*" means all bonds or other obligations, including the outstanding 2001 Bonds, the 2002B Bonds, the 2002C Bonds, the 2014A Bonds, the 2014B Bonds, the 2014C Bonds, the 2016A Bonds, the 2016B Bonds, the 2017 Bonds, the 2019 Bonds, the 2021 Bonds (when and if issued) and any payment obligation under a Qualified Exchange Agreement, now outstanding or hereafter payable from the Pledged Revenues secured by a lien on the Pledged Revenues subordinate to the lien thereon securing Superior Lien Parity Bonds.

"*Subordinate Lien Parity Bonds Reserve Fund*" means "The Regents of the University of New Mexico System Subordinate Lien Parity Bonds Reserve Fund" continued in Section 5.01 hereof.

"*Subordinate Lien Parity Bonds Reserve Fund Surety Bond*" means the policy or policies of insurance or surety bond or bonds issued to the Regents in an amount which is equal to the Reserve Requirement, the proceeds of which shall be used only to prevent deficiencies in the payment of the principal of or interest on Subordinate Lien Parity Bonds for which such policy was obtained resulting from insufficient amounts being on deposit in the Subordinate Lien Parity Bond Service Fund to make such payments of principal and interest as the same become due. Such policy or surety bond shall be written by the provider of the Subordinate Lien Parity Bonds Reserve Fund Surety Bond or by a similar entity experienced in insuring municipal bonds whose policies of insurance would not in and of itself adversely affect the rating on Subordinate Lien Parity Bonds by Moody's or by S&P in effect at the time such policy is initially deposited in or credited to the reserve account of the applicable Subordinate Lien Parity Bonds.

"*Superior Lien Parity Bond Service Fund*" means the Superior Lien Parity Bond Service Fund continued in Section 5.01 hereof.

"*Superior Lien Parity Bonds*" means the outstanding 1992A Bonds.

"*Superior Lien Parity Bonds Reserve Fund*" means "The Regents of the University of New Mexico, System Superior Lien Parity Bonds Reserve Fund" continued by Section 5.01 hereof.

"*System*" means all housing facilities (student, faculty and other) and all other buildings, structures, improvements and facilities located on any campus of the University from the use and availability of which income or revenue (including in the term "income or revenue" the proceeds of student tuition and fees) is produced, present and future, owned or operated by the Regents or the University, including, without limitation, dormitories, student unions, auditoriums, dining halls, book stores, stadiums, golf courses, swimming pools, hospitals or infirmaries, printing plants owned or operated by the University, classroom buildings, administrative buildings, research facilities and development buildings; provided, that as additional housing and other facilities are acquired by the University from time to time hereafter, and as existing facilities in the System are improved or extended, such additional, improved or extended facilities shall become part of the System; provided further, that the Regents retain the right to acquire, construct or operate any one or more such facilities hereafter and to provide by resolution that any such facility so acquired, constructed or operated shall not become a part of the System, and such facilities so excepted shall not become a part of the System and the income and revenues derived therefrom shall not be part of the Pledged Revenues; and provided further, that the University of New Mexico Hospital now or hereafter owned, operated or leased by the University shall not be considered a part of the System for any purposes of the Bond Resolution.

"*The University of New Mexico*" and "*University*" mean the state educational institution designated as the University of New Mexico at Albuquerque and so confirmed by Section 11 of Article XII of the New Mexico Constitution, as amended.

## **ARTICLE II**

### **AUTHORIZATION, RATIFICATION AND FINDINGS**

**Section 2.01 Ratification.** All action heretofore taken (not inconsistent with the provisions of the Bond Resolution) by the Regents and the officers of the University, directed toward the Refunding Project, the issuance and sale of the Bonds and the Related Documents is hereby ratified, approved and confirmed.

**Section 2.02 Findings.** The Regents declare that they have considered all relevant information and data in making its findings and hereby find and determine that:

(a) ***Findings Regarding the Bonds and the Refunding Project.***

(i) It is in the best interest of the University to undertake the Refunding Project. The Refunding Project is being undertaken to achieve debt service savings for the University.

(ii) The issuance of the Bonds to finance the Refunding Project is necessary and authorized under the Act. The issuance of the Bonds is hereby approved.

(iii) The sale price of the Bonds, including the underwriter's discount, to be set forth in the Purchase Contract and the Pricing Certificate, will be reasonable.

(iv) The projects financed with proceeds of the 2003A Bonds and the 2003B Bonds (the "2014A Prior Projects") which were refunded with the proceeds of the 2014A Bonds and the projects financed with the proceeds of the 2005 Bonds (the "2014C Prior Projects") which were refunded with the proceeds of the 2014C Bonds comprise parts of the System.

(b) ***Authorization.*** For the purpose of providing funds with which to finance the Refunding Project, and in anticipation of the collection of the Pledged Revenues, there shall be issued negotiable, fully registered revenue bonds, in one or more series, to be designated "The Regents of the University of New Mexico, Subordinate Lien System Refunding Revenue Bonds, Series 2021" in an aggregate principal amount not to exceed \$80,000,000 to be payable and collectible solely from the Pledged Revenues. It is hereby found and determined that the Pledged Revenues are reasonably expected to produce sufficient moneys to repay the Bonds when due. The 2021 Bonds will be issued with a fixed rate of interest.

**Section 2.03 Delegation to Delegate.** The sale of the Bonds to the Purchaser at a negotiated sale, and the issuance and delivery of the Bonds within the parameters set forth in this Resolution with the final terms of the Bonds to be accepted in the Pricing Certificate and Purchase Contract is hereby authorized. The Delegate of the University is hereby authorized and delegated the power to determine the final terms of the Bonds within the parameters set forth below:

(a) The principal amount of the 2021 Bonds to be issued in one or more series shall not exceed \$80,000,000.

(b) The final maturity of the 2021 Bonds shall be no later than June 1, 2035.

(c) The proceeds of the 2021 Bonds shall be used for the Refunding Project.



(d) The maximum interest rate on the Bonds shall not exceed 12% per annum.

(e) The Bonds may be subject to optional and/or mandatory sinking fund redemption as set forth in the Pricing Certificate.

(f) The Purchaser's discount shall not exceed 1.0% of the aggregate principal amount of the Bonds.

(g) The final forms of the Related Documents shall be consistent with this Resolution, and the Bonds, the Purchase Contract and the Escrow Agreement shall be in substantially the forms approved by the Regents with the adoption of this Resolution.

(h) The dated date of the 2021 Bonds shall be the Closing Date or such other date as determined by the Delegate.

(i) The Delegate is authorized to determine the amount, if any, to be deposited in the Subordinate Lien Parity Bonds Reserve Fund for the 2021 Bonds to meet the Reserve Requirement, including the determination of whether to deposit a portion of the proceeds from the 2021 Bonds in the form of cash in the 2021 Reserve Account or to acquire a Subordinate Lien Parity Bonds Reserve Fund Surety Bond with proceeds of the 2021 Bonds for deposit in the 2021 Reserve Account.

(j) The present value savings for the Refunding Project shall not be less than 3%. The Delegate is authorized to determine the maturities of the 2014A Bonds maturing on and after June 1, 2024 (if any) and 2014C Bonds maturing on and after June 1, 2025 to be included in the Refunding Project.

(k) The Bonds may be issued as federally tax-exempt or taxable. If changes to the Code are made subsequent to the adoption of this Resolution and prior to the sale of the Bonds to permit the advance refunding of all or a portion of the Refunded Bonds on a tax-exempt basis for federal income tax purposes, some or all of the Bonds may be issued on a tax-exempt basis as set forth in the Pricing Certificate, and the Authorized Officers of the University may execute a Tax Certificate setting forth the Regents' and the University's expectations and obligations related to maintaining the tax-exempt status of the Bonds.

The Delegate is hereby authorized pursuant to this Authorizing Resolution to determine the final terms of the 2021 Bonds as permitted by Section 6-14-10.2 NMSA 1978 and to execute a Pricing Certificate and a Purchase Contract with the Purchaser in conformance with these parameters and to enter into such agreements and execute such documents with a municipal bond insurer for the procurement of insurance on the 2021 Bonds or a Subordinate Lien Parity Bonds Reserve Fund Surety Bond, if any.

### **ARTICLE III**

#### **THE SERIES 2021 BONDS**

**Section 3.01 Bond Details.** The Bonds shall be issued in fully registered form (i.e., registered as to both principal and interest). Except as provided in Section 3.06 hereof, the Bonds

shall be issued in the denomination of \$5,000 principal amount (\$5,000 Maturity Amount with respect to the Capital Appreciation Bonds, if any) and any integral multiples thereof (provided that no Bond may be in a denomination which exceeds the principal coming due on any maturity date, and no individual Bond will be issued for more than one maturity). The Bonds shall bear interest from their date and shall mature as set forth in the Pricing Certificate. Bonds which are reissued upon transfer, exchange or other replacement shall bear interest from the most recent interest payment date for which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Bonds.

Except as may be provided in the Pricing Certificate, the principal of and redemption premium, if any, on any Bond shall be payable to the registered owner thereof as shown on the registration records kept by the Registrar upon maturity or prior redemption thereof and upon presentation and surrender at the Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the interest rate borne by said Bond until the principal thereof is paid in full. Except as provided in Section 3.06 hereof, payment of interest on any Bond shall be made to the registered owner thereof by check or draft mailed by the Paying Agent, on or before each Interest Payment Date, to the registered owner thereof at the address as shown on the registration records kept by the Registrar at the close of business on the Record Date for such Interest Payment Date; but any such interest not so timely paid or duly provided for shall cease to be payable to the Person who is the registered owner thereof at the close of business on the Record Date and shall be payable to the Person who is the registered owner thereof at the close of business on a Special Record Date for the payment of any defaulted interest. The Paying Agent shall fix such Special Record Date and the date for payment of such interest whenever monies become available for payment of the defaulted interest. Notice of the Special Record Date and the date for payment of such interest shall be given to the registered owners of the Bonds not less than ten days prior thereto by first-class mail to each such registered owner as shown on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the owner of such Bond and the Paying Agent (provided, however, that the Regents shall not be required to make funds available to the Paying Agent prior to the date on which such funds are due for payment to the registered owners of the Bonds). All such payments shall be made in lawful money of the United States of America.

With respect to Capital Appreciation Bonds, if any:

(a) The Capital Appreciation Bonds will be issued in the Maturity Amount and the original principal amount to be set forth in the Pricing Certificate.

(b) The Maturity Amount of each Capital Appreciation Bond is payable on the maturity date to be set forth in the Pricing Certificate upon presentation and surrender at the Principal Office of the Paying Agent.

(c) The Capital Appreciation Bonds shall be issued only as fully registered bonds in initial denominations of \$5,000 Maturity Amount and integral multiples thereof. The Capital Appreciation Bonds shall mature on the date, at the accretion rate and in the Maturity Amount as set forth on their face.

(d) In the event that the Capital Appreciation Bonds are retired prior to their maturity date due to prior redemption or an acceleration, the amount payable on the



Capital Appreciation Bonds shall be the Accreted Value corresponding to the date fixed for payment of the Capital Appreciation Bonds to be set forth in the Pricing Certificate. The Accreted Value with respect to any date other than a June 1 or December 1 is the amount to be set forth in the Pricing Certificate with respect to the next preceding June 1 or December 1, plus the portion of the difference between such amount and the amount to be set forth in the Pricing Certificate with respect to the next succeeding June 1 or December 1 that the number of days (based on a 360-day year of twelve 30-day months) from such last preceding June 1 or December 1, to the date for which such determination is being calculated, bears to the total number of days (based on a 360-day year of twelve 30-day months) from such last preceding June 1 or December 1, to the next succeeding June 1 or December 1.

(e) Payments of the Maturity Amount of the Capital Appreciation Bonds shall be made pro rata among all outstanding Capital Appreciation Bonds, in proportion to the relative Accreted Value of each Capital Appreciation Bond, without preference or priority of any kind. If the Regents cannot make a strict pro rata payment among all Capital Appreciation Bondholders, the Regents shall pay more or less than a pro rata portion to one or more owners of the Capital Appreciation Bonds in such manner as the Regents in its sole discretion deems fair and reasonable.

(f) Notwithstanding any of the foregoing provisions with respect to payments of the Maturity Amount on the Capital Appreciation Bonds, if the Capital Appreciation Bonds have become or been declared due and payable following an event of default and such acceleration of maturity and its consequences have not been rescinded and annulled, then payments of Accreted Value on such Capital Appreciation Bonds shall be made in accordance with Article VIII hereof.

(g) Any payment of Maturity Amount or Accreted Value which is punctually paid or duly provided for by the Regents shall be paid to the person in whose name such Capital Appreciation Bond is registered at the close of business on the Record Date by check or draft (or wire transfer in immediately available funds to an account designated by such owner of Capital Appreciation Bonds with respect to holders of \$1,000,000 or more in Maturity Amount of Capital Appreciation Bonds). Any installment of interest not punctually paid or duly provided for shall be payable in the manner and to the persons specified in Article VIII hereof.

(h) For Overdue Bonds, interest on the amount not punctually paid or duly provided for shall accrue, from the date such amount was due until paid, at the accrual rate for such Capital Appreciation Bonds (but only to the extent that payment of such interest shall be legally enforceable), and, to the extent funds are available therefor hereunder, shall be payable on a payment date established by the Paying Agent to the person entitled thereto on a Special Record Date, as provided in Section 3.01 of this Resolution. Together with each such payment of interest on any Overdue Bond, the Regents shall also be obligated to pay that portion of any Overdue Bond for the payment of which funds are available hereunder.

**Section 3.02 Prior Redemption.** The Bonds may be subject to prior optional, mandatory or sinking fund redemption as determined by the Delegate and set forth in the Pricing Certificate.

(a) **Optional Redemption.** Bonds maturing on or before the date determined by the Delegate and set forth in the Pricing Certificate pursuant to Section 2.03 hereof are not subject to prior redemption. Bonds or portions thereof maturing on and after the date determined by the Delegate pursuant to Section 2.03 hereof shall be subject to redemption prior to their respective maturities, at the option of the Regents, on and after the date determined by the Delegate pursuant to Section 2.03 hereof, in whole or in part at any time from such maturities as are selected by the Regents, and if less than all the Bonds of a maturity are to be redeemed, the Bonds of such maturity are to be redeemed by lot, at a price equal to the principal amount of each Bond or portion thereof so redeemed, accrued interest to the redemption date, plus such premium, if any, determined by the Delegate pursuant to Section 2.03 hereof.

(b) **Mandatory Redemption.** If the Delegate determines that the Bonds shall be subject to mandatory redemption pursuant to Section 2.03 hereof, the Bonds shall be subject to mandatory redemption at a redemption price equal to the principal amount thereof plus accrued interest to the sinking fund redemption date determined by the Delegate and set forth in the Pricing Certificate. As and for a sinking fund for the mandatory redemption of Bonds, the Regents shall cause to be deposited in the Series 2021 Bonds Principal Account prior to each sinking fund redemption date a sum which is sufficient to redeem (after credit as provided below) the principal amounts of the Bonds as determined by the Delegate pursuant to Section 2.03 hereof, plus accrued interest to the sinking fund redemption date. Not more than sixty days nor less than thirty days prior to each sinking fund redemption date, the Registrar shall proceed to select for redemption (by lot in such manner as the Registrar may determine) from all Outstanding Bonds subject to mandatory redemption on such sinking fund redemption date a principal amount of Bonds equal to the aggregate principal amount of Bonds redeemable with the required sinking fund payment, shall call such Bonds or portion thereof (\$5,000 principal amount, or any integral multiple thereof) for such redemption on such sinking fund redemption date, and shall give notice of such call.

(c) **Partial Redemption.** In the case of Bonds of a denomination larger than \$5,000, a portion of such Bond (\$5,000 principal amount or \$5,000 Maturity Amount, with respect to the Capital Appreciation Bonds, if any, or any integral multiple thereof) may be redeemed, in which case the Registrar, except as provided in Section 3.06 hereof, shall, without charge to the owner of such Bond, authenticate and issue a replacement Bond or Bonds for the unredeemed portion thereof. In the case of a partial redemption of Bonds of a single maturity, the Registrar shall select the Bonds to be redeemed by lot at such time as directed by an Authorized Officer (but at least 30 days prior to the Redemption Date), and if such selection is more than 60 days before a Redemption Date, shall direct the Registrar to appropriately identify the Bonds so called for redemption by stamping them at the time any Bond so selected for redemption is presented to the Registrar for stamping or for transfer or exchange, or by such other method of identification as is deemed adequate by the Registrar, and any Bond or Bonds issued in exchange for, or to replace, any Bond so called for prior redemption shall likewise be stamped or otherwise identified.

At the option of the Regents to be exercised by delivery of a written certificate to the Registrar on or before the sixtieth day next preceding any sinking fund redemption date, it may (i) deliver to the Registrar for cancellation Bonds in an aggregate principal amount desired by the Regents, or (ii) specify a principal amount of Bonds subject to mandatory redemption on such sinking fund redemption date which prior to said date

have been redeemed (otherwise than through the operation of the sinking fund) and cancelled by the Registrar at the request of the Regents and not theretofore applied as a credit against any sinking fund redemption obligation for any Bonds maturing on the same date. Each Bond so delivered or previously redeemed shall be credited by the Registrar at the principal amount thereof against the obligation of the Regents on such sinking fund redemption date for the Bonds and any excess over such amount shall be credited against such other sinking fund obligation, if any, for the Bonds of such maturity as designated by the Regents. In the event the Regents shall avail itself of the provisions of clause (i) of the first sentence of this paragraph, the certificate required by the first sentence of this paragraph shall be accompanied by the Bonds or portions thereof to be cancelled.

**Section 3.03 Redemption Notice.** The Registrar is required to give notice of mandatory redemption pursuant to Section 3.02(b) hereof without any notice from the Regents. Except for notice of mandatory redemption or unless waived by any registered owner of a Bond to be redeemed, notice of prior redemption shall be given by the Registrar, by first-class, postage prepaid mail, at least 30 days but not more than 60 days prior to the redemption date, to the registered owner of any Bond (initially Cede & Co.) all or a part of which is called for prior redemption at his address as it last appears on the registration records kept by the Registrar. The notice shall identify the Bonds and state that on such date the principal amount thereof and premium, if any, thereon will become due and payable at the Paying Agent (accrued interest to the redemption date being payable by mail or as otherwise provided in this Resolution), and that after such redemption date interest will cease to accrue. After such notice and presentation of said Bonds, the Bonds called for redemption will be paid. Actual receipt of mailed notice by the Purchaser or any registered owner of Bonds shall not be a condition precedent to redemption of such Bonds. Failure to give such notice by mailing to the registered owner of any Bond designated for redemption, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Bond. A certificate by the Registrar that notice of call and redemption has been given as provided in this section shall be conclusive as against all parties; and no holder whose Bond is called for redemption or any other holder of any Bond may object thereto or may object to the cessation of interest on the redemption date on the ground that he failed actually to receive such notice of redemption.

Unless money sufficient to pay the principal of and premium, if any, on the Bonds to be redeemed pursuant to this Section is received by the Paying Agent prior to the giving of notice of redemption in accordance hereof, that notice shall state that the redemption is conditional upon the receipt of that money by the Paying Agent by 2:00 p.m. on the redemption date. If an amount sufficient to redeem all Bonds called for redemption is not received by that time (i) the Paying Agent shall redeem only those Bonds for which the redemption price was received, (ii) the Bonds to be redeemed shall be selected in the manner set forth in Section 3.02(c) hereof and (iii) the redemption notice shall have no effect with respect to those Bonds for which the redemption price was not received and those Bonds shall not be redeemed. The Registrar shall give notice to the owners of the Bonds previously called for redemption which will not be redeemed in the manner in which the notice of redemption was given, identifying the Bonds which will not be redeemed, stating that the redemption did not take place with respect to those Bonds and shall promptly return any Bonds previously delivered by the owners of those Bonds. Moneys received by the Paying Agent pursuant to this paragraph shall be invested by the Paying Agent in Permitted Investments which mature on the earlier of (A) 30 days or (B) the date on which such moneys are needed.

The official notice of redemption to owners shall be dated and shall state:

- (a) the redemption date;
  - (b) the redemption price;
  - (c) if less than all Outstanding Bonds are to be redeemed, the identification and CUSIP numbers (and, in the case of partial redemption, the principal amount or the Maturity Amount with respect to the Capital Appreciation Bonds), of the Bonds to be redeemed;
  - (d) that, subject to the provisions of Section 3.03 hereof, on the redemption date, the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;
  - (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Principal Office of the Paying Agent, the name of a contact person (if the previously described book-entry system is in effect), and the phone number at the office of the Paying Agent;
  - (f) if the redemption is pursuant to Section 3.03 hereof, that the redemption is conditional, if applicable, stating the conditions set forth in Section 3.03 hereof;
  - (g) such other information as the Paying Agent deems necessary or appropriate in order to conform to the prevailing industry standards and customs at the time such notice is to be mailed, including, but not limited to Securities and Exchange Commission Release No. 34-23856; and
  - (h) each additional notice of redemption shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of the Bonds to be redeemed, (ii) the date of issuance of the Bonds being redeemed; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to accurately identify the Bonds being redeemed.
- No defect in the additional notices shall be the basis of any claim against the Paying Agent or the Regents for any incorrect information in that notice, nor shall any failure to give all or any part of such additional notice affect the effectiveness of a call for redemption if the official notice described above in this Section is given;
- (i) The additional notice shall be delivered two Business Days before the publication date by Electronic Means or overnight delivery service to all Depositories and, on the publication date, to EMMA; and
  - (j) At the option of the Regents, the additional notice may, be published in The Bond Buyer, New York, New York, or in another financial newspaper or journal which regularly carries notices of redemption of bonds at least 30 days prior to the date fixed for redemption. If notice is not published pursuant to this paragraph, the publication date for purposes of subparagraph (i) shall be deemed to be the date the official notice of redemption is mailed to the registered owners of the Bonds.

The Paying Agent shall comply with any other terms regarding redemption and notice of redemption, as are required by any agreement with a Depository.

The Paying Agent shall give a second notice of redemption within 60 days after the redemption date in the manner required above to the owners of the Bonds redeemed which have not been presented for payment.

**Section 3.04 Negotiability.** Subject to Section 3.06 hereof and to the registration and payment provisions herein provided, the Bonds shall be fully negotiable within the meaning of and for the purposes of the Uniform Commercial Code-Investment Securities, and each registered owner shall possess all rights enjoyed by a registered owner of negotiable instruments under the Uniform Commercial Code-Investment Securities.

**Section 3.05 Registration, Transfer and Exchange of Bonds.** Except as otherwise provided in Section 3.06 hereof, the Bonds shall be subject to registration, transfer and exchange as follows:

(a) Records for the registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender for transfer of any Bond at the Registrar, duly endorsed for transfer or accompanied by an assignment in form satisfactory to the Registrar duly executed by the registered owner or his attorney duly authorized in writing, the Registrar shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount and of the same maturity bearing a number or numbers not previously assigned. Bonds may be exchanged at the Registrar for an equal aggregate principal amount of Bonds of the same maturity of other authorized denominations, as provided in Section 3.01 hereof. The Registrar shall authenticate and deliver a Bond or Bonds, which the registered owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. For every exchange or transfer of Bonds requested by the registered owner thereof, the Regents or the Registrar may make a sufficient charge to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and may charge a sum sufficient to pay the cost of preparing and authenticating each new Bond. No such charge shall be levied in the case of an exchange resulting from an optional or mandatory redemption.

(b) The Registrar shall not be required to transfer or exchange (i) any Bond subject to redemption during a period beginning at the opening of business 15 days before the day of the mailing by the Registrar of a notice of prior redemption of Bonds and ending at the close of business on the day of such mailing, or (ii) any Bond after the mailing of notice calling such Bond or any portion thereof for redemption as herein provided.

(c) The person in whose name any Bond shall be registered on the registration records kept by the Registrar shall be deemed and regarded as the absolute owner thereof for the purpose of making payments thereof (except to the extent otherwise provided in Section 3.01 hereof with respect to overdue interest payments) and for all other purposes; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

(d) If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it or the Regents may reasonably require, and upon payment of all expenses in connection therewith, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same maturity bearing a number or numbers not previously assigned. If such lost, stolen, destroyed or mutilated Bond shall have matured or shall have been called for redemption, the Registrar may direct that such Bond, be paid by the Paying Agent in lieu of replacement.

(e) Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled by the Paying Agent or Registrar.

### **Section 3.06 Custodial Deposit.**

(a) Notwithstanding the foregoing provisions of Sections 3.01 to 3.05 hereof, to the extent that all or any portion of the Bonds is eligible for book-entry only deposit with The Depository Trust Company, such Bonds which are eligible shall initially be evidenced by one Bond for each year in which the Bonds mature in denominations equal to the aggregate principal amount of the Bonds maturing in that year (or the Maturity Amount, with respect to the Capital Appreciation Bonds). Such initially delivered Bonds shall be registered in the name of "Cede & Co." as nominee for The Depository Trust Company, the securities depository for the Bonds. Such Bonds may not thereafter be transferred or exchanged except:

(i) to any successor of The Depository Trust Company or its nominee, which successor must be both a "clearing corporation" as defined in § 55-8-102(3), NMSA 1978, as amended, and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended; or

(ii) upon the resignation of The Depository Trust Company or a successor or new depository under clause (i) or this clause (ii) of this subsection (a), or a determination by the Regents that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions, and the designation by the Regents of another depository institution acceptable to the Regents and to the depository then holding the Bonds, which new depository institution must be both a "clearing corporation" as defined in § 55-8-102(3), NMSA 1978, as amended, and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended, to carry out the functions of The Depository Trust Company or such successor or new depository; or

(iii) upon the resignation of The Depository Trust Company or a successor or new depository under clause (i) or clause (ii) of this subsection (a), or a determination of the Regents that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions, and the failure by the Regents, after reasonable investigation, to locate another qualified depository institution under clause (ii) to carry out such depository functions.



(b) In the case of a transfer to a successor of The Depository Trust Company or its nominee as referred to in clause (i) of subsection (a) hereof or designation of a new depository pursuant to clause (ii) of subsection (a) hereof, upon receipt of the Outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, a new Bond for each maturity of the Bonds then Outstanding shall be issued to such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a resignation or determination under clause (iii) of subsection (a) hereof and the failure after reasonable investigation to locate another qualified depository institution for the Bonds as provided in clause (iii) of subsection (a) hereof, and upon receipt of the Outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, new Bonds shall be issued in the denominations of \$5,000 (\$5,000 Maturity Amount with respect to the Capital Appreciation Bonds) or any integral multiple thereof, as provided in and subject to the limitations of Section 3.01 hereof, registered in the names of such persons, and in such denominations as are requested in such written transfer instructions; however, the Registrar shall not be required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

(c) The Regents, the Registrar and the Paying Agent shall be entitled to treat the registered owner of any Bond as the absolute owner thereof for all purposes hereof and any applicable laws, notwithstanding any notice to the contrary received by any or all of them and the Regents, the Registrar and the Paying Agent shall have no responsibility for transmitting payments to the beneficial owners of the Bonds held by The Depository Trust Company or any successor or new depository named pursuant to subsection (a) hereof.

(d) The Regents, the Registrar and the Paying Agent shall endeavor to cooperate with The Depository Trust Company or any successor or new depository named pursuant to clause (i) or (ii) of subsection (a) hereof in effectuating payment of the Bonds by arranging for payment in such a manner that funds representing such payments are available to the depository on the date they are due.

(e) Upon any partial redemption of any maturity of the Bonds, Cede & Co., (or its successor) in its discretion may request the Regents to issue and authenticate a new Bond or shall make an appropriate notation on the Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case the Bond must be presented to the Paying Agent prior to payment.

**Section 3.07 Execution of Bonds.** The Bonds shall be executed as follows:

(a) ***Filings with Secretary of State.*** Pursuant to Sections 6-9-1 and 6-9-6 NMSA 1978, as amended, and prior to the execution of any Bonds in which facsimile signatures are used, the President of the Regents and the Secretary and Treasurer of the Regents shall each file with the Secretary of State his or her manual signature certified by him or her under oath.

(b) ***Manner of Execution.*** Each Bond shall be signed and executed in the name of and on behalf of the Regents with the manual or facsimile of the signature of the President; and shall be signed, executed and attested with such a manual or facsimile of the signature of the Secretary and Treasurer.

(c) **Authentication.** No Bond shall be valid or obligatory for any purpose unless the certificate of authentication thereon, substantially in the form herein below provided, has been duly manually executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been duly executed if manually signed by an authorized officer or employee of the Registrar, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds issued hereunder. By authenticating any of the Bonds delivered pursuant to this Resolution, the Registrar shall be deemed to have assented to all of the provisions of this Resolution.

**Section 3.08 Use of Predecessors Signature.** The Bonds bearing the signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the Regents, notwithstanding that any or all of the persons whose signatures appear thereon shall have ceased to fill their respective offices. The President and Secretary and Treasurer, at the time of the execution of the Bonds and of a signature certificate pertaining thereto, may adopt as and for his or her own facsimile signature the facsimile signature of his or her predecessor in office if such facsimile signature appears upon any of the Bonds.

**Section 3.09 Bond Execution.** The President and Secretary and Treasurer are hereby authorized and directed to prepare and to execute the Bonds as herein provided.

**Section 3.10 Registration.** The Registrar shall maintain the registration records of the Regents for the Bonds showing the name and address of the registered owner of each Bond authenticated and delivered, the date of authentication, the maturity/of the Bond and its interest rate, principal amount and Bond number.

**Section 3.11 Bond Delivery.** After registration of the Bonds pursuant to Section 3.10 hereof and after their execution pursuant to Section 3.07 hereof, the Regents shall cause the Bonds to be delivered to the Purchaser thereof, upon payment being made therefor.

**Section 3.12 Bond Form.** Subject to the provisions of this Resolution, including without limitation Section 2.03 hereof, each Bond shall be in the form attached hereto as Exhibit A, with such omissions, insertions, endorsements, legends and such other variations as may be required by the circumstances, be required or permitted by this Resolution, be set forth in the Pricing Certificate or be consistent with this Resolution and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto.

**Section 3.13 Special Limited Obligations.** The Bonds and all payments of principal, premium, if any, and interest thereon (whether at maturity or on a redemption date) and the obligations of the Regents for all other payments, fees, costs, interest and expenses hereunder and under the Related Documents, shall be special limited obligations of the Regents payable solely from the Pledged Revenues, which revenues are hereby pledged and are payable as set forth herein. However, the Bonds are also payable from accrued interest, if any, payable on the Bonds on the date of delivery thereof. The 2021 Bonds are payable from amounts on deposit in the Series 2021 Interest Account, Series 2021 Principal Account and Subordinate Lien Parity Bonds Reserve Account for the 2021 Bonds.

Owners and the parties under the Related Documents may not look to any general or other fund of the University for the payment of the principal of or interest on the Bonds or any obligation relating thereto, or the fees, costs and expenses relating to, such obligations, except the designated special funds pledged therefor. Neither the Bonds nor the obligations of the



University under the Related Documents shall constitute an indebtedness of the State or the Regents or the University within the meaning of any constitutional or statutory prohibition or limitation, nor shall they be considered or held to be general obligations of the State or the Regents or the University, and the Bonds shall recite that they are payable and collectable solely out of the Pledged Revenues and from any other sources stated in the Bond Resolution and that the Owners may not look to any general or other fund for the payment of the principal or interest, as applicable, on the Bonds or for the payment of any amounts owed under the Related Documents. No obligation hereunder or under the Bonds or the obligations of the Regents or the University under the Related Documents shall ever be or become a charge or debt against the State or a pledge of the faith and credit of the State, or shall be payable from the proceeds of ad valorem taxes, or State appropriations. Neither the full faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or the interest on the Bonds or the obligations of the Regents or the University under the Related Documents. The Regents do not have taxing power.

## **ARTICLE IV**

### **APPROVAL OF RELATED DOCUMENTS AND SALE OF BONDS**

#### **Section 4.01    Approval of Documents; Use of Disclosure Documents.**

(a)     ***Approval of Documents.*** Final versions of the Related Documents shall be approved by the Delegate.

(b)     ***Execution of Related Documents.*** The President of the Regents and Vice President of the Regents, on behalf of the Regents, are hereby authorized and directed to execute and deliver the Related Documents and any extension of or amendments to any of the Related Documents with such changes as are not inconsistent with the Bond Resolution as are approved by the President of the Regents and Vice President of the Regents, whose execution of the Related Documents, or any extensions thereof or substitutions therefor, in their final forms, or the acceptance of the delivery by an Authorized Officer of any such Related Document which is not required to be signed by the Regents, shall constitute conclusive evidence of the approval of that document and compliance with this Section. The Secretary and Treasurer of the Regents, or his or her designee, is authorized to affix the seal of the Regents to and to attest the Related Documents as necessary. From and after the execution and delivery of the Purchase Contract, the officers, agents and employees of the University are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Bond Resolution , the Pricing Certificate and the Related Documents.

(c)     ***Disclosure Document.*** Prior to the issuance of the Bonds, the Official Statement with respect to the Bonds, with terms which are not inconsistent with the terms hereof and the Related Documents, shall be executed and delivered by one or more Authorized Officers, whose execution of such Official Statement in its final form shall constitute conclusive evidence of the approval of such Official Statement and compliance with this Section. The use and distribution of the Official Statement with respect to the Bonds, with terms which are not inconsistent with the terms and Related Documents by the Purchasers in connection with the sale and issuance of the Bonds are hereby approved.

**Section 4.02 Authorization of Sale of Bonds.** The sale of the Bonds at a negotiated sale to the Purchaser at the prices to be established by the Delegate in the Pricing Certificate within the parameters of this Resolution and set forth in the Purchase Contract is approved. When the Bonds have been duly executed and authenticated, they shall be delivered to the Depository on behalf of the Purchaser, or at the direction of the Purchaser, on receipt of payment for the Bonds by the Regents.

## ARTICLE V

### ADMINISTRATION AND ACCOUNTING OF REVENUES

#### Section 5.01 Funds and Accounts.

(a) **Funds Continued.** The Regents hereby continue the following special and separate funds which were created pursuant to prior bond resolutions of the Regents:

(i) *Superior Lien Parity Bond Service Fund.* "The Regents of the University of New Mexico System Bond Service Interest and Retirement Fund" to be maintained with the Fiscal Agent. The Regents may establish any account or accounts in the Superior Lien Parity Bond Service Fund for payments of principal of and interest on the Superior Lien Parity Bonds as may be deemed necessary or desirable.

(ii) *Pledged Revenues Fund.* "The Regents of the University of New Mexico System Pledged Revenues Fund" for the deposit of Pledged Revenues in an account or accounts in one or more regular depositories of the University.

(iii) *Renewal and Replacement Fund.* "The Regents of the University of New Mexico System Renewal and Replacement Fund" to be maintained with the Fiscal Agent.

(iv) *Superior Lien Parity Bonds Reserve Fund.* "The Regents of the University of New Mexico System Superior Lien Parity Bonds Reserve Fund" to be maintained with the Fiscal Agent.

(v) *Subordinate Lien Parity Bond Service Fund.* "The Regents of the University of New Mexico, Subordinate Lien System Improvement Revenue Bonds, Series 2001 Bond Service Fund", "The Regents of the University of New Mexico, Subordinate Lien System Improvement Revenue Bonds, Series 2002 Bond Service Fund", "The Regents of the University of New Mexico, Subordinate Lien System Refunding Revenue Bonds, Series 2014A Bond Service Fund", "The Regents of the University of New Mexico, Subordinate Lien System Refunding Revenue Bonds, Taxable Series 2014B Bond Service Fund", "The Regents of the University of New Mexico Subordinate Lien System Refunding Revenue Bonds, Series 2014C Bond Service Fund", "The Regents of the University of New Mexico Subordinate Lien System Refunding and Improvement Revenue Bonds, Series 2016A Bond Service Fund", "The Regents of the University of New Mexico, Subordinate Lien System Refunding Revenue Bonds, Taxable Series 2016B Bond Service Fund", "The Regents of the University of New Mexico Subordinate Lien System Improvement Revenue Bonds, Series 2017 Bond Service Fund", and "The Regents of the University of

New Mexico Taxable Subordinate Lien System Refunding Revenue Bonds, Series 2019 Bond Service Fund” to be maintained with the Fiscal Agent. Within the Subordinate Lien Parity Bond Service Fund there is maintained for each Outstanding Series of Subordinate Lien Parity Bonds a Bonds Interest Account, Principal Account, Redemption Account and Additional Payments Account.

(vi) *Subordinate Lien Parity Bonds Reserve Fund.* "The Regents of the University of New Mexico System Subordinate Lien Parity Bonds Reserve Fund" to be maintained with the Fiscal Agent. Within the Subordinate Lien Parity Bonds Reserve Fund there is maintained the Series 2001 Reserve Account, the Series 2002 Reserve Account, the Series 2014A Reserve Account, the Series 2014B Reserve Account, the Series 2014C Reserve Account, the Series 2016A Reserve Account, the Series 2016B Reserve Account, the Series 2017 Reserve Account and the Series 2019 Reserve Account.

(vii) *Bond Purchase Fund.* The Series 2001 Bond Purchase Fund to be maintained by the Tender Agent. Separate accounts designated as the Series 2001 Remarketing Account, Facility Provider Account and University Purchase Account (and any other necessary accounts) shall be created and maintained by the Tender Agent as part of the Series 2001 Bond Purchase Fund. The Series 2002 Bond Purchase Fund to be maintained by the Tender Agent. Separate accounts designated as the Series 2002 Remarketing Account, Facility Provider Account and University Purchase Account (and any other necessary accounts) shall be created and maintained by the Tender Agent as part of the Series 2002 Bond Purchase Fund.

(viii) *Rebate Fund.* The Series 2001 Rebate Fund, the Series 2002 Rebate Fund, the Series 2014A Rebate Fund, the Series 2014C Rebate Fund, the Series 2016A Rebate Fund, and the Series 2017 Rebate Fund to be maintained with the Fiscal Agent.

(b) ***New Funds.*** The Regents hereby establish the following special and separate funds with respect to the Series 2021 Bonds:

(i) *Subordinate Lien Parity Bond Service Fund.* "The Regents of the University of New Mexico, Subordinate Lien System Refunding Bonds, Series 2021 Bond Service Fund" to be maintained with the Fiscal Agent. Within such Subordinate Lien Parity Bond Service Fund there is hereby created the following accounts: the 2021 Interest Account, 2021 Principal Account, 2021 Redemption Account and 2021 Additional Payments Account.

(ii) *Subordinate Lien Parity Bonds Reserve Fund.* Within the Subordinate Lien Parity Bonds Reserve Fund there is hereby created the Series 2021 Reserve Account.

(iii) *Escrow Fund.* "The Regents of the University of New Mexico Subordinate Lien System Refunding Revenue Bonds, Series 2021 Escrow Fund" to be maintained with an Insured Bank for the refunding of the Refunded Bonds.

(iv) *Issuance Expense Fund.* “The Regents of the University of New Mexico, Subordinate Lien System Refunding Bonds, Series 2021 Issuance Expense Fund” to be maintained with the University.

(v) *Rebate Fund.* “The Regents of the University of New Mexico Subordinate Lien System Refunding Bonds, Series 2021 Rebate Fund” to be maintained with the Fiscal Agent. The 2021 Rebate Fund shall only be created and maintained if all or a portion of the Bonds are issued on a tax-exempt basis under the Code.

In addition, the Delegate is hereby authorized to create any additional funds in the Pricing Certificate for the Bonds and to incorporate such additional funds into the flow of Pledged Revenues described in Section 5.03 hereunder.

**Section 5.02 Use of Funds and Deposits into Funds and Accounts on Delivery of Bonds.** On the Closing Date with respect to the Series 2021 Bonds, the proceeds from the sale of the Series 2021 Bonds and other amounts stated in this Section, shall be deposited or used as follows:

(a) Any accrued interest or any capitalized interest received from the issuance and sale of the Series 2021 Bonds shall be credited to the Series 2021 Bonds Interest Account.

(b) Proceeds of the Series 2021 Bonds or a Subordinate Lien Parity Bonds Reserve Fund Surety Bond, in an amount specified by the Delegate in the Pricing Certificate, shall be deposited in the Series 2021 Reserve Account to satisfy the Reserve Requirement for the Series 2021 Bonds.

(c) Proceeds of the Series 2021 Bonds, in an amount to be specified by the Delegate in the Pricing Certificate shall be deposited into the 2021 Escrow Fund for the refunding and defeasance of the Refunded Bonds.

(d) Proceeds of the Series 2021 Bonds in an amount to be specified by the Delegate in the Pricing Certificate shall be deposited in the 2021 Issuance Expense Fund. Such moneys shall be used and paid out by the Regents to defray the Expenses associated with the issuance of the Series 2021 Bonds.

(f) The Purchaser shall not be responsible for the application or disposal by the Regents of the proceeds derived from the sale of the Bonds or any other funds herein designated.

**Section 5.03 Flow of Pledged Revenues.** So long as any of the Bonds or any Subordinate Lien Parity Bonds are outstanding, either as to principal or interest, or both, the Regents shall cause the Pledged Revenues to be collected and deposited as received on a daily basis in the Pledged Revenues Fund and to make the payments from the Pledged Revenues Fund into the Superior Lien Parity Bond Service Fund, the Superior Lien Parity Bonds Reserve Fund, the Renewal and Replacement Fund, the Subordinate Lien Parity Bond Service Fund and the Subordinate Lien Parity Bonds Reserve Fund and as otherwise required or permitted by this Section.

As a first charge on the moneys deposited in the Pledged Revenues Fund, there shall be paid, from time to time, the Operating and Maintenance Expenses as they become due and payable. After the payment of the Operating and Maintenance Expenses of the System, which are then due, the following payments shall be made from the Pledged Revenues Fund:

(a) ***Superior Lien Parity Bond Service Fund, Superior Lien Parity Bonds Reserve Fund and Certain Payments to Superior Lien Parity Bonds Reserve Fund Surety Bond Provider.*** First, while any Superior Lien Parity Bonds are outstanding, Pledged Revenues shall be deposited into the Superior Lien Parity Bond Service Fund in each Fiscal Year to pay the principal of and interest on Superior Lien Parity Bonds coming due in such Fiscal Year. Second, the Regents shall make any deposits to the Superior Lien Parity Bonds Reserve Fund required by the resolutions authorizing the issuance of outstanding Superior Lien Parity Bonds. After such payments have been made, the Regents shall cause to be paid to the provider of the Superior Lien Parity Bonds Reserve Fund Surety Bond all unpaid moneys owed by the Regents corresponding to the amount of proceeds paid under the Superior Lien Parity Bonds Reserve Fund Surety Bond to restore the Superior Lien Parity Bonds Reserve Fund to the reserve requirement applicable to Superior Lien Parity Bonds.

(b) ***Renewal and Replacement Fund.*** The Regents are current in making the required semiannual deposits of \$50,000 into the Renewal and Replacement Fund as required by the resolutions authorizing the Superior Lien Parity Bonds presently outstanding on the date of adoption of this Bond Resolution. Therefore no funds need be deposited therein upon issuance of the Bonds. There shall be accumulated in the Renewal and Replacement Fund the greater of (i) \$10,000,000 or (ii) four percent (4%) of the original cost of the buildings, equipment, and furnishings constituting the System as determined at the end of each Fiscal Year (the "Renewal and Replacement Requirement"). On or before the end of each Fiscal Year, the Senior Vice President for Finance and Administration of the University, or his or her successor in function, shall file with the Fiscal Agent a certificate setting forth the original cost of all buildings, equipment and furnishings added to the System in the preceding Fiscal Year, the original cost of all additions and extensions added to buildings, equipment, or furnishings which are a part of the System and the original cost of any buildings, equipment, or furnishings which were removed from the System during such preceding Fiscal Year, together with the resulting original cost of the buildings, equipment and furnishings constituting the System as of the end of such preceding Fiscal Year. If the amount on deposit in the Renewal and Replacement Fund is, at any time, less than the Renewal and Replacement Requirement, payments shall be made from Pledged Revenues, but after and subject to the payments required in provisions contained in paragraph (a) of this Section, in semiannual installments on or before each May 20 and November 20 on which there is a deficiency, in amounts not less than \$50,000. Moneys on deposit in the Renewal and Replacement Fund shall be first used to pay currently maturing installments of principal of and interest on Superior Lien Parity Bonds for the payment of which there is insufficient money in the Superior Lien Parity Bond Service Fund and Superior Lien Parity Bonds Reserve Fund (including any surety bond coverage); second, shall be used to pay currently maturing installments of principal of and interest on Subordinate Lien Parity Bonds for the payment of which there is insufficient money in the Subordinate Lien Parity Bond Service Fund and Subordinate Lien Parity Bonds Reserve Fund (including any surety bond coverage) and, finally, shall be used or reserved at the request of the Regents for the purpose of making improvements, extensions, repairs and replacements to the facilities of the University constituting the System.

(c) ***Subordinate Lien Parity Bond Payments.*** After and subject to the payments hereinabove required to be made under this section, while any Subordinate Lien Parity Bonds are Outstanding, Pledged Revenues shall be deposited into the Subordinate Lien Parity Bond Service Fund and shall be used to pay the principal of and interest on Subordinate Lien Parity Bonds coming due in each Fiscal Year pursuant to the terms hereof and of the resolutions under which such Subordinate Lien Parity Bonds were issued.

(i) ***Interest Account.*** Prior to each Interest Payment Date, the amount necessary to pay the next maturing installment of interest on each series of Outstanding Subordinate Lien Parity Bonds and the Series 2021 Bonds shall be credited to the Interest Account for that series of bonds.

(ii) ***Principal Account and Redemption Account.*** Prior to each principal payment date, redemption date, or maturity date with respect to the Capital Appreciation Bonds, the amount necessary to pay the next regularly scheduled installment of principal, whether at maturity, prior redemption or on a mandatory sinking fund redemption date, on each series of Outstanding Subordinate Lien Parity Bonds shall be credited to the Principal Account or Redemption Account, as the case may be, for that series of Subordinate Lien Parity Bonds. Deposits to the Principal Accounts for the Subordinate Lien Parity Bonds of each series for the next installment of principal becoming due shall be made in substantially equal semiannual deposits commencing on May 20th or November 20th which is less than 7 months prior to the month in which the first installment of principal (or Maturity Amount with respect to the Capital Appreciation Bonds) on each series of Bonds is due. Deposits to the Redemption Accounts for the Bonds of each series shall be made in compliance with Section 3.03 hereof.

(iii) ***Payments and Reimbursements to Facility Provider and Qualified Counterparty.*** The following amounts required to be paid by the Regents shall be deposited in the Principal Account and Interest Account for the 2001 Bonds, for the 2002B Bonds and for the 2002C Bonds or other sinking fund which shall be a subaccount of such respective Principal Account or Interest Account, and paid from the Pledged Revenues with the same priority as other payments of Debt Service on Subordinate Lien Parity Bonds:

(A) on or prior to the date when due, amounts to pay or reimburse a Facility Provider (as such term is defined in the resolution for the 2001 Bonds, the resolution for the 2002B Bonds or the resolution for the 2002C Bonds) for payments of Debt Service (but not the Tender Price as such term is defined in the resolution for the 2001 Bonds, the resolution for the 2002B Bonds or the resolution for the 2002C Bonds) made by that Facility Provider; and

(B) no later than the Business Day prior to the date when due, amounts that are payable to a Qualified Counterparty under a Qualified Exchange Agreement if such payments are designated in the resolution of the Regents relating to that Qualified Exchange Agreement as being secured by a lien on Pledged Revenues on a parity with the lien



thereon securing Subordinate Lien Parity Bonds; the lien of exchange termination payments payable pursuant to a Qualified Exchange Agreement on Pledged Revenues shall be subordinate to the lien of Subordinate Lien Parity Bonds on Pledged Revenues.

(iv) *Transfer of Money.* Each payment of principal and interest coming due on the Bonds shall be transferred from the applicable sinking fund account or subaccount by the Paying Agent and payment obligations shall be made directly to the Qualified Counterparty or Facility Provider entitled to receive payments of Subordinate Lien Parity Bonds, on or before the due date of such payment.

(v) *Subordinate Lien Parity Bonds Reserve Fund.* After and subject to the payments required by subparagraphs (i), (ii) and (iii) above, and except as provided in this subparagraph (v) and subparagraph (vi) hereof, any money required to be credited or transferred from the Pledged Revenues Fund to the Series 2001 Reserve Account, Series 2002B Reserve Account, Series 2002C Reserve Account, Series 2014A Reserve Account, Series 2014B Reserve Account, Series 2014C Reserve Account, Series 2016A Reserve Account, Series 2016B Reserve Account, Series 2017 Reserve Account, Series 2019 Reserve Account, or Series 2021 Reserve Account of the Subordinate Lien Parity Bonds Reserve Fund shall be so deposited or credited.

The Reserve Requirement for a series of Subordinate Lien Parity Bonds may be satisfied by a deposit of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond in the Subordinate Lien Parity Bonds Reserve Fund or the deposit of bond proceeds or Pledged Revenues in the Subordinate Lien Parity Bonds Reserve Fund. Commencing upon the date of delivery of the Bonds, the Regents shall deposit or cause to be deposited Bond proceeds or other funds in the Subordinate Lien Parity Bonds Reserve Fund to satisfy the Reserve Requirement. Any form of such deposit may be exchanged for any other permitted form of deposit of an equivalent amount; provided, however, (A) if the Regents desire to substitute a Subordinate Lien Parity Bonds Reserve Fund Surety Bond for a reserve account initially funded with cash, it must obtain a policy covering all of the common cash reserve accounts for the Subordinate Lien Parity Bonds with cash funded reserves to draw on the Subordinate Lien Parity Bonds Reserve Fund Surety Bond; (B) that the Subordinate Lien Parity Bonds Reserve Fund Surety Bond policy shall be written by an entity experienced in insuring municipal bonds whose policies of insurance would not in and of itself adversely affect the rating on Subordinate Lien Parity Bonds by Moody's or by S&P in effect at the time such policy is initially deposited in or credited to the reserve account of the applicable Subordinate Lien Parity Bonds; (C) that prior to the expiration of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond in any account, another Subordinate Lien Parity Bonds Reserve Fund Surety Bond of equivalent credit quality is provided, and, if such replacement Subordinate Lien Parity Bonds Reserve Fund Surety Bond is unavailable, the Reserve Requirement will be funded on a scheduled basis or at one time prior to the expiration of the existing Subordinate Lien Parity Bonds Reserve Fund Surety Bond; (D) if the terms of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond prohibit replenishment after draw-down, the Regents shall provide an additional Subordinate Lien Parity Bonds Reserve Fund Surety Bond or sufficient funds to

ensure satisfaction of the Reserve Requirement; and (F) if a Subordinate Lien Parity Bonds Reserve Fund Surety Bond permits premature termination without payment, the conditions for such premature termination will be limited to a default on any Subordinate Lien Parity Bonds.

If the full amount necessary to pay the Debt Service on a series of Subordinate Lien Parity Bonds is not on deposit in the related Interest Account or Principal Account, when due, the amount necessary to pay the deficiency shall be transferred to that Principal Account or Interest Account (a) from money on deposit in the Subordinate Lien Parity Bonds Reserve Fund, if the Reserve Requirement for the Subordinate Lien Parity Bonds with the deficiency was funded or satisfied with moneys or investments on deposit or credited to the Subordinate Lien Parity Bonds Reserve Fund, or (b) from a draw on the respective Subordinate Lien Parity Bonds Reserve Fund Surety Bond if the Reserve Requirement for the Subordinate Lien Parity Bonds with the deficiency was funded with the purchase of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond. Deficiencies in the Interest Accounts or Principal Accounts for Subordinate Lien Parity Bonds with reserve accounts funded with the purchase of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond can only be satisfied with draws on the respective Subordinate Lien Parity Bonds Reserve Fund Surety Bonds and not from moneys or investments on deposit in the Subordinate Lien Parity Bonds Reserve Fund. The amount transferred from the Subordinate Lien Parity Bonds Reserve Fund and amounts required to be reimbursed on a Subordinate Lien Parity Bonds Reserve Fund Surety Bond to pay Debt Service on the Subordinate Lien parity Bonds shall be reimbursed on a pro-rata basis to the Subordinate Lien Parity Bonds Reserve Fund and the provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond from the first amounts available therefor in the Pledged Revenues Fund no later than the end of the next full Fiscal Year or such other period of time as set forth in the Regents resolution authorizing the issuance of the applicable Subordinate Lien Parity Bonds.

The amount of money and, to the extent the coverage of such surety bond will permit, the proceeds of any Subordinate Lien Parity Bonds Reserve Fund Surety Bond on deposit in the Series 2001, Series 2002B, Series 2002C, Series 2014A, Series 2014B, Series 2014C, Series 2016A, Series 2016B, Series 2017, Series 2019, or Series 2021 Reserve Accounts shall be used first to pay any deficiency in the amount available to pay Debt Service on the 2001 Bonds, 2002B Bonds, 2002C Bonds, Series 2014A Bonds, Series 2014B Bonds, Series 2014C Bonds, Series 2016A Bonds, Series 2016B Bonds, Series 2017 Bonds, Series 2019 Bonds or Series 2021 Bonds, respectively, as the case may be, and second, to pay any deficiency in the amount available to pay amounts owing under the applicable Qualified Exchange Agreement; provided, however, that the use of such moneys or proceeds of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond to pay amounts owing under the applicable Qualified Exchange Agreement shall only be made with the Insurer's consent so long as the Insurer is rated "A" or above by S&P and Moody's.

(vi) *Termination Upon Deposits to Maturity.* No payment need be made into the Subordinate Lien Parity Bond Service Fund if all proceeds paid under a Subordinate Lien Parity Bonds Reserve Fund Surety Bond have been reimbursed and the amounts in the Subordinate Lien Parity Bond Service Fund,



together with moneys on deposit in the Subordinate Lien Parity Bonds Reserve Fund, total a sum at least equal to the entire amount of principal and interest due on the Outstanding Subordinate Lien Parity Bonds to their respective maturities, both accrued and not accrued. In such case, moneys in the Subordinate Lien Parity Bond Service Fund and Subordinate Lien Parity Bonds Reserve Fund shall be used solely to pay such principal and interest as the same shall become due, and any moneys in excess thereof in such Funds and any other Pledged Revenues may be used as provided below in this Section.

(vii) *Payment of Certain Interest, Fees and Expenses; Additional Payments Account.* Any balance of Pledged Revenues after making the payments hereinabove provided shall be used by the Regents for payment to the provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond under a Subordinate Lien Parity Bonds Reserve Fund Surety Bond of all unpaid moneys owed by the Regents to such provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond including interest on the amount of the proceeds paid with respect to Subordinate Lien Parity Bonds pursuant to any such Subordinate Lien Parity Bonds Reserve Fund Surety Bond and expenses of such provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond. The amount of insurance proceeds used to pay principal and interest on the Bonds pursuant to a Subordinate Lien Parity Bonds Reserve Fund Surety Bond shall be payable in the manner and with the priority set forth in paragraph 5.04(c)(v) of this Section.

After making or crediting the payments required by the foregoing subparagraphs of this paragraph (c), amounts on deposit in the Pledged Revenues Fund shall be used as necessary to pay, first, all amounts, including payments owed to any Facility Provider for a series of Subordinate Lien Parity Bonds or relating to a Qualified Exchange Agreement which are not payable pursuant to the terms of any preceding paragraph of this Section and second, expenses, fees, rebate payments and the tender price of Subordinate Lien Parity Bonds purchased by the Regents. Pledged Revenues used to pay amounts pursuant to this paragraph shall be deposited by the Regents into the Additional Payments Account on or before the due date thereof.

(d) *Use of Surplus Pledged Revenues.* After making the payments hereinabove required to be made under this Section, the remaining Pledged Revenues, if any, may be applied as determined by the Regents to any other lawful purpose or purposes authorized by the Constitution and laws of the State as the Regents may direct.

**Section 5.04 Rebate Fund.** Any provision hereof to the contrary notwithstanding, amounts required to be credited to the Rebate Fund in accordance with the provisions of Section 7.10 hereof shall be free and clear of any lien hereunder or of any other resolution authorizing the issuance of bonds of the Regents and shall not constitute Pledged Revenues. Amounts in the Rebate Fund will be used as provided in Section 7.10 hereof. The provisions of this Section and any references to the 2021 Rebate Fund in this Resolution shall only be applicable if any portion of the Bonds is issued on a tax-exempt basis under the Code.

**Section 5.05 General Administration of Funds.** The funds and accounts designated in Sections 5.01, 5.02, 5.03 and 5.04 hereof shall be administered as follows:

(a) *Investment of Money.* Money in the Pledged Revenues Fund may be invested in any manner allowed for money of the University or the Regents by the laws

of the State and money in the Subordinate Lien Parity Bond Service Fund, Subordinate Lien Parity Bonds Reserve Fund, Issuance Expense Fund and Rebate Fund may be invested in Eligible Investments, maturing prior to the date on which the money so invested will be needed for the payment of principal of or interest on Subordinate Lien Parity Bonds, for the payment of Expenses or for rebate to the government of the United States of America as applicable. Money in the Renewal and Replacement Fund may be invested in such Eligible Investments as may hereafter be permitted by the laws of the State and with the advice and consent of the State Board of Finance if required by State law. The obligations so purchased as an investment of moneys in any such Fund shall be deemed at all times to be part of such Fund, and the interest accruing thereon and any profit realized therefrom shall be credited to such Fund (subject to withdrawal and use at any time as permitted by Section 5.04 hereof, as applicable), and any loss resulting from such investment shall be charged to the Fund. Any obligations so purchased as an investment of moneys in any Fund shall be presented for redemption or sale on the prevailing market whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from such Fund.

(b) ***Deposits of Funds.*** The moneys and investments comprising the funds designated in Sections 5.01, 5.02, 5.03 and 5.04 of the Bond Resolution shall be maintained and kept in an Insured Bank or Banks. Each payment shall be made into and credited to the proper fund at the designated time, except that when the designated time shall be a Saturday, a Sunday or a legal holiday, then such payment shall be made on the next succeeding business day. Nothing herein shall prevent the establishment of one or more such accounts in Insured Banks for all of the funds and accounts in Sections 5.01, 5.02, 5.03 and 5.04 of the Bond Resolution or shall prevent the combination of such funds with any other Insured Bank account or accounts for other funds and accounts of the Regents; provided that the Rebate Fund (to be created only if any portion of the Bonds are issued on a tax-exempt basis under the Code) shall not be combined with any other fund or account. The moneys in funds which are not invested shall be secured at all times in a manner required by the laws of the State for the securing of public moneys. The Fiscal Agent shall make such credit arrangements with any other bank or banks at which the Bonds are payable as will assure prompt payment of the principal of, premium, if any, and interest on the Bonds as set forth herein.

## **ARTICLE VI**

### **LIENS ON PLEDGED REVENUES AND ADDITIONAL OBLIGATIONS**

#### **Section 6.01 Lien on Pledged Revenues; Equality of Bonds.**

(a) The Bonds, together with all other Outstanding Subordinate Lien Parity Bonds are secured by an irrevocable subordinate and junior lien (but not necessarily an exclusively subordinate and junior lien) on the Pledged Revenues after payment of Operating and Maintenance Expenses and payments with respect to outstanding Superior Lien Parity Bonds. The Regents hereby pledge and grant to the owners of the Bonds a security interest in the Pledged Revenues and in the moneys and securities on deposit in the Subordinate Lien Parity Bond Service Fund, the Subordinate Lien Parity Bonds Reserve Fund and the Renewal and Replacement Fund for the payment of the principal of, premium, if any, and interest on the Bonds. The Regents hereby pledge and grant to any provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond a security interest, subordinate to the security interest to the owners of Bonds stated above, in the

Pledged Revenues and in the money and securities on deposit in the Subordinate Lien Parity Bonds Reserve Fund for the repayments of amounts owed to any provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond. The pledges made pursuant to this Section are subject to the uses of the moneys in such Funds permitted by Section 5.03 hereof and shall have the priority set forth in Section 5.03 hereof. The Bonds from time to time Outstanding shall not be entitled to any priority one over the other in the application of the Pledged Revenues, regardless of the time or times of their issuance.

(b) ***Other Related Documents.*** Payments under any other Related Documents are secured by an irrevocable, subordinate lien on, and the Regents hereby grants to the parties entitled to payments thereunder a security interest in, the Pledged Revenues for those payments. The priority of the payments on Pledged Revenues referred to in this paragraph (b) shall be as set forth in Section 5.03.

## **Section 6.02 Parity Bonds.**

(a) ***Limitations Upon Issuance of Subordinate Lien Parity Bonds.*** Nothing in the Bond Resolution shall be construed in such a manner as to prevent the issuance by the Regents of Subordinate Lien Parity Bonds payable from the Pledged Revenues and constituting a lien upon the Pledged Revenues on a parity with the lien of the Bonds, nor to prevent the issuance of bonds or other obligations refunding all or a part of the Bonds. Before any such additional Subordinate Lien Parity Bonds are issued (excluding refunding bonds or refunding obligations which refund Subordinate Lien Parity Bonds) all of the following conditions shall be met:

(i) the Pledged Revenues received by the University in each of the two completed Fiscal Years immediately preceding the issuance of the additional bonds must be at least 200% of the highest Debt Service requirement for any succeeding Fiscal Year measured from the date of computation on all Outstanding Subordinate Lien Parity Bonds and Superior Lien Parity Bonds, but excluding the bonds proposed to be issued. A written certification, opinion, verification or other determination by the Senior Vice President for Finance and Administration of the University, or his or her successor in function, that the annual Pledged Revenues for such preceding Fiscal Years are at least equal to such amounts and the determinations of such amounts shall be conclusively presumed to be accurate in determining the right of the University to authorize, issue, sell and deliver the additional Subordinate Lien Parity Bonds; and

(ii) the Pledged Revenues received by the University in each of the two completed Fiscal Years immediately preceding the issuance of the additional bonds must be at least 175% of the highest Debt Service requirement for any succeeding Fiscal Year measured from the date of computation on all Outstanding Subordinate Lien Parity Bonds and Superior Lien Parity Bonds and on the issue of bonds then proposed to be issued. A written certification, opinion, verification or other determination by the Senior Vice President for Finance and Administration of the University, or his or her successor in function, that the annual Pledged Revenues for such preceding Fiscal Years are at least equal to such amounts and the determinations of such amounts shall be conclusively presumed to be accurate in determining the right of the University to authorize, issue, sell and deliver the additional Subordinate Lien Parity Bonds. The Senior Vice President for Finance and Administration of the University, or

his or her successor in function, may take into account the adjustments hereafter provided in this subparagraph (ii). If the proceedings authorizing the additional bonds pledge and provide for payment into the applicable Bond Service Fund of income or revenues in addition to the Pledged Revenues, the amount received from such additional pledged source of income or revenue by the University for payment into the applicable Bond Service Fund in each of the two completed Fiscal Years immediately preceding the issuance of the additional bonds may be taken into consideration and added to the Pledged Revenues received in each such Fiscal Year for purposes of the computation required to be made under the provisions of this subparagraph (ii). There shall also be taken into consideration and added to the Pledged Revenues received in each such completed Fiscal Year for the purposes of such computation the smallest amount of gross income or revenues estimated by the Senior Vice President for Finance and Administration of the University, or his or her successor in function, to be produced in any future Fiscal Year from the operation of the additional facilities to be acquired with the proceeds of the additional bonds, which estimate in the case of housing facilities shall be based on a presumed eighty percent (80%) occupancy of such facilities at rentals equivalent to those charged by the University for similar facilities during the Fiscal Year immediately preceding the issuance of the additional bonds. If in the proceedings authorizing the additional bonds there is an agreement or covenant to increase student fees included as part of the Pledged Revenues beyond the amount imposed during each of the two preceding Fiscal Years, the additional income or revenues which would have been received in such preceding Fiscal Years if the increased fees had been in effect may also be taken into consideration and added to the Pledged Revenues received in each such Fiscal Year for the purposes of such computation. Such estimate shall be made by the Senior Vice President for Finance and Administration of the University, or his or her successor in function, and shall be predicated on the number of students actually paying the increased fees in such Fiscal Year; and

(iii) payments into the respective bond service funds, the Superior Lien Parity Bonds Reserve Fund and the Subordinate Lien Parity Bonds Reserve Fund required by Section 5.03 shall be current.

(iv) So long as the 2001 Bonds, the 2002B Bonds, the 2002C Bonds are outstanding, if, after delivery of the Subordinate Lien Parity Bonds, the Reserve Requirement for any succeeding Fiscal Year on all Subordinate Lien Parity Bonds then Outstanding with a cash funded Reserve Requirement and the Subordinate Lien Parity Bonds proposed to be issued will be in excess of the money or investments on deposit in the Subordinate Lien Parity Bonds Reserve Fund, the proceedings authorizing the issuance of the Subordinate Lien Parity Bonds must provide for the deposit in the Subordinate Lien Parity Bonds Reserve Fund, of 75% of the additional Reserve Requirement at or prior to issuance of the Subordinate Lien Parity Bonds and within two years after the delivery of the Subordinate Lien Parity Bonds, through approximately equal semiannual payments into the Subordinate Lien Parity Bonds Reserve Fund, of that amount which, together with the moneys and investments then on deposit in the Subordinate Lien Parity Bonds Reserve Fund will equal the Reserve Requirement. The Regents may choose to purchase a Reserve Fund Surety Bond for the proposed Subordinate Lien Parity Bonds in lieu of making cash deposits in the Subordinate Lien Parity Bonds Reserve Fund; and

(v) if there is a Superior Lien Parity Bonds Reserve Fund Surety Bond or a Subordinate Lien Parity Bonds Reserve Fund Surety Bond still in effect, the Senior Vice President for Finance and Administration of the University, or his or her successor in function, on behalf of the Regents shall certify to the provider of the Superior Lien Parity Bonds Reserve Fund Surety Bond or Subordinate Lien Parity Bonds Reserve Fund Surety Bond that the conditions in subparagraphs (i) through (iv) of this Section have been satisfied; and

(vi) After the 2001 Bonds, the 2002B Bonds, and the 2002C Bonds have been paid in full, defeased or are no longer Outstanding, the Subsections (iv) and (v) above shall no longer apply, and the Regents will not be required to fund a reserve account for the proposed Subordinate Lien Parity Bonds.

(vii) In making the computations required by subparagraphs (i) and (ii) of this Section to determine if Subordinate Lien Parity Bonds may be issued (A) Subordinate Lien Parity Bonds which bear a variable or fluctuating interest rate (including any Subordinate Lien Parity Bonds proposed to be issued) shall be deemed to bear the average interest rate borne by outstanding Subordinate Lien Parity Bonds which bear a variable or fluctuating interest rate during the immediately preceding Fiscal Year, and (B) the variable interest rate used to determine the net payments under any Qualified Exchange Agreement shall be deemed to be the rate referred to in clause (A) above. For purposes of this subparagraph (vii), in the event that there are no outstanding Subordinate Lien Parity Bonds which bear a variable rate, the rate in clauses (A) and (B) above shall be the average interest rate that Subordinate Lien Parity Bonds would have borne during the immediately preceding Fiscal Year in the opinion of the Senior Vice President for Finance and Administration of the University, or his or her successor in function.

(b) ***Junior Lien Obligations Permitted; Certain Obligations Prohibited.***

Nothing herein contained shall be construed to prevent the Regents from issuing obligations with a lien junior and subordinate to the lien on Pledged Revenues of Subordinate Lien Parity Bonds. The Regents shall not be permitted to issue obligations with a lien prior and superior to the lien on Pledged Revenues of Subordinate Lien Parity Bonds.

**Section 6.03 Refunding Bonds.** The provisions of Section 6.02 hereof are subject to these exceptions:

(a) ***Issuance of Refunding Obligations.*** If at any time the Regents shall find it desirable to refund Subordinate Lien Parity Bonds or other obligations payable from and constituting a subordinate and junior lien upon Pledged Revenues, the Subordinate Lien Parity Bonds or other obligations, or any part thereof, may be refunded (but only with the consent of the owner or owners thereof, unless the Subordinate Lien Parity Bonds or other obligations, at the time or times of their required surrender for payment shall then mature, or shall then be callable for prior redemption at the Regents option upon proper call), regardless of whether the priority of the lien for the payment of the refunding obligations on the Pledged Revenues is changed, except as provided in paragraphs (b) and (c) of this Section.

(b) ***Limitations Upon Issuance of Subordinate Lien Parity Refunding Obligations.*** No refunding bonds or other refunding obligations payable from Pledged Revenues shall be issued on a parity with the Bonds unless:

(i) the outstanding obligations so refunded are Subordinate Lien Parity Bonds and the refunding bonds or other refunding obligations do not increase annual principal and interest obligations evidenced by such refunded obligations, or

(ii) the refunding bonds or other refunding obligations are issued in compliance with Section 6.02 hereof.

(c) ***Refunding Part of an Issue.*** The refunding bonds or other refunding obligations issued shall enjoy complete equality of lien on the Pledged Revenues with the portion of any bonds or other obligations of the same issue which are not refunded, if any; and the owner or owners of such refunding bonds or other refunding obligations shall be subrogated to all of the rights and privileges enjoyed by the owner or owners of the same issue refunded thereby.

(d) ***Limitations Upon Issuance of Any Refunding Obligations.*** Any refunding bonds or other refunding obligations payable from Pledged Revenues shall be issued with such terms, conditions, and details as the Regents may by resolution provide, subject to the inclusion of any such rights and privileges designated in paragraph (c) of this Section but without impairment of any contractual obligation imposed upon the Regents by any proceedings authorizing the issuance of any unrefunded portion of such outstanding obligations of any one or more issues (including but not necessarily limited to the Bonds). If only a part of the outstanding bonds and any other outstanding obligations of any issue or issues payable from the Pledged Revenues is refunded, then such obligations may not be refunded without the consent of the owner or owners of the unrefunded portion of such obligations, unless:

(i) the refunding bonds or other refunding obligations do not increase any aggregate annual principal and interest requirements for any Fiscal Year evidenced by such refunded obligations and by the then outstanding obligations not refunded; or

(ii) the refunding bonds or other refunding obligations are issued in compliance with Section 6.02(a) hereof.

(e) ***Treatment of Variable Rate Subordinate Lien Parity Bonds.*** In determining the annual interest obligation under paragraph (b)(i) or (d)(i) of this Section, Subordinate Lien Parity Bonds which bear a variable or fluctuating interest rate (including any bonds proposed to be issued to refund such bonds) shall be treated as provided in Section 6.02(a)(vi) hereof.

## ARTICLE VII

### PROTECTIVE COVENANTS

**Section 7.01 Resolution to Constitute Contract.** In consideration of the purchase and acceptance of any or all of the Bonds by those who will own the same from time to time, the



provisions of this Bond Resolution shall be part of the contract between the Regents and the owners from time to time of the Bonds, to the effect and with the purpose set forth in the following Sections (subject in all cases to the limitations, if any, imposed by the constitution and laws of the State).

**Section 7.02 Use of Series 2021 Bond Proceeds.** The Regents will proceed without delay to apply the proceeds of the Series 2021 Bonds as set forth in Section 5.02 hereof.

**Section 7.03 Operation and Repair of System; Disposition of Facilities.** The Regents will at all times keep the System in operation while the University is in session, and will at all times keep the System in reasonable repair and efficient operating condition. This covenant shall not be construed to prevent the Regents from permanently abandoning the use of or selling at fair market value any of the facilities comprising the System, provided that:

(a) the Regents are in substantial compliance with all covenants and undertakings contained in the resolutions of the Regents with respect to all the Superior Lien Parity Bonds and Subordinate Lien Parity Bonds then Outstanding;

(b) the Regents will apply all proceeds from such sale to either (i) redemption of Outstanding Superior Lien Parity Bonds and Subordinate Lien Parity Bonds in accordance with the provisions governing repayment or redemption of Superior Lien Parity Bonds and Subordinate Lien Parity Bonds in advance of maturity, (ii) replacement of the facility disposed of by another facility which shall be incorporated as part of the System, or (iii) depositing such proceeds in the Superior Lien Bond Service Fund or the Subordinate Lien Parity Bond Service Fund for payment of the next ensuing payments of principal of, premium, if any, and interest on Superior Lien Parity Bonds and Subordinate Lien Parity Bonds; and

(c) the Senior Vice President for Finance and Administration of the University, or his or her successor in function, certifies prior to disposition, either (i) that the facility to be abandoned or sold is no longer economically capable of producing Pledged Revenues sufficient to make retention of the facility economically feasible, or (ii) that (A) the estimated Pledged Revenues of the System to be received in the next succeeding Fiscal Year after taking into account such abandonment or sale, together with any other funds herein pledged as security for the Superior Lien Parity Bonds and Subordinate Lien Parity Bonds, plus any additional gross Pledged Revenues, if any, will be sufficient to meet all principal, interest and Superior Lien Parity Bonds Reserve Fund and Subordinate Lien Parity Bonds Reserve Fund payments required to be made under the provisions of the resolutions authorizing the issuance of Outstanding Superior Lien Parity Bonds and Subordinate Lien Parity Bonds and (B) the Pledged Revenues as received by the University in each of the two completed Fiscal Years immediately preceding the abandonment or sale of such facilities from sources other than appropriations, if any, from the State Legislature were equal to one hundred seventy-five percent (175%) of the highest Debt Service requirement for any succeeding Fiscal Year on all Outstanding Superior Lien Parity Bonds and Subordinate Lien Parity Bonds.

**Section 7.04 Rates and Charges.** The Regents will at all times impose and collect rates and charges for the use of all buildings and facilities comprising the System and for all commodities and services sold or supplied therein or furnished thereby, and will impose and collect such student tuition and fees for the use and availability of the System, as will be fully sufficient, together with the other income and revenues of the University received from sources

other than (a) sources excluded from the System, (b) the proceeds of ad valorem taxation, (c) appropriations from the State, or (d) the proceeds of any University contracts and grants, whether from or with public, private or governmental sources, which are restricted as to use, to permit the performance of all the covenants in and requirements of the Bond Resolution, including the prompt payments required by Section 5.03 to be made into the respective bond service funds, the Superior Lien Parity Bonds Reserve Fund, the Subordinate Lien Parity Bonds Reserve Fund, the Renewal and Replacement Fund, the required reimbursements of proceeds of any Superior Lien Parity Bonds Reserve Fund Surety Bond, Subordinate Lien Parity Bonds Reserve Fund Surety Bond, payment of amounts owed to any provider of a Superior Lien Parity Bonds Reserve Fund Surety Bond or provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond, payments of amounts owed to a Qualified Swap Provider, other payments required under the Related Documents and the payment of the reasonable and necessary cost of efficiently maintaining and operating the buildings, structures, improvements and facilities comprising the System.

**Section 7.05 Insurance.** The Regents will keep the System, including its furniture and equipment, insured against fire and other hazards in amounts at least sufficient to provide for not less than full recovery whenever the loss from perils insured against, does not exceed ninety percent (90%) of the full insurable value of the System, including its furniture and equipment. In case of loss, the proceeds of such insurance may in the discretion of the Regents be (a) applied to the repair or restoration of the damaged building or facility and the contents thereof to their former condition, or in such other manner as will make said building or facility tenantable or usable, provided, however, that if funds received from insurance policies shall be insufficient to make any building or facility suffering such loss tenantable or usable, then the Regents may supplement the insurance proceeds from revenues not required to be paid into the bond service funds so as to make the insurance proceeds sufficient for their required use; (b) applied to the replacement of the damaged building or facility by another facility which shall be included as part of the System; or (c) deposited into the respective bond service funds for the redemption or other payment of Superior Lien Parity Bonds and Subordinate Lien Parity Bonds if the Regents determine to abandon the damaged building or facility.

**Section 7.06 Books and Records.** The University will maintain and keep proper books of record and account in which shall be made full and correct entries of the receipt of all Pledged Revenues, of all payments made into the respective bond service funds, the Superior Lien Parity Bonds Reserve Fund, the Subordinate Lien Parity Bonds Reserve Fund, and the Renewal and Replacement Fund and of all payments disbursed therefrom. Such books of record and account shall be audited annually by a state auditing official or by a certified public accountant or firm of such accountants in the same manner as are the other records of the University, and as promptly as possible after the making of each such annual audit, the Regents will cause copies of the portion of its general audit which covers the above matters to be delivered to the Fiscal Agent and to the owners of any of the Bonds who may have so requested in writing. The books of record and account and the general audit of the University shall be open to examination at all reasonable times by the Fiscal Agent and by the owners of any of the Bonds to the extent permitted by law.

**Section 7.07 Additional Liens.** The Regents will issue no other bonds or obligations of any kind or nature in the future other than the Bonds payable from or enjoying a lien on the Pledged Revenues or having a lien on the Pledged Revenues except as provided in Sections 6.02 and 6.03 hereof.



**Section 7.08    Fiduciary Charges.** All charges made by the Paying Agent/Registrar or Fiscal Agent will be paid by the University and shall not be payable by the owner of any Bond. The previous sentence shall not apply to transfer fees which may be imposed by the Paying Agent/Registrar.

**Section 7.09    Debt Service Grants.** Pursuant to the provisions of Section 6-17-14 NMSA 1978 and in order to reduce the debt service on bonds to which Debt Service Grants are applicable and thereby relieve students and other users of the System from the obligation of paying rates, fees and charges represented by the amount of the debt service on bonds attributable to Debt Service Grants, the Regents may enter into grants or other agreements with the United States of America or any of its agencies or any other governmental entity for the payment of Debt Service Grants or interest subsidies and such Grants and interest subsidies will, as received, be deposited into the Superior Lien Parity Bond Service Fund; provided, however, the Regents will not violate the provisions of Section 7.10 hereof or any Debt Service Grant agreement, including the terms and conditions and special conditions, if any, attached thereto. Annually or semiannually, as applicable, following the date of the initial occupancy of a project acquired with the proceeds of bonds as to which there is such a Debt Service Grant, the Senior Vice President for Finance and Administration of the University, or his or her successor in function, will file with the designated authority of the United States of America a requisition, in form satisfactory to the government, for the next annual or semiannual payment of such Debt Service Grant, together with all necessary recitals.

**Section 7.10    Tax Covenant.** The Bonds may be issued as federally tax-exempt or taxable as determined in the Pricing Certificate. If issued as federally tax-exempt bonds, the Regents and the University covenant for the benefit of the owners of the Bonds that they will not take any action or omit to take any action with respect to the Bonds intended to be tax-exempt under the Code, the proceeds thereof, any other funds of the Regents and the University or any facilities financed or refinanced with the proceeds of such Bonds if such action or omission (a) would cause the interest on such Bonds or any other tax-exempt obligations of the Regents to lose their exclusion from gross income for federal income tax purposes under Section 103 of the Code; (b) would cause interest on such Bonds or any other tax-exempt obligations of the Regents to lose their exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income; (c) would cause such Bonds or any other tax-exempt obligations of the Regents to become "arbitrage bonds" within the meaning of Section 148 of the Code or would otherwise subject the Regents or the University to any penalties under Section 148 of the Code; or (d) would cause interest on such Bonds, or any other tax-exempt obligations of the Regents to lose their exclusion from state taxes under present State law. In addition, the Regents covenant to comply with all information-reporting requirements applicable to such Bonds pursuant to Section 149(e) of the Code and the regulations promulgated thereunder. The Regents agree to establish and maintain the Rebate Fund pursuant to the provisions of the Tax Compliance Certificate. The foregoing covenants shall remain in full force and effect notwithstanding the payment in full or defeasance of such Bonds until the date on which all obligations of the Regents and the University in fulfilling the above covenant under the Code have been met.

The provisions of this Section 7.10 shall apply only if all or a portion of the Bonds are issued on a federally tax-exempt basis pursuant to amendments to the Code.

**Section 7.11 Undertaking to Provide Ongoing Disclosure.** The Regents shall enter into a written undertaking for the benefit of the registered owners of the Bonds required by Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240. 15c2-12) (the "Rule") to provide continuing disclosure.

## ARTICLE VIII

### DEFAULTS, RIGHTS AND REMEDIES

**Section 8.01 Events of Default.** Each of the following events is hereby declared to be an "event of default":

(a) ***Nonpayment.*** The failure to make any payment of principal of, premium, if any, or interest on any Subordinate Lien Parity Bond on the date the same becomes due and payable.

(b) ***Default of Any Provision.*** Default in the due and punctual observance or performance of any of the covenants, conditions and agreements on the part of the Regents in the Subordinate Lien Parity Bonds or in the Bond Resolution, other than as specified in paragraph (a) of this Section, and failure to remedy such default for a period of sixty (60) days after written notice thereof specifying such failure and requiring the same to be remedied shall have been given to the Regents by the owners of not less than twenty-five percent (25%) in aggregate principal amount of the Subordinate Lien Parity Bonds at the time Outstanding.

(c) ***Bankruptcy.*** The Regents shall file a petition seeking relief or a petition shall be filed against the Regents seeking relief, which shall not be stayed or dismissed within sixty (60) days, under any bankruptcy law or similar law for relief of debtors.

(d) ***Failure to Maintain Reserve Requirement.*** The Regents shall fail to maintain the Reserve Requirement after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Regents by a Subordinate Lien Parity Bonds Reserve Fund Surety Bond Provider and the Regents shall not have taken action to correct such failure within sixty (60) days from the receipt of such notice.

**Section 8.02 Rights and Remedies of Bondowners.** Upon the occurrence of any event of default, the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Subordinate Lien Parity Bonds then Outstanding, including a trustee or trustees for the owners of Subordinate Lien Parity Bonds, shall, in addition to all other remedies and rights of Owners of any of the Subordinate Lien Parity Bonds, have the right and power for the equal benefit and protection of all Owners of the Subordinate Lien Parity Bonds similarly situated, by suit, action, mandamus or proceeding, at law or in equity, to protect, enforce and compel performance by the Regents and any of the officers, agents and employees of the Regents, to perform and carry out its and their duties and obligations under the Bond Resolution or the law pursuant to which the Subordinate Lien Parity Bonds have been issued, including, but not limited to the appointment of a receiver for the collection and disbursement of the Pledged Revenues as described in Section 5.03 hereof, or to enforce the covenants and agreements of the Regents with the Owners of the Subordinate Lien Parity Bonds. Nothing in this Section shall be construed to authorize any action by or on behalf of such owners which is contrary to any presently existing

law, nor to require the Regents to perform any act or to do anything which shall require the expenditure in any manner or for any purpose of any funds by the Regents other than the Pledged Revenues.

## **ARTICLE IX**

### **DEFEASANCE**

When all principal, interest, and prior redemption premiums, if any, in connection with the Bonds have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged and the Bonds shall no longer be deemed to be Outstanding within the meaning of the Bond Resolution. There shall be deemed to be such payment as to the Bonds when the Regents have caused to be placed in escrow and in trust with a bank doing business in the State which is a member of the Federal Deposit Insurance Corporation (or any successor federal agency) and exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be initially invested) to meet all requirements of principal, interest and prior redemption premium, if any, on such Bonds as the same become due to maturity or upon any designated prior redemption date or dates. The Federal Securities shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the Regents and such bank at the time of the creation of the escrow, or the Federal Securities shall be subject to redemption at the option of the owners thereof to assure such availability as needed to meet such schedule. If any such Bond is to be redeemed prior to maturity, notice of redemption shall have been given or arrangements satisfactory to the Paying Agent/Registrar shall have been made for the giving of such notice. No Bonds may be refunded unless they mature or are callable for prior redemption under their terms as set forth in the Pricing Certificate within 15 years, or such longer period as may then be allowed by the laws of the State, from the date of issuance of the refunding bonds or unless the owners thereof voluntarily surrender them for exchange or payment.

## **ARTICLE X**

### **AMENDMENT OF RESOLUTION**

**Section 10.01 Limitations upon Amendments.** This Bond Resolution, as supplemented by the Pricing Certificate, may be amended without the consent of the owners of Subordinate Lien Parity Bonds or the provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond to cure any ambiguity, or to cure, correct, or supplement any defect or inconsistent provision contained herein or, if applicable, to preserve the exclusion of interest on any Subordinate Lien Parity Bonds from gross income for federal income tax purposes, or to comply with securities laws, or to make any changes that, in the judgment of the Regents, in reliance upon an opinion of nationally recognized bond counsel, does not have a material adverse effect on the rights of the owners of Subordinate Lien Parity Bonds. Except as provided above, the Bond Resolution, as supplemented by the Pricing Certificate, may only be amended or supplemented by resolutions adopted by the Regents in accordance with the laws of the State, with the written consent of the provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond while such Subordinate Lien Parity Bonds Reserve Fund Surety Bond is in effect and the provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond is not in default thereunder and with the consent of the owners of sixty percent (60%) of all Subordinate Lien Parity Bonds then outstanding or in the event that any such amendment affects less than all of the Subordinate Lien Parity Bonds outstanding, of the owners of sixty percent (60%) of just the affected Subordinate Lien Parity Bonds then outstanding, not including in any case any

Subordinate Lien Parity Bonds which may then be held or owned for the account of the Regents, but including such refunding bonds as may be issued for the purpose of refunding any of the Subordinate Lien Parity Bonds if such refunding bonds are not owned by the Regents; provided, however, that, unless the requirements listed above are met and the consent of the owners of one hundred percent (100%) of all Subordinate Lien Parity Bonds then outstanding is obtained, no such resolutions shall have the effect of permitting:

- (a) an extension of the maturity of any Subordinate Lien Parity Bond; or
- (b) a reduction in the principal amount of any Subordinate Lien Parity Bond, the rate of interest thereon, or the redemption premium payable thereon; or
- (c) a reduction of the principal amount of Subordinate Lien Parity Bonds required for consent to such amendatory or supplemental resolution; or
- (d) the establishment of priorities as between all Outstanding Subordinate Lien Parity Bonds issued and outstanding under the provisions of the Bond Resolution; or
- (e) the modification of, or otherwise affecting, the rights of the owners of less than all of the Subordinate Lien Parity Bonds then outstanding (other than as originally permitted hereby); or
- (f) the modification of the terms of payment of principal of or interest on the Subordinate Lien Parity Bonds or the imposition of any conditions with respect to such payment.

**Section 10.02 Notice of Amendment.** Notice of a proposed amendment requiring the consent of the owners of Subordinate Lien Parity Bonds shall be mailed to the owners of the Subordinate Lien Parity Bonds then Outstanding affected by the amendment at their addresses as the same last appear in the registration books kept by the Paying Agent/Registrar and to the provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond. Such notice shall briefly set forth the nature of the proposed amendment and shall state that copies of the resolution pertaining to such amendment are on file at the principal corporate office of the Paying Agent/Registrar for inspection by all owners of Subordinate Lien Parity Bonds. If, within sixty (60) days or such longer period as shall be prescribed by the Regents following the giving of such notice, the requisite owners of the Subordinate Lien Parity Bonds Outstanding affected by the amendment shall have consented to and approved the amendment as herein provided, the amendment shall become effective and no owner of any Subordinate Lien Parity Bond shall have any right to object to such amendment, or the operation thereof.

**Section 10.03 Proof of Instruments.** The fact and date of the execution of any instrument under the provisions of this Section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction, that the person signing such instrument acknowledged before him or her the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer. The amount and numbers of the Subordinate Lien Parity Bonds owned by any person executing such instrument and the date of his or her holding the same shall be proved by the registration books maintained by the Paying Agent/Registrar.

## ARTICLE XI

## MISCELLANEOUS

**Section 11.01 Delegated Powers.** The Authorized Officers of the Regents and the University be, and they hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of the Bond Resolution, including, without limiting the generality of the foregoing, the publication of the Notice of Adoption of Resolution Authorizing the Issuance of Public Securities set out in Section 11.10 hereof (with or without such changes, additions and deletions not inconsistent herewith as they may determine), the distribution of material relating to the Bonds, the execution of the Purchase Contract, the Escrow Agreement, and the Related Documents, the acquisition of Eligible Investments for the Escrow Fund, the printing of the Bonds, the printing and distribution of the Preliminary Official Statement and the Official Statement and the execution of such certificates and agreements as may be required by the Purchaser. Pursuant to Section 6-14-10.2 NMSA 1978 and the provisions of this Bond Resolution, the Delegate is delegated the authority to approve the final terms of the Bonds and to execute the Pricing Certificate, Escrow Agreement, Purchase Contract, and Related Documents all within the parameters set forth in this Bond Resolution.

**Section 11.02 Call for Redemption.** The Delegate is authorized to enter into the Escrow Agreement which shall provide for the appropriate notices of defeasance and redemption which set forth the Regents' call for redemption of the Refunded Bonds.

**Section 11.03 Bond Resolution Irrepealable.** Except with respect to amendments as provided in Section 10.01 hereof, after any of the Bonds are issued the Bond Resolution shall be and remain irrepealable until the Bonds, the interest thereon and amounts due to the provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond shall be fully paid, canceled and discharged, as herein provided, or there has been defeasance as herein provided.

**Section 11.04 Approval of State Board of Finance.** Prior to the delivery of the Bonds, an Authorized Officer shall give written notice of the intention of the Regents to issue the Bonds to the State Board of Finance, together with a copy of this resolution and any supplemental showings or materials which may be required by the State Board of Finance, and none of the Bonds shall be delivered until the State Board of Finance shall have issued such approvals as are required by law.

**Section 11.05 Finding of Regularity.** The Regents hereby expressly find and determine that all conditions of Chapter 6, Article 17, NMSA 1978, as amended, for the issuance of the Bonds have been met and fulfilled or will have been met and fulfilled prior to the issuance thereof.

**Section 11.06 Severability.** If any one or more provisions of the Bond Resolution or the application thereof to any set of circumstances or the pledge of any one or more sources of revenue hereunder shall ever be held by final decision of a court of competent jurisdiction to be invalid or ineffective for any reason, such holding shall not affect the validity and enforceability of the remaining provisions and pledges of the Bond Resolution or the application of such remaining provisions to other circumstances.

**Section 11.07 Repealer Clause.** All bylaws, orders and resolutions of the Regents or the University, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order or resolution, or part thereof, heretofore repealed.

**Section 11.08 Ratification.** All action heretofore taken (not inconsistent with the express provisions of this Bond Resolution) by the Regents or the University directed toward the Refunding Project and toward the authorization, sale and issuance of the Bonds to the Purchaser herein authorized be, and the same hereby is ratified, approved and confirmed.

**Section 11.09 Governing Law.** This Bond Resolution shall be governed by the laws of the State without reference to choice of law principles thereof.

**Section 11.10 Notice of Adoption of Resolution Authorizing the Issuance of Public Securities for Publication and Limitation of Actions.** In accordance with the provisions of Section 6-14-6 NMSA 1978, as amended, the Regents shall cause the following "Notice of Adoption of Resolution Authorizing the Issuance of Public Securities" to be published once in the *Albuquerque Journal* or other newspaper of general statewide circulation, and cause a copy of this resolution to be kept on file in the office of the Senior Vice President for Finance and Administration of the University of New Mexico for public examination during regular business hours until at least thirty (30) days from and after the date of publication thereof. The "Notice of Adoption of Resolution Authorizing the Issuance of Public Securities" shall be in substantially the following form:

**[FORM OF NOTICE]**

**NOTICE OF ADOPTION OF RESOLUTION AUTHORIZING THE  
ISSUANCE OF PUBLIC SECURITIES**

NOTICE IS HEREBY GIVEN pursuant to the provisions of Section 6-14-6 NMSA 1978, as amended, that on December 9, 2020, The Regents of the University of New Mexico (the "Regents") adopted a resolution (the "Resolution") authorizing the issuance of The Regents of the University of New Mexico Subordinate Lien System Refunding Revenue Bonds, Series 2021 in an amount not to exceed \$80,000,000.

The title of the Resolution is as follows:

AUTHORIZING THE ISSUANCE AND SALE OF THE REGENTS OF THE UNIVERSITY OF NEW MEXICO SUBORDINATE LIEN SYSTEM REFUNDING REVENUE BONDS, SERIES 2021 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$80,000,000, IN ONE OR MORE SERIES, FOR THE PURPOSE OF REFUNDING CERTAIN MATURITIES OF THE REGENTS OF THE UNIVERSITY OF NEW MEXICO, SUBORDINATE LIEN SYSTEM REFUNDING REVENUE BONDS, SERIES 2014A AND THE REGENTS OF THE UNIVERSITY OF NEW MEXICO , SUBORDINATE LIEN SYSTEM REFUNDING REVENUE BONDS, SERIES 2014C, ACQUIRING A RESERVE FUND INSURANCE POLICY TO FUND, OR OTHERWISE FUNDING, A RESERVE FUND FOR SUCH 2021 BONDS, AND PAYING THE COSTS OF ISSUANCE ASSOCIATED THEREWITH; PROVIDING FOR THE PLEDGE OF CERTAIN REVENUES FOR THE PAYMENT OF THE SERIES 2021 BONDS; PROVIDING FOR ENTERING INTO CERTAIN CONTRACTS AND AGREEMENTS IN CONNECTION THEREWITH; DELEGATING AUTHORITY TO THE DELEGATE TO EXECUTE AND DELIVER A PURCHASE CONTRACT FOR THE SALE OF THE BONDS TO THE UNDERWRITER AND TO EXECUTE THE PRICING CERTIFICATE PURSUANT TO THE SUPPLEMENTAL PUBLIC



SECURITIES ACT; PRESCRIBING OTHER DETAILS CONCERNING SUCH BONDS AND THE BOND PROCEEDS; PROVIDING FOR THE APPROVAL AND EXECUTION OF CERTAIN DOCUMENTS OTHERWISE RELATING TO THE FOREGOING; AND PROVIDING FOR THE PUBLICATION OF NOTICE OF ADOPTION OF THIS RESOLUTION.

A general summary of the resolution appears in its title.

A copy of the Resolution is on file in the office of the Senior Vice President for Finance and Administration of the University of New Mexico, Scholes Hall at the University of New Mexico, in Albuquerque, New Mexico, where it may be examined during regular business hours of the Senior Vice President for Finance and Administration from 8:00 a.m. to 12:00 p.m. and 1:00 p.m. to 5:00 p.m. The Resolution shall be available for inspection for a period of at least thirty (30) days from and after the date of the publication of this notice.

This notice is given pursuant to the Public Securities Limitation of Action Act, Sections 6-14-4 to 6-14-7 NMSA 1978, as amended.

DATED this 9<sup>th</sup> day of December, 2020.

THE REGENTS OF THE UNIVERSITY OF  
NEW MEXICO

**[END OF FORM OF NOTICE]**

**Section 11.11 Third Party Beneficiary; Notices.** Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the University, the Regents, the Paying Agent, the provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond, and the Owners of the Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Resolution contained by and on behalf of the University shall be for the sole and exclusive benefit of the University, the Regents, the provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond, the Paying Agent and the Owners of the Bonds.

All notices to the Regents or the University, the Paying Agent, the provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond, Moody's and S&P shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, or sent by telegram, telecopy or telex or other similar communication, or when given by telephone, confirmed in writing, sent by any of the above methods on the same day addressed as follows:

If to the Fiscal Agent:

BOKF, N.A.  
Attn: Corporate Trust Department  
100 Sun Avenue NE, Suite 500  
Albuquerque, New Mexico 87109  
Telephone Number: (505) 222-8458

If to the Regents or the University:

University of New Mexico

Scholes Hall  
Albuquerque, New Mexico 87131  
Attention: Senior Vice President for Finance and  
Administration or his or her successor in  
function  
Telephone: (505) 277-6465  
Fax: (505) 277-7577

If to Moody's:

Moody's Investor Services  
99 Church Street  
New York, New York 10007  
Attention: Municipal Department  
Telephone: (212) 553-0300  
Fax: (212)553-7450

If to S&P:

Standard & Poor's Ratings Services  
55 Water Street  
New York, New York 10041  
Attention: Municipal Structured Surveillance  
Telephone: (212) 208-1723  
Fax: (212) 412-0462

The above parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices shall be sent.

**Section 11.12 Effective Date.** This resolution shall take immediate effect.



ADOPTED AND APPROVED this 9<sup>th</sup> day of October, 2020.

THE REGENTS OF THE UNIVERSITY OF  
NEW MEXICO

[SEAL]

By \_\_\_\_\_  
Douglas M. Brown, President

Attest:

By

\_\_\_\_\_  
Sandra K. Begay, Secretary

[Signature Page to Bond Resolution]

**EXHIBIT A**  
**(FORM OF BOND)**

**UNITED STATES OF AMERICA**  
**STATE OF NEW MEXICO** **COUNTY OF BERNALILLO**

**THE REGENTS OF THE UNIVERSITY OF NEW MEXICO  
SUBORDINATE LIEN SYSTEM REFUNDING REVENUE BOND  
SERIES 2021**

NO. R-1	\$ _____	CUSIP 914692 _____
<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Dated as of</b>
June 1, _____	_____ %	_____, 2021
REGISTERED OWNER:	Cede & Co. Tax Identification Number: 13-2555119	
PRINCIPAL AMOUNT:		DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS, that The Regents of the University of New Mexico (the "Regents"), being a body corporate under the constitution and laws of the State of New Mexico (the "State"), for value received, hereby promises to pay to the Registered Owner specified above (the "Owner" or "Registered Owner") or registered assigns solely from the special funds provided therefor, the Principal Amount specified above, on the Maturity Date specified above (unless called for earlier redemption), and to pay from such special funds interest thereon on June 1 and December 1 of each year commencing \_\_\_\_\_, at the Interest Rate per annum specified above, until the Principal Amount specified above is paid or duly provided for. This bond will bear interest from the most recent interest payment date to which interest has been paid, or, if no interest has been paid, from the date of this bond. The principal of and premium, if any, on this bond is payable upon presentation and surrender hereof at the principal office of BOKF, NA, Albuquerque, New Mexico, as paying agent (the "Paying Agent" or "Fiscal Agent"). Interest on this bond will be paid on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), by check or draft mailed to the person in whose name this bond is registered (the "Owner") in the registration records of the Regents maintained by the Paying Agent and at the address appearing thereon at the close of business on the fifteenth (15th) day of the calendar month next preceding such interest payment date (the "Record Date"). Any such interest not so timely paid shall cease to be payable to the person who is the Owner hereof at the close of business on the Record Date and shall be payable to the person who is the Owner hereof at the close of business on a Special Record Date, as described in the resolution of the Regents adopted on December 9, 2020 and the Pricing Certificate executed on \_\_\_\_\_, 2021 authorizing the issuance of and relating to this bond, respectively (collectively, the "Bond Resolution"), for the payment of any defaulted interest. Such Special Record Date shall be fixed by the Paying Agent whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the Owners of the bonds of the series of which this is one (the "Series 2021 Bonds") not

less than ten (10) days prior thereto. Alternative means of payment of interest may be used if mutually agreed to in writing between the Owner of any Series 2021 Bond and the Paying Agent, as provided in the Bond Resolution. All such payments shall be made in lawful money of the United States of America.

Capitalized terms used in this bond and not specifically defined herein shall have the same meanings ascribed thereto in the Bond Resolution unless the context shall otherwise clearly require.

The Series 2021 Bonds are issuable as fully registered bonds in denominations of \$5,000 and any integral multiple thereof or \$5,000 Maturity Amount with respect to the Capital Appreciation Bonds (provided that no Series 2021 Bond may be in a denomination which exceeds the principal coming due on any Maturity Date, and no individual Series 2021 Bond may be issued for more than one maturity) and are exchangeable for fully registered Series 2021 Bonds of the same maturity in equal aggregate principal amounts and in authorized denominations at the aforesaid office of the Paying Agent, but only in the manner, subject to the limitations, and on payment of the charges provided in the Bond Resolution.

The Series 2021 Bonds are initially to be registered in the name of "Cede & Co.," as nominee for The Depository Trust Company ("DTC"), as securities depository for the Series 2021 Bonds. Purchases by beneficial owners are to be made in book-entry form. Beneficial owners are not to receive certificates evidencing their interest in the Series 2021 Bonds.

Series 2021 Bonds (with the exception of the Capital Appreciation Bonds) maturing on and after June 1, \_\_, are subject to prior redemption, at the option of the Regents, in whole at any time or in part on any interest payment date on or after June 1, \_\_\_\_, in integral multiples of \$5,000, from any maturities or any portions of maturities selected by the Regents and by lot within a maturity (giving proportionate weight to Series 2021 Bonds in denominations larger than \$5,000), in such manner as the Paying Agent may determine, at the respective redemption prices (expressed as percentages of the principal amount of each Series 2021 Bond or portion thereof so redeemed) set forth below, plus accrued interest to the redemption date.

<b>Redemption Dates</b>	<b>Redemption Price</b>
June 1, ____ through May 31, ____	%
June 1, ____ and thereafter	

The Series 2021 Bonds maturing on June 1, \_\_\_\_, are subject to mandatory sinking fund redemption by lot in such manner as the Paying Agent may determine (giving proportionate weight to Series 2021 Bonds in denominations larger than \$5,000 principal amount), on June 1 in each of the following years and in each of the designated amounts of principal, at a price equal to the principal amount of each Series 2021 Bond or portion thereof so redeemed plus accrued interest to the redemption date.

<b>Redemption Dates (June 1)</b>	<b>Principal to be Redeemed</b>
	\$

\*

\_\_\_\_\_

**\*Final Maturity**

The Series 2021 Bonds maturing on June 1, \_\_\_\_, are subject to mandatory sinking fund redemption by lot in such manner as the Paying Agent may determine (giving proportionate weight to Series 2021 Bonds in denominations larger than \$5,000), on June 1 in each of the following years and in each of the designated amounts of principal, at a price equal to the principal amount of each Series 2021 Bond or portion thereof so redeemed plus accrued interest to the redemption date.

**Redemption Dates  
(June 1)**

**Principal to  
be Redeemed**

\$

\*

---

**\*Final Maturity**

The principal amount of Series 2021 Bonds maturing on June 1, \_\_\_\_ and on June 1, \_\_\_\_ required to be redeemed on any particular date will be reduced in such order as the Regents determines by an amount equal to the par value of any such Series 2021 Bonds previously paid or redeemed at the Regents option not less than 60 days prior to the redemption date fixed for the mandatory sinking fund redemption.

In the case of a Series 2021 Bond of a denomination larger than \$5,000, a portion of such Series 2021 Bond (\$5,000 principal amount or \$5,000 Maturity Amount with respect to the Capital Appreciation Bonds or any integral multiple thereof) may be redeemed, in which case the Paying Agent shall, without charge to the Owner of such Series 2021 Bond, authenticate and issue a replacement Series 2021 Bond or Bonds for the unredeemed portion thereof. Money sufficient to provide for the redemption price due in connection with any redemption of Series 2021 Bonds as provided herein shall be credited to the Series 2021 Bonds Principal Account for such purpose prior to the redemption date set for such Series 2021 Bonds. Redemption shall be made upon not less than thirty (30) days but not more than sixty (60) days prior mailed notice to the Owner of any Series 2021 Bond all or a part of which is called for prior redemption, at such Owners address as it last appears on the registration records kept by the Paying Agent, subject to the terms and otherwise as provided in the Bond Resolution.

The Paying Agent will not be required to transfer or exchange: (i) any Series 2021 Bond or portion thereof subject to redemption during a period beginning at the opening of business fifteen (15) days before the day of the mailing by the Paying Agent of a notice of redemption and ending at the close of business on the day of such mailing; or (ii) any Series 2021 Bond or any portion thereof after the mailing of notice calling such Series 2021 Bond or any portion thereof for redemption.

This bond is fully transferable by the Owner hereof, in person or by his duly authorized attorney, upon surrender of this bond together with a duly executed written instrument of transfer satisfactory to the Paying Agent. Upon such transfer, a new fully registered Series 2021 Bond or Bonds of authorized denomination or denominations of the same aggregate principal amount and maturity will be issued to the transferee in exchange for this bond, subject to such terms and conditions as set forth in the Bond Resolution. The Regents and Paying Agent may deem and treat the person in whose name this bond is registered as the absolute Owner hereof for the

purpose of making payments (except to the extent otherwise provided hereinabove and in the Bond Resolution with respect to Record Dates and Special Record Dates for the payment of interest) and for all other purposes, and the Regents and Paying Agent shall be not be affected by notice to the contrary.

THE SERIES 2021 BONDS AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE REGENTS, ARE PAYABLE SOLELY FROM THE PLEDGED REVENUES DESCRIBED BELOW AND AMOUNTS ON DEPOSIT IN THE SUBORDINATE LIEN PARITY BONDS RESERVE FUND, AND SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OR A PLEDGE OF THE FAITH AND CREDIT OF THE REGENTS OF THE UNIVERSITY OF NEW MEXICO, THE UNIVERSITY OF NEW MEXICO OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE OWNERS OF BONDS MAY NOT LOOK TO ANY GENERAL OR OTHER FUND OTHER THAN THE PLEDGED REVENUES FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2021 BONDS OR OTHER COSTS INCIDENT THERETO. THE REGENTS HAVE NO TAXING POWER.

The Series 2021 Bonds are issued in full compliance with the laws of the State, including Sections 6-17-1 to 6-17-19 NMSA 1978, as amended, and Sections 6-14-1 to 6-14-12 NMSA 1978, as amended, and all enactments of the Regents relating to the Series 2021 Bonds, all as amended.

The Regents are issuing the Series 2021 Bonds in order to provide funds for the (i) refunding of certain indebtedness previously incurred by the Regents, (ii) acquiring a reserve fund insurance policy to fund, or otherwise fund, a reserve fund for the Series 2021 Bonds, and (iii) paying the costs of issuance associated therewith (collectively, the "Refunding Project")

The Series 2021 Bonds are equally and ratably secured by a pledge under the Bond Resolution of the Pledged Revenues. Pledged Revenues are defined in this bond to mean the net revenues derived directly or indirectly by the Regents from the operation or ownership of the System, all as more fully defined in the Bond Resolution. Pledged Revenues do not include any money received from ad valorem taxes, State appropriations or restricted contracts and gifts.

Reference is made to the Bond Resolution on file with the Senior Vice President for Finance and Administration of the University for a description of the Pledged Revenues, the rights, duties and obligations of the Owners, the Fiscal Agent and the Regents, and the conditions under which the Series 2021 Bonds are issued and secured. The acceptance of the terms and conditions of the Bond Resolution is an explicit and material part of the consideration of the Regents issuance of this bond, and each owner, by acceptance of this bond, agrees and assents to all such terms and conditions as if fully set forth herein.

The Regents and the Fiscal Agent may deem and treat the person in whose name this bond is registered on the registration books of the Regents maintained by the Fiscal Agent as the absolute owner of this bond for all purposes, whether or not this Bond is overdue, and neither the Regents nor the Fiscal Agent shall be affected by any notice to the contrary.

The transfer and exchange of this bond will be registered upon the registration books kept at the principal corporate trust office of the Fiscal Agent, upon surrender of this bond at that office, together with the attached instrument of transfer duly executed by the Registered Owner or his duly authorized attorney.

The Registered Owner of this bond has no right to enforce the provisions of the Bond Resolution or to institute action to enforce the covenants therein or to take any action with respect to any default under the Bond Resolution or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Bond Resolution.

The Bond Resolution may be modified or amended as set forth in the Bond Resolution.

No covenant or agreement contained in this bond or the Bond Resolution will be deemed to be the covenant or agreement of any elected or appointed Regent, officer, agent, servant or employee of the University in his individual capacity, and no member of the Regents or any official executing this bond will be liable personally on this bond or be subject to any personal liability or accountability by reason of the issuance of this bond.

If sufficient funds are deposited with the Fiscal Agent to pay the principal or redemption price of any Series 2021 Bonds becoming due at maturity, by call for redemption or otherwise, together with interest accrued to the due date, interest on such Series 2021 Bonds will cease to accrue on the due date, and thereafter the owners will be restricted to the funds deposited as provided in the Bond Resolution.

It is certified that all acts and conditions necessary to be done or performed by the Regents and the University to have happened precedent to the issuance of the Series 2021 Bonds to make them legal, valid and binding limited and special obligations of the Regents and the University have been performed and have happened, as required by law, and that the Series 2021 Bonds do not exceed or violate any constitutional or statutory limitation. This Series 2021 Bond will not be entitled to any benefit under the Bond Resolution or become valid or obligatory for any purpose until the Fiscal Agent, as authenticating agent, has signed the Certificate of Authentication.

IN WITNESS WHEREOF, the Regents have caused this bond to be signed by the manual or facsimile signature of the President of the Regents and attested by the manual or facsimile signature of the Secretary and Treasurer of the Regents and a manual impression or the facsimile of the corporate seal of the Regents to be printed thereon, all as of \_\_\_\_\_, 2021.

THE REGENTS OF THE UNIVERSITY OF  
NEW MEXICO

[SEAL]

By \_\_\_\_\_  
President

Attest:

By \_\_\_\_\_  
Secretary and Treasurer

#### **CERTIFICATE OF AUTHENTICATION**

This is one of the Series 2021 Bonds described in the within-mentioned Bond Resolution of The Regents of the University of New Mexico, and this bond has been registered on the registration books kept by the undersigned as Fiscal Agent for such Series 2021 Bonds.

\_\_\_\_\_  
as Paying Agent/Registrar

By \_\_\_\_\_  
Authorized Officer

Date of Authentication:

\_\_\_\_\_, 2021

## ASSIGNMENT

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

---

SOCIAL SECURITY OR FEDERAL EMPLOYER  
IDENTIFICATION NUMBER OF ASSIGNEE

---

(Name and Address of Assignee)

---

the within bond and does hereby irrevocably constitute and appoint \_\_\_\_\_  
attorney, to transfer said bond on  
the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature of Registered Owner:

---

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

Signature guaranteed:

---

(Bank, Trust Company, or Firm)

**TRANSFER FEE MAY BE REQUIRED**



### **DTC FAST RIDER**

This bond shall remain in the Custodian's custody subject to the provisions of the FAST Balance Certificate Agreement currently in effect between the Custodian and DTC.

**EXHIBIT B**

**(AFFIDAVIT OF PUBLICATION OF NOTICE  
OF ADOPTION OF THE RESOLUTION)**

## **EXHIBIT C**

### **THE 2021 REFUNDING PROJECT**

#### **2021 Refunding Project Description**

<b>Defeasance and Refunding of certain maturities* of The Regents of the University of New Mexico, Subordinate Lien System Refunding Revenue Bonds, Series 2014A maturing on and after June 1, 2024 and Series 2014C maturing on and after June 1, 2025</b>	<b>\$80,000,000*</b>
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**\*To be finally determined in Pricing Certificate by Delegate**

# TAB 6

## **Item 6**

Recommendations for Consent Agenda Items on Full Board of Regents'  
Agenda

**\* Recommendations for Consent Agenda Items on full Board of Regents' Agenda**

# TAB 7

## **Item 7**

Monthly Consolidated Financial Reports for Month Ended September 30, 2020



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University Controller  
Financial Services, Main Campus  
Phone: (505) 277-5111  
FAX: (505) 277-7662

**MEMORANDUM**

**DATE:** November 18, 2020

**TO:** Teresa Costantinidis  
Senior Vice President for Finance and Administration

**FROM:** Elizabeth Metzger, CPA *ejm*  
University Controller

**RE:** Information Item for Board of Regents' Finance & Facilities Committee Meeting

The Monthly Consolidated Financial Reports for the month ended September 30, 2020 will be presented at the *December 1, 2020* Finance & Facilities Committee meeting.



## **Monthly Financial Report**

**Consolidated Total Operations Current Funds**

**Fiscal Year to Date as of September 30, 2020**



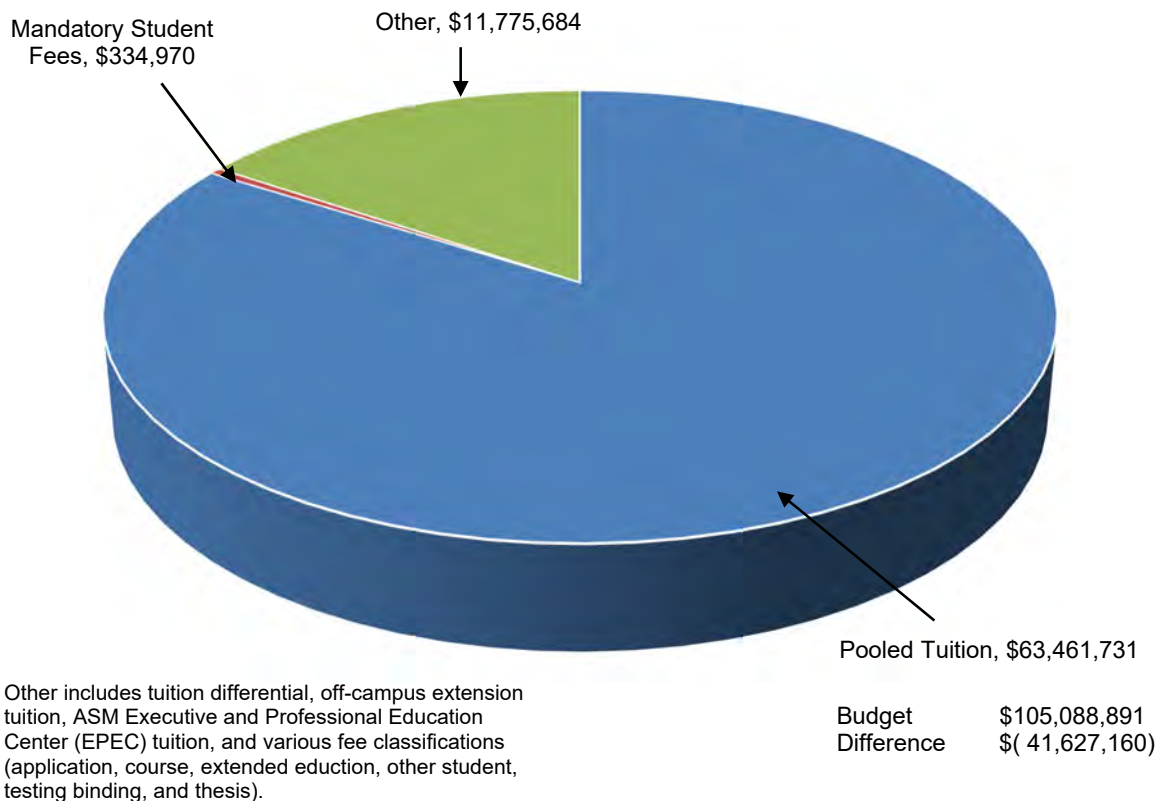
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## Summary of Items in the Consolidated Financial Report As of September 30, 2020

- Instruction and General (Consolidated page 8, Main Campus page 14): Tuition and Fees - The graph below indicates the portion of Main Campuses I&G Tuition and Fee revenue that is pooled and allocated to the departments. The remainder of I&G Tuition and Fee revenue is distributed directly to the units, EX: tuition differential, course fees.

**Main Campus Tuition and Fees  
as of September 30, 2020**



- HSC Clinical and Academic Operations (Consolidated page 10): Effective in FY20, HSC information was not presented as a separate report in the Consolidated Financial Report. HSC is presented in the Clinical Operations section that also includes UNM Hospitals, UNM Medical Group, and SRMC. (These actuals do not include intercompany eliminations.) Actuals for the current year and prior year through September are as follows:

<b>Clinical Operations</b>		<b>FY21 – as of 09/30/20</b>		<b>FY20 – as of 09/30/19</b>		<b>Variance between FY2021 and FY2020</b>
UNM HSC Academic Enterprise	\$	3,380,343	\$	3,436,394	\$	-56,051
UNM Hospitals Operations	\$	24,624,810	\$	7,953,816	\$	16,670,994
UNM Medical Group	\$	2,812,710	\$	3,773,778	\$	-961,068
SRMC	\$	503	\$	38,120	\$	-37,617
<b>Total</b>	<b>\$</b>	<b>30,818,366</b>	<b>\$</b>	<b>15,202,108</b>	<b>\$</b>	<b>15,616,258</b>

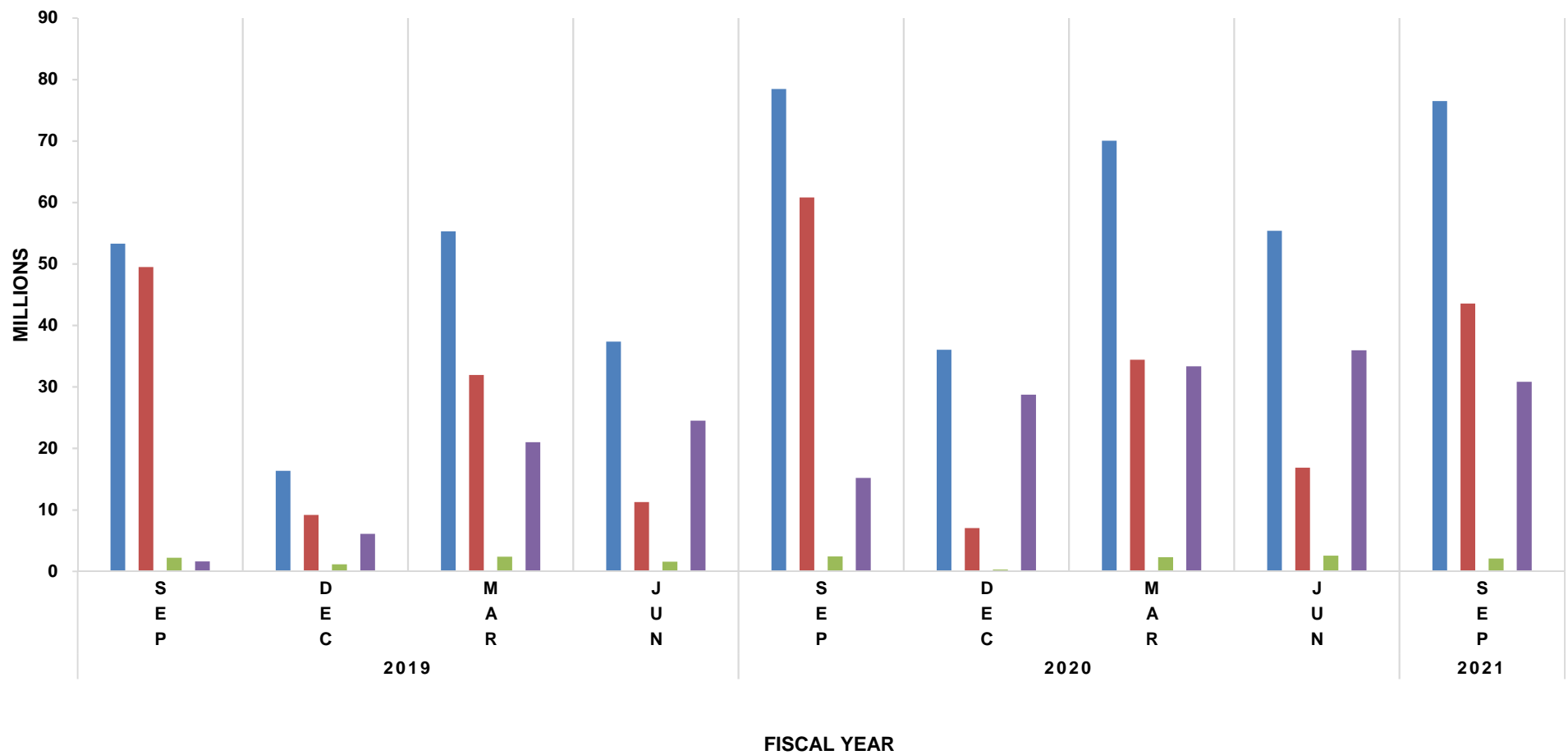
- COVID-19 CARE Funding Received in Fiscal Year 20-21 as of September 30, 2020:

Clinical Operations      \$8,464,886



## CONSOLIDATED TOTAL OPERATIONS - 3 YEAR NET REVENUE (EXPENSE) FISCAL YEAR TO DATE AS OF SEPTEMBER 30, 2020

■ CONSOLIDATED ■ MAIN ■ BRANCHES ■ HSC



## **Executive Budget Summary**

### **University of New Mexico Consolidated Financial Report**

### **Fiscal Year 2021 UNM Operating Budget with Revisions**

This report covers current fund operations for the University, including Main Campus, Branch Campuses, and Clinical Operations including the HSC Campus.

**Instruction and General's** operations projects a use of reserves of \$4.0M for the Fiscal Year 2021 UNM Operating Budget with Revisions; \$2.1M use of reserves at the Main Campus and a \$1.9M use of reserves at the Branch Campuses. HSC's revised budget for I&G is now included in the Clinical Operations budget.

**Unrestricted Research** operations projects a use of reserves of \$2.8M for the Fiscal Year 2021 UNM Operating Budget with Revisions-all at the Main Campus. HSC's revised budget for research is now included in the Clinical Operations budget.

**Unrestricted Public Service** operations projects a use of reserves of \$2.7M for the Fiscal Year 2021 UNM Operating Budget with Revisions; \$2.6M use of reserves is at the Main Campus and a \$61K use of reserves is at the Branch Campuses. HSC's revised budget for Unrestricted Public Service is now included in the Clinical Operations budget.

**Student Aid** operations projects a use of reserves of \$9.9M for the Fiscal Year 2021 UNM Operating Budget with Revisions; \$9.9M use of reserves is at the Main Campus and a \$18K use of reserves is at the Branch Campuses. HSC's revised budget for Student Aid is now included in the Clinical Operations budget.

**Student Activities** are the operations of Student Government and Student organizations. The FY 2021 UNM Operating Budget with Revisions projects a positive net margin of \$118K. HSC's revised budget for Student Activities is now included in the Clinical Operations budget.

#### **Auxiliaries and Athletics**

The FY 2021 UNM Operating Budget with Revisions for Auxiliaries and Athletics projects a positive net margin of \$1.6M. This includes \$(416K) for any contingencies.

**Sponsored Programs** operations are our contract and grant research and public service projects funded by outside agencies and companies. These operations will always record a zero net revenue over expense by the nature of their funding. The agency pays for a service or research project, and normally any unspent funds must be returned to the agency.

**Clinical Operations** now includes HSC (UNM HSC Academic Enterprises), UNM Hospital, UNM Medical Group, and SRMC. The FY 2021 UNM Operating Budget with Revisions for Clinical Operations totals \$23,860,126 and is listed by unit below:

- UNM HSC Academic Enterprise as a budgeted net margin of \$(3,082,178)
- UNM Hospitals operations has a budgeted net margin of \$18,757,408
- UNM Medical Group operations has a budgeted net margin of \$8,180,158
- SRMC has a budgeted net margin of \$4,738

**Statements of Revenues, Expenses and Changes in Net Position**  
**For the three month ended September 30, 2020**  
**Preliminary and Unaudited**

**University of New Mexico - Consolidated Total Operations Current Funds**

	<b>FY 2021 Full Year Operating Budget with Revisions</b>	<b>FY 2021 Year-to-Date Actual</b>	<b>Fiscal YTD Favorable/(Unfavorable) Compared to Budget</b>	<b>Actual to Budget Benchmark Rate 25%</b>	<b>FY 2020 Year-to-Date Actual**</b>	<b>FY 2021 YTD Actual Change From FY 2020 YTD Actual</b>
Instruction and General						
Tuition and Fees Revenues***						
Main Campus	127,246,269	75,572,385	(51,673,884)	59%	76,727,022	(1,154,637)
Branch Campuses	6,175,183	3,181,316	(2,993,867)	52%	3,567,271	(385,955)
Total Tuition and Fees Revenues	133,421,452	78,753,701	(54,667,751)	59%	80,294,293	(1,540,592)
State/Local Appropriations	216,629,067	54,157,269	(162,471,798)	25%	56,555,595	(2,398,326)
COVID-19 CARE Funding	-	-	-	N/A	-	-
F & A Revenues	20,745,000	5,098,239	(15,646,761)	25%	5,601,704	(503,465)
Transfers	(53,151,906)	(15,078,548)	38,073,358	28%	(7,044,137)	(8,034,411)
Other Revenues	18,715,599	4,320,619	(14,394,980)	23%	3,761,105	559,514
Total Instruction and General Revenues	336,359,212	127,251,280	(209,107,932)	38%	139,168,560	(11,917,280)
Salaries	207,767,148	46,221,865	161,545,283	22%	47,362,746	1,140,881
Benefits	69,838,989	18,393,475	51,445,514	26%	18,192,951	(200,524)
Other Expenses	62,783,372	14,337,753	48,445,619	23%	16,247,035	1,909,282
Total Instruction and General Expenses	340,389,509	78,953,093	261,436,416	23%	81,802,732	2,849,639
Net Instruction and General Revenue (Expense)	(4,030,297)	48,298,187	52,328,484		57,365,828	(9,067,641)
Research						
State/Local Appropriations	1,805,950	451,488	(1,354,462)	25%	517,763	(66,275)
Transfers	15,812,779	1,565,546	(14,247,233)	10%	1,841,506	(275,960)
Other Revenues	264,110	35,560	(228,550)	13%	37,217	(1,657)
Total Research Revenues	17,882,839	2,052,594	(15,830,245)	11%	2,396,486	(343,892)
Salaries and Benefits	9,626,628	3,015,692	6,610,936	31%	3,191,427	175,735
Other Expenses	11,068,148	1,814,628	9,253,520	16%	1,704,472	(110,156)
Total Research Expenses	20,694,776	4,830,320	15,864,456	23%	4,895,899	65,579
Net Research Revenue (Expense)	(2,811,937)	(2,777,726)	34,211		(2,499,413)	(278,313)
Public Service						
State/Local Appropriations	5,253,250	1,313,313	(3,939,937)	25%	1,034,963	278,350
Sales and Services Revenues	4,329,111	1,447,273	(2,881,838)	33%	2,038,139	(590,866)
Gifts	8,432,938	2,174,308	(6,258,630)	26%	2,082,614	91,694
Transfers	(638,414)	(190,878)	447,536	30%	361,791	(552,669)
Other Revenues	4,728,661	663,239	(4,065,422)	14%	1,011,952	(348,713)
Total Public Service Revenues	22,105,546	5,407,255	(16,698,291)	24%	6,529,459	(1,122,204)
Salaries and Benefits	12,156,426	2,638,885	9,517,541	22%	2,742,892	104,007
Other Expenses	12,606,126	2,113,728	10,492,398	17%	2,428,679	314,951
Total Public Service Expenses	24,762,552	4,752,613	20,009,939	19%	5,171,571	418,958
Net Public Service Revenue (Expense)	(2,657,006)	654,642	3,311,648		1,357,888	(703,246)

**Statements of Revenues, Expenses and Changes in Net Position**  
**For the three month ended September 30, 2020**  
**Preliminary and Unaudited**

**University of New Mexico - Consolidated Total Operations Current Funds**

	<b>FY 2021 Full Year Operating Budget with Revisions</b>	<b>FY 2021 Year-to-Date Actual</b>	<b>Fiscal YTD Favorable/(Unfavorable) Compared to Budget</b>	<b>Actual to Budget Benchmark Rate 25%</b>	<b>FY 2020 Year-to-Date Actual**</b>	<b>FY 2021 YTD Actual Change From FY 2020 YTD Actual</b>
<b>Student Aid</b>						
Gifts	6,419,137	1,649,071	(4,770,066)	26%	203,214	1,445,857
State Lottery Scholarship***	23,450,000	11,725,000	(11,725,000)	50%	11,864,497	(139,497)
Transfers	18,905,796	4,510,637	(14,395,159)	24%	4,163,093	347,544
Other Revenues	632,034	10,125	(621,909)	2%	1,722,584	(1,712,459)
Total Student Aid Revenues	49,406,967	17,894,833	(31,512,134)	36%	17,953,388	(58,555)
Salaries and Benefits	1,861,660	532,844	1,328,816	29%	463,256	(69,588)
Other Expenses	57,440,169	22,377,722	35,062,447	39%	19,017,047	(3,360,675)
Total Student Aid Expenses	59,301,829	22,910,566	36,391,263	39%	19,480,303	(3,430,263)
Net Student Aid Revenue (Expense)	(9,894,862)	(5,015,733)	4,879,129		(1,526,915)	(3,488,818)
<b>Student Social &amp; Cultural Programs</b>						
Fee Revenues***	7,422,767	3,374,682	(4,048,085)	45%	2,667,055	707,627
Sales and Services Revenues	912,907	104,369	(808,538)	11%	249,163	(144,794)
Transfers	570,873	196,210	(374,663)	34%	151,778	44,432
Other Revenues	51,472	4,422	(47,050)	9%	19,523	(15,101)
Total Student Social & Cultural Programs Revenues	8,958,019	3,679,683	(5,278,336)	41%	3,087,519	592,164
Salaries and Benefits	5,836,122	1,091,151	4,744,971	19%	1,261,101	169,950
Other Expenses	3,003,553	617,765	2,385,788	21%	1,455,988	838,223
Total Student Social & Cultural Programs Expenses	8,839,675	1,708,916	7,130,759	19%	2,717,089	1,008,173
Net Student Social & Cultural Programs Revenue (Expense)	118,344	1,970,767	1,852,423		370,430	1,600,337
<b>Auxiliaries and Athletics</b>						
Branch Campuses Auxiliary Revenues	1,838,085	241,866	(1,596,219)	13%	622,822	(380,956)
Main Campus Auxiliaries Revenues	45,693,288	12,637,682	(33,055,606)	28%	17,590,020	(4,952,338)
Athletics Revenues	31,858,487	7,053,298	(24,805,189)	22%	10,071,816	(3,018,518)
Total Auxiliaries and Athletics Revenues	79,389,860	19,932,846	(59,457,014)	25%	28,284,658	(8,351,812)
Branch Campuses Auxiliary Expenses	2,138,085	506,554	1,631,531	24%	638,952	132,398
Main Campus Auxiliaries Expenses	43,840,434	10,127,158	33,713,276	23%	10,252,611	125,453
Athletics Expenses	31,858,487	6,772,445	25,086,042	21%	9,211,539	2,439,094
Total Auxiliaries and Athletics Expenses	77,837,006	17,406,157	60,430,849	22%	20,103,102	2,696,945
Net Auxiliaries and Athletics Revenue (Expense)	1,552,854	2,526,689	973,835		8,181,556	(5,654,867)



**Statements of Revenues, Expenses and Changes in Net Position**  
**For the three month ended September 30, 2020**  
**Preliminary and Unaudited**

**University of New Mexico - Consolidated Total Operations Current Funds**

	FY 2021 Full Year Operating Budget with Revisions	FY 2021 Year-to-Date Actual	Fiscal YTD Favorable/(Unfavorable) Compared to Budget	Actual to Budget Benchmark Rate 25%	FY 2020 Year-to-Date Actual**	FY 2021 YTD Actual Change From FY 2020 YTD Actual
Sponsored Programs						
Federal Grants and Contracts Revenues	152,824,718	40,310,938	(112,513,780)	26%	43,619,470	(3,308,532)
State and Local Grants and Contracts Revenues	18,948,148	3,404,868	(15,543,280)	18%	4,308,107	(903,239)
Non-Governmental Grants and Contracts Revenues	12,800,000	2,560,318	(10,239,682)	20%	3,801,513	(1,241,195)
Gifts	50,000	-	(50,000)	0%	-	-
Transfers	-	348,903	348,903	N/A	484,489	(135,586)
Other Revenues	-	(180,636)	(180,636)	N/A	(176,702)	(3,934)
Total Sponsored Programs Revenues	184,622,866	46,444,391	(138,178,475)	25%	52,036,877	(5,592,486)
Salaries and Benefits	74,500,832	15,070,057	59,430,775	20%	15,380,897	310,840
Other Expenses	110,122,034	31,374,334	78,747,700	28%	36,655,980	5,281,646
Total Sponsored Programs Expenses	184,622,866	46,444,391	138,178,475	25%	52,036,877	5,592,486
Net Sponsored Programs Revenue (Expense)	-	-	-		-	-
HSC Clinical and Academic Operations*						
State/Local Appropriations	104,799,431	26,485,972	(78,313,459)	25%	27,390,075	(904,103)
Capital Appropriations	-	-	-	N/A	33,588,918	(33,588,918)
UNM Medical Group Revenues	439,945,555	102,876,728	(337,068,827)	23%	103,864,982	(988,254)
UNM Hospitals Revenues	1,328,034,201	346,885,368	(981,148,833)	26%	316,838,213	30,047,155
SRMC Revenues	108,876,818	23,045,962	(85,830,856)	21%	23,014,661	31,301
Tuition and Fees Revenue (Earned Only)	30,612,386	7,653,097	(22,959,289)	25%	7,664,027	(10,930)
F&A Revenues	25,500,000	6,132,490	(19,367,510)	24%	5,947,063	185,427
Mil Levy (Sandoval & Bernalillo Counties)	116,983,023	28,229,739	(88,753,284)	24%	28,116,739	113,000
Contract and Grant Revenues	180,662,420	38,063,521	(142,598,899)	21%	37,312,632	750,889
Transfers	6,925,853	(350)	(6,926,203)	0%	500,863	(501,213)
CARES ACT Funding	-	8,464,886	8,464,886	N/A	-	8,464,886
Other Revenues	102,512,570	27,754,595	(74,757,975)	27%	26,361,431	1,393,164
Total Clinical Operations Revenues	2,444,852,257	615,592,008	(1,829,260,249)	25%	610,599,604	4,992,404
Salaries and Benefits	1,165,076,761	287,050,734	878,026,027	25%	265,113,727	(21,937,007)
Contract and Grant Expenses	164,121,671	33,645,612	130,476,059	21%	33,461,837	(183,775)
Committed for Capital Projects	30,000,000	7,500,000	22,500,000	25%	33,588,918	26,088,918
Other Expenses	1,061,793,699	256,577,296	805,216,403	24%	263,233,014	6,655,718
Total Clinical Operations Expenses	2,420,992,131	584,773,642	1,836,218,489	24%	595,397,496	10,623,854
Net Clinical Operations Revenue (Expense)	23,860,126	30,818,366	6,958,240		15,202,108	15,616,258
<b>Net Current Revenue (Expense)</b>	<b>6,137,222</b>	<b>76,475,192</b>	<b>70,337,970</b>		<b>78,451,482</b>	<b>(1,976,290)</b>

\* Does not include intercompany eliminations

\*\* Prior year actuals may have been reclassified in order to be consistent with the 2021 presentation

\*\*\* Tuition/Fees, Lottery Scholarship, and Student Fees have a benchmark of 50%

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format  
For the three month ended September 30, 2020  
Preliminary and Unaudited

**University of New Mexico - Main Campus Athletics & Auxiliary Operations**

	FY 2021 Full Year Operating Budget with Revisions	FY 2021 Year-to-Date Actual	Fiscal YTD Favorable/(Unfavorable) Compared to Budget	Actual to Budget Benchmark Rate 25%	FY 2020 Year-to-Date Actual**	FY 2021 YTD Actual Change From FY 2020 YTD Actual
<b>Results of Athletics Operations:</b>						
Athletics Revenues	31,251,523	6,511,475	(24,740,048)	21%	10,086,837	(3,575,362)
Athletics Transfers	606,964	541,823	(65,141)	89%	(15,021)	556,844
Total Athletics Revenues	31,858,487	7,053,298	(24,805,189)	22%	10,071,816	(3,018,518)
Athletics Expenses						
Salaries and Benefits	14,137,567	3,098,853	11,038,714	22%	3,270,537	171,684
Grant-in-Aid	-	2,098,427	(2,098,427)	N/A	1,794,912	(303,515)
Other Expenses	17,720,920	1,575,165	16,145,755	9%	4,146,090	2,570,925
Total Athletics Expenses	31,858,487	6,772,445	25,086,042	21%	9,211,539	2,439,094
Total Net Athletics Revenue (Expense)	-	280,853	280,853		860,277	(579,424)
<b>Results of Auxiliary Operations:</b>						
<b>VP for Institutional Support Services</b>						
Bookstore Revenues	9,512,702	3,316,695	(6,196,007)	35%	4,059,802	(743,107)
Bookstore Transfers	(341,281)	(85,320)	255,961	25%	(87,500)	2,180
Total Bookstore Revenues	9,171,421	3,231,375	(5,940,046)	35%	3,972,302	(740,927)
Total Bookstore Expenses	8,565,099	3,937,152	4,627,947	46%	3,736,326	(200,826)
Net Bookstore Revenue (Expense)	606,322	(705,777)	(1,312,099)		235,976	(941,753)
University Club Revenues	68,000	6,714	(61,286)	10%	12,615	(5,901)
University Club Expenses	68,000	12,604	55,396	19%	15,291	2,687
Net Faculty & Staff Club Revenue (Expense)	-	(5,890)	(5,890)		(2,676)	(3,214)
Food Service/Dining Revenues	1,425,434	512,786	(912,648)	36%	715,741	(202,955)
Food Service/Dining Transfers	(130,559)	-	130,559	0%	(12,500)	12,500
Total Food Service/Dining Revenues	1,294,875	512,786	(782,089)	40%	703,241	(190,455)
Total Food Service/Dining Expenses	1,294,875	290,128	1,004,747	22%	224,890	(65,238)
Net Food Service/Dining Revenue (Expense)	-	222,658	222,658		478,351	(255,693)
Golf Courses Revenues	2,513,305	648,036	(1,865,269)	26%	688,670	(40,634)
Golf Courses Transfers	(39,252)	(9,813)	29,439	25%	(9,813)	-
Total Golf Courses Revenues	2,474,053	638,223	(1,835,830)	26%	678,857	(40,634)
Total Golf Courses Expenses	2,345,491	611,947	1,733,544	26%	614,789	2,842
Net Golf Courses Revenue (Expense)	128,562	26,276	(102,286)		64,068	(37,792)
Housing Revenues	9,501,000	3,152,867	(6,348,133)	33%	5,153,847	(2,000,980)
Housing Transfers	(1,497,001)	(384,501)	1,112,500	26%	(626,088)	241,587
Total Housing Revenues	8,003,999	2,768,366	(5,235,633)	35%	4,527,759	(1,759,393)
Total Housing Expense	7,127,639	1,625,326	5,502,313	23%	1,595,438	(29,888)
Net Housing Revenue (Expense)	876,360	1,143,040	266,680		2,932,321	(1,789,281)

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format  
For the three month ended September 30, 2020  
Preliminary and Unaudited

University of New Mexico - Main Campus Athletics & Auxiliary Operations

	FY 2021 Full Year Operating Budget with Revisions	FY 2021 Year-to-Date Actual	Fiscal YTD Favorable/(Unfavorable) Compared to Budget	Actual to Budget Benchmark Rate 25%	FY 2020 Year-to-Date Actual**	FY 2021 YTD Actual Change From FY 2020 YTD Actual
Lobo Cash Revenues	69,000	48,263	(20,737)	70%	41,910	6,353
Lobo Cash Expenses	69,000	14,855	(54,145)	22%	15,820	965
Net Lobo Cash Revenue (Expense)	-	33,408	33,408		26,090	7,318
Other Revenues	1,906,000	146,667	(1,759,333)	8%	144,333	2,334
Other Transfers	(2,457,000)	(457,500)	1,999,500	19%	(457,500)	-
Total Other Revenues	(551,000)	(310,833)	240,167	56%	(313,167)	2,334
Total Other Expense	(478,271)	-	(478,271)	0%	-	-
Net Other Revenue (Expense)	(72,729)	(310,833)	(238,104)		(313,167)	2,334
Parking and Transportation Revenues	6,617,888	2,015,288	(4,602,600)	30%	3,796,957	(1,781,669)
Parking and Trans Transfers	(1,645,195)	(449,293)	1,195,902	27%	(531,580)	82,287
Total Parking and Trans Revenues	4,972,693	1,565,995	(3,406,698)	31%	3,265,377	(1,699,382)
Total Parking and Trans Expenses	4,688,002	1,119,905	3,568,097	24%	1,035,743	(84,162)
Net Parking and Trans Revenue (Expense)	284,691	446,090	161,399		2,229,634	(1,783,544)
Popejoy Events Revenues	9,627,030	34,094	(9,592,936)	0%	77,284	(43,190)
Popejoy Events Transfers	422,460	-	(422,460)	0%	-	-
Total Popejoy Events Revenues	10,049,490	34,094	(10,015,396)	0%	77,284	(43,190)
Total Popejoy Events Expenses	9,603,338	366,023	9,237,315	4%	669,032	303,009
Net Popejoy Events Revenue (Expense)	446,152	(331,929)	(778,081)		(591,748)	259,819
Taos & Lawrence Ranch Revenues	55,000	55,000	-	100%	55,000	-
Taos & Lawrence Ranch Expenses	55,000	10,064	44,936	18%	9,426	(638)
Net Taos & Lawrence Ranch Revenue (Expense)	-	44,936	44,936		45,574	(638)
Ticketing Services Revenues	540,000	(4,260)	(544,260)	-1%	71,539	(75,799)
Ticketing Services Transfers	-	-	-	N/A	-	-
Total Ticketing Services Revenues	540,000	(4,260)	(544,260)	-1%	71,539	(75,799)
Total Ticketing Services Expenses	540,000	83,706	456,294	16%	89,766	6,060
Net Ticketing Services Revenue (Expense)	-	(87,966)	(87,966)		(18,227)	(69,739)
Total VP for Institutional Support Services Revenues	36,147,531	8,545,723	(27,601,808)	24%	13,092,717	(4,546,994)
Total VP for Institutional Support Services Expenses	33,878,173	8,071,710	25,806,463	24%	8,006,521	(65,189)
Net VP for Institutional Support Services Revenue (Expense)	2,269,358	474,013	(1,795,345)		5,086,196	(4,612,183)

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format  
For the three month ended September 30, 2020  
Preliminary and Unaudited

University of New Mexico - Main Campus Athletics & Auxiliary Operations

	FY 2021 Full Year Operating Budget with Revisions	FY 2021 Year-to-Date Actual	Fiscal YTD Favorable/(Unfavorable) Compared to Budget	Actual to Budget Benchmark Rate 25%	FY 2020 Year-to-Date Actual**	FY 2021 YTD Actual Change From FY 2020 YTD Actual
<b>VP for Student Affairs</b>						
Student Health Center Revenues	6,922,416	3,022,431	(3,899,985)	44%	3,157,549	(135,118)
Student Health Center Expenses	6,922,416	1,630,687	5,291,729	24%	1,721,515	90,828
Net Student Health Center Revenue (Expense)	-	1,391,744	1,391,744		1,436,034	(44,290)
Student Union Revenues	2,172,775	1,065,106	(1,107,669)	49%	1,343,763	(278,657)
Student Union Expenses	2,172,775	395,067	1,777,708	18%	492,542	97,475
Net Student Union Revenue (Expense)	-	670,039	670,039		851,221	(181,182)
Total VP for Student Affairs Revenues	9,095,191	4,087,537	(5,007,654)	45%	4,501,312	(413,775)
Total VP for Student Affairs Expenses	9,095,191	2,025,754	7,069,437	22%	2,214,057	188,303
Net VP for Student Affairs Revenue (Expense)	-	2,061,783	2,061,783		2,287,255	(225,472)
<b>Provost and Other Units</b>						
Art Museum Revenues	300	-	(300)	0%	211	(211)
Art Museum Expenses	300	-	300	0%	1,170	1,170
Net Art Museum Revenue (Expense)	-	-	-		(959)	959
CE Conference Ctr Revenues	140,000	3,164	(136,836)	2%	43,619	(40,455)
CE Conference Ctr Transfers	(66,218)	803	67,021	-1%	(74,015)	74,818
Total CE Conference Ctr Revenues	73,782	3,967	(69,815)	5%	(30,396)	34,363
Total CE Conference Ctr Expenses	73,782	13,824	59,958	19%	16,434	2,610
Net CE Conference Ctr Revenue (Expense)	-	(9,857)	(9,857)		(46,830)	36,973
Maxwell Museum Revenues	40,121	184	(39,937)	0%	3,578	(3,394)
Maxwell Museum Expenses	40,121	1,399	38,722	3%	1,402	3
Net Maxwell Museum Revenue (Expense)	-	(1,215)	(1,215)		2,176	(3,391)
Other Revenues	44,330	271	(44,059)	1%	22,598	(22,327)
Other Expenses	44,464	14,471	29,993	33%	13,027	(1,444)
Net Other Revenue (Expense)	(134)	(14,200)	(14,066)		9,571	(23,771)
Total Provost and Other Units Revenues	158,533	4,422	(154,111)	3%	(4,009)	8,431
Total Provost and Other Units Expenses	158,667	29,694	128,973	19%	32,033	2,339
Net Provost and Other Units Revenue (Expense)	(134)	(25,272)	(25,138)		(36,042)	10,770
<b>Auxiliary Totals</b>						
Total Auxiliary Revenues	45,693,288	12,637,682	(33,055,606)	28%	17,590,020	(4,952,338)
Total Auxiliary Expenses	43,840,434	10,127,158	33,713,276	23%	10,252,611	125,453
Net Auxiliary Revenue (Expense)	1,852,854	2,510,524	657,670		7,337,409	(4,826,885)
Net Athletics Revenue (Expense)	-	280,853	280,853		860,277	(579,424)
Net Auxiliary and Athletics Revenue (Expense)	1,852,854	2,791,377	938,523		8,197,686	(5,406,309)
Net Branch Campuses Aux Revenue (Expense)	(300,000)	(264,688)	35,312		(16,130)	(248,558)
Net All Auxiliary and Athletics Revenue (Expense)	1,552,854	2,526,689	973,835		8,181,556	(5,654,867)

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format  
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**Main Campus - Total Operations Current Funds**

	FY 2021 Full Year Operating Budget with Revisions	FY 2021 Year-to-Date Actual	Fiscal YTD Favorable/(Unfavorable) Compared to Budget	Actual to Budget Benchmark Rate 25%	FY 2020 Year-to-Date Actual**	FY 2021 YTD Actual Change From FY 2020 YTD Actual
Instruction and General						
Tuition and Fees Revenues***	127,246,269	75,572,385	(51,673,884)	59%	76,727,022	(1,154,637)
State/Local Appropriations	187,238,162	46,809,541	(140,428,621)	25%	49,034,550	(2,225,009)
F & A Revenues	20,745,000	5,098,239	(15,646,761)	25%	5,601,704	(503,465)
Transfers	(51,992,189)	(14,100,041)	37,892,148	27%	(5,888,762)	(8,211,279)
Other Revenues	17,797,428	4,021,585	(13,775,843)	23%	3,442,062	579,523
Total Instruction and General Revenues	301,034,670	117,401,709	(183,632,961)	39%	128,916,576	(11,514,867)
Salaries	186,042,647	41,693,306	144,349,341	22%	42,796,683	1,103,377
Benefits	62,800,914	16,819,985	45,980,929	27%	16,666,651	(153,334)
Other Expenses	54,277,504	13,108,969	41,168,535	24%	14,625,715	1,516,746
Total Instruction and General Expenses	303,121,065	71,622,260	231,498,805	24%	74,089,049	2,466,789
Net Instruction and General Revenue (Expense)	(2,086,395)	45,779,449	47,865,844		54,827,527	(9,048,078)
Research						
State/Local Appropriations	1,805,950	451,488	(1,354,462)	25%	517,763	(66,275)
Transfers	15,812,779	1,565,546	(14,247,233)	10%	1,841,506	(275,960)
Other Revenues	264,110	35,560	(228,550)	13%	37,217	(1,657)
Total Research Revenues	17,882,839	2,052,594	(15,830,245)	11%	2,396,486	(343,892)
Salaries and Benefits	9,626,628	3,015,692	6,610,936	31%	3,191,427	175,735
Other Expenses	11,068,148	1,814,628	9,253,520	16%	1,704,472	(110,156)
Total Research Expenses	20,694,776	4,830,320	15,864,456	23%	4,895,899	65,579
Net Research Revenue (Expense)	(2,811,937)	(2,777,726)	34,211		(2,499,413)	(278,313)
Public Service						
State/Local Appropriations	5,253,250	1,313,313	(3,939,937)	25%	1,034,963	278,350
Sales and Services Revenues	4,087,811	1,422,501	(2,665,310)	35%	1,983,021	(560,520)
Gifts	8,312,530	2,118,718	(6,193,812)	25%	1,992,200	126,518
Transfers	(638,414)	(140,504)	497,910	22%	361,791	(502,295)
Other Revenues	4,568,184	635,870	(3,932,314)	14%	977,217	(341,347)
Total Public Service Revenues	21,583,361	5,349,898	(16,233,463)	25%	6,349,192	(999,294)
Salaries and Benefits	11,810,044	2,540,622	9,269,422	22%	2,642,730	102,108
Other Expenses	12,369,290	2,051,099	10,318,191	17%	2,350,742	299,643
Total Public Service Expenses	24,179,334	4,591,721	19,587,613	19%	4,993,472	401,751
Net Public Service Revenue (Expense)	(2,595,973)	758,177	3,354,150		1,355,720	(597,543)

**Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format**  
**For the three month ended September 30, 2020**  
**Preliminary and Unaudited**

**Main Campus - Total Operations Current Funds**

	<b>FY 2021 Full Year Operating Budget with Revisions</b>	<b>FY 2021 Year-to-Date Actual</b>	<b>Fiscal YTD Favorable/(Unfavorable) Compared to Budget</b>	<b>Actual to Budget Benchmark Rate 25%</b>	<b>FY 2020 Year-to-Date Actual**</b>	<b>FY 2021 YTD Actual Change From FY 2020 YTD Actual</b>
Student Aid						
Private Grants/Gifts	6,334,587	1,608,519	(4,726,068)	25%	151,948	1,456,571
State Lottery Scholarships***	23,450,000	11,725,000	(11,725,000)	50%	11,864,497	(139,497)
Transfers	18,512,536	4,466,034	(14,046,502)	24%	4,108,007	358,027
Other Revenues	615,034	4,718	(610,316)	1%	1,715,131	(1,710,413)
Total Student Aid Revenues	48,912,157	17,804,271	(31,107,886)	36%	17,839,583	(35,312)
Salaries and Benefits	1,861,660	532,844	1,328,816	29%	463,256	(69,588)
Other Expenses	56,927,772	22,190,405	34,737,367	39%	18,785,815	(3,404,590)
Total Student Aid Expenses	58,789,432	22,723,249	36,066,183	39%	19,249,071	(3,474,178)
Net Student Aid Revenue (Expense)	(9,877,275)	(4,918,978)	4,958,297		(1,409,488)	(3,509,490)
Student Social & Cultural Programs						
Fee Revenues***	7,214,397	3,285,126	(3,929,271)	46%	2,566,760	718,366
Sales and Services Revenues	908,907	104,043	(804,864)	11%	248,037	(143,994)
Transfers	610,873	236,210	(374,663)	39%	191,778	44,432
Other Revenues	47,772	4,422	(43,350)	9%	19,523	(15,101)
Total Student Social & Cultural Programs Revenues	8,781,949	3,629,801	(5,152,148)	41%	3,026,098	603,703
Salaries and Benefits	5,828,283	1,091,151	4,737,132	19%	1,261,101	169,950
Other Expenses	2,832,422	612,908	2,219,514	22%	1,422,109	809,201
Total Student Social & Cultural Programs Expenses	8,660,705	1,704,059	6,956,646	20%	2,683,210	979,151
Net Student Social & Cultural Programs Revenue (Expense)	121,244	1,925,742	1,804,498		342,888	1,582,854
Auxiliaries						
Auxiliaries Revenues	45,693,288	12,637,682	(33,055,606)	28%	17,590,020	(4,952,338)
Athletics Revenues	31,858,487	7,053,298	(24,805,189)	22%	10,071,816	(3,018,518)
Total Auxiliaries Revenues	77,551,775	19,690,980	(57,860,795)	25%	27,661,836	(7,970,856)
Auxiliaries Expenses	43,840,434	10,127,158	33,713,276	23%	10,252,611	125,453
Athletics Expenses	31,858,487	6,772,445	25,086,042	21%	9,211,539	2,439,094
Total Auxiliaries Expenses	75,698,921	16,899,603	58,799,318	22%	19,464,150	2,564,547
Net Auxiliaries and Athletics Revenue (Expense)	1,852,854	2,791,377	938,523		8,197,686	(5,406,309)

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format  
For the three month ended September 30, 2020  
Preliminary and Unaudited

**Main Campus - Total Operations Current Funds**

	FY 2021 Full Year Operating Budget with Revisions	FY 2021 Year-to-Date Actual	Fiscal YTD Favorable/(Unfavorable) Compared to Budget	Actual to Budget Benchmark Rate 25%	FY 2020 Year-to-Date Actual**	FY 2021 YTD Actual Change From FY 2020 YTD Actual
Sponsored Programs						
Federal Grants and Contracts Revenues	144,466,888	38,669,064	(105,797,824)	27%	42,001,330	(3,332,266)
State and Local Grants and Contracts Revenues	17,087,338	3,196,506	(13,890,832)	19%	4,067,001	(870,495)
Non-Governmental Grants and Contracts Revenues	12,600,000	2,451,235	(10,148,765)	19%	3,713,193	(1,261,958)
COVID-19 Cares	-	-	-	N/A	-	-
Transfers	-	348,903	348,903	N/A	484,489	(135,586)
Other Revenues	-	(180,636)	(180,636)	N/A	(176,702)	(3,934)
Total Sponsored Programs Revenues	174,154,226	44,485,072	(129,669,154)	26%	50,089,311	(5,604,239)
Salaries and Benefits	67,960,226	13,865,324	54,094,902	20%	14,185,546	320,222
Other Expenses	106,194,000	30,619,748	75,574,252	29%	35,903,765	5,284,017
Total Sponsored Programs Expenses	174,154,226	44,485,072	129,669,154	26%	50,089,311	5,604,239
Net Sponsored Programs Revenue (Expense)	-	-	-		-	-
<b>Net Current Revenue (Expense)</b>	<b>(15,397,482)</b>	<b>43,558,041</b>	<b>58,955,523</b>		<b>60,814,920</b>	<b>(17,256,879)</b>

**Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format**  
**For the three month ended September 30, 2020**  
**Preliminary and Unaudited**

**Branch Campuses - Total Operations Current Funds**

	<b>FY 2021 Full Year Operating Budget with Revisions</b>	<b>FY 2021 Year-to-Date Actual</b>	<b>Fiscal YTD Favorable/(Unfavorable) Compared to Budget</b>	<b>Actual to Budget Benchmark Rate 25%</b>	<b>FY 2020 Year-to-Date Actual**</b>	<b>FY 2021 YTD Actual Change From FY 2020 YTD Actual</b>
Instruction and General						
Tuition and Fees Revenues***	6,175,183	3,181,316	(2,993,867)	52%	3,567,271	(385,955)
State/Local Appropriations	29,390,905	7,347,728	(22,043,177)	25%	7,521,045	(173,317)
Transfers	(1,159,717)	(978,507)	181,210	84%	(1,155,375)	176,868
Other Revenues	918,171	299,034	(619,137)	33%	319,043	(20,009)
Total Instruction and General Revenues	35,324,542	9,849,571	(25,474,971)	28%	10,251,984	(402,413)
Salaries	21,724,501	4,528,559	17,195,942	21%	4,566,063	37,504
Benefits	7,038,075	1,573,490	5,464,585	22%	1,526,300	(47,190)
Other Expenses	8,505,868	1,228,784	7,277,084	14%	1,621,320	392,536
Total Instruction and General Expenses	37,268,444	7,330,833	29,937,611	20%	7,713,683	382,850
Net Instruction and General Revenue (Expense)	(1,943,902)	2,518,738	4,462,640		2,538,301	(19,563)
Public Service						
State/Local Appropriations	-	-	-	N/A	-	-
Sales and Services Revenues	241,300	24,772	(216,528)	10%	55,118	(30,346)
Gifts	120,408	55,590	(64,818)	46%	90,414	(34,824)
Transfers	-	(50,374)	(50,374)	N/A	-	(50,374)
Other Revenues	160,477	27,369	(133,108)	17%	34,735	(7,366)
Total Public Service Revenues	522,185	57,357	(464,828)	11%	180,267	(122,910)
Salaries and Benefits	346,382	98,263	248,119	28%	100,162	1,899
Other Expenses	236,836	62,629	174,207	26%	77,937	15,308
Total Public Service Expenses	583,218	160,892	422,326	28%	178,099	17,207
Net Public Service Revenue (Expense)	(61,033)	(103,535)	(42,502)		2,168	(105,703)
Student Aid						
Private Grants/Gifts	84,550	40,552	(43,998)	48%	51,266	(10,714)
Transfers	393,260	44,603	(348,657)	11%	55,086	(10,483)
Other Revenues	17,000	5,407	(11,593)	32%	7,453	(2,046)
Total Student Aid Revenues	494,810	90,562	(404,248)	18%	113,805	(23,243)
Salaries and Benefits	-	-	-	N/A	-	-
Other Expenses	512,397	187,317	325,080	37%	231,232	43,915
Total Student Aid Expenses	512,397	187,317	325,080	37%	231,232	43,915
Net Student Aid Revenue (Expense)	(17,587)	(96,755)	(79,168)		(117,427)	20,672



**Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format**  
**For the three month ended September 30, 2020**  
**Preliminary and Unaudited**

**Branch Campuses - Total Operations Current Funds**

	<b>FY 2021 Full Year Operating Budget with Revisions</b>	<b>FY 2021 Year-to-Date Actual</b>	<b>Fiscal YTD Favorable/(Unfavorable) Compared to Budget</b>	<b>Actual to Budget Benchmark Rate 25%</b>	<b>FY 2020 Year-to-Date Actual**</b>	<b>FY 2021 YTD Actual Change From FY 2020 YTD Actual</b>
Student Social & Cultural Programs						
Fee Revenues***	208,370	89,556	(118,814)	43%	100,295	(10,739)
Sales and Services Revenues	4,000	326	(3,674)	8%	1,126	(800)
Transfers	(40,000)	(40,000)	-	100%	(40,000)	-
Other Revenues	3,700	-	(3,700)	0%	-	-
Total Student Social & Cultural Programs Revenues	176,070	49,882	(126,188)	28%	61,421	(11,539)
Salaries and Benefits	7,839	-	7,839	0%	-	-
Other Expenses	171,131	4,857	166,274	3%	33,879	29,022
Total Student Social & Cultural Programs Expenses	178,970	4,857	174,113	3%	33,879	29,022
Net Student Social & Cultural Programs Revenue (Expense)	(2,900)	45,025	47,925		27,542	17,483
Auxiliaries						
Bookstore Revenues	1,698,163	235,293	(1,462,870)	14%	584,666	(349,373)
Housing and Food Service Revenues	13,235	8,851	(4,384)	67%	34,103	(25,252)
Transfers	(40,000)	(5,000)	35,000	13%	-	(5,000)
Other Auxiliaries Revenues	166,687	2,722	(163,965)	2%	4,053	(1,331)
Total Auxiliaries Revenues	1,838,085	241,866	(1,596,219)	13%	622,822	(380,956)
Bookstore Expenses	1,224,303	492,547	731,756	40%	602,159	109,612
Housing and Food Service Expenses	-	12,378	(12,378)	N/A	22,018	9,640
Other Auxiliaries Expenses	913,782	1,629	912,153	0%	14,775	13,146
Total Auxiliaries Expenses	2,138,085	506,554	1,631,531	24%	638,952	132,398
Net Auxiliaries Revenue (Expense)	(300,000)	(264,688)	35,312		(16,130)	(248,558)
Sponsored Programs						
Federal Grants and Contracts Revenues	8,357,830	1,641,874	(6,715,956)	20%	1,618,140	23,734
State and Local Grants and Contracts Revenues	1,860,810	208,362	(1,652,448)	11%	241,106	(32,744)
Non-Governmental Grants and Contracts Revenues	200,000	109,083	(90,917)	55%	88,320	20,763
Gifts	50,000	-	(50,000)	0%	-	-
Transfers	-	-	-	N/A	-	-
Other Revenues	-	-	-	N/A	-	-
Total Sponsored Programs Revenues	10,468,640	1,959,319	(8,509,321)	19%	1,947,566	11,753
Salaries and Benefits	6,540,606	1,204,733	5,335,873	18%	1,195,351	(9,382)
Other Expenses	3,928,034	754,586	3,173,448	19%	752,215	(2,371)
Total Sponsored Programs Expenses	10,468,640	1,959,319	8,509,321	19%	1,947,566	(11,753)
Net Sponsored Programs Revenue (Expense)	-	-	-		-	-
<b>Net Current Revenue (Expense)</b>	<b>(2,325,422)</b>	<b>2,098,785</b>	<b>4,424,207</b>		<b>2,434,454</b>	<b>(335,669)</b>

Statements of Revenues, Expenses and Changes in Net Assets  
For the three month period ended September 30 , 2020  
Preliminary and Unaudited

Detail of State/Local Appropriations  
**Consolidated - Total Operations Current Funds**

	FY 2021 Full Year Operating Budget with Revisions	FY 2021 Year-to-Date Actual	Fiscal YTD Favorable/(Unfavorable) Compared to Budget	Actual to Budget Benchmark Rate 25%
Instruction and General				
Instruction & General Appropriations	206,355,900	51,588,977	(154,766,923)	25%
State Special Project Appropriations	1,064,700	266,175	(798,525)	25%
Mill Levy	9,208,467	2,302,117	(6,906,350)	25%
Total Instruction and General Appropriations	<u>216,629,067</u>	<u>54,157,269</u>	<u>(162,471,798)</u>	<u>25%</u>
Research				
State Special Project Appropriations	1,805,950	451,488	(1,354,462)	25%
Total Research Appropriations	<u>1,805,950</u>	<u>451,488</u>	<u>(1,354,462)</u>	<u>25%</u>
Public Service				
State Special Project Appropriations	5,253,250	1,313,313	(3,939,937)	25%
Total Public Service Appropriations	<u>5,253,250</u>	<u>1,313,313</u>	<u>(3,939,937)</u>	<u>25%</u>
Clinical Operations				
Instruction & General Appropriations	62,246,300	15,831,624	(46,414,676)	25%
Research Appropriations	1,705,315	473,683	(1,231,632)	28%
Public Service Appropriations	245,600	62,900	(182,700)	26%
Student Aid Appropriations	188,000	47,600	(140,400)	25%
State Special Project Appropriations	36,450,000	9,131,283	(27,318,717)	25%
Tobacco Settlement Appropriations	840,200	210,055	(630,145)	25%
Cigarette Tax Revenues	3,124,016	728,827	(2,395,189)	23%
Total Clinical Operations Appropriations	<u>104,799,431</u>	<u>26,485,972</u>	<u>(78,313,459)</u>	<u>25%</u>
<b>Total - All Appropriations</b>	<u><b>328,487,698</b></u>	<u><b>82,408,042</b></u>	<u><b>(246,079,656)</b></u>	<u><b>25%</b></u>

# TAB 8

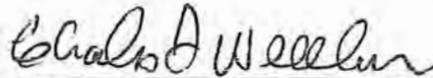
## **Item 8**

Information on the Dissolution of Innovate ABQ, Inc. and the Transfer of its Real Estate to UNM

**CERTIFICATE OF ADOPTION  
OF  
DISSOLUTION RESOLUTIONS AND PLAN OF DISTRIBUTION**

I hereby certify that I am the Secretary of INNOVATE ABQ, INC., a New Mexico nonprofit research park corporation (the "**Corporation**"), and that the attached resolutions for the dissolution of the Corporation and the accompanying Plan of Distribution were duly approved and adopted by the board of directors of the Corporation on August 24, 2020.

IN WITNESS WHEREOF, I have signed my name as of the date set forth below.



\_\_\_\_\_  
Charles I. Wellborn, Secretary

Date: 8-24-2020

**Form of Resolutions**  
**Dissolution of Innovate ABQ, Inc.**

RESOLVED, That the Board of Directors (the "Board") of Innovate ABQ, Inc. (the "Corporation") has determined that it is deemed advisable and in the best interests of the Corporation that the Corporation should be dissolved in accordance with the provisions of the New Mexico Nonprofit Corporation Act (the "Nonprofit Corporation Act"), §21-28-21 of the New Mexico University Research Park and Economic Development Act ("URPEDA"), and Article IX of the Articles of Incorporation of the Corporation; and it is further

RESOLVED, That the Board recommends that the Corporation be dissolved; and it is further

RESOLVED, That the Board approves and hereby adopts the attached Plan of Distribution for the dissolution and liquidation of the Corporation (the "Plan"); and it is further

RESOLVED, That the question of the dissolution and liquidation of the Corporation and approval of the Plan be submitted to a vote at a meeting of Regents of the University of New Mexico (the "University") in its capacity as the sole member of the Corporation; and it is further

RESOLVED, That upon the adoption by the University of a resolution to dissolve the Corporation and approving the Plan, the officers of the corporation be and hereby are authorized and directed to take such actions, and execute, deliver, and file such forms, instruments, applications, and documents as may be required or advisable to effect the dissolution of the Corporation under the laws of the State of New Mexico and to implement the Plan; and it is further

RESOLVED, that the following individuals are confirmed as the officers of the Corporation:

Chair and President:	Carlos Perea
Secretary:	Charles I. Wellborn

**PLAN OF DISTRIBUTION  
OF  
INNOVATE ABQ, INC.**

This Plan Distribution (the "Plan") is intended to constitute a plan of distribution under §53-8-49 of the New Mexico Nonprofit Corporation Act (the "Nonprofit Corporation Act") and §21-28-21 of the New Mexico University Research Park and Economic Development Act ("URPEDA") to accomplish the dissolution and complete liquidation of INNOVATE ABQ, INC, a New Mexico nonprofit research park corporation (the "Corporation").

1. **Approval of Plan.** This Plan is being presented for approval by the Board of Directors of the Corporation (the "Board") and the Corporation's sole member, the University of New Mexico, a New Mexico educational institution named in Article 12, Section 11 of the constitution of New Mexico (the "University"). If the Plan is adopted by the Board and the University, the Plan shall constitute the adopted Plan for the dissolution and liquidation of the Corporation.

2. **Cessation of Business Activities.** As of the time that the University adopts one or more resolutions to dissolve the Corporation and to adopt this Plan (the "Effective Time"), the Corporation shall cease to conduct its affairs except so far as may be necessary for the winding up thereof, and the Corporation shall immediately cause a notice of the proposed dissolution to be mailed to each known creditor of the Corporation, and shall proceed to collect its assets and apply and distribute them in accordance with URPEDA, the Nonprofit Corporation Act, and this Plan.

3. **Continuing Officers.** For the purpose of effecting the dissolution and liquidation of the Corporation, the Board and officers of the Corporation are authorized and directed to take all actions necessary to accomplish the dissolution and winding up of the Corporation.

4. **Dissolution Process.** From and after the Effective Time, the Corporation shall complete the following corporate actions: (a) all liabilities and obligations of the Corporation shall be paid and discharged, or adequate provision shall be made therefor; and, (b) assets held by the Corporation upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred and conveyed in accordance with such requirements, and specifically, in accordance with URPEDA §21-28-21 and Article IX of the Corporation's Articles of Incorporation, all rights and properties of the Corporation shall pass to and be vested in the University, subject to the rights of any bondholders, lienholders, creditors or ownership interests in the Corporation.

5. **Articles of Dissolution.** When all debts, liabilities and obligations of the Corporation are paid and discharged, or adequate provision has been made therefor, and all of the remaining property and assets of the Corporation are transferred, conveyed, or distributed in accordance with the provisions of URPEDA, the Nonprofit Corporation Act, and this Plan, articles of dissolution shall be executed by the Corporation by two authorized officers and filed with the New Mexico Secretary of State in accordance with the Nonprofit Corporation Act.

6. **Survival of Remedy After Dissolution.** As provided in the Nonprofit Corporation Act, the dissolution of the Corporation shall not take away or impair any remedy available to or against the Corporation, its directors, officers or members, for any right or claim existing, or any

liability incurred, prior to the dissolution if action or other proceeding thereon is commenced within two years after the date of dissolution. Any such action or proceeding by or against the Corporation may be prosecuted or defended by the Corporation in its corporate name. The members, directors and officers shall have power to take such corporate or other action as shall be appropriate to protect such remedy, right or claim. The Board is authorized to obtain and maintain insurance as may be necessary to cover the Corporation's obligations, including but not limited to the purchase of extended reporting period or "tail" directors' and officers' insurance.

7. **Expenses of Dissolution.** In connection with and for the purposes of implementing and assuring completion of this Plan, the Corporation may, in the absolute discretion of the Board, pay or authorize the payment of any brokerage, agency, professional and other fees and expenses of persons rendering services or insurance to the Corporation in connection with the collection, sale, exchange or other disposition of the Corporation's property and assets and the implementation of this Plan.

8. **Authorization.** The Board is hereby authorized, without further action by the University to do and perform or cause the officers of the Corporation, to do and perform, any and all acts, and to make, execute, deliver or adopt any and all agreements, resolutions, conveyances, certificates and other documents of every kind that are deemed necessary, appropriate or desirable, in the absolute discretion of the Board, to implement this Plan and the transaction contemplated hereby, including, without limiting the foregoing, all filings or acts required by any state or federal law or regulation to wind up its affairs.

# TAB 9

## **Item 9**

Investment Overview and Introduction to New Investment Advisors -  
NEPC



**UNIVERSITY OF NEW MEXICO**

**BOARD OF REGENTS**

**December 2020**

**Kristi Hanson, Partner**

**Daniel Hennessy, Sr. Consultant**



BOSTON | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | PORTLAND | SAN FRANCISCO

# INTRODUCTION



**KRISTI  
HANSON, CFA**

PARTNER

T: 971.271.5147

KHANSON@NEPC.COM

Kristi joined NEPC in 2017 as a Partner and member of the Research Group. Kristi works out of our Portland, OR office serving Endowment and private wealth clients. She has twenty-nine years of investment research and advisory experience with a specialty in alternative investments, investment research, and portfolio management.

Kristi has partnered with a variety of organizations in selecting appropriate investments customized to meet their needs. Her background includes directing and managing the research activities at another consulting firm prior to joining NEPC as well as managing several hedge fund of funds offered by advisor. Kristi serves as the volunteer chair of the University of Idaho Foundation Investment Committee as well as a member of the University's Foundation Board. She is also an Advisory Board member for Women's Venture Capital Fund II and is a member of the Endowment Committee of The International School in Portland. Within NEPC, she serves on the Discretionary Committee, Alternative Assets Committee and the Due Diligence Committee.

Kristi holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Society of Portland, Oregon. Kristi earned her B.S. from the University of Idaho.



**DANIEL HENNESSY,  
CFA, CAIA**

SENIOR CONSULTANT

T: 650.362.6699

DHENNESSY@NEPC.COM

Dan joined NEPC in 2014 and his investment experience dates back to 2000. Dan works out of our Redwood City, CA office serving endowment and pension clients.

Dan joined NEPC from Alan Biller and Associates, where he had worked since 2011 as a senior investment consultant. Prior to joining Allan Biller, Dan was Founder and Principal of Accretive Research & Management LLC, where he was responsible for equity research for a \$1 billion small/mid-cap investment firm based in San Francisco, CA. Prior to that, Dan was a Vice President at Franklin Templeton Investments where he managed a team of investment professionals and was a Co- Portfolio Manager of a long/short fund. Before joining Franklin Templeton he worked at Fidelity Investments and at McKinsey & Co.

Dan holds both the Chartered Financial Analyst (CFA) and Chartered Alternative Investment Analyst (CAIA) designations. Dan holds a B.A. degree in Mathematical Economics from Pomona College and a M.B.A. in Finance from The Wharton School, University of Pennsylvania.

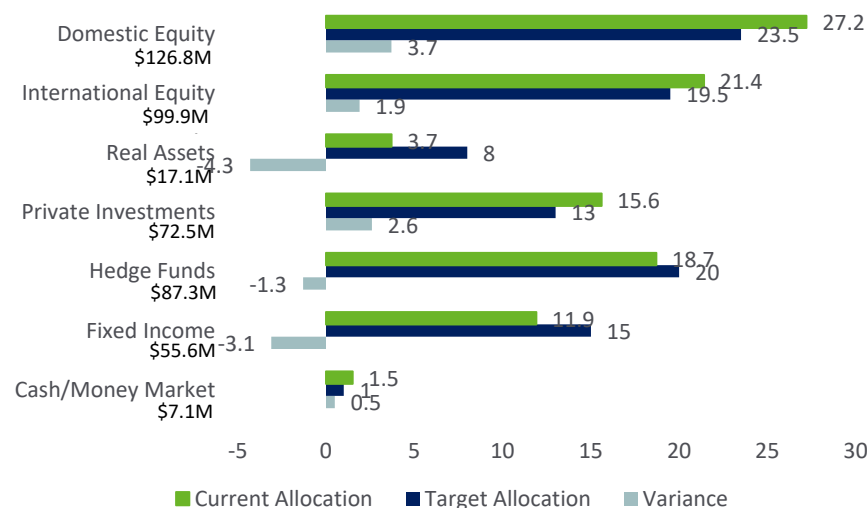


# PERFORMANCE SUMMARY

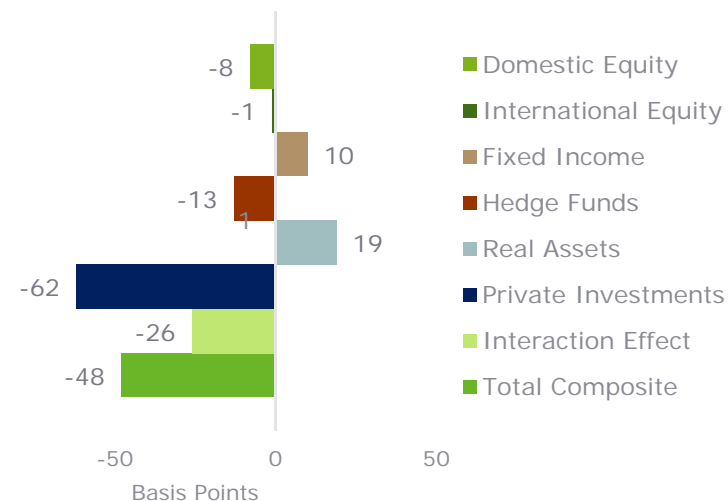
	Market Value (\$)	3 Mo (%)	Calendar YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
UNM Foundation	466,431,888	6.3	1.2	6.3	5.8	5.0	6.6	6.8	7.1	7/1/1989
Custom Benchmark		6.9	1.9	6.9	7.0	5.8	7.6	6.9	7.3	7/1/1989



## Asset Allocation

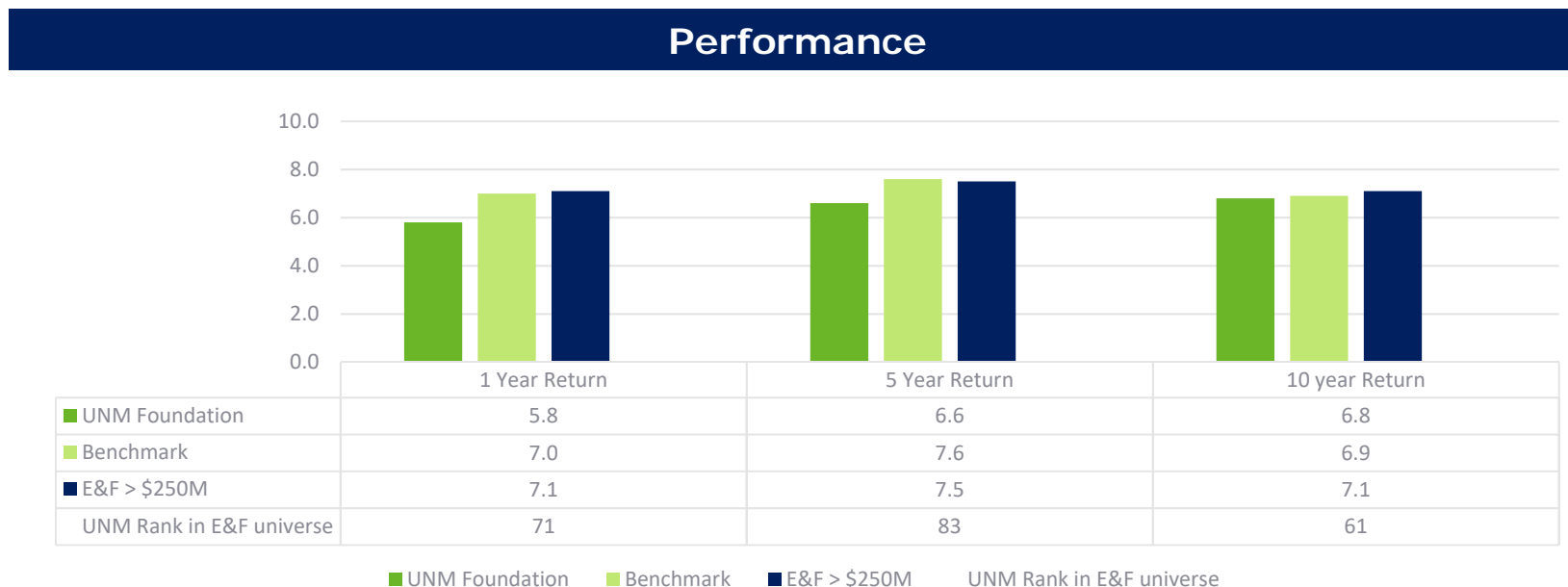


## Attribution Analysis – 3 months ending Sept 30, 2020



Data as of 9/30/2020

# PERFORMANCE VS PEERS



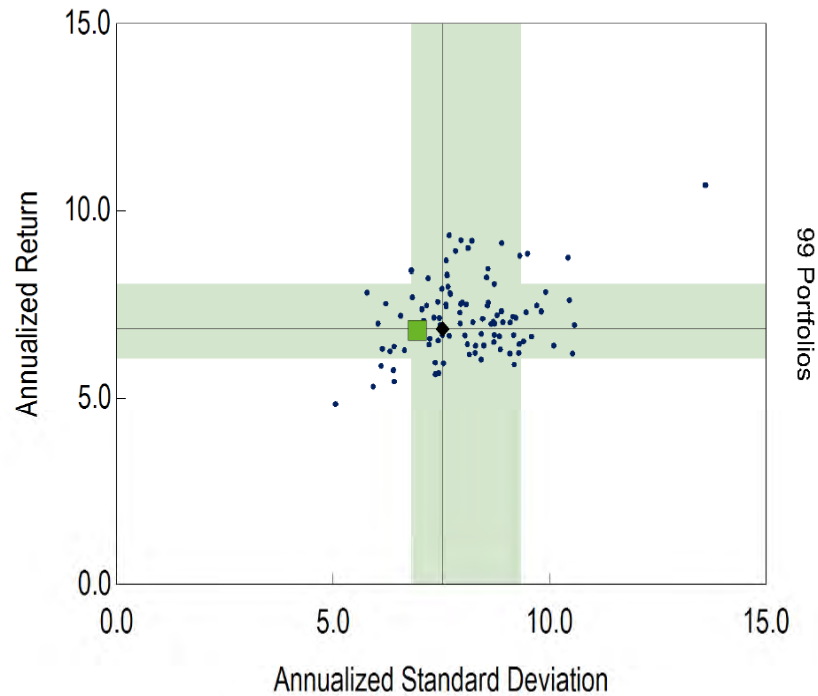
- **Performance has lagged peer group**
- **Asset allocation differences have impacted results**
  - Higher hedge fund allocations vs peers in a market rewarding long equity
  - Hedge fund allocations favored lower volatility, diversifying strategies rather than niche sector exposures
  - Policy change curtailing Private Investments from 2010 to 2014 created headwind versus peer returns
- **Implementation and investment execution has challenged returns versus peers**
  - Lower venture capital allocations in the private portfolio in a market rewarding the growth through venture
  - Peers have taken factor bets whereas UNM's are neutral to factors through passive exposures



Data as of 9/30/2020: "E&F > \$250M" represents E&F clients reporting to Investment Metrics with over \$250M in assets reported

# RISK STATISTICS

**Annualized Return vs. Annualized Standard Deviation  
10 Years Ending September 30, 2020**

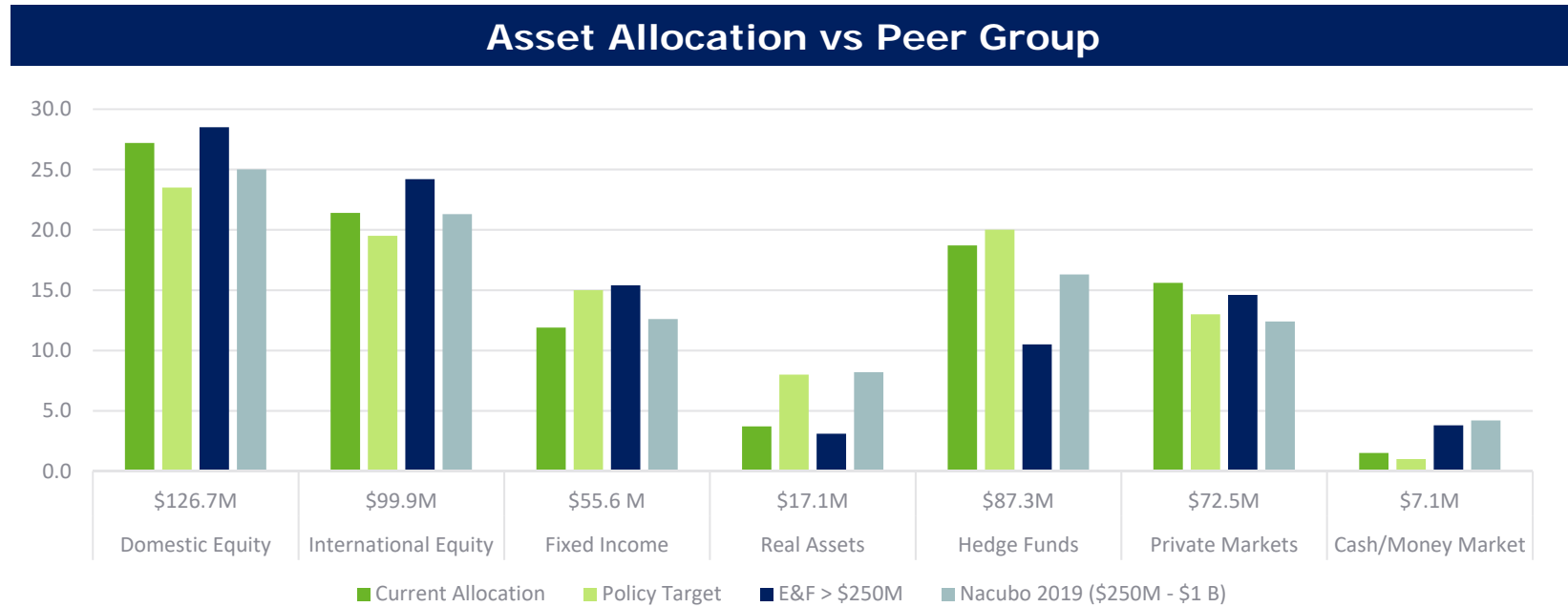


- Total Composite
- ◆ Custom Benchmark
- 68% Confidence Interval
- InvMetrics All E&F > \$250mm Net

	Portfolio	Benchmark
10 year Annualized Return	6.8%	6.9%
Annualized Standard Deviation	6.9%	7.5%
Sharpe Ratio	0.90	0.83



# ASSET ALLOCATION



- Asset Classes have specific purpose in the portfolio. Please see following page
- UNM Foundation has a higher level of marketable alternative investments at the expense of more traditional exposures by the peer group
- Growth assets have appreciated versus policy, whereas defensive assets are below policy
- Cash levels are above policy at year-end

Portfolio and benchmark data as of 9/30/2020

E&F > \$250 M represent 67 Endowments & Foundations reporting to Investment Metrics with greater than \$250 M in reported assets and are as of 9/30/20

Nacubo 2019 are from the NACUBO-TIAA Study of Endowments, 2019



# ASSET CLASS OBJECTIVES

Asset Class	Portfolio Role	Target Allocation
<b>Return Seeking</b>		
US and Non-US Public Equity	<ul style="list-style-type: none"> <li>• Passive implementation – low cost option</li> <li>• Capital appreciation</li> <li>• Capture global growth</li> </ul>	43%
Private Investments	<ul style="list-style-type: none"> <li>• Skill-based active management</li> <li>• Higher return expectations than public equity</li> <li>• Includes growth-oriented investments</li> </ul>	13%
Opportunistic Fixed Income	<ul style="list-style-type: none"> <li>• Higher return expectations than investment grade bonds</li> <li>• Adds diversification to portfolio</li> </ul>	4%
<b>Diversifying Assets</b>		
Real Assets (Private Real Estate and Energy)	<ul style="list-style-type: none"> <li>• Inflation hedge</li> <li>• Income production potential</li> <li>• Adds diversification</li> </ul>	8%
Hedge Funds	<ul style="list-style-type: none"> <li>• Skill-based active management</li> <li>• Low correlation to traditional stocks and bonds</li> <li>• Targeted exposure or absolute return based strategies</li> </ul>	20%
<b>Capital Preservation</b>		
Core Fixed Income & Cash	<ul style="list-style-type: none"> <li>• Downside protection</li> <li>• Risk reduction</li> </ul>	12%



# WORKPLAN SUMMARY



**All meetings : Manager Approvals, Performance Review, Special Projects**



# DISCLOSURES

NEPC, LLC

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### Information Disclaimer

- Past performance is no guarantee of future results.
- All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.
- NEPC's source for portfolio pricing, calculation of accruals, and transaction information is the plan's custodian bank. Information on market indices and security characteristics is received from other sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.
- Some index returns displayed in this report or used in calculation of a policy, allocation or custom benchmark may be preliminary and subject to change.
- This report is provided as a management aid for the client's internal use only. Information contained in this report does not constitute a recommendation by NEPC.
- This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.

### Reporting Methodology

- The client's custodian bank is NEPC's preferred data source unless otherwise directed. NEPC generally reconciles custodian data to manager data. If the custodian cannot provide accurate data, manager data may be used.
- Trailing time period returns are determined by geometrically linking the holding period returns, from the first full month after inception to the report date. Rates of return are annualized when the time period is longer than a year. Performance is presented gross and/or net of manager fees as indicated on each page.
- For managers funded in the middle of a month, the "since inception" return will start with the first full month, although actual inception dates and cash flows are taken into account in all Composite calculations.
- This report may contain forward-looking statements that are based on NEPC's estimates, opinions and beliefs, but NEPC cannot guarantee that any plan will achieve its targeted return or meet other goals.

