



**UNIVERSITY OF NEW MEXICO
BOARD OF REGENTS**

Agenda

**November 15, 2016
9:00 AM
SUB Ballroom C**

**The Board of Regents of the University of New Mexico
Meeting in Open Session and Executive Session
November 15, 2016, 9:00 AM
Student Union Building (SUB), Ballroom C
Executive Session-Luncheon, SUB, Cherry Silver Room
AGENDA**

TAB

I.	Call to Order, Confirmation of a Quorum, Adoption of the Agenda 1 <i>Regent President Rob Doughty</i>	1
II.	Approval of Minutes: October 18, 2016 regular meeting 2	2
III.	The President’s Administrative Report, <i>President Robert G. Frank</i> 3	3
	<u>Public Comment – comments related to items on the agenda</u> (limit 3 min.)	
	<u>Regent Advisors - comments related to agenda items</u> (limit 3 min.)	
	<u>Comments from Regents</u>	
IV.	Procurement Approval: High Gradient Magnetic Resonance Imaging Scanner 4 <i>Bruce Cherrin, Chief Procurement Officer</i>	4
V.	Regent Committee Reports	

Consent Docket

(Action items on Regent’s Committee agendas may move to the Board of Regents’ agenda as consent items; the below items are placed on the consent docket by the respective committee chairs; items on the consent docket received unanimous approval in committee; per Regents’ Policy 1.2, “Any member of the Board of Regents shall have the right upon request to remove any item from the Board’s consent agenda and place the item on the Board’s regular agenda for discussion.”)

1. Health Sciences Center Committee (HSCC) Consent Item, *Regent Marron Lee, Chair*
 - a. Approval of the Nomination of Stephen McKernan, Michael Richards, Jerry Geist, and Eleana Zamora to the UNM Sandoval Regional Medical Center, Inc. Board of Directors C-1
Paul Roth, Chancellor for HSC
2. Academic/Student Affairs & Research Committee (ASAR) Consent Item, *Regent Bradley C. Hosmer, Chair*
 - a. UNM Gallup - Program Deletion: Diabetes Prevention Certificate C-2
Greg Heileman, Associate Provost for Curriculum
3. Finance and Facilities Committee (F&F) Consent Item, *Regent Marron Lee, Chair*
 - a. Approval of Quarterly Financial Actions Report (formerly Fiscal Watch Report) and Monthly Consolidated Financial Report (info item), *Liz Metzger, University Controller* C-3
 - b. Approval of Disposition of Surplus Property for Main Campus for October 2016 C-4
Bruce Cherrin, Chief Procurement Officer
 - c. Approval of Continuation of the 1 Mil Levy District Tax and Local Board Election for UNM Gallup, *Rick Gosborn, DBO, UNM-Gallup* C-5

Health Sciences Center Committee (HSCC), Regent Marron Lee, Chair

No Items (see consent docket)

Finance and Facilities Committee (F&F), Regent Marron Lee, Chair

Action Items

1. Approval of University Communications and Marketing Realignment 5
President Bob Frank (carry-forward item from October meetings)
2. Capital Project Approval: La Posada Dining Hall Renovations, *Chris Vallejos, AVP ISS* 6
3. Approval of Authorizing Resolution Refunding and Improvement Revenue Bonds UNM Series 2017A and 2017B, *Vahid Staples, OPBA* 7

Information Item

4. Update on UNM Press Transition, *Melanie Sparks, Exec. Dir., ISS*8

Academic/Student Affairs & Research Committee (ASAR), Regent Bradley C. Hosmer, Chair

Action Item

1. UNM Seal Recommendations, *Josephine De Leon, VP Equity and Inclusion* 9

Audit and Compliance Committee, Regent Jack Fortner, Chair

Information Item

1. Meeting Summaries – September 2 and October 21 meetings..... 10

Public Comment – comments not related to items on the agenda (limit 3 min. per speaker)

VI. Advisors’ Reports 11

VII. Vote to close the meeting and proceed in Executive Session

1. Discussion and determination where appropriate of limited personnel matters as permitted by Section 10-15-1 (2), NMSA (1978)
2. Discussion and determination where appropriate of the purchase, acquisition or disposal of real property as permitted by Section 10-15-1.H(8), NMSA (1978)
3. Discussion and decision, if appropriate, of strategic or long-range plans of public hospitals as permitted by Section 10-15-1.H(9), NMSA (1978)
4. Discussion and determination where appropriate of threatened or pending litigation as permitted by Section 10-15-1.H(7), NMSA (1978)

VIII. Vote to re-open the meeting and certification that only those matters described in Agenda Items VII. were discussed in Closed Session and if necessary, final action with regard to those matters will be taken in Open Session.

IX. Adjourn

Minutes of the Regular Meeting of the Board of Regents of the University of New Mexico
October 18, 2016
Student Union Building (SUB), Ballroom C
Executive Session-Cherry Silver Room
Draft for approval

Members present

Marron Lee, Vice President; Ryan Berryman; Suzanne Quillen; Tom Clifford; Bradley C. Hosmer

Members present telephonically

Jack L. Fortner

Members not present

Robert M. Doughty

Administration present

Robert G. Frank, President; David Harris, EVP of Administration, COO, CFO; Richard Larson, Executive Vice Chancellor HSC, VP for Research, HSC; Carol Parker, Sr. Vice Provost; Elsa Cole, University Counsel; Liz Metzger, Controller; Dorothy Anderson, VP HR; Gabriel López, VP Research and Economic Development; Jozi de Leon, VP Equity and Inclusion; Dana Allen, VP Alumni Relations; Cheo Torres, VP Student Affairs; Libby Washburn, Chief Compliance Officer; Paul Krebs, VP Athletics

Regents' Advisors present

Glenda Lewis, President GPSA; Danelle Callan, President, Staff Council; Kyle Biederwolf, President ASUNM; Pamela Pyle, President Faculty Senate; Kathy Guimond, President Retiree Association

Presenters in attendance

Andrew Cullen, AVP OPB&A; Norma Allen, Associate Director, University Budget Operations; Nicole Dopson, Financial Officer, Operating Group

Others in attendance

Members of administration, faculty, staff, students, the media and others.

CALL TO ORDER, CONFIRMATION OF A QUORUM AND APPROVAL OF THE AGENDA

Regent Vice President Marron Lee called the meeting to order at 2:00 PM and announced a quorum was present. Regent Rob Doughty could not attend the meeting. Regent Jack Fortner joined the meeting by FaceTime. There were no amendments to the agenda.

The motion to approve the agenda passed by a unanimous vote with a quorum of Regents present and voting (1st Clifford; 2nd Quillen).

APPROVAL OF MINUTES

Regent Lee asked if there were edits to the minutes of the meetings on the agenda for approval: September 1, 2016 special meeting; September 10, 2016 special meeting; September 13, 2016 regular meeting; September 19, 2016 special meeting; September 23, 2016 special meeting. Regents had no edits or questions.

The motion to approve the minutes of the September 1, 2016 special meeting; September 10, 2016 special meeting; September 13, 2016 regular meeting; September 19, 2016 special meeting; and September 23, 2016 special meeting of the Board of Regents passed by a unanimous vote (1st Berryman; 2nd Hosmer).

THE PRESIDENT'S ADMINISTRATIVE REPORT

President Robert Frank opened his administrative report with a review of the three-year agreement the University entered into with the U.S. Department of Justice (DOJ) the day before the meeting. The three-year commitment is the conclusion of a lengthy DOJ review of the University policies and procedures regarding campus sexual harassment and misconduct on campus. In the agreement, the DOJ acknowledges that UNM has already taken significant proactive steps to strengthen the prevention of and response to campus sexual harassment including a number of actions taken even before reaching the agreement. The agreement outlines a number of steps that the University has agreed to perform in order to meet the compliance requirements listed by the DOJ, including: mandatory intensive sexual harassment training of all students and key staff and faculty; continued review and revision of policies, procedures, and materials on sexual harassment/violence to ensure consistency, clarity and timeliness in reporting, investigating and responding to complaints; Campus Climate surveys to ensure the university is serving the student population. President Frank showed a timeline of UNM response to campus sexual assault issue since 2013, including the launch of LoboRespect in 2014 and campus review of findings in the Pilgrim Report in 2015.

President Frank also spoke about student success and accreditation. There have been recent news articles reporting a new effort by national college accreditors to focus on improving student success outcomes. Improving student success outcomes has been the University's top priority for many years, and UNM welcomes the focus. The first step is looking at colleges where the 6-year graduation rate fall below 25%; UNM 6-year graduation rates are approaching 50%. The University is in communication with the Higher Learning Commission, the accrediting agency, and will provide data reports to it this semester. This will continue to be an important topic as UNM moves toward reaccreditation in 2018-2019.

President Frank spoke briefly about the budget and recent legislative special session. He thanked everyone across the campus community who supported UNM during the special session. The rescission of 5% was lower than the originally proposed 8% reductions.

COMMENTS FROM REGENTS

Student Regent Ryan Berryman commented on the unanimous approval by the State Board of Finance of the Anderson School of Management project. Regent Berryman attended the Board's meeting earlier in the day. He also reported concerns expressed at the Board's meeting regarding the use of the mill levy and how to reconcile where the funds go, as well as concerns about reserve balances on all of the campuses and the accumulation of those balances.

Regent Lee announced, formally on behalf of Regent President Doughty, the beginning of the presidential search for the University of New Mexico's 22nd President. A search committee, chaired by Regent Doughty, will be formed; Regents Lee and Clifford will be members on the committee. The intention is to complete the search early in the Spring 2017 semester and have a permanent president in place by June 1. An RFP for a search consultant will be released within a day or two. A representative advisory search committee will be appointed as soon as possible. An email and website will be in place to take nominations from constituent group leaderships for search committee member nomination. The university community will also be encouraged to submit nominations as well as input to the regents regarding the position description for the new president. The deadline for submitting nominations for search committee members will be October 28. The search effort will be centrally directed out of the Board of Regents' office with assistance from the VP for HR and her office and the president's office. The website, presidentialsearch.unm.edu will be updated frequently with progress on the timeline.

REGENT COMMITTEE REPORTS

CONSENT DOCKET

Regent Lee presented the consent docket and asked if any members wished to remove any item from the docket for discussion and a separate vote. No items were removed from the consent docket.

1. Health Sciences Center Committee (HSCC) Consent Item
 - a. Approval of the Nomination of Michael F. Shannon to the Carrie Tingley Hospital Advisory Board
2. Academic/Student Affairs & Research Committee (ASAR) Consent Item
 - a. Posthumous Degree: Janice Flores
3. Finance and Facilities Committee (F&F) Consent Item
 - a. Approval of Disposition of Surplus Property for Main Campus for September 2016

The motion to approve the items on the Consent Docket passed by a unanimous vote (1st Hosmer; 2nd Clifford).

HEALTH SCIENCES CENTER COMMITTEE

Approval of HSC Reserve Categorization Report Pursuant to Admin. Policy 7000

Ava Lovell presented the item and referred to the report that was included in the agenda eBook. There was discussion. At the end of the discussion, Regent Tom Clifford recommended to the Chair of Audit and Compliance committee for testing of the committed reserves on the reserve report. Regent Hosmer follow-up with a recommendation for more reporting of HSC mission information and requested HSC performance metrics be presented along the financials at future Board of Regents meetings.

The motion to approve the HSC Reserve report passed by unanimous vote (1st Clifford; 2nd Berryman).

FINANCE AND FACILITIES COMMITTEE

Approval of Reports for University Administrative Policy 7000 for Main Campus and Branch Campuses – FY 2015/16

Andrew Cullen and Norma Allen presented the item. The approval was requested for the Main Campus and Branch Campuses University Administrative Policy 7000 for FY 2015/16. The report was included in the agenda eBook.

Mr. Cullen stated that overall, unrestricted funds on Main Campus were down slightly from \$93 million to \$88.2 million. The report illustrated the continued decline of the reserves within Academic Affairs in the schools and colleges of the University down to \$60 million. These are unrestricted in terms of the HED reporting requirements, and does not necessarily represent what these funds are about, because included in that is Student Aid which is dedicated to student scholarships and endowed/non-endowed funds which were given to the University with donor intent and must be spent in accordance to that donation. There was discussion regarding the I&G reserves. It is down slightly, however that does not tell the whole story. The University's undesignated fund balance was up about \$2 million. The Regents approved a one-time pay supplement to faculty and staff which occurred in August in the amount of \$1.5 million. That pulled the undesignated reserves down to an amount approximately equal to what it was in FY15. Absent that growth, these reserves would continue to be pulled down across the board schools and colleges and administration. Student Affairs and UNM Foundation were flat. Regarding the categorization of the reserves for Main Campus, there was \$88.2 million; take out Banner Encumbrances, department commitments (contracts), and dedications (largest amount of \$45 million), leaves a balance of \$15 million in discretionary funds. Several graphs with data correlating to the Branch Campuses were presented. The Branches' reserves are more discretionary dollars as these are their only source of funds in the event of any decrease in State appropriation or enrollment decline. Data was presented on units with deficit balances over \$100K; three including Continuing Education, UNM Press, and Athletics. Continuing Education had a positive change, its deficit balance came down to \$761K. UNM Press and Athletics' overall balance sheet deficit grew.

Regent Clifford inquired if the University is working on an action plan to address the deficit at UNM Press and Athletics; he assumes Continuing Education is on the right path. He would like to see specific recommendations.

Mr. Cullen stated they have been working on a plan for both. For Athletics, they are assuming savings from vacancies and are working on minimizing travel. They will update FY17 budget expectations. Currently it is trending toward a balanced budget; however, the drivers of the Athletics budget are Football and Basketball ticket sales, which are difficult to project and to project the ending budget for FY17. Athletics projected fewer ticket sales for both Football and Basketball in line with what was experienced in FY16.

Paul Krebs stated that for ticket revenues, they projected less in Men's Basketball, approximately \$200K, and Women's Basketball, approximately \$100K. Their Football ticket projections were the same as last year, they felt confident due to the performance of the team, but it does not seem they will hit the projected number.

Regent Clifford requested a revised budget outlook for Athletics that would reflect what is being done to bring expenses in line with revenues. Mr. Krebs stated they will present monthly on Athletics financials. They have a number of initiatives in place; two of the biggest drivers are salaries and grant-in-aid costs. There is currently a freeze on hiring positions and they are looking at ways to save money on grant-in-aid. Travel is difficult as they have to play in certain places and safety is a key priority.

Regent Clifford inquired about Continuing Education and their deficit reduction plan. Nicole Dopson discussed the deficit reduction plan for Continuing Education; they believe they will pay off the deficit in three to four years. They have reached out to additional state contracts, and with the F&A they will generate in doing that, they should be able to attribute those dollars to that deficit. It is being monitored.

Regent Clifford inquired about UNM Press and their deficit reduction plan. Ms. Dopson responded a publishing working group with faculty, staff and constituents headed by the Associate Provost Virginia Scharff has been created. Currently they are looking at the structure of the Press, and there are several proposals to reduce expenditures. They are looking at revenue opportunities and collaboration with other organizations across campus. A report detailing the plan to stop the recurring deficit and reduce the one-time permanent deficit will be produced in the coming months

Regent Clifford requested to see the plans to reduce the deficit balances sooner than later, to understand assumptions needed to bring the budget in closer balance. He would like it to be presented at the next

Finance and Facilities (F&F) Meeting. Regent Quillen requested those presentation also move forward to the full Board of Regents.

Regent Clifford also stated there are substantial reserve balances as a percent of total budget at some Branch Campuses; he would like more information on those.

The motion to approve the reserve reports for Main Campus and the Branch Campuses passed by unanimous vote (1st Clifford; 2nd Berryman).

Regent Quillen thanked Andrew Cullen for his service to UNM; Mr. Cullen will retire from UNM effective November 1. Regent Clifford echoed the sentiments; Mr. Cullen has been a tremendous professional and an asset to UNM. Regent Hosmer, Lee, and Berryman also endorsed those comments regarding Mr. Cullen.

Approval of Organizational Alignment for UNM Main Campus and HSC

Dorothy Anderson presented the item and referred to the summary included in the agenda eBook. Ms. Anderson thanked employees for their participation, and discussed the various job positions and plans. Regent Clifford said it would be nice to see a revised org chart.

Regent Clifford referred to the summary of changes and said he was confused because there was one position change that was effective in July, the others effective in January. He asked if that was correct. Mr. Anderson responded, that was also a point of discussion at F&F, and she believed the request was to make all of the changes effective January 1st, and that was something upon which she requested confirmation. Regent Clifford responded that was his understanding also and would move approval when Madame Chair was ready for the action.

There was more discussion. Regent Berryman inquired about AON's experience and also about potential operational savings. There was discussion about peer institutions and the cost of consultants. Regent Clifford complimented Ms. Anderson on the good report and careful process, but he was concerned they were not able to find more savings. This is a step in the right direction and it looks to be very carefully thought out. Regent Lee said this was a difficult first step, but was a first step.

* Regent Lee stated with regard to the vertical communications alignment, 30 days to make the change.

The motion to approve the organizational alignment recommendations as amended by the Finance Committee passed by unanimous vote (1st Clifford; 2nd Berryman).

FY17 Proposed Budget Reduction Plan (information item)

Norma Allen and Nicole Dopson were asked to give an update on the FY17 proposed budget reduction plan as it relates to Administration and Academic Affairs. Andrew Cullen gave an update on the Instruction and General (I&G) Tuition and Fee projections for FY17.

Ms. Allen noted that the hiring moratorium that was put in place at the end of September has put the University in a good position to absorb the reductions. There was a 5% reduction in the University's State Appropriation to Main Campus that equated to \$9.8 million. Main Campus I&G pooled revenues were reduced by \$9.3 million, RSPs were reduced by \$351K, and Athletics was reduced \$139K. A revised budget scenario, which was included in the agenda eBook, was discussed. In the bill, the State asked the University to prioritize non-instructional expenditures. The reduction for Academic Affairs was 2.7%, whereas the Administration took a 3% cut overall. Attachment C and D in the agenda eBook detailed the reduction plans for Academic Affairs and Administration.

Nicole Dopson stated in order to meet the Academic Affairs \$4.6 million budget reduction for FY17, they took a blended approach of 50% use of reserves and 50% vacant staff lines. For vacant staff lines, Academic Affairs had approximately \$3.4 million in vacant budgeted positions. In the past two weeks, all of the budgeted vacant position were validated in all units which could attribute \$2 million in savings. Currently, there is \$1.4 million in vacancies they can pull back centrally and over the next 8 months to realize the remaining \$600K. In addition, Academic Affairs spends about \$1 million for temporary positions in unrestricted funds; however, many of the temporary positions are critical to the mission of the University, such as Accessibility Services. In general, they believe they can realize a \$150K in savings by reducing some temporary positions. Academic Affairs has been successful with fiscal shared services, and saved approximately \$500K last year in shared servicing all of the finances centrally within Academic Affairs. Another \$100K may be save by reorganizing and centralizing some fiscal shared services at other non-academic units. To make up the other half of the budget reduction, the plan is to pull back roughly \$2.4 million in reserves. In Academic Affairs I&G reserves, there is about \$4.2 million in discretionary reserves, so they are going to pull back \$1.3 million in I&G and an additional \$800K in other unrestricted funds. In regards to faculty, there is a lag in faculty hiring and the budgets have already been built

using vacancy savings for faculty in FY18 in order to make the reductions permanent. The Deans have been asked to scale back faculty hiring by 50% which would be a reduction of about 20 faculty lines, attributing \$1.6 million in savings for FY18.

Regent Clifford inquired about the savings being generated by pulling from reserves, as they are not recurring funds, and if there is the plan to not fill vacant positions or eliminate vacant positions. Ms. Dopson responded that of the \$2 million in vacancy savings, they believe between \$1.5 million and \$1.8 million would be from permanently reducing vacant position lines, unless they are critical to the Universities mission. There will be a review and prioritization of staffing lines as they become vacant in preparation for FY18. A 1% decline in FY18 will be used as a planning number. There are other re-organizations, specifically around fiscal shared services, that can potentially be implemented for FY18.

Regent Clifford stated it is difficult to know what would occur at the state level so future planning is prudent. He inquired how much of the \$9.8 million reduction to Main Campus I&G would be covered by drawing down reserves. Ms. Dopson stated that for Academic Affairs the total use of reserves for the budget reduction was \$2.3 million.

Regent Berryman noted that pledged student fees could not be used to cover any projected deficits. Ms. Dopson responded that of the University's unrestricted funds, many are in fact restricted as they are student fees, student aid, and endowed/non-endowed spending accounts. They did a thorough review before they pulled any reserves back.

Regent Quillen inquired about the positions they are holding off on, as Terry Babbitt has done a good job educating the Regents that there is a direct correlation between advising, graduation rates, and retention, and if any of the cut positions were advisors. Ms. Dopson responded that no advising positions have been cut. Throughout the Hiring Review Process, they've looked at all of the advising positions and made sure they have been filled.

Regent Berryman stated that the use of \$2.3 million reserves is likely being spent on recurring charges, and inquired when updates of permanent savings would be presented. Ms. Dopson noted they have \$1.4 million in vacancy lines they will pull centrally as permanent reductions for FY18. They will prioritize all positions to see what permanent reductions they will make. There is an FY18 plan that has been put in place which can be presented to F&F and the full Board.

Regent Berryman stated the \$2.3 million minus the \$1.4 million would still leave about \$900K in recurring charges they are using reserves for. Ms. Dopson responded that was correct, but they will have some re-organizations and shared services that will lead to permanent savings. They will be cautious in rolling it out as it involves individuals.

Regent Berryman is weary of continuing to spend down reserves as they are a savings account.

Ms. Allen discussed the EVP for Administration area and they have done a onetime reduction of \$1.785 million to the units. They are aware that it could be recurring in FY18 and the units are working on impact statements and budget plans for FY18. In order to meet the budget reductions, a combination of reserves, vacancy savings, and decrease in operating expenditures will be implemented instead of across-the-board cuts. Approximately \$700K will come from vacancy savings and 30% will come from reserves.

Regent Clifford stated some of these units have much larger reductions; the Regents for example are doing their part by taking a 15% reduction. He inquired about the other units. Ms. Allen responded she has been working with the units and asked them to identify exactly what will come out of reserves, vacancy savings, and reduction of expenditures.

For the Police Department, it is purely vacancy savings from the time they post a position to the time they hire. There will be no reduction in police officers; it is coming out of vacancy savings.

Regent Clifford inquired about Safety and Risk Services reductions. Ms. Allen stated cuts in Safety and Risk are a combination of operating reserves and vacancy savings. She can provide more detail on that to the Board.

Regent Berryman inquired if they were still planning on analyzing cuts to top administrative salaries; similar to what had been done at NMSU. Ms. Allen stated that it had not yet been analyzed.

Regent Clifford also inquired about savings on administrative salaries. He would like some scenarios presented to the Board on a potential modest reduction in higher administrative salaries. He would like to see brackets and some kind of threshold below which there would not be a reduction, a median campus salary. Ms. Allen responded they will provide that information to the Board.

Mr. Cullen stated that in the various cuts outlined in the materials, the must-funds included the insurance payments made to Risk Management and there weren't any specific reductions to property liabilities. Cost savings generated by reductions in the health insurance budget have already been folded into the FY17 budget. They will monitor usage rates and claims for health insurance to see where claims will be relative to budget for potential savings. That could be offset by any premium increase from carriers. Regarding Tuition and Fees, the numbers are worse than anticipated. The scenario presented earlier assumed that enrollment was coming in less than last year so they built in a credit to the FY17 budget anticipating a slight enrollment decline and the continued shift from 12 to 15 credit hours. The University charges less to students who take 15 credit hours versus 12 credit hours per semester, which results in less tuition revenues being collected. Enrollment was down approximately \$200K and it may affect spring tuition numbers. Typically for spring, they see a 92% return on students; for every 100 students that enroll in the fall about 92 come back in the spring. For FY16, it was closer to 91% return ratio. They have built the budget on 92% return ratio. It is tracking more on 91%, which results in a slightly less revenue in the spring than anticipated. For the meantime they will stick with the current budget and adjust FY18 in the future accordingly.

Regent Clifford inquired about the ruling on overtime as it will have a material impact on the budget and would like to see it factored into the budget scenario; it is necessary for managers to manage any overtime.

PUBLIC COMMENT

Sal Guardiola II, a second-year law student, spoke in support of church pastors who have been banned for two years from campus. He requested on behalf of the pastors, a regent or regents meet with the pastors. Regent Lee agreed and requested a time be set up for a future meeting with Student Regent Berryman, Regent Fortner, herself and the pastors.

ADVISORS' REPORTS

Pamela Pyle, Faculty Senate President, commented about the budget and budget process and concerns that the Budget Leadership Team has not yet met. The faculty want to be included in the budget discussions and process.

Kyle Biederwolf, ASUNM President, applauded administration for signing of the agreement with the DOJ. He gave an update on the Student Fee Review Board's (SFRB) status; some units have requested increases and this will put a burden put on students. There will be deliberations on unit requests. Mr. Biederwolf gave an update on homecoming week and reported ASUNM received 13 student regent applications. He also thanked the student body for sending emails to legislators regarding university budget.

Regent Clifford requested Mr. Biederwolf solicit and bring back creative ideas from the student body regarding the athletics budget.

Glenda Lewis, GPSA President, gave an SFRB update and reported that 33 graduate students applied for funding during the GPSA Fall Funding application period, which has now closed. GPSA also received 7 student regent applications.

Danelle Callan, Staff Council President, spoke about The Staff as Students initiative which provides UNM staff the opportunity to take courses to develop professionally and personally. The next event in early November will inform about the program and help staff sign up for classes. Ms. Callan spoke about concerns regarding the 5% budget cuts. She asked for transparency and for communication of decisions, along the the 'whys', as quickly as possible. Most staff make less than \$40K per year.

VOTE TO CLOSE THE MEETING AND PROCEED IN EXECUTIVE SESSION

The motion to close the meeting passed unanimously (Berryman; 2nd Clifford)

Regents present in closed session: Regents Hosmer, Berryman, Lee, Quillen, Clifford, and Fortner (joined via FaceTime).

1. Discussion and decision, if appropriate, of strategic or long-range plans of public hospitals as permitted by Section 10-15-1.H(9), NMSA (1978)
2. Discussion and determination where appropriate of threatened or pending litigation as permitted by Section 10-15-1.H(7), NMSA (1978)
3. Discussion and determination where appropriate of limited personnel matters as permitted by Section 10-15-1 (2), NMSA (1978)
4. Discussion and determination where appropriate of the purchase, acquisition or disposal of real property as permitted by Section 10-15-1.H(8), NMSA (1978)
5. Discussion of personally identifiable information about any individual student as permitted by Section 10-15-1.H(4), NMSA (1978)

VOTE TO RE-OPEN THE MEETING

The vote to re-open the meeting passed unanimously (1st Fortner; 2nd Quillen). The meeting re-opened at 4:40 PM; the door to the Cherry Silver Room was opened.

Regent Lee certified that only those matters described in the closed session agenda were discussed and there was one action upon which the Regents took action in closed session.

The motion for the Board of Regents to not accept an appeal of an academic matter by a student passed unanimously in closed session (1st Quillen; 2nd Lee).

ADJOURN

The motion to adjourn passed unanimously (1st Hosmer; 2nd Berryman). The meeting adjourned at 4:40 PM.

Approved:

Attest:

Robert M. Doughty III, President

Jack L. Fortner, Secretary/Treasurer

President's Administrative Report

will be presented at the meeting



The University of New Mexico
Purchasing Department
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MEMORANDUM

Date: November 11, 2016

To: Members of the Board of Regents
EVP David Harris, Executive Vice President for Administration

From: Bruce Cherrin, Chief Procurement Officer
Dr. Richard Larson, Executive Vice Chancellor HSC

Subject: Requested Procurement Approval

Per Regent Policy 7.4 Recommend to the Board of Regents request for approval of High Gradient Magnetic Resonance Imaging Scanner.

OVERVIEW:

Equipment purchase: Magnetic Resonance Imaging (MRI) for small animal research.

Purpose: MRI is essential for non-invasive studies of disease progression and testing of treatments in animal models of disease. For the last 15 years, we have been using lower field strength imaging (4.7T), which is inadequate for studies in mice, and severely limits national competitiveness of many UNM research programs. Upgrading to a high-field 7T system is needed to maintain current programs, develop new program grants, and maintain high-level training of UNM students.

Purchase price: \$1,800,000

NIH funds awarded: \$1,785,8000

Location: Housed within a Core Facility located in Domenici Hall. Available for use by all UNM investigators, and other users in the region. Training, support and oversight provided by Core Director and staff.

Users: Current researchers from multiple program grants (Brain Recovery and Repair, Alcohol Research Center, Cancer Center), individual NIH-funded grant (5 additional major users, 9 minor users). Plus an additional 58 potential users who anticipate taking advantage of the high-field strength offered by the new system.

Summary of grant application:

This submission proposes the purchase of a 7T/30 MRI Scanner to support novel NIH-funded research being conducted in multiple studies across many departments at the University of New Mexico (UNM). Advancing our animal MRI capabilities is essential to improving competitiveness and outcomes of our current funded studies with 5 NIH Major Users (\$1.3M), 9 Minor Users (\$2.5M), and 58 potential MRI users (\$17.5M). UNM research is significantly limited by an outdated 4.7T/40 cm system. An upgraded 7T system would increase efficiency, significantly expand capabilities, and broaden the scope of studies, leading to new discoveries and acceleration into clinical trials. At larger field strengths, there is improved contrast for imaging blood; larger spectral separations between different chemical species; and improved sensitivity for diffusion spectrum imaging, chemical exchange saturation transfer, and perfusion imaging such as continuous arterial spin labeling and dynamic contrast enhanced imaging. The ability to obtain structure, function, diffusion, perfusion, and spectroscopic images in a single scan becomes a reality at 7T, especially for mice. In addition to supporting existing users, improved instrumentation in the MRI core would catalyze existing research infrastructure toward more collaborative studies. UNM has a rich biomedical research environment comprised of a U54 Clinical and Translational Science Center, a P30 NCI-designated Cancer Center, a P50 Alcohol Research Center, an anticipated P20 Center for Brain Recovery and Repair, five HSC signature research programs to accelerate translational discoveries, and a network of external collaborations. The long-term success of this highly interdisciplinary infrastructure requires advanced instrumentation, specifically in MRI, to provide investigators with adequate tools and encourage novel multidisciplinary research approaches. Finally, high-end instrumentation is necessary for cultivating future biomedical scientists and will contribute to UNM's efforts to increase diversity in the biomedical workforce. UNM is well positioned and has an obligation to make a large impact in this area since UNM is the only academic health center in a majority-minority state. UNM fully supports NIH's Common Fund initiative to enhance diversity of the biomedical research workforce and is committed to increasing biomedical research from underrepresented groups in New Mexico and regionally. Having a state-of-the-art MRI core aligns with UNM's mission to promote diversity and encourage people from underrepresented backgrounds to pursue an education and career in biomedical research, with the laboratory resources needed to be competitive in the field. Therefore, we have identified three specific needs: 1) improve MRI capabilities for current MRI users, 2) enhance the MRI user base and multidisciplinary research outcomes, and 3) increase biomedical research from underrepresented groups. ***This application will meet these specific needs and significantly advance the MRI capabilities at UNM and in the state of New Mexico, and regionally, with the purchase of a 7T/30 cm MRI Scanner.***

CONSENT DOCKET

(Action items on Regent's Committee agendas may move to the Board of Regents' agenda as consent items; the below items are placed on the consent docket by the respective committee chairs; items on the consent docket received unanimous approval in committee; per Regents' Policy 1.2, "Any member of the Board of Regents shall have the right upon request to remove any item from the Board's consent agenda and place the item on the Board's regular agenda for discussion.")

1. Health Sciences Center Committee (HSCC) Consent Item, *Regent Marron Lee, Chair*
 - a. Approval of the Nomination of Stephen McKernan, Michael Richards, Jerry Geist, and Eleana Zamora to the UNM Sandoval Regional Medical Center, Inc. Board of Directors..... C-1
Paul Roth, Chancellor for HSC

2. Academic/Student Affairs & Research Committee (ASAR) Consent Item, *Regent Bradley C. Hosmer, Chair*
 - a. UNM Gallup - Program Deletion: Diabetes Prevention Certificate C-2
Greg Heileman, Associate Provost for Curriculum

3. Finance and Facilities Committee (F&F) Consent Item, *Regent Marron Lee, Chair*
 - a. Approval of Quarterly Financial Actions Report (formerly Fiscal Watch Report) and Monthly Consolidated Financial Report (info item), *Liz Metzger, University Controller* C-3
 - b. Approval of Disposition of Surplus Property for Main Campus for October 2016..... C-4
Bruce Cherrin, Chief Procurement Officer
 - c. Approval of Continuation of the 1 Mil Levy District Tax and Local Board Election for UNM Gallup, *Rick Gosborn, DBO, UNM-Gallup* C-5



UNM

Sandoval Regional Medical Center, Inc.

"The Service of a Community Hospital with the Expertise of the University of New Mexico."

MEMORANDUM

October 27, 2016

TO: HSC Committee

FROM: Dr. Paul Roth
UNM Sandoval Regional Medical Center, Inc., Board of Directors, Chair

SUBJECT: Board Appointment, UNM SRMC Board of Directors

On June 30, 2016, the following UNM Sandoval Regional Medical Center, Inc. Board member terms ended therefore, I am recommending reappointment of these members to serve on the UNM Sandoval Regional Medical Center Board of Directors.

Nominations to the UNM Sandoval Regional Medical Center, Inc. Board of Directors

Class A Directors (Term ending FY 2019)

*Positional Directors:

Stephen W. McKernan, UNM Health System, Chief Operations Officer, CEO, University of New Mexico Hospitals—Class A

Michael Richards, M.D., UNM Health System, Executive Physician-In-Chief—Class A

Nominee from the Representative of the UNMH Board of Trustees:

Jerry Geist, Community Member—Class A

Class C Directors (Term ending FY 2018)

*Positional Directors:

Eleana Zamora, MD, Chief of the Medical Staff—Class C

*These members serve as directors due to their position, in accordance with the Second Amended and Restated Bylaws of the UNM Sandoval Regional Medical Center, Inc. (Article III, Section 10).

The UNM Sandoval Regional Medical Center, Inc. Board of Directors requests the approval of the HSC Committee with final approval by the Board of Regents.

Diabetes Program Justification for Program Deletion

1. The program has not been taught since 2013 due to the inability to obtain teachers.
2. This academic year adjunct teachers were found, but only three students enrolled. It was not financially feasible to pay adjuncts to teach the courses.
3. The program had an AA, but that was deleted a number of years ago.
4. There is no articulation for the diabetes program.
5. There are few if any jobs requiring this certificate.
6. In the past, students who took the courses, did so primarily because they had a family member or close friend who had diabetes indicating that a non-credit community offering would be better suited to our population.
7. In talking with diabetes educators, they state there is a need for more diabetes educators. None of the current DPS offerings articulate into a diabetes educator program.
8. If we were to keep diabetes courses, they would need to align with another program within the health field.
9. The diabetes program if it were to remain open, would need a total over-haul.
 - a. The program calls for a HED 280 Community Health Course. This course has prerequisites of English 102, and HED 260 and 261, none of which are required in the current DPS Program.
 - b. The program has four courses with labs. The labs are not defined and for the most part need to be eliminated or reviewed in detail.
 - c. There is no communication course, which should be essential for the students in this field.



THE UNIVERSITY of
NEW MEXICO

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

MEMORANDUM

DATE: October 25, 2016

TO: David W. Harris
Executive Vice President for Administration

FROM: Elizabeth Metzger, CPA
University Controller

RE: Two (2) Items: One (1) Action Item and One (1) Information Item for Board of Regents' Finance & Facilities Committee Meeting

Action Item.

The New Mexico Higher Education Department, Institutional Finance Division, Quarterly Financial Actions Report and Certification through September 30, 2016 needs to be approved at the November 11, 2016 Finance & Facilities Committee meeting.

Information Items.

The Monthly Consolidated Financial Reports for the month ended September 30, 2016 will be presented at the November 11, 2016 Finance & Facilities Committee meeting.

In order to present the most-timely financial information at this meeting, the Quarterly Financial Actions Report and the Monthly Consolidated Financial Report will be emailed to the committee members no less than 48 hours in advance of the meeting. Handouts will be available the day of the meeting.

University of New Mexico

Quarterly Financial Actions Report

Fiscal year 2017 Date 11/8/2016

Period (check one)

Quarter 1 Quarter 2 Quarter 3 Quarter 4

During the period of time covered by this report; did your institution:

- | | | | | |
|---|-----|--------------------------|----|-------------------------------------|
| (1) Request an advance of state subsidy? | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| (2) Fail to make its required payments, as scheduled, to appropriate retirement system(s)? | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| (3) Fail to make its payroll payments, as scheduled? | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| (4) Fail to make its scheduled debt service payments? | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| (5) Fail to make payments to vendors, as scheduled, due to a cash deficiency or a substantial deficiency in the payment processing system? | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| (6) Relative to the original fiscal year budget, experience any significant actual or anticipated financial changes that are not reflected in a submitted Budget Adjustment Request (BAR). Significant financial changes refers to fiscal activity that will result in a substantially reduced year-end fund balance or any increase in a fund balance deficit. | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |

If the answer to any of the above questions is "Yes," please describe in a separate document:

- (i) the reason for the occurrence,
- (ii) the actions taken by your institution to resolve this particular occurrence, and
- (iii) the actions taken by your institution to prevent events such as this from occurring again.

In addition, if the answer to number 6 is "Yes," please describe in a separate document the nature of the financial changes and describe and assess the impact that the changes will have on your institution's planned year-end financial position.

New Mexico Higher Education Department
Institutional Finance Division
Quarterly Financial Certification Report Template

Please complete and sign the following Financial Certification Report and submit with the Quarterly Financial Actions Report.

To the best of my knowledge, I certify that the information provided in the attached Financial Actions Report for the:

1st X 2nd _____ 3rd _____ 4th _____ Quarter, FY 2017

is correct as of the signature dates noted below, and that

The University of New Mexico

has a functioning financial accounting system that captures assets, liabilities, revenues, and expenditures on a timely basis, and the Governing Board receives timely notification of any significant actual or projected variances between budgeted and actual revenues and expenditures.

Marron Lee, Chair, Board of Regents-F&F

Date

Robert G. Frank, President

Date

David Harris, EVP for Administration, COO, and CFO

Date



THE UNIVERSITY *of*
NEW MEXICO

Monthly Financial Report

Consolidated Total Operations Current Funds

Fiscal Year to Date as of September 30, 2016

Contents

Charts

Consolidated Total Operations – 3-Year Net Revenue	3
YTD I&G Consolidated Revenues / Expenses (3 Year)	4

Executive Budget Summary	5
---------------------------------	---

Financial Reports

Consolidated total Operations Current Funds	7
Main Campus Athletics and Auxiliary Operations	10
Main Campus – Total Operations Current Funds	13
Branch Campuses – Total Operations Current Funds	16
HSC Campus – Total Operations Current Funds	18

Appropriations Schedules

Consolidated – Total Operations Current Funds	21
Main Campus – Total Operations Current Funds	22
Branch Campuses – Total Operations Current Funds	23
HSC – Total Operations Current Funds	24

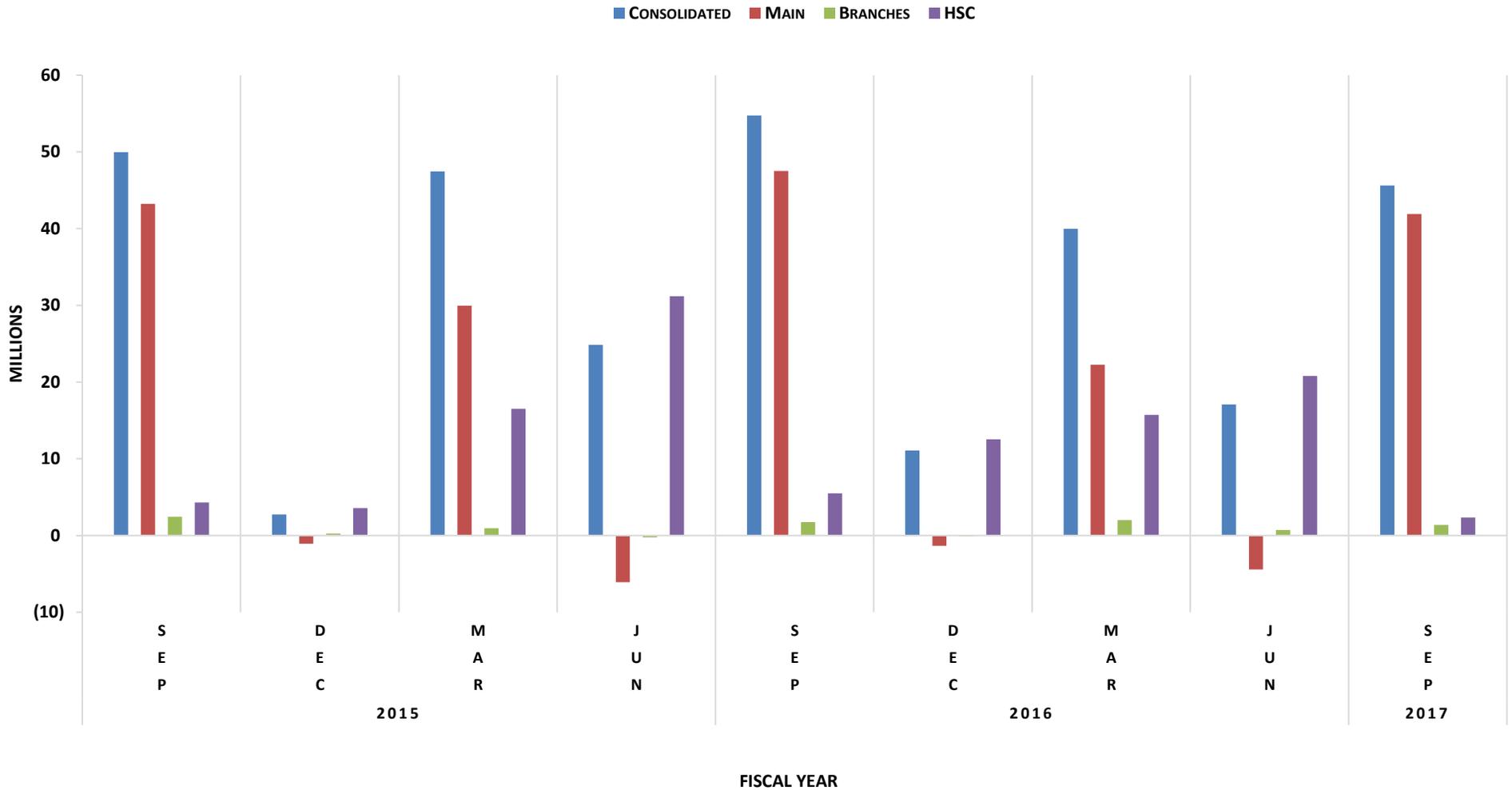
Debt Service

Schedule of Debt Service	25
Source of Funds	26



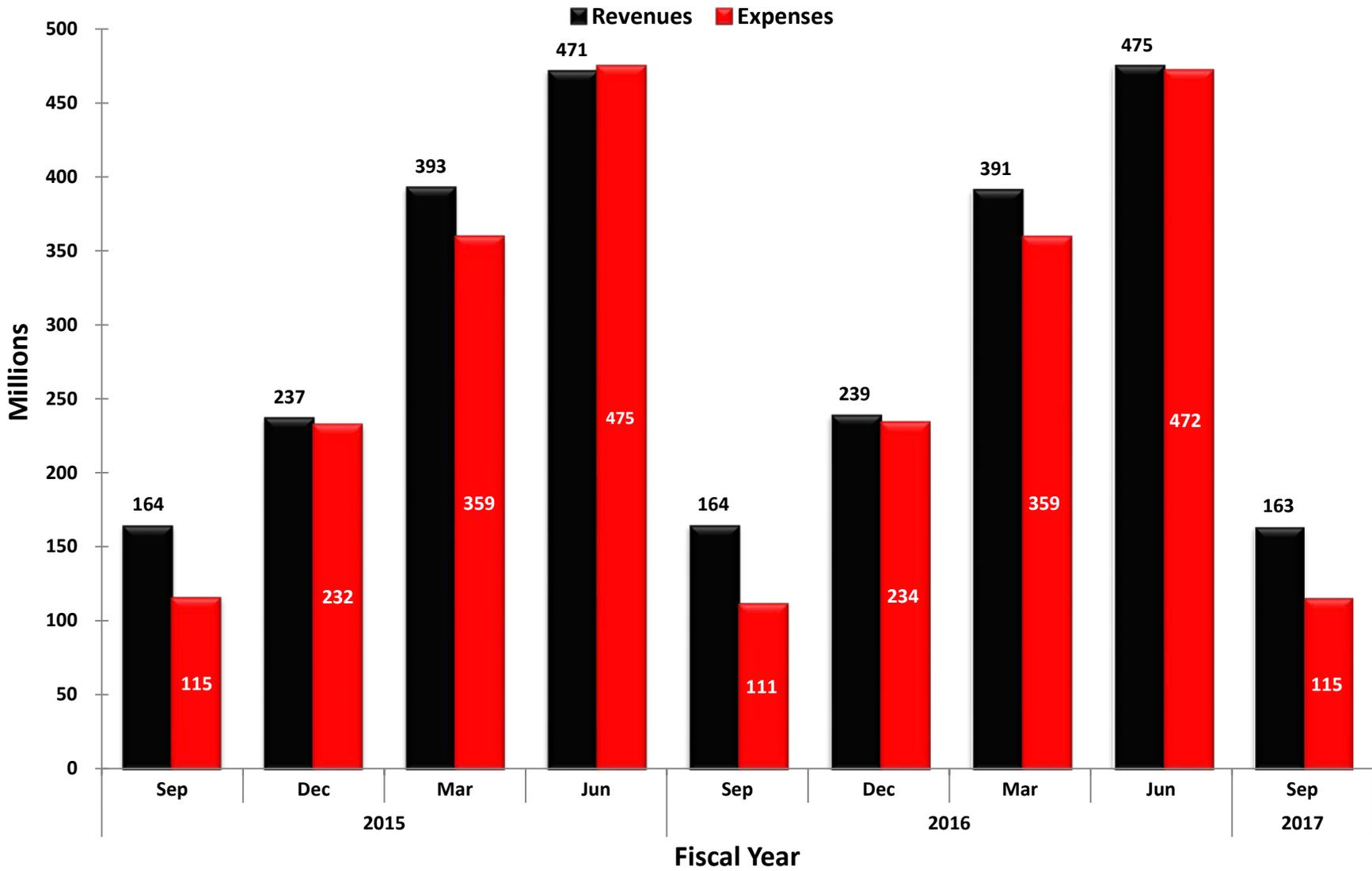
THE UNIVERSITY of NEW MEXICO

CONSOLIDATED TOTAL OPERATIONS - 3 YEAR NET REVENUE / (EXPENSE) FISCAL YEAR TO DATE AS OF SEPTEMBER 30, 2016





YTD I&G Consolidated Revenues / Expenses (3 Year) Fiscal Year to Date as of September 30, 2016



Executive Budget Summary

University of New Mexico Consolidated Financial Report

FY 2017 UNM Operating Budget

This report covers current fund operations for the University, including Main Campus, Branch Campuses and HSC Campus. HSC revises their operating budget on a monthly basis.

Instruction and General operations projects a use of reserves of \$17.0M for the FY 2017 UNM Operating Budget. The use of reserves of \$17.0M is comprised of \$8.7M use of reserves at the Main Campus, a \$3.5M use of reserves at the Branch Campuses, and a use of reserves of \$4.8M at the HSC Campus. The \$8.7M use of reserves at Main Campus is primarily due to Provost Academic Affairs budgeting \$6.4M of reserves, and Executive VP for Administration budgeting \$2.2M use of reserves. Within Provost Academic Affairs, the College of Arts and Sciences, and Extended University budgeted the largest use of reserves. The \$4.8M unfavorable net margin at the HSC Campus is primarily due to the projected 5% cut in State funding for FY 2017.

The next block of information shows the **Unrestricted Research** operations. The FY 2017 UNM Operating Budget projects a use of reserves of \$5.8M, of which \$4.1M use of reserves is related to Main Campus and a \$1.7M use of reserves is related to the HSC Campus. The \$4.1M use of reserves at Main Campus is due to Provost Academic Affairs' departments budgeting reserves. The departments that budgeted the largest use of reserves are the College of Arts and Sciences and VP Research & Economic Development. At the HSC Campus, the \$1.7M use of reserves includes CTSC startup packages, equipment purchases and research supplies and College of Pharmacy equipment purchases and new faculty startup costs.

The third business category shown on the first page of this report is **Unrestricted Public Service**. The operations in this category include special projects funded by State Appropriations, for example Project ECHO, and non-endowed gifts flowing from the UNM Foundation to departments and many small events funded by user fees. The FY 2017 UNM Operating Budget projects a use of reserves of \$3.7M. These reserves are comprised of \$3.7M use of reserves at the Main and Branch Campuses and a favorable net margin of \$2K at the HSC Campus. The \$3.5M use of reserves at the Main and Branch Campuses is primarily due to Provost Academic Affairs' departments budgeting reserves. The departments budgeting the largest use of reserves are: Provost Administrative Units, the College of Arts and Sciences, the School of Law, and VP Research & Economic Development. The primary use of reserves at the HSC campus includes spending for UNM Cancer Center initiatives and for the Yeung Endoscopic Spine Center.

Page 2 of this report begins with the **Student Aid** function. The FY 2017 UNM Operating Budget projects a use of reserves of \$8.9M. These reserves are comprised of \$8.3M use of reserves at the Main and Branch Campuses and a use of reserves of \$683K at the HSC Campus. The budgeted use of reserves at Main Campus is primarily due to Provost Academic Affairs' departments budgeting reserves in endowed spending indices for the payout of major and departmental scholarships in the new fiscal year. Those departments include: VP Division of Enrollment Management, College of Fine Arts, College of Arts and Sciences, Anderson Schools of Management (ASM), and College of Education.

Student Activities are the operations of Student Government and Student organizations. The FY 2017 UNM Operating Budget shows a use of reserves of \$326K.

Auxiliaries and Athletics

The FY 2017 UNM Operating Budget for Auxiliaries and Athletics projects a use of reserves of \$839K. These reserves are primarily due to a combination of Athletics budgeting a \$445K use of reserves, VP for Institutional Support Services budgeting a \$363 use of reserves, VP for Student Affairs budgeting a use of reserves of \$28K, and the Provost and Other Units budgeting a \$3K net use of reserves.

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.

The next block of numbers on the third page is a summary of our **Clinical Operations**. These operations are essentially all the patient care activities of the HSC Campus, including the UNM Hospitals, SOM physician professional services, Cancer Center operations and Housestaff/Medical Residents who are being trained in the UNM and VA hospitals. The FY 2017 UNM Re-Forecasted Budget projects a favorable net margin of \$815K. UNM Hospitals budgeted a favorable net margin of \$4K. The School of Medicine budgeted a favorable net margin of \$811K which is primarily due to increased clinical volumes at the UNM Cancer Center and Neurosurgery.

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format
For the three month ended September 30, 2016
Preliminary and Unaudited

University of New Mexico - Consolidated Total Operations Current Funds

	FY 2017 Full Year Operating Budget	FY 2017 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 25%	FY 2016 Year-to-Date Actual	FY 2017 YTD Actual Change From FY 2016 YTD Actual
Instruction and General						
Tuition and Fees Revenues						
Main Campus	156,614,178	79,669,021	(76,945,157)	51%	80,010,262	(341,241)
Branch Campuses	8,080,757	4,217,708	(3,863,049)	52%	4,124,058	93,650
HSC Campus	16,311,294	7,970,692	(8,340,602)	49%	7,462,269	508,423
Total Tuition and Fees Revenues	181,006,229	91,857,421	(89,148,808)	51%	91,596,589	260,832
State/Local Appropriations	276,022,855	69,778,029	(206,244,826)	25%	71,399,752	(1,621,723)
F & A Revenues	44,200,000	11,276,785	(32,923,215)	26%	10,837,014	439,771
Transfers	(56,505,924)	(15,055,170)	41,450,754	27%	(17,383,087)	2,327,917
Other Revenues	30,523,687	5,029,262	(25,494,425)	16%	7,693,872	(2,664,610)
Total Instruction and General Revenues	475,246,847	162,886,327	(312,360,520)	34%	164,144,140	(1,257,813)
Salaries	293,666,884	69,117,681	224,549,203	24%	68,602,072	(515,609)
Benefits	99,912,158	23,923,840	75,988,318	24%	21,707,926	(2,215,914)
Other Expenses	98,741,655	21,796,468	76,945,187	22%	21,124,123	(672,345)
Total Instruction and General Expenses	492,320,697	114,837,989	377,482,708	23%	111,434,121	(3,403,868)
Net Instruction and General Revenue/(Expense)	(17,073,850)	48,048,338	65,122,188		52,710,019	(4,661,681)
Research						
State/Local Appropriations	11,853,646	3,293,587	(8,560,059)	28%	2,981,618	311,969
Transfers	30,483,797	3,042,354	(27,441,443)	10%	4,143,772	(1,101,418)
Other Revenues	2,504,289	1,144,017	(1,360,272)	46%	963,300	180,717
Total Research Revenues	44,841,732	7,479,958	(37,361,774)	17%	8,088,690	(608,732)
Salaries and Benefits	28,413,689	7,765,859	20,647,830	27%	6,513,500	(1,252,359)
Other Expenses	22,216,321	4,219,673	17,996,648	19%	4,263,186	43,513
Total Research Expenses	50,630,010	11,985,532	38,644,478	24%	10,776,686	(1,208,846)
Net Research Revenue/(Expense)	(5,788,278)	(4,505,574)	1,282,704		(2,687,996)	(1,817,578)
Public Service						
State/Local Appropriations	3,586,550	899,987	(2,686,563)	25%	1,020,814	(120,827)
Sales and Services Revenues	14,322,863	3,966,600	(10,356,263)	28%	4,706,437	(739,837)
Gifts	9,108,522	1,850,785	(7,257,737)	20%	2,446,400	(595,615)
Transfers	5,974,738	1,923,884	(4,050,854)	32%	2,359,968	(436,084)
Other Revenues	6,258,369	1,683,952	(4,574,417)	27%	1,349,908	334,044
Total Public Service Revenues	39,251,042	10,325,208	(28,925,834)	26%	11,883,527	(1,558,319)
Salaries and Benefits	17,335,079	4,285,293	13,049,786	25%	5,248,087	962,794
Other Expenses	25,655,964	5,541,684	20,114,280	22%	5,784,935	243,251
Total Public Service Expenses	42,991,043	9,826,977	33,164,066	23%	11,033,022	1,206,045
Net Public Service Revenue/(Expense)	(3,740,001)	498,231	4,238,232		850,505	(352,274)

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format
For the three month ended September 30, 2016
Preliminary and Unaudited

University of New Mexico - Consolidated Total Operations Current Funds

	FY 2017 Full Year Operating Budget	FY 2017 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 25%	FY 2016 Year-to-Date Actual	FY 2017 YTD Actual Change From FY 2016 YTD Actual
Student Aid						
Gifts	5,801,612	2,339,659	(3,461,953)	40%	1,759,007	580,652
State Lottery Scholarship	40,000,000	20,000,000	(20,000,000)	50%	17,500,000	2,500,000
Transfers	19,134,570	4,769,381	(14,365,189)	25%	4,419,157	350,224
Other Revenues	503,010	122,063	(380,947)	24%	304,588	(182,525)
Total Student Aid Revenues	65,439,192	27,231,103	(38,208,089)	42%	23,982,752	3,248,351
Salaries and Benefits	3,693,639	1,170,037	2,523,602	32%	954,531	(215,506)
Other Expenses	70,703,296	29,714,178	40,989,118	42%	27,953,197	(1,760,981)
Total Student Aid Expenses	74,396,935	30,884,215	43,512,720	42%	28,907,728	(1,976,487)
Net Student Aid Revenue/(Expense)	(8,957,743)	(3,653,112)	5,304,631		(4,924,976)	1,271,864
Student Social & Cultural Programs						
Fee Revenues	8,264,437	3,985,460	(4,278,977)	48%	3,714,261	271,199
Sales and Services Revenues	1,373,723	425,173	(948,550)	31%	384,222	40,951
Transfers	238,996	3,143	(235,853)	1%	225,205	(222,062)
Other Revenues	106,902	34,372	(72,530)	32%	53,050	(18,678)
Total Student Social & Cultural Programs Revenues	9,984,058	4,448,148	(5,535,910)	45%	4,376,738	71,410
Salaries and Benefits	5,696,781	1,532,574	4,164,207	27%	1,564,877	32,303
Other Expenses	4,613,042	1,036,218	3,576,824	22%	1,235,221	199,003
Total Student Social & Cultural Programs Expenses	10,309,823	2,568,792	7,741,031	25%	2,800,098	231,306
Net Student Social & Cultural Programs Revenue/(Expense)	(325,765)	1,879,356	2,205,121		1,576,640	302,716
Auxiliaries and Athletics						
Branch Campuses Auxiliary Revenues	3,273,656	883,334	(2,390,322)	27%	807,214	76,120
Main Campus Auxiliaries Revenues	53,500,507	20,291,959	(33,208,548)	38%	21,363,130	(1,071,171)
Athletics Revenues	36,563,934	8,628,647	(27,935,287)	24%	7,322,974	1,305,673
Total Auxiliaries and Athletics Revenues	93,338,097	29,803,940	(63,534,157)	32%	29,493,318	310,622
Branch Campuses Auxiliary Expenses	3,273,656	774,160	2,499,496	24%	838,174	64,014
Main Campus Auxiliaries Expenses	53,894,553	13,465,477	40,429,076	25%	14,173,767	708,290
Athletics Expenses	37,008,541	9,909,394	27,099,147	27%	9,951,343	41,949
Total Auxiliaries and Athletics Expenses	94,176,750	24,149,031	70,027,719	26%	24,963,284	814,253
Net Auxiliaries and Athletics Revenue/(Expense)	(838,653)	5,654,909	6,493,562		4,530,034	1,124,875

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format
For the three month ended September 30, 2016
Preliminary and Unaudited

University of New Mexico - Consolidated Total Operations Current Funds

	FY 2017 Full Year Operating Budget	FY 2017 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 25%	FY 2016 Year-to-Date Actual	FY 2017 YTD Actual Change From FY 2016 YTD Actual
Sponsored Programs						
Federal Grants and Contracts Revenues	253,753,918	72,841,102	(180,912,816)	29%	72,787,741	53,361
State and Local Grants and Contracts Revenues	34,729,831	8,602,881	(26,126,950)	25%	8,015,427	587,454
Non-Governmental Grants and Contracts Revenues	30,719,656	9,328,378	(21,391,278)	30%	9,047,069	281,309
Gifts	-	-	-	N/A	-	-
Transfers	5,672,639	2,705,219	(2,967,420)	48%	1,184,026	1,521,193
Other Revenues	-	(708,203)	(708,203)	N/A	(406,691)	(301,512)
Total Sponsored Programs Revenues	324,876,044	92,769,377	(232,106,667)	29%	90,627,572	2,141,805
Salaries and Benefits	151,182,877	35,746,927	115,435,950	24%	34,279,188	(1,467,739)
Other Expenses	173,693,167	57,022,450	116,670,717	33%	56,348,384	(674,066)
Total Sponsored Programs Expenses	324,876,044	92,769,377	232,106,667	29%	90,627,572	(2,141,805)
Net Sponsored Programs Revenue/(Expense)	-	-	-		-	-
Clinical Operations						
State/Local Appropriations	25,305,365	6,492,226	(18,813,139)	26%	7,077,348	(585,122)
Physician Professional Fee Revenues	127,766,319	30,754,820	(97,011,499)	24%	29,897,591	857,229
Hospital Facility Revenues	864,979,398	221,441,903	(643,537,495)	26%	228,462,418	(7,020,515)
Other Patient Revenues, net of Allowance	163,199,943	37,319,441	(125,880,502)	23%	34,209,550	3,109,891
Mil Levy	95,849,351	23,994,498	(71,854,853)	25%	23,304,027	690,471
Investment Income	(82,916)	4,757	87,673	-6%	1,074,749	(1,069,992)
Gifts	2,789,445	695,132	(2,094,313)	25%	1,202,342	(507,210)
Housestaff Revenues	37,907,661	9,790,846	(28,116,815)	26%	9,147,232	643,614
Other Revenues	26,265,627	4,469,809	(21,795,818)	17%	5,012,432	(542,623)
Total Clinical Operations Revenues	1,343,980,193	334,963,432	(1,009,016,761)	25%	339,387,689	(4,424,257)
Salaries and Benefits	751,230,947	190,173,023	561,057,924	25%	171,518,180	(18,654,843)
Interest Expense	3,846,613	961,651	2,884,962	25%	967,453	5,802
Housestaff Expenses	37,907,661	9,416,047	28,491,614	25%	9,211,104	(204,943)
Other Expenses	550,180,209	138,241,645	411,938,564	25%	154,982,670	16,741,025
Total Clinical Operations Expenses	1,343,165,430	338,792,366	1,004,373,064	25%	336,679,407	(2,112,959)
Net Clinical Operations Revenue/(Expense)	814,763	(3,828,934)	(4,643,697)		2,708,282	(6,537,216)
Contingencies						
Total Contingency Revenues	(2,666,259)	1,535,207	4,201,466	-58%	-	1,535,207
Total Contingency Expenses	373,640	-	(373,640)	0%	-	-
Net Contingencies Revenue/(Expense)	(3,039,899)	1,535,207	4,575,106		-	1,535,207
Net Current Revenue/(Expense)	(38,949,426)	45,628,421	84,577,847		54,762,508	(9,134,087)

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format
For the three month ended September 30, 2016
Preliminary and Unaudited

University of New Mexico - Main Campus Athletics & Auxiliary Operations

	FY 2017 Full Year Operating Budget	FY 2017 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 25%	FY 2016 Year-to-Date Actual	FY 2017 YTD Actual Change From FY 2016 YTD Actual
Results of Athletics Operations:						
Athletics Revenues	39,379,736	9,324,639	(30,055,097)	24%	8,172,685	1,151,954
Athletics Transfers	(2,815,802)	(695,992)	2,119,810	25%	(849,711)	153,719
Total Athletics Revenues	36,563,934	8,628,647	(27,935,287)	24%	7,322,974	1,305,673
Athletics Expenses						
Salaries and Benefits	14,466,109	3,787,467	10,678,642	26%	3,640,133	(147,334)
Grant-in-Aid	4,615,847	2,066,250	2,549,597	45%	2,043,829	(22,421)
Other Expenses	17,926,585	4,055,677	13,870,908	23%	4,267,381	211,704
Total Athletics Expenses	37,008,541	9,909,394	27,099,147	27%	9,951,343	41,949
Total Net Athletics Revenue/(Expense)	(444,607)	(1,280,747)	(836,140)		(2,628,369)	1,347,622
Results of Auxiliary Operations:						
VP for Institutional Support Services						
Bookstore Revenues	14,358,413	5,760,509	(8,597,904)	40%	5,963,084	(202,575)
Bookstore Transfers	(410,888)	(87,500)	323,388	21%	(87,500)	-
Total Bookstore Revenues	13,947,525	5,673,009	(8,274,516)	41%	5,875,584	(202,575)
Total Bookstore Expenses	13,947,525	5,032,617	8,914,908	36%	5,041,982	9,365
Net Bookstore Revenue/(Expense)	-	640,392	640,392		833,602	(193,210)
Faculty & Staff Club Revenues	45,000	10,944	(34,056)	24%	10,463	481
Faculty & Staff Club Expenses	73,191	15,479	57,712	21%	15,653	174
Net Faculty & Staff Club Revenue/(Expense)	(28,191)	(4,535)	23,656		(5,190)	655
Food Service/Dining Revenues	2,444,914	617,822	(1,827,092)	25%	564,810	53,012
Food Service/Dining Transfers	(520,357)	(20,100)	500,257	4%	(12,500)	(7,600)
Total Food Service/Dining Revenues	1,924,557	597,722	(1,326,835)	31%	552,310	45,412
Total Food Service/Dining Expenses	1,924,557	333,502	1,591,055	17%	395,904	62,402
Net Food Service/Dining Revenue/(Expense)	-	264,220	264,220		156,406	107,814
Golf Courses Revenues	2,394,850	569,117	(1,825,733)	24%	598,830	(29,713)
Golf Courses Transfers	(39,250)	(4,324)	34,926	11%	(9,812)	5,488
Total Golf Courses Revenues	2,355,600	564,793	(1,790,807)	24%	589,018	(24,225)
Total Golf Courses Expenses	2,355,600	592,555	1,763,045	25%	606,870	14,315
Net Golf Courses Revenue/(Expense)	-	(27,762)	(27,762)		(17,852)	(9,910)
Housing	10,408,000	5,897,191	(4,510,809)	57%	5,609,381	287,810
Housing Transfers	(2,134,240)	(763,560)	1,370,680	36%	(833,560)	70,000
Total Housing Revenues	8,273,760	5,133,631	(3,140,129)	62%	4,775,821	357,810
Total Housing Expense	8,273,760	2,181,791	6,091,969	26%	1,968,221	(213,570)
Net Housing Revenue/(Expense)	-	2,951,840	2,951,840		2,807,600	144,240
Other Revenues	1,350,000	66,666	(1,283,334)	5%	66,666	-
Other Transfers	(1,677,000)	(457,500)	1,219,500	27%	(557,500)	100,000
Total Other Revenues	(327,000)	(390,834)	(63,834)	120%	(490,834)	100,000
Total Other Expense	8,162	-	8,162	0%	-	-
Net Other Revenue/(Expense)	(335,162)	(390,834)	(55,672)		(490,834)	100,000

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format
For the three month ended September 30, 2016
Preliminary and Unaudited

University of New Mexico - Main Campus Athletics & Auxiliary Operations

	FY 2017 Full Year Operating Budget	FY 2017 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 25%	FY 2016 Year-to-Date Actual	FY 2017 YTD Actual Change From FY 2016 YTD Actual
Parking and Transportation Revenues	8,641,253	4,341,564	(4,299,689)	50%	3,985,265	356,299
Parking and Trans Transfers	(2,204,991)	(567,705)	1,637,286	26%	(566,963)	(742)
Total Parking and Trans Revenues	6,436,262	3,773,859	(2,662,403)	59%	3,418,302	355,557
Total Parking and Trans Expenses	6,436,262	1,584,280	4,851,982	25%	1,276,027	(308,253)
Net Parking and Trans Revenue/(Expense)	-	2,189,579	2,189,579		2,142,275	47,304
Popejoy Events Revenues	7,995,978	121,461	(7,874,517)	2%	1,417,365	(1,295,904)
Popejoy Events Transfers	-	-	-	N/A	-	-
Total Popejoy Events Revenues	7,995,978	121,461	(7,874,517)	2%	1,417,365	(1,295,904)
Total Popejoy Events Expenses	7,995,978	778,946	7,217,032	10%	1,799,534	1,020,588
Net Popejoy Events Revenue/(Expense)	-	(657,485)	(657,485)		(382,169)	(275,316)
Taos & Lawrence Ranch Revenues	58,784	-	(58,784)	0%	-	-
Taos & Lawrence Ranch Expenses	58,784	13,860	44,924	24%	16,321	2,461
Net Taos & Lawrence Ranch Revenue/(Expense)	-	(13,860)	(13,860)		(16,321)	2,461
Ticketing Services Revenues	1,050,795	279,061	(771,734)	27%	248,106	30,955
Ticketing Services Transfers	-	-	-	N/A	-	-
Total Ticketing Services Revenues	1,050,795	279,061	(771,734)	27%	248,106	30,955
Total Ticketing Services Expenses	1,050,795	236,315	814,480	22%	240,760	4,445
Net Ticketing Services Revenue/(Expense)	-	42,746	42,746		7,346	35,400
Total VP for Institutional Support Services Revenues	41,761,261	15,763,646	(25,997,615)	38%	16,396,135	(632,489)
Total VP for Institutional Support Services Expenses	42,124,614	10,769,345	31,355,269	26%	11,361,272	591,927
Net VP for Institutional Support Services Revenue/(Expense)	(363,353)	4,994,301	5,357,654		5,034,863	(40,562)
VP for Student Affairs						
Lobo Cash Revenues	92,000	48,216	(43,784)	52%	46,373	1,843
Lobo Cash Expenses	92,000	7,284	(84,716)	8%	6,337	(947)
Net Lobo Cash Revenue/(Expense)	-	40,932	40,932		40,036	896
Student Health Center Revenues	7,968,559	3,076,584	(4,891,975)	39%	3,358,141	(281,557)
Student Health Center Expenses	7,996,252	1,876,488	6,119,764	23%	1,877,388	900
Net Student Health Center Revenue/(Expense)	(27,693)	1,200,096	1,227,789		1,480,753	(280,657)
Student Union Revenues	3,338,187	1,318,206	(2,019,981)	39%	1,540,770	(222,564)
Student Union Expenses	3,338,187	725,458	2,612,729	22%	850,883	125,425
Net Student Union Revenue/(Expense)	-	592,748	592,748		689,887	(97,139)
Total VP for Student Affairs Revenues	11,398,746	4,443,006	(6,955,740)	39%	4,945,284	(502,278)
Total VP for Student Affairs Expenses	11,426,439	2,609,230	8,647,777	23%	2,734,608	125,378
Net VP for Student Affairs Revenue/(Expense)	(27,693)	1,833,776	1,861,469		2,210,676	(376,900)

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format
For the three month ended September 30, 2016
Preliminary and Unaudited

University of New Mexico - Main Campus Athletics & Auxiliary Operations

	FY 2017 Full Year Operating Budget	FY 2017 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 25%	FY 2016 Year-to-Date Actual	FY 2017 YTD Actual Change From FY 2016 YTD Actual
Provost and Other Units						
Art Museum Revenues	5,500	251	(5,249)	5%	985	(734)
Art Museum Expenses	8,500	12	8,488	0%	12	-
Net Art Museum Revenue/(Expense)	(3,000)	239	3,239		973	(734)
CE Conference Ctr Revenues	225,000	21,356	(203,644)	9%	26,186	(4,830)
CE Conference Ctr Transfers	-	12,715	12,715	N/A	(33,100)	45,815
Total CE Conference Ctr Revenues	225,000	34,071	(190,929)	15%	(6,914)	40,985
Total CE Conference Ctr Expenses	225,000	56,374	168,626	25%	56,728	354
Net CE Conference Ctr Revenue/(Expense)	-	(22,303)	(22,303)		(63,642)	41,339
Maxwell Museum Revenues	40,000	7,684	(32,316)	19%	6,703	981
Maxwell Museum Expenses	40,000	3,467	36,533	9%	2,695	(772)
Net Maxwell Museum Revenue/(Expense)	-	4,217	4,217		4,008	209
Other Revenues	70,000	43,301	(26,699)	62%	20,937	22,364
Other Expenses	70,000	27,049	42,951	39%	18,452	(8,597)
Net Other Revenue/(Expense)	-	16,252	16,252		2,485	13,767
Total Provost and Other Units Revenues	340,500	85,307	(255,193)	25%	21,711	63,596
Total Provost and Other Units Expenses	343,500	86,902	256,598	25%	77,887	(9,015)
Net Provost and Other Units Revenue/(Expense)	(3,000)	(1,595)	1,405		(56,176)	54,581
Auxiliary Totals						
Total Auxiliary Revenues	53,500,507	20,291,959	(33,208,548)	38%	21,363,130	(1,071,171)
Total Auxiliary Expenses	53,894,553	13,465,477	40,429,076	25%	14,173,767	708,290
Net Auxiliary Revenue/(Expense)	(394,046)	6,826,482	7,220,528		7,189,363	(362,881)
Net Athletics Revenue/(Expense)	(444,607)	(1,280,747)	(836,140)		(2,628,369)	1,347,622
Net Auxiliary and Athletics Revenue/(Expense)	(838,653)	5,545,735	6,384,388		4,560,994	984,741
Net Branch Campuses Aux Revenue/(Expense)	-	109,174	109,174		(30,960)	140,134
Net All Auxiliary and Athletics Revenue/(Expense)	(838,653)	5,654,909	6,493,562		4,530,034	1,124,875

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format
For the three month ended September 30, 2016
Preliminary and Unaudited

Main Campus - Total Operations Current Funds

	FY 2017 Full Year Operating Budget	FY 2017 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 25%	FY 2016 Year-to-Date Actual	FY 2017 YTD Actual Change From FY 2016 YTD Actual
Instruction and General						
Tuition and Fees Revenues	156,614,178	79,669,021	(76,945,157)	51%	80,010,262	(341,241)
State/Local Appropriations	187,965,800	46,991,450	(140,974,350)	25%	48,125,050	(1,133,600)
F & A Revenues	20,200,000	5,536,677	(14,663,323)	27%	5,118,435	418,242
Transfers	(54,102,653)	(12,906,270)	41,196,383	24%	(14,692,647)	1,786,377
Other Revenues	15,102,030	2,704,949	(12,397,081)	18%	3,751,700	(1,046,751)
Total Instruction and General Revenues	325,779,355	121,995,827	(203,783,528)	37%	122,312,800	(316,973)
Salaries	197,753,563	46,397,837	151,355,726	23%	45,451,729	(946,108)
Benefits	66,567,987	17,143,664	49,424,323	26%	14,284,133	(2,859,531)
Other Expenses	70,178,352	15,915,192	54,263,160	23%	12,939,439	(2,975,753)
Total Instruction and General Expenses	334,499,902	79,456,693	255,043,209	24%	72,675,301	(6,781,392)
Net Instruction and General Revenue/(Expense)	(8,720,547)	42,539,134	51,259,681		49,637,499	(7,098,365)
Research						
State/Local Appropriations	1,961,450	490,363	(1,471,087)	25%	502,587	(12,224)
Transfers	17,277,791	1,248,028	(16,029,763)	7%	876,123	371,905
Other Revenues	540,809	769,929	229,120	142%	320,488	449,441
Total Research Revenues	19,780,050	2,508,320	(17,271,730)	13%	1,699,198	809,122
Salaries and Benefits	12,529,822	4,216,346	8,313,476	34%	2,999,257	(1,217,089)
Other Expenses	11,368,623	2,108,538	9,260,085	19%	2,211,974	103,436
Total Research Expenses	23,898,445	6,324,884	17,573,561	26%	5,211,231	(1,113,653)
Net Research Revenue/(Expense)	(4,118,395)	(3,816,564)	301,831		(3,512,033)	(304,531)
Public Service						
State/Local Appropriations	3,331,950	832,988	(2,498,962)	25%	952,138	(119,150)
Sales and Services Revenues	8,561,451	2,017,150	(6,544,301)	24%	2,235,966	(218,816)
Gifts	7,202,583	1,359,026	(5,843,557)	19%	1,716,114	(357,088)
Transfers	(41,247)	375,055	416,302	-909%	555,901	(180,846)
Other Revenues	3,410,388	1,249,920	(2,160,468)	37%	1,183,073	66,847
Total Public Service Revenues	22,465,125	5,834,139	(16,630,986)	26%	6,643,192	(809,053)
Salaries and Benefits	12,143,556	3,123,016	9,020,540	26%	3,065,476	(57,540)
Other Expenses	13,873,741	3,257,340	10,616,401	23%	3,523,200	265,860
Total Public Service Expenses	26,017,297	6,380,356	19,636,941	25%	6,588,676	208,320
Net Public Service Revenue/(Expense)	(3,552,172)	(546,217)	3,005,955		54,516	(600,733)

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format
For the three month ended September 30, 2016
Preliminary and Unaudited

Main Campus - Total Operations Current Funds

	FY 2017 Full Year Operating Budget	FY 2017 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 25%	FY 2016 Year-to-Date Actual	FY 2017 YTD Actual Change From FY 2016 YTD Actual
Student Aid						
Private Grants/Gifts	3,892,964	1,860,227	(2,032,737)	48%	1,301,333	558,894
State Lottery Scholarships	40,000,000	20,000,000	(20,000,000)	50%	17,500,000	2,500,000
Transfers	16,555,800	3,975,826	(12,579,974)	24%	3,894,573	81,253
Other Revenues	444,114	114,003	(330,111)	26%	295,475	(181,472)
Total Student Aid Revenues	60,892,878	25,950,056	(34,942,822)	43%	22,991,381	2,958,675
Salaries and Benefits	1,900,769	657,538	1,243,231	35%	556,234	(101,304)
Other Expenses	67,073,298	28,929,654	38,143,644	43%	27,198,154	(1,731,500)
Total Student Aid Expenses	68,974,067	29,587,192	39,386,875	43%	27,754,388	(1,832,804)
Net Student Aid Revenue/(Expense)	(8,081,189)	(3,637,136)	4,444,053		(4,763,007)	1,125,871
Student Social & Cultural Programs						
Fee Revenues	8,034,437	3,860,442	(4,173,995)	48%	3,589,687	270,755
Sales and Services Revenues	1,330,557	411,678	(918,879)	31%	362,920	48,758
Transfers	277,356	41,503	(235,853)	15%	265,205	(223,702)
Other Revenues	104,402	34,372	(70,030)	33%	52,650	(18,278)
Total Student Social & Cultural Programs Revenues	9,746,752	4,347,995	(5,398,757)	45%	4,270,462	77,533
Salaries and Benefits	5,682,587	1,530,549	4,152,038	27%	1,557,531	26,982
Other Expenses	4,359,240	998,801	3,360,439	23%	1,161,527	162,726
Total Student Social & Cultural Programs Expenses	10,041,827	2,529,350	7,512,477	25%	2,719,058	189,708
Net Student Social & Cultural Programs Revenue/(Expense)	(295,075)	1,818,645	2,113,720		1,551,404	267,241
Auxiliaries						
Auxiliaries Revenues	53,500,507	20,291,959	(33,208,548)	38%	21,363,130	(1,071,171)
Athletics Revenues	36,563,934	8,628,647	(27,935,287)	24%	7,322,974	1,305,673
Total Auxiliaries Revenues	90,064,441	28,920,606	(61,143,835)	32%	28,686,104	234,502
Auxiliaries Expenses	53,894,553	13,465,477	40,429,076	25%	14,173,767	708,290
Athletics Expenses	37,008,541	9,909,394	27,099,147	27%	9,951,343	41,949
Total Auxiliaries Expenses	90,903,094	23,374,871	67,528,223	26%	24,125,110	750,239
Net Auxiliaries and Athletics Revenue/(Expense)	(838,653)	5,545,735	6,384,388		4,560,994	984,741

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format
For the three month ended September 30, 2016
Preliminary and Unaudited

Main Campus - Total Operations Current Funds

	FY 2017 Full Year Operating Budget	FY 2017 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 25%	FY 2016 Year-to-Date Actual	FY 2017 YTD Actual Change From FY 2016 YTD Actual
Sponsored Programs						
Federal Grants and Contracts Revenues	144,273,888	46,762,616	(97,511,272)	32%	46,960,756	(198,140)
State and Local Grants and Contracts Revenues	17,087,338	4,663,912	(12,423,426)	27%	4,436,329	227,583
Non-Governmental Grants and Contracts Revenues	12,600,000	4,481,926	(8,118,074)	36%	4,896,574	(414,648)
Gifts	-	-	-	N/A	-	-
Transfers	2,885,000	833,423	(2,051,577)	29%	184,415	649,008
Other Revenues	-	(708,203)	(708,203)	N/A	(406,691)	(301,512)
Total Sponsored Programs Revenues	<u>176,846,226</u>	<u>56,033,674</u>	<u>(120,812,552)</u>	<u>32%</u>	<u>56,071,383</u>	<u>(37,709)</u>
Salaries and Benefits	67,960,226	14,567,516	53,392,710	21%	14,140,642	(426,874)
Other Expenses	108,886,000	41,466,158	67,419,842	38%	41,930,741	464,583
Total Sponsored Programs Expenses	<u>176,846,226</u>	<u>56,033,674</u>	<u>120,812,552</u>	<u>32%</u>	<u>56,071,383</u>	<u>37,709</u>
Net Sponsored Programs Revenue/(Expense)	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>
Contingencies						
Total Contingency Revenues	(3,954,899)	-	3,954,899	0%	-	-
Total Contingency Expenses	<u>1,620,000</u>	<u>-</u>	<u>(1,620,000)</u>	<u>0%</u>	<u>-</u>	<u>-</u>
Net Contingencies Revenue/(Expense)	<u>(5,574,899)</u>	<u>-</u>	<u>5,574,899</u>		<u>-</u>	<u>-</u>
Net Current Revenue/(Expense)	<u>(31,180,930)</u>	<u>41,903,597</u>	<u>73,084,527</u>		<u>47,529,373</u>	<u>(5,625,776)</u>

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format
For the three month ended September 30, 2016
Preliminary and Unaudited

Branch Campuses - Total Operations Current Funds

	<u>FY 2017 Full Year Operating Budget</u>	<u>FY 2017 Year-to-Date Actual</u>	<u>Fiscal YTD Favrb/(Unfavrb) Budget</u>	<u>Actual to Budget Benchmark Rate 25%</u>	<u>FY 2016 Year-to-Date Actual</u>	<u>FY 2017 YTD Actual Change From FY 2016 YTD Actual</u>
Instruction and General						
Tuition and Fees Revenues	8,080,757	4,217,708	(3,863,049)	52%	4,124,058	93,650
State/Local Appropriations	28,279,420	7,069,856	(21,209,564)	25%	7,160,800	(90,944)
Transfers	(2,339,051)	(2,456,406)	(117,355)	105%	(1,144,640)	(1,311,766)
Other Revenues	572,549	222,134	(350,415)	39%	201,575	20,559
Total Instruction and General Revenues	34,593,675	9,053,292	(25,540,383)	26%	10,341,793	(1,288,501)
Salaries	21,529,826	4,660,881	16,868,945	22%	4,792,064	131,183
Benefits	6,893,316	1,465,615	5,427,701	21%	1,502,921	37,306
Other Expenses	9,695,551	1,738,117	7,957,434	18%	2,125,354	387,237
Total Instruction and General Expenses	38,118,693	7,864,613	30,254,080	21%	8,420,339	555,726
Net Instruction and General Revenue/(Expense)	(3,525,018)	1,188,679	4,713,697		1,921,454	(732,775)
Public Service						
State/Local Appropriations	-	-	-	N/A	-	-
Sales and Services Revenues	397,098	44,305	(352,793)	11%	141,309	(97,004)
Gifts	79,035	93,324	14,289	118%	71,829	21,495
Transfers	40,000	(2,134)	(42,134)	-5%	47,953	(50,087)
Other Revenues	-	-	-	N/A	121	(121)
Total Public Service Revenues	516,133	135,495	(380,638)	26%	261,212	(125,717)
Salaries and Benefits	253,669	119,271	134,398	47%	111,187	(8,084)
Other Expenses	452,531	74,508	378,023	16%	53,836	(20,672)
Total Public Service Expenses	706,200	193,779	512,421	27%	165,023	(28,756)
Net Public Service Revenue/(Expense)	(190,067)	(58,284)	131,783		96,189	(154,473)
Student Aid						
Private Grants/Gifts	100,025	32,734	(67,291)	33%	27,175	5,559
Transfers	378,110	295,058	(83,052)	78%	(2,634)	297,692
Other Revenues	17,000	8,060	(8,940)	47%	8,873	(813)
Total Student Aid Revenues	495,135	335,852	(159,283)	68%	33,414	302,438
Salaries and Benefits	12,225	6,465	5,760	53%	15,224	8,759
Other Expenses	676,110	225,204	450,906	33%	287,978	62,774
Total Student Aid Expenses	688,335	231,669	456,666	34%	303,202	71,533
Net Student Aid Revenue/(Expense)	(193,200)	104,183	297,383		(269,788)	373,971

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format
For the three month ended September 30, 2016
Preliminary and Unaudited

Branch Campuses - Total Operations Current Funds

	FY 2017 Full Year Operating Budget	FY 2017 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 25%	FY 2016 Year-to-Date Actual	FY 2017 YTD Actual Change From FY 2016 YTD Actual
Student Social & Cultural Programs						
Fee Revenues	230,000	125,018	(104,982)	54%	124,574	444
Sales and Services Revenues	9,900	1,194	(8,706)	12%	3,758	(2,564)
Transfers	(40,000)	(40,000)	-	100%	(40,000)	-
Other Revenues	-	-	-	N/A	-	-
Total Student Social & Cultural Programs Revenues	<u>199,900</u>	<u>86,212</u>	<u>(113,688)</u>	<u>43%</u>	<u>88,332</u>	<u>(2,120)</u>
Salaries and Benefits	7,840	1,559	6,281	20%	4,280	2,721
Other Expenses	192,360	36,365	155,995	19%	57,811	21,446
Total Student Social & Cultural Programs Expenses	<u>200,200</u>	<u>37,924</u>	<u>162,276</u>	<u>19%</u>	<u>62,091</u>	<u>24,167</u>
Net Student Social & Cultural Programs Revenue/(Expense)	<u>(300)</u>	<u>48,288</u>	<u>48,588</u>		<u>26,241</u>	<u>22,047</u>
Auxiliaries						
Bookstore Revenues	1,929,560	827,194	(1,102,366)	43%	757,336	69,858
Housing and Food Service Revenues	770,000	38,009	(731,991)	5%	45,113	(7,104)
Transfers	(52,500)	(10,000)	42,500	19%	(10,000)	-
Other Auxiliaries Revenues	626,596	28,131	(598,465)	4%	14,765	13,366
Total Auxiliaries Revenues	<u>3,273,656</u>	<u>883,334</u>	<u>(2,390,322)</u>	<u>27%</u>	<u>807,214</u>	<u>76,120</u>
Bookstore Expenses	1,929,560	633,393	1,296,167	33%	694,820	61,427
Housing and Food Service Expenses	717,500	27,277	690,223	4%	32,844	5,567
Other Auxiliaries Expenses	626,596	113,490	513,106	18%	110,510	(2,980)
Total Auxiliaries Expenses	<u>3,273,656</u>	<u>774,160</u>	<u>2,499,496</u>	<u>24%</u>	<u>838,174</u>	<u>64,014</u>
Net Auxiliaries Revenue/(Expense)	<u>-</u>	<u>109,174</u>	<u>109,174</u>		<u>(30,960)</u>	<u>140,134</u>
Sponsored Programs						
Federal Grants and Contracts Revenues	6,337,373	2,573,926	(3,763,447)	41%	1,890,112	683,814
State and Local Grants and Contracts Revenues	2,310,476	301,949	(2,008,527)	13%	363,390	(61,441)
Non-Governmental Grants and Contracts Revenues	-	(12,770)	(12,770)	N/A	20,372	(33,142)
Gifts	-	-	-	N/A	-	-
Transfers	-	(5,578)	(5,578)	N/A	179,186	(184,764)
Other Revenues	-	-	-	N/A	-	-
Total Sponsored Programs Revenues	<u>8,647,849</u>	<u>2,857,527</u>	<u>(5,790,322)</u>	<u>33%</u>	<u>2,453,060</u>	<u>404,467</u>
Salaries and Benefits	5,168,748	1,649,882	3,518,866	32%	1,405,212	(244,670)
Other Expenses	3,479,101	1,207,645	2,271,456	35%	1,047,848	(159,797)
Total Sponsored Programs Expenses	<u>8,647,849</u>	<u>2,857,527</u>	<u>5,790,322</u>	<u>33%</u>	<u>2,453,060</u>	<u>(404,467)</u>
Net Sponsored Programs Revenue/(Expense)	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>
Net Current Revenue/(Expense)	<u>(3,908,585)</u>	<u>1,392,040</u>	<u>5,300,625</u>		<u>1,743,136</u>	<u>(351,096)</u>

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format
For the three month ended September 30, 2016
Preliminary and Unaudited

Health Sciences Center - Total Operations Current Funds

	FY 2017 Full Year Revised Budget	FY 2017 Year-to-Date Actual	Fiscal YTD Favrbl/(Unfavrb) Budget	Actual to Budget Benchmark Rate 25%	FY 2016 Year-to-Date Actual	FY 2017 YTD Actual Change From FY 2016 YTD Actual
Instruction and General						
Tuition and Fees Revenues	16,311,294	7,970,692	(8,340,602)	49%	7,462,269	508,423
State/Local Appropriations	59,777,635	15,716,723	(44,060,912)	26%	16,113,902	(397,179)
F & A Revenues	24,000,000	5,740,108	(18,259,892)	24%	5,718,579	21,529
Transfers	(64,220)	307,506	371,726	-479%	(1,545,800)	1,853,306
Other Revenues	14,849,108	2,102,179	(12,746,929)	14%	3,740,597	(1,638,418)
Total Instruction and General Revenues	114,873,817	31,837,208	(83,036,609)	28%	31,489,547	347,661
Salaries	74,383,495	18,058,963	56,324,532	24%	18,358,279	299,316
Benefits	26,450,855	5,314,561	21,136,294	20%	5,920,872	606,311
Other Expenses	18,867,752	4,143,159	14,724,593	22%	6,059,330	1,916,171
Total Instruction and General Expenses	119,702,102	27,516,683	92,185,419	23%	30,338,481	2,821,798
Net Instruction and General Revenue/(Expense)	(4,828,285)	4,320,525	9,148,810		1,151,066	3,169,459
Research						
State/Local Appropriations	9,892,196	2,803,224	(7,088,972)	28%	2,479,031	324,193
Generated Revenues	337,501	84,762	(252,739)	25%	99,642	(14,880)
Transfers	13,206,006	1,794,326	(11,411,680)	14%	3,267,649	(1,473,323)
Other Revenues	1,625,979	289,326	(1,336,653)	18%	543,170	(253,844)
Total Research Revenues	25,061,682	4,971,638	(20,090,044)	20%	6,389,492	(1,417,854)
Salaries and Benefits	15,883,867	3,549,513	12,334,354	22%	3,514,243	(35,270)
Other Expenses	10,847,698	2,111,135	8,736,563	19%	2,051,212	(59,923)
Total Research Expenses	26,731,565	5,660,648	21,070,917	21%	5,565,455	(95,193)
Net Research Revenue/(Expense)	(1,669,883)	(689,010)	980,873		824,037	(1,513,047)
Public Service						
State/Local Appropriations	254,600	66,999	(187,601)	26%	68,676	(1,677)
Sales and Services Revenues	5,364,314	1,905,145	(3,459,169)	36%	2,329,162	(424,017)
Gifts	1,826,904	398,435	(1,428,469)	22%	658,457	(260,022)
Transfers	5,975,985	1,550,963	(4,425,022)	26%	1,756,114	(205,151)
Other Revenues	2,847,981	434,032	(2,413,949)	15%	166,714	267,318
Total Public Service Revenues	16,269,784	4,355,574	(11,914,210)	27%	4,979,123	(623,549)
Salaries and Benefits	4,937,854	1,043,006	3,894,848	21%	2,071,424	1,028,418
Other Expenses	11,329,692	2,209,836	9,119,856	20%	2,207,899	(1,937)
Total Public Service Expenses	16,267,546	3,252,842	13,014,704	20%	4,279,323	1,026,481
Net Public Service Revenue/(Expense)	2,238	1,102,732	1,100,494		699,800	402,932

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format
For the three month ended September 30, 2016
Preliminary and Unaudited

Health Sciences Center - Total Operations Current Funds

	FY 2017 Full Year Revised Budget	FY 2017 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 25%	FY 2016 Year-to-Date Actual	FY 2017 YTD Actual Change From FY 2016 YTD Actual
Student Aid						
Gifts	1,808,623	446,698	(1,361,925)	25%	430,499	16,199
Investment Income	-	-	-	N/A	-	-
Transfers	2,200,660	498,497	(1,702,163)	23%	527,218	(28,721)
Other Revenues	41,896	-	(41,896)	0%	240	(240)
Total Student Aid Revenues	4,051,179	945,195	(3,105,984)	23%	957,957	(12,762)
Salaries and Benefits	1,780,645	506,034	1,274,611	28%	383,073	(122,961)
Other Expenses	2,953,888	559,320	2,394,568	19%	467,065	(92,255)
Total Student Aid Expenses	4,734,533	1,065,354	3,669,179	23%	850,138	(215,216)
Net Student Aid Revenue/(Expense)	(683,354)	(120,159)	563,195		107,819	(227,978)
Student Social & Cultural Programs						
Fee Revenues	-	-	-	N/A	-	-
Sales and Services Revenues	33,266	12,301	(20,965)	37%	17,544	(5,243)
Transfers	1,640	1,640	-	100%	-	1,640
Other Revenues	2,500	-	(2,500)	0%	400	(400)
Total Student Social & Cultural Programs Revenues	37,406	13,941	(23,465)	37%	17,944	(4,003)
Salaries and Benefits	6,354	466	5,888	7%	3,066	2,600
Other Expenses	61,442	1,052	60,390	2%	15,883	14,831
Total Student Social & Cultural Programs Expenses	67,796	1,518	66,278	2%	18,949	17,431
Net Student Social & Cultural Programs Revenue/(Expense)	(30,390)	12,423	42,813		(1,005)	13,428
Sponsored Programs						
Federal Grants and Contracts Revenues	103,142,657	23,504,560	(79,638,097)	23%	23,936,873	(432,313)
State and Local Grants and Contracts Revenues	15,332,017	3,637,020	(11,694,997)	24%	3,215,708	421,312
Non-Governmental Grants and Contracts Revenues	18,119,656	4,859,222	(13,260,434)	27%	4,130,123	729,099
Gifts	-	-	-	N/A	-	-
Other Revenues	-	-	-	N/A	-	-
Transfers	2,787,639	1,877,374	(910,265)	67%	820,425	1,056,949
Total Sponsored Programs Revenues	139,381,969	33,878,176	(105,503,793)	24%	32,103,129	1,775,047
Salaries and Benefits	78,053,903	19,529,529	58,524,374	25%	18,733,334	(796,195)
Other Expenses	61,328,066	14,348,647	46,979,419	23%	13,369,795	(978,852)
Total Sponsored Programs Expenses	139,381,969	33,878,176	105,503,793	24%	32,103,129	(1,775,047)
Net Sponsored Programs Revenue/(Expense)	-	-	-		-	-

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format
For the three month ended September 30, 2016
Preliminary and Unaudited

Health Sciences Center - Total Operations Current Funds

	FY 2017 Full Year Revised Budget	FY 2017 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 25%	FY 2016 Year-to-Date Actual	FY 2017 YTD Actual Change From FY 2016 YTD Actual
Clinical Operations						
State/Local Appropriations	25,305,365	6,492,226	(18,813,139)	26%	7,077,348	(585,122)
Physician Professional Fee Revenues	127,766,319	30,754,820	(97,011,499)	24%	29,897,591	857,229
Hospital Facility Revenues	864,979,398	221,441,903	(643,537,495)	26%	228,462,418	(7,020,515)
Other Patient Revenues, net of Allowance	163,199,943	37,319,441	(125,880,502)	23%	34,209,550	3,109,891
Mil Levy	95,849,351	23,994,498	(71,854,853)	25%	23,304,027	690,471
Investment Income	(82,916)	4,757	87,673	-6%	1,074,749	(1,069,992)
Gifts	2,789,445	695,132	(2,094,313)	25%	1,202,342	(507,210)
Housestaff Revenues	37,907,661	9,790,846	(28,116,815)	26%	9,147,232	643,614
Other Revenues	26,265,627	4,469,809	(21,795,818)	17%	5,012,432	(542,623)
Total Clinical Operations Revenues	1,343,980,193	334,963,432	(1,009,016,761)	25%	339,387,689	(4,424,257)
Salaries and Benefits	751,230,947	190,173,023	561,057,924	25%	171,518,180	(18,654,843)
Interest Expense	3,846,613	961,651	2,884,962	25%	967,453	5,802
Housestaff Expenses	37,907,661	9,416,047	28,491,614	25%	9,211,104	(204,943)
Other Expenses	550,180,209	138,241,645	411,938,564	25%	154,982,670	16,741,025
Total Clinical Operations Expenses	1,343,165,430	338,792,366	1,004,373,064	25%	336,679,407	(2,112,959)
Net Clinical Operations Revenue/(Expense)	814,763	(3,828,934)	(4,643,697)		2,708,282	(6,537,216)
Contingencies						
Total Contingency Revenues	1,288,640	1,535,207	246,567	119%	-	1,535,207
Total Contingency Expenses	(1,246,360)	-	(1,246,360)	0%	-	-
Net Contingencies Revenue/(Expense)	2,535,000	1,535,207	(999,793)		-	1,535,207
Net Current Revenue/(Expense)	(3,859,911)	2,332,784	6,192,695		5,489,999	(3,157,215)

Statements of Revenues, Expenses and Changes in Net Assets - UNM Regents Format
 For the three month period ended September 30, 2016
 Preliminary and Unaudited

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

	FY 2017 Full Year Operating Budget	FY 2017 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 25%
Instruction and General				
Instruction & General Appropriations	265,933,235	67,255,623	(198,677,612)	25%
State Special Project Appropriations	1,206,200	301,550	(904,650)	25%
Tobacco Settlement Appropriations	1,081,600	270,400	(811,200)	25%
Mill Levy	7,801,820	1,950,456	(5,851,364)	25%
Total Instruction and General Appropriations	<u>276,022,855</u>	<u>69,778,029</u>	<u>(206,244,826)</u>	<u>25%</u>
Research				
State Special Project Appropriations	6,443,075	1,669,739	(4,773,336)	26%
Tobacco Settlement Appropriations	937,200	234,300	(702,900)	25%
Cigarette Tax Revenues	4,473,371	1,389,548	(3,083,823)	31%
Total Research Appropriations	<u>11,853,646</u>	<u>3,293,587</u>	<u>(8,560,059)</u>	<u>28%</u>
Public Service				
State Special Project Appropriations	3,586,550	899,987	(2,686,563)	25%
Total Public Service Appropriations	<u>3,586,550</u>	<u>899,987</u>	<u>(2,686,563)</u>	<u>25%</u>
Clinical Operations				
State Special Project Appropriations	24,465,065	6,282,151	(18,182,914)	26%
Tobacco Settlement Appropriations	840,300	210,075	(630,225)	25%
Total Clinical Operations Appropriations	<u>25,305,365</u>	<u>6,492,226</u>	<u>(18,813,139)</u>	<u>26%</u>

Statements of Revenues, Expenses and Changes in Net Assets - UNM Regents Format
For the three month period ended September 30, 2016
Preliminary and Unaudited

Detail of State/Local Appropriations
Main Campus - Total Operations Current Funds

	FY 2017 Full Year Operating Budget	FY 2017 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 25%
Instruction and General				
Instruction & General Appropriations	186,759,600	46,689,900	(140,069,700)	25%
State Special Project Appropriations				
African American Student Services	70,900	17,725	(53,175)	25%
Degree Mapping	73,200	18,300	(54,900)	25%
Disabled Student Services	187,200	46,800	(140,400)	25%
ENLACE	62,500	15,625	(46,875)	25%
Hispanic Student Center	154,300	38,575	(115,725)	25%
Minority Graduate Recruitment	115,700	28,925	(86,775)	25%
Native American Studies Intervention	347,800	86,950	(260,850)	25%
Pre-College Minority Student Math & Science	194,600	48,650	(145,950)	25%
Total State Special Project Appropriations	<u>1,206,200</u>	<u>301,550</u>	<u>(904,650)</u>	<u>25%</u>
Total Instruction and General Appropriations	<u>187,965,800</u>	<u>46,991,450</u>	<u>(140,974,350)</u>	<u>25%</u>
Research				
State Special Project Appropriations				
Center for Regional Studies (SW Research Ctr)	964,250	241,063	(723,187)	25%
Manufacturing Engineering	548,200	137,050	(411,150)	25%
Morrisey Hall	46,400	11,600	(34,800)	25%
Resource Geographic Information System	64,700	16,175	(48,525)	25%
Utton Transboundary Resource Center	337,900	84,475	(253,425)	25%
Total State Special Project Appropriations	<u>1,961,450</u>	<u>490,363</u>	<u>(1,471,087)</u>	<u>25%</u>
Total Research Appropriations	<u>1,961,450</u>	<u>490,363</u>	<u>(1,471,087)</u>	<u>25%</u>
Public Service				
State Special Project Appropriations				
Bureau of Business Research (Census)	375,300	93,825	(281,475)	25%
College Prep Mentoring/School of Law	117,900	29,475	(88,425)	25%
College Preparatory Mentoring	167,300	41,825	(125,475)	25%
Corrine Wolfe Law Center/Child Abuse Training	167,700	41,925	(125,775)	25%
Family Development Program	554,800	138,700	(416,100)	25%
ISTEC	47,600	11,900	(35,700)	25%
Judicial Selection	22,400	5,600	(16,800)	25%
KNME-TV	1,148,600	287,150	(861,450)	25%
Land Grant Studies Program	128,600	32,150	(96,450)	25%
N. M. Historical Review	46,800	11,700	(35,100)	25%
Southwest Indian Law Clinic	202,600	50,650	(151,950)	25%
Spanish Colonial Research Center (SW Research Ctr)	145,150	36,288	(108,862)	25%
Spanish Resource Center	40,800	10,200	(30,600)	25%
Substance Abuse Program	72,400	18,100	(54,300)	25%
Wildlife Law Education	94,000	23,500	(70,500)	25%
Total State Special Project Appropriations	<u>3,331,950</u>	<u>832,988</u>	<u>(2,498,962)</u>	<u>25%</u>
Total Public Service Appropriations	<u>3,331,950</u>	<u>832,988</u>	<u>(2,498,962)</u>	<u>25%</u>

Statements of Revenues, Expenses and Changes in Net Assets - UNM Regents Format
 For the three month period ended September 30, 2016
 Preliminary and Unaudited

Detail of State/Local Appropriations
Branch Campuses - Total Operations Current Funds

	FY 2017 Full Year Operating Budget	FY 2017 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 25%
Instruction and General				
Instruction & General Appropriations				
Gallup	9,302,800	2,325,700	(6,977,100)	25%
Los Alamos	1,840,700	460,175	(1,380,525)	25%
Valencia	5,626,200	1,406,550	(4,219,650)	25%
Taos	3,707,900	926,975	(2,780,925)	25%
Total Instruction & General Appropriations	<u>20,477,600</u>	<u>5,119,400</u>	<u>(15,358,200)</u>	<u>25%</u>
Mill Levy				
McKinley County	2,575,000	643,750	(1,931,250)	25%
Los Alamos County	675,000	168,750	(506,250)	25%
Valencia County	2,658,490	664,623	(1,993,867)	25%
Taos County	1,893,330	473,333	(1,419,997)	25%
Total Mill Levy	<u>7,801,820</u>	<u>1,950,456</u>	<u>(5,851,364)</u>	<u>25%</u>
Total Branch Appropriations	<u>28,279,420</u>	<u>7,069,856</u>	<u>(21,209,564)</u>	<u>25%</u>

Statements of Revenues, Expenses and Changes in Net Assets - UNM Regents Format
For the three month period ended September 30, 2016
Preliminary and Unaudited

Detail of State/Local Appropriations
Health Sciences Center - Total Operations Current Funds

	FY 2017 Full Year Operating Budget	FY 2017 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 25%
Instruction and General				
Instruction & General Appropriations	58,696,035	15,446,323	(43,249,712)	26%
Tobacco Settlement Appropriations				
Instruction & General	581,600	145,400	(436,200)	25%
Pediatric Specialty Education	250,000	62,500	(187,500)	25%
Trauma Specialty Education	250,000	62,500	(187,500)	25%
Total Tobacco Settlement Appropriations	1,081,600	270,400	(811,200)	25%
Total Instruction and General Appropriations	59,777,635	15,716,723	(44,060,912)	26%
Research				
State Special Project Appropriations				
Cancer Center	2,494,510	656,452	(1,838,058)	26%
Hepatitis C, Project ECHO	1,987,115	522,924	(1,464,191)	26%
Total State Special Project Appropriations	4,481,625	1,179,376	(3,302,249)	26%
Tobacco Settlement Appropriations				
Genomics, Biocomputing, Environmental Health	937,200	234,300	(702,900)	25%
Total Tobacco Settlement Appropriations	937,200	234,300	(702,900)	25%
Cigarette Tax Revenues	4,473,371	1,389,548	(3,083,823)	31%
Total Research Appropriations	9,892,196	2,803,224	(7,088,972)	28%
Public Service				
State Special Project Appropriations				
Center for Native American Health	254,600	66,999	(187,601)	26%
Total State Special Project Appropriations	254,600	66,999	(187,601)	26%
Total Public Service Appropriations	254,600	66,999	(187,601)	26%
Clinical Operations				
State Special Project Appropriations				
Newborn Intensive Care Unit	3,105,360	817,200	(2,288,160)	26%
Office of the Medical Investigator	4,754,750	1,251,249	(3,503,501)	26%
Pediatric Oncology	1,208,210	317,949	(890,261)	26%
Poison and Drug Info Center	1,470,980	387,099	(1,083,881)	26%
Native American Suicide Prevention	92,435	24,324	(68,111)	26%
GME Residencies	1,675,230	440,850	(1,234,380)	26%
UNM Hospitals	12,158,100	3,043,480	(9,114,620)	25%
Total State Special Project Appropriations	24,465,065	6,282,151	(18,182,914)	26%
Tobacco Settlement Appropriations				
Pediatric Oncology	250,000	62,500	(187,500)	25%
Poison and Drug Info Center	590,300	147,575	(442,725)	25%
Total Tobacco Settlement Appropriations	840,300	210,075	(630,225)	25%
Total Clinical Operations Appropriations	25,305,365	6,492,226	(18,813,139)	26%

FY17 UNM Debt Service Schedule

As of September 30, 2016

*Includes Hospital Debt

UNM Bond Issue	Fixed or Variable Rate Issue	Original Issue Amount	Outstanding Principal Balance on June 30, 2016	Principal Payment due on June 1, 2017	Interest Payment paid on December 1, 2016	Interest Payment due on June 1, 2017	FY 2017 Principal & Interest
Sub Lien System Rfdg Revenue & Improvement Bonds ⁽⁷⁾ Series 2016 A: Interest Range 2.0% to 4.5% Final Maturity Year 2046	Fixed Rate	\$160,290,000	\$158,435,000	\$985,000	\$3,109,850	\$3,109,850	\$7,204,700
Sub Lien System Rfdg Revenue Bonds ⁽⁸⁾ Series 2016 B: Interest Range .72% to 2.48% Final Maturity Year 2024	Fixed Rate	\$8,215,000	\$8,030,000	\$160,000	\$77,374	\$77,374	\$314,748
⁽¹⁾ GNMA Collateralized Taxable Hospital Revenue Bonds* Series 2015: Interest Range .484% to 3.532% Final Maturity Year 2032	Fixed Rate	\$115,000,000	\$108,965,000	\$5,540,000 (due 6/20/2017)	\$1,585,989 (due 12/20/2016)	\$1,585,989 (due 6/20/2017)	\$8,711,979
Sub Lien System Imp Revenue Bonds ⁽⁴⁾ Series 2014 A: Interest Range 3.0% to 5.0% Final Maturity Year 2033	Fixed Rate	\$10,980,000	\$8,475,000	\$1,280,000	\$179,325	\$179,325	\$1,638,650
Sub Lien System Rfdg Revenue Bonds ⁽⁵⁾ Series 2014 B: Interest Range 0.496% to 3.280% Final Maturity Year 2024	Fixed Rate	\$3,710,000	\$3,005,000	\$370,000	\$37,627	\$37,627	\$445,254
Sub Lien System Rfdg Revenue Bonds ⁽⁶⁾ Series 2014 C: Interest Range 1.5% to 5.0% Final Maturity Year 2035	Fixed Rate	\$100,085,000	\$95,475,000	\$2,620,000	\$2,386,875	\$2,386,875	\$7,393,750
Sub Lien System Imp Revenue Bonds ⁽³⁾ Series 2012: Interest Range 2.0% to 5.0% Final Maturity Year 2032	Fixed Rate	\$35,215,000	\$29,165,000	\$1,450,000	\$695,025	\$695,025	\$2,840,050
Sub Lien System Imp Revenue Bonds (portion refunded 03/08/2016) Series 2007 A&B: Interest Range 4.096% to 5.302% Final Maturity Year 2036	Fixed Rate	\$7,010,000	\$5,010,000	\$2,090,000	\$104,633	\$104,633	\$2,299,266
Sub Lien Sys Rfdg Revenue Bonds ⁽²⁾ Series 2002 B: Variable Rate Demand Bonds - rates reset weekly Weekly rate as of June 30, 2014 was 0.05% Final Maturity Year 2026	Variable Rate	\$25,475,000	\$17,450,000	\$1,300,000	\$334,168	\$334,168	\$1,968,335
Sub Lien System Rfdg Revenue Bonds ⁽²⁾ Series 2002 C: Variable Rate Demand Bonds - rates reset weekly Weekly rate as of June 30, 2014 was 0.05% Final Maturity Year 2030	Variable Rate	\$37,840,000	\$32,460,000	\$985,000	\$639,462	\$639,462	\$2,263,924
Sub Lien System Imp Revenue Bonds ⁽²⁾ Series 2001: Variable Rate Demand Bonds - rates reset weekly Weekly rate as of June 30, 2014 was 0.07% Ceiling of 12% Final Maturity Year 2026	Variable Rate	\$52,625,000	\$28,755,000	\$2,365,000	\$575,100	\$575,100	\$3,515,200
System Revenue Bonds Series 2000 B: Interest Range 5.50% to 6.35% Final Maturity Year 2019	Fixed Rate	\$6,621,671	\$921,702	\$382,969	\$0	\$732,031	\$1,115,000
System Revenue Rfdg Bonds Series 1992 A: Interest Range 6.0% to 6.25% Final Maturity Year 2021	Fixed Rate	\$36,790,000	\$11,600,000	\$2,190,000	\$348,000	\$348,000	\$2,886,000
Grand Total		\$599,856,671	\$507,746,702	\$21,717,969	\$10,073,428	\$10,805,459	\$42,596,855

Note: See attached matrix for funding sources.

(1) Source: UNM Hospital - UNM Hospital Principal payment is due on June 20; interest payments are due on December 20 and June 20.

(2) Variable Rate bonds reflect the actual synthetically fixed interest rate that UNM pays.

It is noted that all ranges of interest rates and final maturity dates are reflective of Serial bonds.

(3) Series 2012 bonds refunded 2002A bonds.

(4) Series 2014A bonds refunded 2003A, 2003B bonds.

(5) Series 2014B bonds refunded 2003C bonds.

(6) Series 2014C bonds refunded 2005A bonds.

(7) Series 2016A bonds refunded a portion of 2007A bonds, March 2016

(8) Series 2016B bonds refunded a portion of 2007B bonds, March 2016

FY17 UNM Debt Service - Source of Funds

As of September 30, 2016

	Series 2016A	Series 2016B	Series 2015 (UNMH Bond)	Series 2014A	Series 2014B	Series 2014C	Series 2012	Series 2007A&B	Series 2002B	Series 2002C	Series 2001	Series 2000B	Series 1992
Student Fees- Facility	X	X	X		X	X	X	X	X		X	X	
Student Fees - IT					X	X							
Parking Services	X	X			X	X	X						X
UNM Hospital			X					X					X
Bookstore			X										X
Housing & Dining Services			X			X			X		X		
Building R&R			X					X					X
Real Estate Department	X	X	X	X			X	X					
Physical Plant Department	X	X			X	X	X	X		X			
Information Technologies					X	X							
Athletics	X	X					X						
KNME													X
Opto Bldg (CHTM Res Park)								X					
CRTC								X					
Continuing Education								X					
Golf Course - North & South									X		X		
HSC	X	X				X	X						
Interest on Reserve Funds			X					X	X		X		
ASM New Facility	X												
Johnson Center Expansion & Renewal	X												
Smith Plaza	X												



University Services

University Services Business Operations
UNM Surplus Property
UnivServ Shipping and Receiving
UNM Mailing Systems
UNM Records Management
<http://www.unm.edu/~univserv/>

Date: October 24, 2016

To: Bruce Cherrin, Chief Procurement Officer
Purchasing Department

From: Marcos Roybal – Manager, Administrative Operations
University Services *Marcos Roybal*

Subject: Surplus Property Disposition – October 2016

Attached for your review and submission to the Board of Regents are the Surplus Property Disposition Detail list for the month of October 2016.

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.



University Services – Disposition of Surplus Property
October 2016



Board of Regents' Finance & Facilities Committee

Surplus Property Disposition - October FY17

Memo	Asset Tag	Department	Description	Manufacturer	Model	Capitalization	Total Cost (\$)	NBV (\$)	Disposal Method
2	N00008683	Nursing Deans Teaching Support	Infant Simulator	Laerdal	SimBaby	8/1/2006	\$29,027.14	\$0.00	Obsolete
1	N00036783	CTSC Biostatisticians	Freezer/UltimallChest	Revco	Ultima II Chest	6/30/2012	\$18,862.76	\$7,185.64	Obsolete
	209241	Gallup Construction Tech	LOADER TRACTOR	Case	580B	8/24/1999	\$7,800.00	\$0.00	Obsolete
	N00022570	Research Administration	Ritter 75E Ritter Power Pro	Ritter	75E Power Pro	8/10/2009	\$6,387.00	\$0.00	Obsolete
	167989	Gallup Math Science	LAB PHYSIOLOGY	UNKNOWN		8/24/1999	\$6,031.00	\$0.00	Obsolete
<i>Total Asset Disposition (#)</i>									5
<i>Total Capitalization (\$)</i>									\$68,107.90
<i>Total Net Book Value (\$)</i>									\$7,185.64



University Services



OFFICE OF RESEARCH

EXPLANATORY MEMO

September 9, 2016

To: Inventory Control
 From: HSC Office of Research

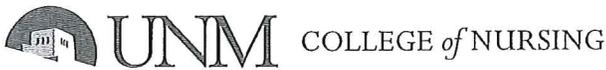
This explanatory memo is associated to our request to surplus Asset N00036783, Freezer/Ultima II Chest from organization 672D. This item is not functional. We requested a quotation for the repair of the freezer but the cost of the repair exceeds the value of the unit. Therefore, the department has decided to surplus this item and purchase a new freezer.

If you have any questions please contact Emily Ringo at 505-272-4334.


 Michael Briggs
 Executive Research Operations Officer
 HSC Office of Research

9/12/16
 Date

Asset	Description	Acq. Cost	NBV	Date
N00036783	Freezer	\$18,862.76	\$7,410.20	2012



Date: October 17, 2016
 To: UNM Surplus
 From: UNM College of Nursing
 Subject: Disposal Justification

We would like to surplus asset # **N00008683** (acquisition cost of \$29,027.14) for the following reasons:

- 1) The SimNewB has effectively replaced SimBaby as the infant and neonatal model and simulator for the midwifery program. SimBaby has not been used once for students in the last 3.5 years, nor has anyone requested the usage of SimBaby.
- 2) SimBaby's Linkbox requires a serial port connection to the instructor laptop. The sim lab is not wired for this port, which requires instructors to be in the room unlike the other simulators in the lab, which are either wireless, or have been wired through the walls.
- 3) The Serial port that SimBaby requires is increasingly becoming depreciated on modern laptops. Only one laptop in the entire lab has the required serial port, but that laptop is dedicated to SimNewB. Moreover, USB to Serial adaptors do not appear to work with SimBaby, necessitating a laptop or PC with a hardware serial port.
- 4) The supporting equipment is quite outdated and large. SimBaby's compressor is roughly 3x larger than SimNewB's. SimBaby's LinkBox is roughly 2x the size of SimNewBs, and is not compatible with Laerdals' upgraded LinkBox and Linkpads, which are smaller still. Even if we wanted to, SimBaby is not upgradable to newer equipment.

We are requesting to surplus this asset so it can be removed from our inventory.

Please contact me at mqgarcia@salud.unm.edu or 272-6204 if additional information is needed.

Thank you,

Monica Garcia
 Operations Specialist
 College of Nursing
 272-6204

I concur with the recommendation to surplus UNM Asset # N00008683 from the UNM College of Nursing inventory.

Ridenour 17 Oct 2016

Nancy Ridenour, PHD, RN, APRN, BC, FAAN
 Dean

Asset	Description	Acq. Cost	NBV	Date
N00008683	Infant Simulator	\$29,027.14	0.00	2006

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.



University Services

University Services Business Operations
UNM Surplus Property
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<http://www.unm.edu/~univserv/>

Date: October 24, 2016

To: Bruce Cherrin, Chief Procurement Officer
Purchasing Department

From: Marcos Roybal – Manager, Administrative Operations
University Services *Marcos Roybal*

Subject: Surplus Property Disposition – October 2016

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University Services – Disposition of Surplus Property
October 2016



Board of Regents' Finance & Facilities Committee

Surplus Property Disposition - October FY17

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University Services



OFFICE OF RESEARCH

EXPLANATORY MEMO

September 9, 2016

To: Inventory Control
 From: HSC Office of Research

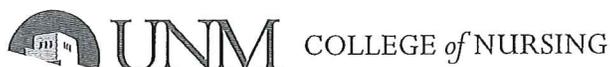
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 Michael Briggs
 Executive Research Operations Officer
 HSC Office of Research

9/12/16
 Date

Asset	Description	Acq. Cost	NBV	Date
N00036783	Freezer	\$18,862.76	\$7,410.20	2012



Date: October 17, 2016
 To: UNM Surplus
 From: UNM College of Nursing
 Subject: Disposal Justification

We would like to surplus asset # **N00008683** (acquisition cost of \$29,027.14) for the following reasons:

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Please contact me at mqgarcia@salud.unm.edu or 272-6204 if additional information is needed.

Thank you,

Monica Garcia
 Operations Specialist
 College of Nursing
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I concur with the recommendation to surplus UNM Asset # N00008683 from the UNM College of Nursing inventory.

Ridenour 17 Oct 2016

Nancy Ridenour, PHD, RN, APRN, BC, FAAN
 Dean

Asset	Description	Acq. Cost	NBV	Date
N00008683	Infant Simulator	\$29,027.14	0.00	2006

New Mexico Compilation Commission

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

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- (1) of a current resale value of five thousand dollars (\$5,000) or less; and
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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
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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.

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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.

STATE OF NEW MEXICO §
COUNTY OF MCKINLEY §
UNIVERSITY OF NEW MEXICO §
GALLUP BRANCH COMMUNITY §
COLLEGE DISTRICT §

The Local Board of the University of New Mexico-Gallup Branch Community College ("Local Board" and "Branch Community College", respectively) in the University of New Mexico-Gallup Branch Community College District ("District"), County of McKinley and State of New Mexico, met in regular session, in full conformity with the law and the rules and regulations of the Local Board, at the DCR, 705 Gurley Avenue, Gallup, New Mexico, being a regular meeting place of the Local Board, on the 17th day of October, 2016 at the hour of 1:30 p.m. The duly elected officers and members of the Local Board are as follows:

Chair:	Ralph Richards
Vice Chair:	Olin Kieyoomia
Secretary:	Priscilla Smith
Members:	Gerald O'Hara
	Hayes Lewis – resigned effective 9/30/16

Upon roll call, the following members of the Local Board were found to be present:

Ralph Richards
Olin Kieyoomia
Priscilla Smith
Gerald O'Hara

The following members of the Local Board were found to be absent:

None

In addition, Executive Director Christopher Dyer was present. It having been determined that a quorum of the Local Board was present, Dr. Dyer introduced the resolution entitled as follows and recommended its adoption by the Local Board:

RESOLUTION AND PROCLAMATION OF REGULAR
BRANCH COMMUNITY COLLEGE DISTRICT ELECTION
AND BRANCH COMMUNITY COLLEGE TAX ELECTION

Member Olin Kieyoomia then moved the adoption of said resolution. Member Gerald O'Hara seconded such motion. The motion to adopt said resolution was thereupon put to a vote and was passed and adopted on the following recorded vote:

Those voting aye:	Those voting nay:
<u>Ralph Richards</u>	<u>None</u>
<u>Olin Kieyoomia</u>	_____
<u>Priscilla Smith</u>	_____
<u>Gerald O'Hara</u>	_____
_____	Those abstaining:
	<u>None</u>

A majority of the members of the Local Board present having voted in favor of the motion, the presiding officer declared the motion and the resolution adopted.

Dr. Dyer thereupon introduced the resolution entitled as follows and recommended its adoption by the Local Board:

RESOLUTION AUTHORIZING AND
DIRECTING ELECTION PROCEDURES

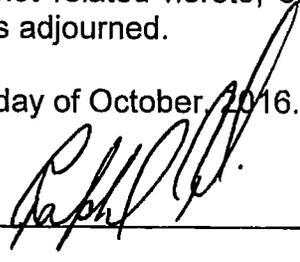
Member Olin Kieyoomia moved the adoption of said resolution, which motion was duly seconded by Member Gerald O'Hara __, and upon being put to a vote was passed and adopted on the following recorded vote:

Those voting aye:	Those voting nay:
<u>Ralph Richards</u>	<u>None</u>
<u>Olin Kieyoomia</u>	_____
<u>Priscilla Smith</u>	_____
<u>Gerald O'Hara</u>	_____
_____	Those abstaining:
	<u>None</u>

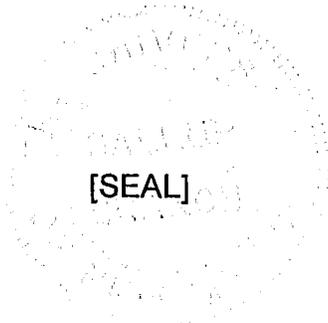
A majority of the members of the Local Board present having voted in favor thereof, the presiding officer declared the motion carried and the resolution adopted. The Secretary of the Local Board was directed to enter the foregoing proceedings and resolutions upon the records of the minutes of the Local Board.

After consideration of other business not related hereto, on motion duly made, seconded, and carried, the meeting was adjourned.

Dated at Gallup, New Mexico, this 17th day of October, 2016.

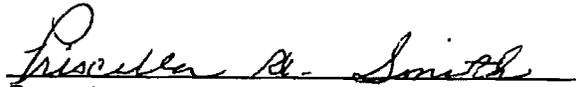


Chair



[SEAL]

Attest:


Secretary

RESOLUTION AND PROCLAMATION OF REGULAR
BRANCH COMMUNITY COLLEGE DISTRICT ELECTION
AND BRANCH COMMUNITY COLLEGE DISTRICT TAX ELECTION

WHEREAS, the Local Board of the University of New Mexico-Gallup Branch Community College ("Local Board" and "Branch Community College," respectively), in the University of New Mexico-Gallup Branch Community College District ("District"), County of McKinley and State of New Mexico has determined that a Regular Branch Community College District Election and Branch Community College District Tax Election ("Election") be held on February 7, 2017, pursuant to the School Election Law, NMSA 1978, §§ 1-22-1 through 1-22-19, the College District Tax Act, NMSA 1978 §§ 21-2A-1 through 21-2A-10, and the Community College Act, NMSA 1978, §§ 21-13-1 through 21-13-25, and NMSA 1978, §§ 21-14-1 through 21-14-14;

WHEREAS, the Board has determined that three (3) positions on the Local Board are to be filled at the Election by submitting to the qualified registered electors of the District the names of the candidates qualified to appear on the ballot for election to such positions; and

WHEREAS, the persons who desire to fill such positions on the Board shall be required to file declarations of candidacy or declarations to be a write-in candidate, all in accordance with the School Election Law.

WHEREAS, pursuant to NMSA, 1978, Section 21-2A-5, the Board has determined that there should be submitted to the electorate at the Election the question of whether or a property tax of \$1.00 per each \$1,000.00 of net taxable value of property allocated to the District under the Property Tax Code, Chap. 7, Arts. 35 through 38, should be imposed for the property tax years 2017, 2018, 2019, 2020, 2021, and 2022 for the purpose of capital improvements in the District.

NOW, THEREFORE, BE IT RESOLVED BY THE LOCAL BOARD OF THE UNIVERSITY OF NEW MEXICO-GALLUP BRANCH COMMUNITY COLLEGE, CONSTITUTING THE GOVERNING BODY OF SAID BRANCH COMMUNITY COLLEGE, IN THE UNIVERSITY OF NEW MEXICO-GALLUP BRANCH COMMUNITY COLLEGE DISTRICT, COUNTY OF MCKINLEY AND STATE OF NEW MEXICO:

Section 1. On the 7th day of February, 2017, there will be held in the District, McKinley County, New Mexico, an election for the purpose of submitting to the qualified, registered electors of the District the names of the candidates for the three (3) positions to be filled on the Local Board.

Section 2. At the Election, the following positions on the Local Board shall be determined by the qualified, registered electors of the District:

Position 1: for the remainder of a four-year term expiring on March 1, 2019.

Position 2: for a four-year term commencing March 1, 2017.

Position 3: for a four-year term commencing March 1, 2017.

Only those qualified electors residing in the service area of the Gallup McKinley County School District shall be eligible to vote for the candidates seeking Position 1.

Only those qualified electors residing in the service area of the Gallup McKinley County School District shall be eligible to vote for the candidates seeking Position 2.

Only those qualified electors residing in the service area of the Zuni Public School District shall be eligible to vote for the candidates seeking Position Number 3.

Section 3. A declaration of candidacy for a position on the Local Board to be filled at the Election shall be filed with the McKinley County Clerk, the proper filing officer, during the period commencing at 9:00 a.m. on December 21, 2016, being the forty-eighth day before the Election and ending at 5:00 p.m. on the same day, pursuant to § 21-13-18.2(A).

Section 4. In making a declaration of candidacy, the candidate for a position on the Board to be filled at the Election shall submit a sworn statement of intent in substantially the form provided in § 1-22-8.

Section 5. A person who desires to be a write-in candidate for a position on the Local Board to be filled at the Election shall file with the McKinley County Clerk, a declaration of intent to be a write-in candidate before 5:00 p.m. on January 3, 2017, being the thirty-fifth day preceding the date of the Election, pursuant to § 21-13-18.2(D).

Section 6. At the Election, the following question also shall be submitted to the qualified registered electors of the District:

CAPITAL IMPROVEMENTS (I MIL) TAX QUESTION

"Shall the governing Local Board of the University of New Mexico-Gallup Branch Community College, in the University of New Mexico-Gallup Branch Community College District, County of McKinley, State of New Mexico, be authorized to levy a tax of \$1.00 per each \$1,000.00 of net taxable value on all taxable property within the College District under the Property Tax Code for the property tax years 2017, 2018, 2019, 2020, 2021, and 2022, to be used for current

operations, maintenance and capital improvements of the College District as permitted by law?"

Section 7. A person is a qualified elector of the District if on the day of the Election he or she is a citizen of the United States, at least 18 years of age, and a resident of the District. In order to vote, qualified electors of the District must have previously registered with the McKinley County Clerk or any voter registration agent, in accordance with law. Any qualified elector of the District who is not now registered and who wishes to vote at the Election should register prior to 5:00 p.m. on January 10, 2017, being the twenty-eighth day immediately preceding the Election, during regular business hours and days of business, at the office of the McKinley County Clerk at the McKinley County Courthouse, in Gallup, New Mexico, or by any voter registration agent at a designated agency, as provided in NMSA 1978, §§ 1-4-48 and 1-4-49.

Section 7. The polls for the Election will be open between 7:00 a.m. and 7:00 p.m. on the day of the Election.

Section 8. The Voting Districts for the Election shall be as follows:

Voter Convenience Centers (VCC):

(All voters in the county may vote at these locations, regardless of where they live.)

Voter Convenience Center #1	Southside Fire Station 1800 S. 2 nd Street Gallup, NM 87301
Voter Convenience Center #2	Northside Fire Station 911 West Lincoln Street Gallup, NM 87301
Voter Convenience Center #3	Eastside Fire Station 3700 Churchrock Street Gallup, NM 87301
Voter Convenience Center #4	Westside Fire Station 707 Rico Street Gallup, NM 87301
Voter Convenience Center #5	McKinley County Courthouse Rotunda 207 W. Hill Ave. Gallup, NM 87301
Voter Convenience Center #6	Rio West Mall 1300 W. I-40 Frontage Road

Gallup, NM 87301

Voter Convenience Center #7 UNM Gallup Branch Gymnasium
705 Gurley Ave.
Gallup, NM 87301

Voter Convenience Center #8 Larry Brian Mitchell Recreation Center
700 Montoya Blvd.
Gallup, NM 87301

Voter Convenience Center #9 Zuni Tribal Building
1203B State Hwy. 53
Zuni, NM 87327

Voter Convenience Center #10 Zuni Fire Station (Blackrock)
#4 3rd St.
Zuni, NM 87327

Traditional Rural Precincts:

(Voters in these precincts may vote at their assigned polling location as registered, or at a VCC with a Provisional Ballot.)

Precincts Number(s)	Precinct/Polling Place
1	Red Lake Chapter House Shepard Springs Rd. Navajo NM
2	Navajo Estates Fire Station 19 C Sunset Valley Rd. YahtaHey, NM
3	Hilltop Christian School PO Box 9090 Tse Bonito NM
4	Mexican Springs Charter House PO Box 93 Mexican Springs NM
5	Tohatchi Elementary School 100 Ch'ooshgai Road Tohatchi NM
6	Twin Lakes Elementary School N HWY 491 Twin Lakes, NM
7	Coyote Canyon Chapter House PO Box 257 Brimhall, NM

- 8 Standing Rock Chapter House
PO Box 247 Crownpoint NM
- 9 Crownpoint Elementary School
1 Main Street, Crownpoint, NM
- 10 Crownpoint Middle School
1 Eagle Drive Crownpoint, NM
- 11 Whitehorse Lake Chapter House
HCR 79 Box 4069 Cuba, NM
- 12 Ojo Encino Chapter House
HCR 79 Box 1500 Ojo Encino, NM
- 13 Borrego Pass Elementary School
PO Box 679 Crownpoint, NM
- 14 Baca Chapter House
1669 State Hwy 371, Smith Lake, NM
- 15 Smith Lake Chapter House
1299 Hwy 371, Smith Lake, NM
- 16 Thoreau Middle School
8 Hawk Circle, Thoreau, NM
- 17 Thoreau Elementary School
Building #6 4th Ave. Thoreau, NM
- 18 Ft. Wingate Fire Station
290 McGaffey Lake Road Ft. Wingate, NM
- 19 Churchrock Elementary School
43 Challenger Road Churchrock, NM
- 20 Rock Springs Chapter House
PO Box 4608 YahTaHey, NM
- 21 Gamerco Church of God
206 Ray Avenue Gamerco, NM
- 22 Manuelito Chapter House
HCR 57 Box 9069 Manuelito, NM
- 23 Pinedale Chapter House
523 Hwy N 11-49 Churchrock, NM

- 24 Breadsprings Chapter House
B017-001 Rodeo Road, Breadsprings, NM
- 25 David Skeet Elementary School
Route 45 Jones Ranch Road,
Vanderwagen, NM
- 26 Ramah Fire Station
#4 Tietjen Ave. Ramah, NM
- 50 Red Rock Chapter House (North)
R005-001 refuge Rock Road, Gallup NM
- 51 Mariano Lake Chapter House
M003-001 Mariano Lake Loop Dr.
Mariano Lake, NM
- 52 Whispering Cedars Fire Station
40 Whispering Cedars Rd., Jamestown NM
- 53 Iyanbito Chapter House
2111 A Suit 21A Iyanbito Rd, Ft. Wingate NM
- 54 Red Rock Chapter House (South)
R005-001 Refuge Rock Road, Gallup NM
- 55 Rehoboth Mission
37 Rehoboth Dr., Rehoboth NM
- 57 Tsayatoh Multi-Complex Building
West TseYaToh Rd., TseYaToh, NM
- 58 McKinley West Fire Station
124 W. Historic Hwy 66, Gallup NM
- 60 Becenti Chapter House
PO Box 708, Crownpoint, NM
- 61 Dalton Pass (Nahodishgish) Chapter House
PO Box 369 Crownpoint, NM
- 62 Tse Yi Gai High School (Pueblo Pintado)
118 Counselor Road Pueblo Pintado, NM

**EARLY VOTING
(EV)**

McKinley County Courthouse
Room 100 207 W. Hill Ave.
Gallup, NM 87305

**ABSENTEE VOTING
(AV)**

McKinley County Courthouse
Room 100 207 W. Hill Ave.
Gallup NM 87305

The Precincts listed below will be consolidated into 10 Voter Convenience Centers. The voters registered in these Precincts may vote at any Voter Convenience Center on Election Day, February 7, 2017. The Voter Convenience Centers are as follows:

Voter Convenience Center:

Location:

VCC 1	Gallup Southside Fire Station
VCC 2	Gallup Northside Fire Station
VCC 3	Gallup Eastside Fire Station
VCC 4	Gallup Westside Fire Station
VCC 5	McKinley County Courthouse Rotunda
VCC 6	Rio West Mall
VCC 7	UNM Gallup Gymnasium
VCC 8	Larry Brian Mitchell Recreation Center
VCC 9	Zuni Tribal Office
VCC 10	Blackrock Fire Station

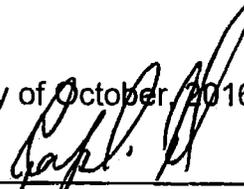
Pursuant to NMSA 1978, § 21-13-18.1(C), in the event that only one candidate files a declaration of candidacy for each position to be filled at the Election, no declared write-ins have filed for any position in which there is any other candidate, and there are no questions or bond issues on the ballot, only one polling place for the Election shall be designated and it shall be in the office of the McKinley County Clerk. The McKinley County Clerk shall perform the duties of the precinct board and no other precinct board shall be appointed. Voting on the day of the Election shall be by paper ballot as provided in § 31-22-10(G).

Absentee voting will be as described in Section 10 herein.

Section 9. Voting on the day of the Election shall be by a voting system defined in NMSA 1978, § 1-9-1(B). At least one voting system shall be used at the polling place for each Voting District.

Section 10. Pursuant to the Absent Voter Act, NMSA 1978, §§ 1-6-1 through 1-6-16.2, the Absent Voter Precinct Act, NMSA 1978, §§ 1-6-19 through 1-6-23, and § 1-22-19, qualified, registered electors may also vote absentee at the office of the McKinley County Clerk during regular hours and days of business, from 8:00 a.m. on January 13, 2017, being the twenty-fifth (25th) day preceding the Election, until 5:00 p.m. on February 3, 2017, being the Friday immediately prior to the Election. Pursuant to the Uniform Military and Overseas Voters Act, NMSA 1978, §§ 1-6B-1 through 1-6B-17, a federal qualified voter or overseas voter may vote absentee as provided in that law. Absentee voting shall be by paper ballot, pursuant to §§ 1-6-8, 1-6-9, and 1-22-19, or by the procedures authorized by the Uniform Military and Overseas Voters Act.

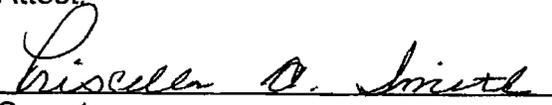
PASSED AND ADOPTED this 17th day of October, 2016.



Chair

[SEAL]

Attest:



Secretary

RESOLUTION AUTHORIZING AND DIRECTING ELECTION PROCEDURES

WHEREAS, the Local Board of the University of New Mexico-Gallup Branch Community College ("Local Board" and "Branch Community College," respectively), in the University of New Mexico-Gallup Branch Community College District ("District"), County of McKinley and State of New Mexico has determined that a Regular Branch Community College District Election and Branch Community College District Tax Election ("Resolution and Proclamation of Election") adopted this 17th day of October, 2016 ordered that at the election to be held within the District, McKinley County, New Mexico, on the 7th day of February, 2017 ("Election"), there shall be submitted to the qualified, registered electors of the District the candidates for positions to be filled on the Board and the question of levying a tax of \$1.00 per each \$1,000.00 of net taxable value on all taxable property within the District to be used for current operations, maintenance and capital improvements of the college district as permitted by law.

NOW, THEREFORE, BE IT RESOLVED BY THE LOCAL BOARD OF THE UNIVERSITY OF NEW MEXICO-GALLUP BRANCH COMMUNITY COLLEGE, CONSTITUTING THE GOVERNING BODY OF SAID BRANCH COMMUNITY COLLEGE, IN THE UNIVERSITY OF NEW MEXICO-GALLUP BRANCH COMMUNITY COLLEGE DISTRICT, COUNTY OF MCKINLEY AND STATE OF NEW MEXICO:

Section 1. The Resolution and Proclamation of Regular Branch Community College District Election and Branch Community College District Tax Election previously adopted on October 17, 2016, shall be published in Public Proclamation form once a week for three consecutive weeks as required by NMSA 1978, § 21-2A-10, in full, in English and Spanish, in the Gallup Independent, Gallup, New Mexico, being a newspaper published and having general circulation within the District. The last publication shall be made before January 8, 2017, which is not less than 30 days before the date of the Election.

In addition, there shall be published an election notice meeting the requirements of NMSA 1978, § 1-22-11, made once a week for two successive weeks, with the last publication being made within seven days but not later than two days before the date of the Election.

In addition, the County Clerk shall publish all Election related publications in Navajo and Zuni as required by the Federal District Court in USA v. McKinley County, et al., U.S.D.N.M. Cause No. 86-0028-M.

Section 2. Pursuant to § 21-13-18.1, the Branch Community College Executive Director ("Executive Director") shall file the Resolution and Proclamation of Election with the McKinley County Clerk on Tuesday November 29, 2016, being the last Tuesday in November. The McKinley County Clerk shall

serve as the County Clerk of Record ("County Clerk of Record"), and as administrator of the Election, pursuant to § 1-22-12, and shall be responsible for publishing the proclamation as described above. The Executive Director shall also obtain from the County Clerk of Record executed copies of the Certificate of Filing of Resolution and Proclamation of Election.

Section 3. Pursuant to § 1-22-10, the County Clerk of Record shall prepare the ballots for the Election, which shall be printed by the thirtieth (30th) day preceding the Election. The printed ballot shall contain the name of each candidate and the position on the Board for which he or she is a candidate. The ballot shall be printed in a form in substantial compliance with the provisions of § 1-22-10, and in compliance with the provisions of the federal Voting Rights Act of 1965, as amended. The cost of printing the ballots shall be paid by the District. In addition, the ballot shall contain the question to be submitted to the registered qualified electors of the District, as more fully described in Section 5 below.

Section 4. The names of the candidates for election to the Board shall be submitted to all registered electors on a single ballot, except as provided herein.

Section 5. The voting tabulators shall use a ballot label listing the name of each candidate and the position for which he or she is a candidate and the submission clause for the tax question set forth in the form demonstrated in Section 6 of the Resolution and Proclamation of Election. The ballot label shall be printed in English and Spanish with plain, clear type, in black ink on white material. The County Clerk of Record is requested to provide the required quantity of paper ballots for use in the Election, pursuant to law. The complete tax question shall be placed in plain view of registered voters so that the complete question may be examined before they vote. The ballot for the tax question shall be in substantially the following form:

CAPITAL IMPROVEMENTS (1 MIL) TAX ELECTION

FOR THE DISTRICT
TAX LEVY

Shall the governing Local Board of the University of New Mexico-Gallup Branch Community College, University of New Mexico-Gallup Branch Community College District, County of McKinley, State of New Mexico, be authorized to levy a tax of \$1.00 per each \$1,000.00 of net taxable value on all taxable property within the College District under the Property Tax Code for the property tax years 2017, 2018, 2019, 2020, 2021, and 2022, to be used for current operations, maintenance and capital improvements of the College District as permitted by law?

AGAINST THE
DISTRICT TAX LEVY

Section 6. Pursuant to the Absent Voter Act, NMSA 1978, §§ 1-6-1 through 1-6-16.2, the Absent Voter Precinct Act, NMSA 1978, §§ 1-6-19 through 1-6-23, and § 1-22-19, qualified, registered electors may also vote absentee at the office of the McKinley County Clerk during regular hours and days of business, from 8:00 a.m. on January 13, 2017, being the twenty-fifth (25th) day preceding the Election, until 5:00 p.m. on February 3, 2017, being the Friday immediately prior to the Election. Pursuant to the Uniform Military and Overseas Voters Act, NMSA 1978, §§ 1-6B-1 through 1-6B-17, a federal qualified voter or overseas voter may vote absentee as provided in that law. Absentee voting shall be by paper ballot, pursuant to §§ 1-6-8, 1-6-9, and 1-22-19, or by the procedures authorized by the Uniform Military and Overseas Voters Act.

Section 7. Except as otherwise provided herein, the manner of conducting the Election and all other election procedures relating thereto shall be as provided by the School Election Law NMSA 1978, §§ 1-22-1 through 1-22-19, the College District Act, NMSA 1978 §§ 21-2A-1 through 21-2A10, The Community College Act, NMSA 1978, §§ 21-13-1 through 21-13-26, Sections 21-14-1 through 21-14-14, and the federal Voting Rights Act of 1965, as amended.

Section 8. The Executive Director and the officers of the Branch Community College shall be and they hereby are authorized and directed to take all action necessary and appropriate to effectuate the provisions of this resolution and the Resolution and Proclamation of Election.

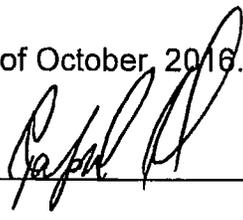
Section 9. All action heretofore taken by the Local Board, the Executive Director, and the officers of the Branch Community College not inconsistent with the provisions of this resolution and the Resolution and Proclamation of Regular Branch Community College District Election and Branch Community College District Tax Election directed toward the calling and conducting of the Election be, and the same hereby is ratified, approved, and confirmed. The declaration and findings declared, made and found in the preamble to the Resolution and Proclamation of Regular Branch Community College District Election and Branch Community College District Tax Election are hereby adopted, restated and made a part of the operative provisions hereof.

Section 10. All acts, motions or resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency.

PASSED AND ADOPTED this 17th day of October, 2016.

[District Seal]

Chair



Attest:


Secretary

STATE OF NEW MEXICO

COUNTY OF MCKINLEY

UNIVERSITY OF NEW MEXICO
GALLUP BRANCH COMMUNITY
COLLEGE DISTRICT

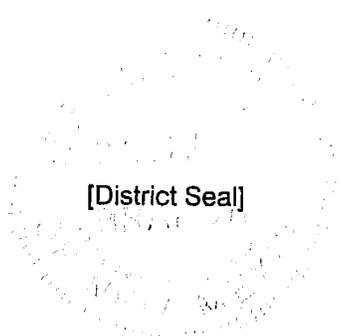
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SECRETARY'S CERTIFICATE

The undersigned duly qualified and acting Secretary of the Local Board of the University of New Mexico-Gallup Branch Community College, in the University of New Mexico-Gallup Branch Community College District ("District"), County of McKinley, State of New Mexico does hereby certify that the foregoing pages are a true and complete copy of the record of the proceedings of said Local Board, constituting the governing body of said District, had and taken at a duly called regular meeting of said Local Board held at the Board Room, Administration Building, Gallup Campus, Gallup, New Mexico on the 17th day of October, 2016, convening at the hour of 1:30 p.m., insofar as they concern the Resolution and Proclamation of Regular Branch Community College District Election and Branch Community College District Tax Election and a second Resolution concerning the District's Election, copies of each being therein set forth, as recorded in the book of official records of the proceedings of the Branch Community College kept in the office of the Branch Community College Executive Director, and that said proceedings were duly had and taken as therein shown, and the meeting therein shown was duly held, and the persons therein named were present at said meeting as therein shown.

WITNESS my hand and seal of the College District, affixed this 17th day of October, 2016.

Liselle A. Smith
Secretary



*Supporting materials for this agenda item
may be available at the meeting*

**MEMORANDUM TO ADVANCE
COMMITTEE AGENDA ITEM TO
THE BOARD OF REGENTS
THE UNIVERSITY OF NEW MEXICO**

DATE: October 26, 2016
TO: David W. Harris, EVP for Administration, COO & CFO
FROM: Chris Vallejos, Associate Vice President, Institutional Support Services
RE: Requested Approval

RECOMMENDED ACTION:

Recommend to the Board of Regents Finance and Facilities Committee the following:

1. Request for Capital Project Approval for La Posada Dining Hall Renovations

Please see attached summary.

cc: Lisa Marbury, Executive Director, Institutional Support Services
R. Henrard, A. Coburn, C. Martinez, L. Chance, E. Schwaner, M. Reid,
S. Rodgers – PDC

**REQUEST FOR CAPITAL PROJECT APPROVAL for
LA POSADA DINING HALL RENOVATIONS
UNIVERSITY OF NEW MEXICO
November 8, 2016**

REQUESTED ACTION:

In accordance with Section 7.12 of the Board of Regents Policy Manual and as required by the New Mexico Higher Education Department and New Mexico State Board of Finance, project approval is requested for La Posada Dining Hall Renovations, Albuquerque Main Campus.

PROJECT DESCRIPTION:

La Posada, built in 1969 and located in the heart of the residence hall area on UNM's main campus, is 49,472 square feet and serves as the main residential dining facility. The area of the project that will be renovated is 14,639 square feet which includes creating a new main entrance that is inviting, provides improved accessibility, more secure, and improves the function of the outdoor space. It will create additional interactive service areas, improve customer flow, and increase visibility throughout the facility. The new service areas will be located closer to the new front entrance.

In the main service area, soffits and ceilings will be renovated allowing the addition of digital menu boards. The project will also change the dining areas by removing the central atrium and incorporating it into the main dining room while updating flooring, paint, LED lighting, and mechanical systems which will create energy efficiencies. In addition, code requirements including HVAC, the addition of ADA restrooms and reactivation of two other restrooms on the lower level will be addressed.

PROJECT RATIONALE:

During the RFP process where Chartwells was selected as UNM's food service provider, a new vision for student success was presented for La Posada to be transformed into a socially rich destination creating a significant distinction from our peers. This environment offers many amenities and is a safe and wholesome experience that engages our students and results in improved recruitment and retention.

To provide this experience, the facility will have a new single point of entry that will create a more engaging and safer experience for residents on a 24-7 basis, a healthier environment utilizing sustainable materials, HVAC and mechanical upgrades, and improved way finding along with electronic menu boards providing detailed food options and caloric information. Built with traditional cafeteria style amenities, it is important that La Posada reflect an updated delivery system as well as improved safety and utility functions. To meet student needs, the project includes creating a Chef's Innovation Station that incorporates interactive and made to order options that will also broaden gluten free, vegan and vegetarian options.

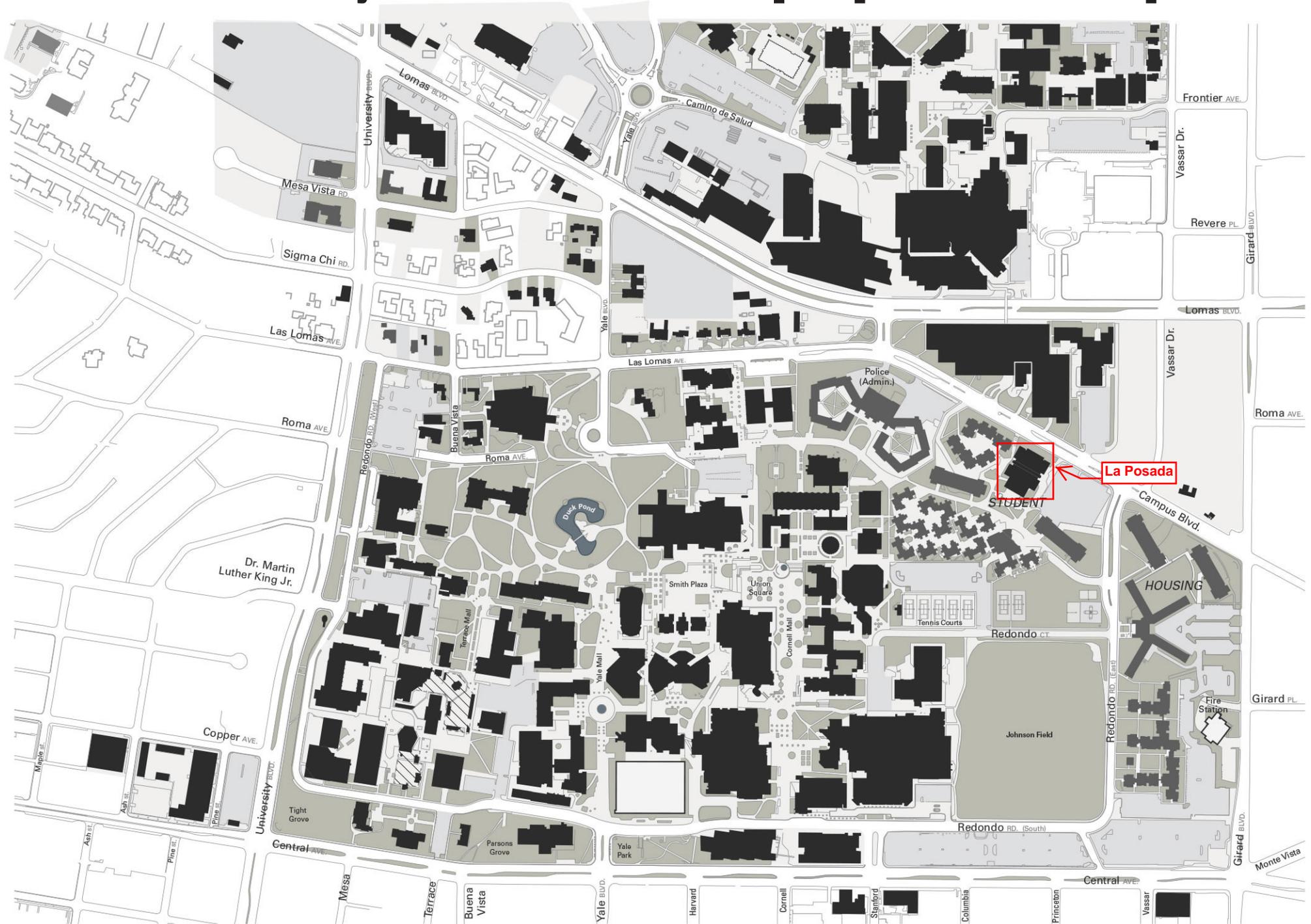
The overall student and community experience at La Posada will be greatly enhanced with these improvements and reinforce UNM as a destination university.

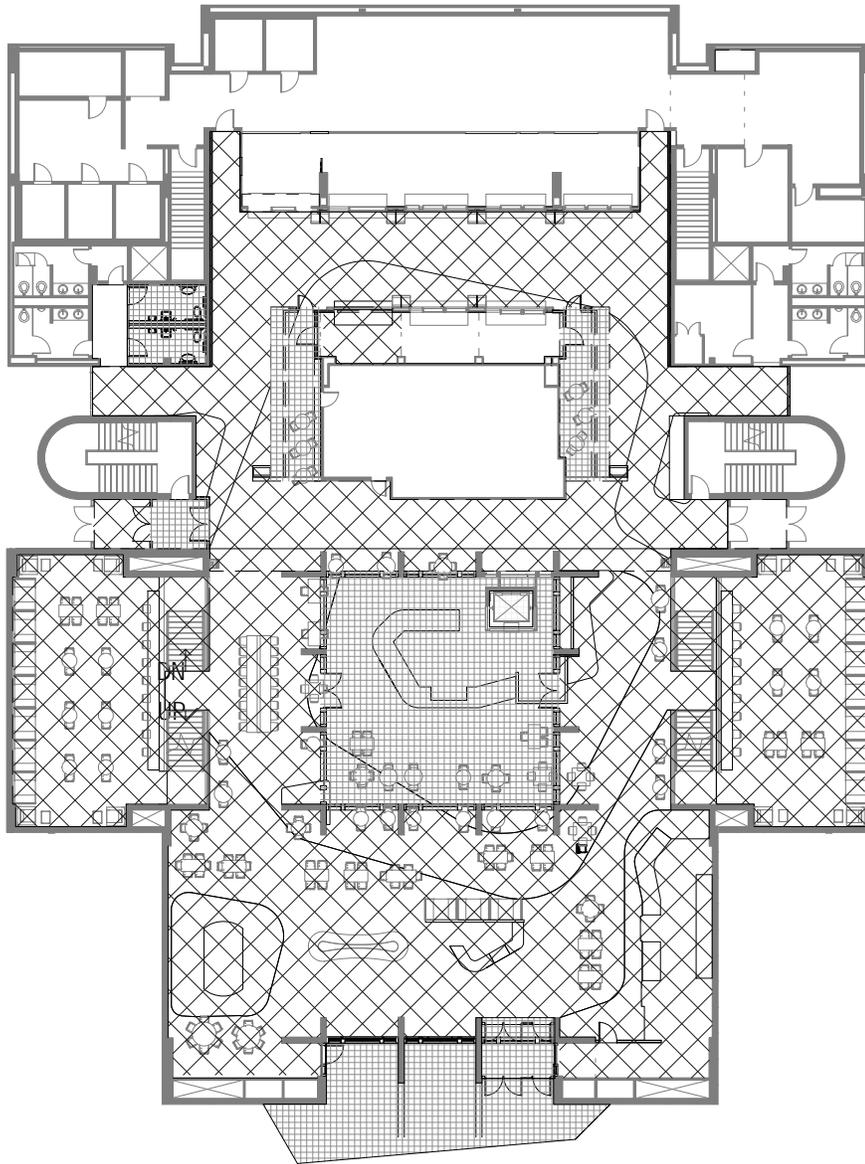
FUNDING:

The total estimated Project Budget is \$2,800,000.00:

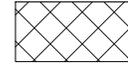
- \$1,800,000 is funded from Chartwells Client Investment Capital
- \$600,000 is funded from Food Service Capital Reserves
- \$400,000 Energy Sustainability Funds

The University of New Mexico - Albuquerque: Central Campus





WORK AREA LEGEND



ALTERATION - LEVEL 1



ALTERATION - LEVEL 2

LEVEL 1 ALTERATIONS	11,543 SF
LEVEL 2 ALTERATIONS	3,096 SF
TOTAL ALTERATION AREA	14,639 SF

AREA OF ALTERATIONS

1/32" = 1'-0"



La Posada Dining Hall Renovations

REFERENCE SHEET NO:
 ADDENDUM NO:
 ISSUE DATE: 10/19/16

95% CONSTRUCTION DOCUMENTS NFC

University of New Mexico

project no. 15-023

R-101

Unnamed





Office of Planning, Budget & Analysis

MEMORANDUM

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

THRU: Robert G. Frank, President
David W. Harris, EVP for Administration, COO and CFO

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

DATE: November 11, 2016

SUBJECT: **Approval of Authorizing Resolution Subordinate Lien System Improvement Revenue Bonds UNM Series 2017**

The Projects

With the successful issuance of the 2016 Bonds, the University of New Mexico is now poised to move forward with another Bond Issuance package. ***As is the case with any bond issue, the specific capital projects, and their relevance in moving the University's strategic mission forward, must justify the issuance of debt, and does so in the case of the proposed 2017 issuance.***

Due to the timing of the State 2016 General Obligation Bond (GOB) election on November 8, 2016, the Administration recommended the University split the originally proposed bond issue that was presented in May 2015 into two issues. Each issue would follow a fall approval schedule, with the sale of the bonds occurring in January 2016 and January or February 2017, respectively.

At this time, the second proposed bond issue would fund the following projects, with the last three projects tied to the Honors College also now being considered.

UNM Series 2017 Bond Issue – Improvement Revenue Bonds

- Physics & Astronomy, Interdisciplinary Science (PAIS) Facility \$37,300,000
- Smith Plaza Renewal (Additional funds) \$ 1,000,000
- Biology Annex Renewal \$ 3,800,000
- Art Annex Renewal \$ 2,300,000
- Student Health and Counseling \$ 1,250,000

Given the preliminary nature of the last set of projects, the Administration wishes to secure a “not-to-exceed” bond proceeds total of \$45.65 Million. All projects and budgets will be finalized prior to the bond sale. For a full summary of all proposed project budgets, funding sources, and descriptions, please refer to **Attachment I and II**.

Debt Service Projections

An analysis of required debt service from the University’s Financial Advisor, First Southwest Company, (**Attachment III**) estimates annual debt service with and without capitalized interest (Cap I), as follows:

- \$2.78 Million per year , if no (Cap I) is required, and
- \$3.30 Million per year (2021 and after), with full Cap I included (\$3.0 Million averaged over 30 years)

The issuance of additional debt to fund Cap I would be necessary if the University chooses to phase-in a student fee increase over a period of time (3 to 5 years). Conversely, if the necessary student fee increase to fund the full amount of debt service is approved and implemented effective FY18, Cap I is not required and the funds required to pay annual debt service is greatly reduced, from approximately \$90.2 Million to \$83.6 Million over 30 years.

Bonding Capacity

A summary of bond capacity, assuming a bond issuance of \$45.65 Million and net revenues available for debt service of \$84.6 Million, reveals a minimum coverage ratio of 2.24 (**Attachment III**). In consultation with First Southwest Company, it is believed that this debt coverage ratio will be viewed as acceptable by the University’s rating agencies, Moody’s and Standard & Poor’s, and the University should be in a position to maintain its Aa2 and AA ratings respectively.

Student Fees

An analysis of proposed projects reveals that student fees would need to be increased to fund the majority of the debt service for the UNM Series 2017 Bond issue. Student Health and Counseling (SHAC) has the ability to fund the debt service on their project so that reduces the amount needed from Student Fees. Additionally the Administration has reviewed the cash flows associated with previous refundings and believes that a \$10 credit of those savings can be applied and used to offset a higher student fee increase. However, one question remains that will directly affect the ultimate size of the student fee increase, namely 1) the need to fund Cap I. The student fee scenarios are detailed in **Attachments IV and V**, and are summarized as follows:

- | | |
|---|----------------|
| • FY18 (Single-Year) Student Fee Increase | \$160 or 2.30% |
| • FY18 (Single-Year) Student Fee Increase (if savings used) | \$150 or 2.16% |
| • Multi Year (5) Student Fee Increase | \$189 or 2.72% |
| • Multi Year (5) Student Fee Increase (if savings used) | \$179 or 2.58% |

Financing Schedule

Assuming F&F and Regent approvals during the November 2016 meetings, bonds would be sold in early February 2017 in accordance with the Preliminary Schedule of Events (***Attachment VI***).

We look forward to discussing the merits of the new bond issue and the potential refunding during the November F&F and Regents meetings. Thank you for your consideration.

Attachment I: Project Budgets and Funding Sources

	Potential UNM Bonds		2016 State Appropriation Pending Voter Approval	Previous Appropriation	Other Funds	Estimated Project Projection
	UNM Series 2016	UNM Series 2017				
Physics & Astronomy, Interdisciplinary Science Facility	\$0	\$37,300,000	\$27,000,000	\$1,446,710	\$0	\$65,746,710
Smith Plaza Renewal (<i>Additional Funding</i>)	\$2,000,000	\$1,000,000	\$0	\$0	\$0	\$3,000,000
Biology Annex Renewal	\$0	\$3,800,000	\$0	\$0	\$0	\$3,800,000
Art Annex Renewal	\$0	\$2,300,000	\$0	\$0	\$0	\$2,300,000
Student Health and Counseling Renewal	\$0	\$1,250,000	\$0	\$0	\$1,200,000	\$2,450,000
Total	\$2,000,000	\$45,650,000	\$27,000,000	\$1,446,710	\$1,200,000	\$77,969,710

Attachment II: Project Description

Physics, Astronomy and Interdisciplinary Science(PAIS)

The Physics and Astronomy Replacement Building will provide approximately 137,000 gsf of Departmental faculty, graduate student, and staff offices; general classrooms and resource areas; Junior and Senior class labs; and interdisciplinary research spaces, including computer, medium intensity (astronomy, subatomic, and biological physics), and high intensity (optics and surface physics) labs; as well as shop and limited chemical and radiological materials storage.

Smith Plaza- (Additional Funding)

The Smith Plaza project will provide for improved access, safety, and general usability. Through best practices in campus planning and sustainable design, the Plaza's renovation will revitalize an important setting for events that serve students, faculty, staff, and visitors. The project area is approximately 100,000 gsf of exterior, multi-level plaza space. In 2015, UNM requested \$3M in state capital outlay funding to compliment the 2016 UNM Bonds of \$2M. The Legislature did not approve the request and the project scope has been reduced to a budget of \$3M.

Biology Annex- Renewal

It is proposed that program within The Art Annex (Building #105) be relocated to Building #19. The College of Fine Arts program housed in Building #105 provides for graduate students concentrating in two-dimensional art, painting, printmaking, and photography. The program includes 21 graduate student studios, eight graduate darkroom labs, four workrooms shared fabrication resource labs, and two small gallery critique classroom areas with supplies and art work storage positioned throughout the building.

The scope required to repurpose this space to accommodate the suggested program includes new building systems (HVAC, electrical, plumbing), ADA improvements, new roof, and a fire safety system and interior partitions sufficient to accommodate the Fine Arts program.

Attachment II: Project Description

Art Annex – Renewal

The Art Annex (Building #105) is a State and Nationally Registered Historic property which was originally constructed in 1926 as the University Library. In 1938, the interior was converted to provide for a fine arts center and the University Library was relocated to Zimmerman Library. It is proposed that Building #105 be renovated to house The Honors College program which is currently located in the basement of The Student Health Center and Undergraduate Studies (Building #73). The Honors College currently utilizes 15,141 GSF on the basement level of the building. The Honors College program is anticipated to require 24 faculty, staff, and administrative offices and office support work areas, 6 classrooms and numerous student study, event and conferencing work areas.

The Art annex has 15,326 GSF located on two levels. While this facility has received certain mechanical and electrical systems upgrades over the last decade, these improvement have not keep pace with the building's deterioration. The building condition is poor and in need of envelope restoration with window repair. Application of a new program into this facility will trigger interior renewal program inclusive of restrooms, ADA modifications, a fire safety system, and new flooring. Additionally, any remodel will require State Historic Preservation Office review and approval.

Student Health and Counseling- Renewal

The Student Health and Counseling (SHAC) program is currently housed on the first and second floors of the The Student Health Center and Undergraduate Studies (Building #73). SHAC requires additional program space to accommodate their expanding health services and address some of the clinical deficiencies.

Specifically, multiple SHAC Needs Assessments and space studies indicate that current clinical and pharmacy space was inadequate to provide full services to meet student needs. It is proposed that SHAC utilize 13,507 NSF located in the basement of building #73 (currently occupied by Honors College) to alleviate some of their current space needs. This project will required a remodeling of the interior building spaces along with some system updates to meet a clinical, healthcare environment.

Attachment III: Debt Service and Coverage Ratio Analysis

Projected Debt Service

Series 2017

\$45,650,000

Construction Proceeds

Assumed Interest Rate:

4.25% TIC

A	B	C			D	E	F			G	H	I
Year	Existing Debt Service	Without Capitalized Interest			Coverage by Net Revenues ⁽²⁾	With Capitalized Interest			Coverage by Net Revenues ⁽²⁾	Year		
		Series 2017 Net Debt Service ⁽¹⁾	AGGREGATE Debt Service (B + C)			Series 2017 Net Debt Service ⁽¹⁾	AGGREGATE Debt Service (B + F)					
					\$84,660,104				\$84,660,104			
2017	\$ 34,993,445	\$ -	\$ 34,993,445	2.42		\$ -	\$ 34,993,445	2.42		2017		
2018	34,939,219	2,789,683	37,728,902	2.24		-	34,939,219	2.42		2018		
2019	34,994,621	2,787,875	37,782,496	2.24		-	34,994,621	2.42		2019		
2020	34,926,946	2,787,388	37,714,334	2.24		1,114,350	36,041,296	2.35		2020		
2021	34,846,170	2,785,413	37,631,583	2.25		3,303,700	38,149,870	2.22		2021		
2022	34,476,932	2,786,950	37,263,882	2.27		3,303,013	37,779,945	2.24		2022		
2023	34,382,334	2,786,788	37,169,122	2.28		3,300,413	37,682,747	2.25		2023		
2024	33,833,763	2,784,925	36,618,688	2.31		3,300,900	37,134,663	2.28		2024		
2025	33,730,785	2,786,363	36,517,148	2.32		3,304,263	37,035,048	2.29		2025		
2026	33,629,340	2,785,888	36,415,228	2.32		3,300,288	36,929,628	2.29		2026		
2027	27,521,853	2,788,500	30,310,353	2.79		3,304,188	30,826,041	2.75		2027		
2028	27,488,497	2,783,988	30,272,485	2.80		3,300,538	30,789,035	2.75		2028		
2029	27,447,148	2,787,563	30,234,711	2.80		3,304,550	30,751,698	2.75		2029		
2030	26,338,690	2,783,800	29,122,490	2.91		3,300,800	29,639,490	2.86		2030		
2031	21,808,050	2,787,913	24,595,963	3.44		3,299,500	25,107,550	3.37		2031		
2032	21,802,850	2,784,475	24,587,325	3.44		3,300,438	25,103,288	3.37		2032		
2033	19,480,800	2,783,700	22,264,500	3.80		3,303,400	22,784,200	3.72		2033		
2034	19,735,200	2,785,375	22,520,575	3.76		3,303,175	23,038,375	3.67		2034		
2035	17,868,700	2,784,288	20,652,988	4.10		3,299,763	21,168,463	4.00		2035		
2036	11,354,250	2,785,438	14,139,688	5.99		3,303,163	14,657,413	5.78		2036		
2037	2,952,400	2,788,613	5,741,013	14.75		3,302,950	6,255,350	13.53		2037		
2038	2,953,525	2,788,600	5,742,125	14.74		3,304,125	6,257,650	13.53		2038		
2039	2,955,600	2,785,400	5,741,000	14.75		3,301,475	6,257,075	13.53		2039		
2040	2,954,200	2,784,013	5,738,213	14.75		3,300,000	6,254,200	13.54		2040		
2041	2,954,400	2,784,225	5,738,625	14.75		3,304,488	6,258,888	13.53		2041		
2042	2,956,000	2,785,825	5,741,825	14.74		3,299,513	6,255,513	13.53		2042		
2043	2,953,800	2,788,600	5,742,400	14.74		3,300,288	6,254,088	13.54		2043		
2044	2,952,800	2,787,338	5,740,138	14.75		3,301,388	6,254,188	13.54		2044		
2045	2,952,800	2,787,038	5,739,838	14.75		3,302,600	6,255,400	13.53		2045		
2046	2,953,600	2,787,488	5,741,088	14.75		3,303,713	6,257,313	13.53		2046		
2047		2,783,475	2,783,475	30.42		3,299,513	3,299,513	25.66		2047		
	<u>\$ 595,138,718</u>	<u>\$ 83,586,920</u>	<u>\$ 678,725,638</u>			<u>\$ 90,266,488</u>	<u>\$ 685,405,206</u>					

(1) Sizing includes all estimated costs of issuance, including assumed surety funded reserve fund. In the event a surety is unavailable, a funded debt service reserve fund would be required with an expected increase in annual debt service.

(2) Unaudited FY 2016.

Attachment IV: Student Fee Analysis- No Fee Forgiveness

FY18 Fee Increase (No Cap I)

Fiscal Year	Debt Service	Per Year	% of T & F
FY 18	\$2,704,430	\$160.00	2.3%

Multi-Year Fee Increase (Cap I)

Fiscal Year	Debt Service	Per Year	% of T & F
FY 18	\$640,951	\$38.00	0.55%
FY 19	\$1,281,901	\$76.00	1.09%
FY 20	\$1,922,852	\$114.00	1.64%
FY 21	\$2,563,802	\$152.00	2.19%
FY 22	\$3,204,753	\$189.00	2.72%

Attachment V: Student Fee Analysis- With Fee Forgiveness

FY18 Fee Increase (No Cap I)

Fiscal Year	Debt Service	Per Year	% of T & F
FY 18	\$2,704,430	\$150.00	2.16%

Multi-Year Fee Increase (Cap I)

Fiscal Year	Debt Service	Per Year	% of T & F
FY 18	\$640,951	\$36.00	0.52%
FY 19	\$1,281,901	\$72.00	1.04%
FY 20	\$1,922,852	\$108.00	1.55%
FY 21	\$2,563,802	\$144.00	2.07%
FY 22	\$3,204,753	\$179.00	2.58%

Attachment VI: Preliminary Schedule of Events

Date	Event
November 11	F&F Meeting—Discuss finance plan and Parameters/Authorizing Resolution
November 16	HED Deadline for receipt of submission for December meeting
November 15	Regents Meeting—Approve finance plan and Parameters/Authorizing Resolution
December 14	HED Meeting
December 20	SBOF Deadline for receipt of submission for January meeting (forwarded by HED) (To be confirmed when 2017 SBOF meeting schedule released)
January 17	SBOF Meeting (To be confirmed when 2017 SBOF meeting schedule released)
January 17-January 20 (Precise Date TBD)	Meeting with Rating Agencies
February 5, 2017	Receive ratings(Estimated)
February 22, 2017	Pricing of bond issue by underwriters
February 23, 2017	Regents to adopt Pricing Resolution and approve Bond Purchase Agreement (Special Meeting)

RESOLUTION

of

THE REGENTS OF THE UNIVERSITY OF NEW MEXICO

Authorizing the Issuance of its:

Not to Exceed \$56,500,000
Subordinate Lien System Improvement Revenue Bonds
Series 2017

Dated November 15, 2016

TABLE OF CONTENTS

	Page
<u>ARTICLE I - DEFINITIONS</u>	2
<u>ARTICLE II - AUTHORIZATION, RATIFICATION AND FINDINGS</u>	13
<u>Section 2.01 Ratification</u>	14
<u>Section 2.02 Findings</u>	14
<u>Section 2.03 Delegation to President</u>	14
<u>ARTICLE III - THE SERIES 2017 BONDS</u>	15
<u>Section 3.01 Bond Details</u>	15
<u>Section 3.02 Prior Redemption</u>	17
<u>Section 3.03 Redemption Notice</u>	18
<u>Section 3.04 Negotiability</u>	20
<u>Section 3.05 Registration, Transfer and Exchange of Bonds</u>	20
<u>Section 3.06 Custodial Deposit</u>	21
<u>Section 3.07 Execution of Bonds</u>	23
<u>Section 3.08 Use of Predecessors Signature</u>	23
<u>Section 3.09 Bond Execution</u>	23
<u>Section 3.10 Registration</u>	23
<u>Section 3.11 Bond Delivery</u>	23
<u>Section 3.12 Bond Form</u>	24
<u>Section 3.13 Special Limited Obligations</u>	24
<u>ARTICLE IV - APPROVAL OF RELATED DOCUMENTS AND SALE OF BONDS</u>	24
<u>Section 4.01 Approval of Documents; Use of Disclosure Documents</u>	24
<u>Section 4.02 Authorization of Sale of Bonds</u>	25
<u>ARTICLE V - ADMINISTRATION AND ACCOUNTING OF REVENUES</u>	25
<u>Section 5.01 Funds and Accounts</u>	25
<u>Section 5.02 Use of Funds and Deposits into Funds and Accounts on Delivery of Bonds</u>	27
<u>Section 5.03 Flow of Pledged Revenues</u>	28
<u>Section 5.04 Rebate Fund</u>	33
<u>Section 5.05 General Administration of Funds</u>	33
<u>ARTICLE VI - LIENS ON PLEDGED REVENUES AND ADDITIONAL OBLIGATIONS</u>	34
<u>Section 6.01 Lien on Pledged Revenues; Equality of Bonds</u>	34
<u>Section 6.02 Parity Bonds</u>	35
<u>Section 6.03 Refunding Bonds</u>	37
<u>ARTICLE VII - PROTECTIVE COVENANTS</u>	38
<u>Section 7.01 Resolution to Constitute Contract</u>	38
<u>Section 7.02 Use of Series 2017 Bond Proceeds</u>	38
<u>Section 7.03 Operation and Repair of System; Disposition of Facilities</u>	38
<u>Section 7.04 Rates and Charges</u>	39
<u>Section 7.05 Insurance</u>	40
<u>Section 7.06 Books and Records</u>	40
<u>Section 7.07 Additional Liens</u>	40
<u>Section 7.08 Fiduciary Charges</u>	40
<u>Section 7.09 Debt Service Grants</u>	40
<u>Section 7.10 Tax Covenant</u>	41
<u>Section 7.11 Undertaking to Provide Ongoing Disclosure</u>	41
<u>ARTICLE VIII - DEFAULTS, RIGHTS AND REMEDIES</u>	41
<u>Section 8.01 Events of Default</u>	41
<u>Section 8.02 Rights and Remedies of Bondowners</u>	42
<u>ARTICLE IX - DEFEASANCE</u>	42
<u>ARTICLE X - AMENDMENT OF RESOLUTION</u>	43
<u>Section 10.01 Limitations upon Amendments</u>	43
<u>Section 10.02 Notice of Amendment</u>	44
<u>Section 10.03 Proof of Instruments</u>	44
<u>ARTICLE XI - MISCELLANEOUS</u>	44
<u>Section 11.01 Delegated Powers</u>	44
<u>Section 11.02 Bond Resolution Irrepealable</u>	45
<u>Section 11.03 Approval of State Board of Finance</u>	45

TABLE OF CONTENTS
(continued)

	Page
<u>Section 11.04</u> <u>Finding of Regularity</u>	45
<u>Section 11.05</u> <u>Severability</u>	45
<u>Section 11.06</u> <u>Repealer Clause</u>	45
<u>Section 11.07</u> <u>Ratification</u>	45
<u>Section 11.08</u> <u>Governing Law</u>	45
<u>Section 11.09</u> <u>Notice of Resolution Authorizing the Issuance of Public Securities for</u> <u>Publication and Limitation of Actions</u>	45
<u>Section 11.10</u> <u>Third Party Beneficiary; Notices</u>	47
<u>Section 11.11</u> <u>Effective Date</u>	47

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 November 15, 2016, 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 15th day of November, 2016.

[SEAL]

THE REGENTS OF THE UNIVERSITY
OF NEW MEXICO

By

Jack L. Fortner, Secretary and Treasurer

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

The Regents of the University of New Mexico convened at the regular meeting place of the Regents in the Student Union Building (Ballroom C) at the University of New Mexico in Albuquerque, New Mexico, on November 15, 2016 at 9:00 a.m.

There were present: _____

Those absent: _____

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 IMPROVEMENT REVENUE BONDS, SERIES 2017 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$56,500,000, IN ONE OR MORE SERIES, FOR THE PURPOSE OF PURCHASING, ERECTING, ALTERING, REMODELING, EXPANDING, IMPROVING, REPAIRING, FURNISHING AND EQUIPPING BUILDINGS, IMPROVEMENTS AND FACILITIES FOR THE USE OF THE UNIVERSITY OF NEW MEXICO, FUNDING CAPITALIZED INTEREST FOR THE 2017 BONDS, ACQUIRING A RESERVE FUND INSURANCE POLICY TO FUND, OR OTHERWISE FUNDING, A RESERVE FUND FOR SUCH 2017 BONDS, AND PAYING THE COSTS OF ISSUANCE ASSOCIATED THEREWITH; PROVIDING FOR THE PLEDGE OF CERTAIN REVENUES FOR THE PAYMENT OF THE 2017 BONDS; PROVIDING FOR ENTERING INTO CERTAIN CONTRACTS AND AGREEMENTS IN CONNECTION THEREWITH; 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 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 2000B Bonds, the 2001 Bonds, the 2002B Bonds, the 2002C Bonds, the 2007A Bonds, the 2007B Bonds, the 2012 Bonds, the 2014A Bonds, the 2014B Bonds, the 2014C Bonds, the 2016A Bonds, and 2016B Bonds; and

WHEREAS, except for the 1992A Bonds, the 2000B Bonds, the 2001 Bonds, the 2002B Bonds, the 2002C Bonds, the 2007A Bonds, the 2007B Bonds, the 2012 Bonds, the 2014A Bonds, the 2014B Bonds, the 2014C Bonds, the 2016A Bonds, the 2016B 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 2017 Bonds and other legally available funds: (a) purchasing, erecting, altering, remodeling, expanding, improving, repairing, furnishing and equipping buildings, improvements and facilities for the use of the University of New Mexico, including, but not limited to, the Physics and Astronomy Replacement Building project, the Smith Plaza supplemental project, the Art Annex Renewal project, the Biology Annex Renewal project, and the Student Health and Counseling Renewal project (b) the funding of capitalized interest for the 2017 Bonds, (c) the acquisition of a reserve fund insurance policy to fund or otherwise funding a debt service reserve fund for the 2017 Bonds; and (d) the funding of the costs of issuance associated therewith (collectively, the “Improvement 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 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 Project by the issuance of the Bonds and that it is necessary that the Bonds be issued in order to finance the 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 will consider for adoption the Pricing Resolution when forms of the Related Documents have been prepared and when the final terms of the Bonds and the final scope of the Project are determined; 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 considered in connection with the Pricing 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 Resolution 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 Resolution 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 Resolution 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.

"Acquisition Fund" means the Regents of the University of New Mexico Subordinate Lien System Improvement Revenue Bonds, Series 2017 Acquisition Fund, established in the Bond Resolution and to be maintained by the Regents for the acquisition of the Improvement Project.

"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 Resolution.

"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, Executive Vice President for Administration, Chief Operating Officer and Chief Financial Officer, Associate Vice-President for Planning, Budget and Analysis 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 *"2017 Bonds"* or *"Series 2017 Bonds"* means the Regents of the University of New Mexico Subordinate Lien System Improvement Revenue Bonds, Series 2017 authorized by this Resolution.

"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, 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.

"*2000B Bonds*" means the bonds designated as "The Regents of the University of New Mexico, Subordinate Lien System Improvement Revenue Bonds, Series 2000B," issued in the original principal amount of \$6,621,671.40.

"*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.

"*2007A Bonds*" means the bonds designated as "The Regents of the University of New Mexico, Subordinate Lien System Improvement Revenue Bonds, Series 2007A" issued in the original principal amount of \$124,875,000.

"*2007B Bonds*" means the bonds designated as "The Regents of the University of New Mexico, Taxable Subordinate Lien System Improvement Revenue Bonds, Series 2007B" issued in the original principal amount of \$11,835,000.

"*2012 Bonds*" means the bonds designated as "The Regents of the University of New Mexico, Subordinate Lien System Refunding Revenue Bonds, Series 2012" issued in the original principal amount of \$35,215,000.

"*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.

"*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 2017 Bonds designated as Capital Appreciation Bonds in the Pricing Resolution and maturing on the dates to be set forth in the Pricing Resolution.

"*Closing Date*" means the date of the original issuance and delivery to the Purchaser or their designee of the Series 2017 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.

"*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.

"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, 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 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 2017

Bonds, any exemption for the Series 2017 Bonds from federal or state securities laws or any protection afforded to the Series 2017 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, collectively, the Paying Agent/Registrar, 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.

"*Improvement Project*" or "*Project*" means (a) purchasing, erecting, altering, remodeling, expanding, improving, repairing, furnishing and equipping buildings, improvements and facilities for the use of the University of New Mexico, including, but not limited to, the Physics and Astronomy Replacement Building project, the Smith Plaza supplemental project, the Art Annex Renewal project, the Biology Annex Renewal project, and the Student Health and Counseling Renewal project (b) the funding of capitalized interest for the 2017 Bonds, if any, (c) the acquisition of a reserve fund insurance policy to fund or otherwise funding a debt service reserve fund for the 2017 Bonds; and (d) the funding of the Expenses associated therewith.

"*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 Resolution.

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

"*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 2017 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*" 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 the commercial bank or financial institution designated in the Pricing Resolution 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 Resolution*" means the resolution to be adopted by the Regents prior to the issuance of the Bonds relating to the final terms of the Bonds and the final forms of the Related Documents.

"*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 bond underwriters to be designated by an Authorized Officer of the University prior to the sale of the Bonds and as set forth in the Pricing Resolution.

"*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*" means the Series 2017 Rebate Fund established pursuant to Section 5.01 hereof.

"*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.

"*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, Tax Compliance Certificate, the Continuing Disclosure Undertaking, the Paying Agent Agreement, and any and all other documents contemplated thereby.

"*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.

"*Series 2017 Rebate Fund*" means "The Regents of the University of New Mexico, Subordinate Lien System Improvement Revenue Bonds, Series 2017 Rebate Fund" created by Section 5.01 hereof.

"*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 2000B Bonds, the 2001 Bonds, the 2002B Bonds, the 2002C Bonds, the 2007A Bonds, the 2007B Bonds, the 2012 Bonds, the 2014A Bonds, the 2014B Bonds, the 2014C Bonds, the 2016A Bonds, the 2016B Bonds, the 2017 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.

"*Tax Compliance Certificate*" means the certificate bearing such name executed by an Authorized Officer and relating to the Bonds.

"*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 Improvement 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 Improvement Project.***

(i) It is in the best interest of the University to undertake the Improvement Project.

(ii) The issuance of the Bonds to finance the Improvement 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 underwriters discount, to be set forth in the Purchase Contract and the Pricing Resolution, will be reasonable.

(iv) The Improvement Project shall comprise a part of the System.

(b) ***Authorization.*** For the purpose of providing funds with which to finance the 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 Improvement Revenue Bonds Series 2017" in an aggregate principal amount not to exceed \$56,500,000 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 Bonds will be issued with a fixed rate of interest and may be tax-exempt or taxable under the Code. The Bonds may be issued as current interest bonds or as Capital Appreciation Bonds as determined pursuant to the Pricing Resolution.

Section 2.03 Delegation to President. Subject to the ratification of such terms in the Pricing Resolution, the President of the University is hereby authorized and delegated the power to determine the following with respect to the Bonds:

(a) The exact principal amount of the Bonds not to exceed \$56,500,000, provided that such amount shall not exceed the amount necessary to finance the Improvement Project.

(b) The principal amount maturing in each year (whether at stated maturity or mandatory redemption) provided that such principal shall end not later than June 1, 2048.

(c) Whether the Bonds are issued as current interest bonds or as Capital Appreciation Bonds.

(d) The interest rate on the Bonds provided that the net effective fixed interest rate for the Bonds may not exceed 4.75% per annum.

(e) Except with respect to Capital Appreciation Bonds, if any, provisions for optional or mandatory redemption of the Bonds, provided that the Bonds shall be subject to optional redemption no later than 10 years after June 1, 2018 and at a premium no greater than 2.0% of the principal so redeemed and provided further that the mandatory redemption provisions shall comply with paragraph (b) of this Section.

(f) The price at which the Bonds are sold to the Purchaser provided that the original issue discount shall not exceed 3.0% of the aggregate principal amount of the Bonds and the Purchasers discount shall not exceed 1.0% of the aggregate principal amount of the Bonds.

(g) The final forms of the Related Documents.

(h) The dated date of the Bonds.

(i) The amount, if any, to be deposited in the Subordinate Lien Parity Bonds Reserve Fund for the Bonds.

ARTICLE III

THE SERIES 2017 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 Resolution. 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 Resolution, 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 Registrars 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 Resolution.

(b) The Maturity Amount of each Capital Appreciation Bond is payable on the maturity date to be set forth in the Pricing Resolution 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 Resolution. 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 Resolution 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 Resolution 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 approved in the Pricing Resolution.

(a) ***Optional Redemption.*** Bonds maturing on or before the date determined by the President 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 President 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 President 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 President pursuant to Section 2.03 hereof.

(b) ***Mandatory Redemption.*** If the President 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 President. As and for a sinking fund for the mandatory redemption of Bonds, the Regents shall cause to be deposited in the Series 2017 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 President 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 Resolution 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 Bonds are payable from amounts on deposit in the 2017 Interest Account (including capitalized interest, if any), the 2017 Principal Account and Subordinate Lien Parity Bonds Reserve Account for the 2017 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 Regents in the Pricing Resolution.

(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 Resolution 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 set forth in the Purchase Contract is approved, subject to ratification by the Regents by the Pricing Resolution. 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 2000 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 Revenue Bonds, Series 2007 Bond Service Fund", "The Regents of the University of New Mexico, Subordinate Lien System Refunding Revenue Bonds, Series 2012 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", and "The Regents of the University of New Mexico, Taxable Subordinate Lien System Refunding Revenue Bonds, Series 2016B 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 2000 Reserve Account, the Series 2001 Reserve Account, the Series 2002 Reserve Account, the Series 2007 Reserve Account, the Series 2012 Reserve Account the Series 2014A Reserve Account, the Series 2014B Reserve Account, the Series 2014C Reserve Account, the 2016A Reserve Account, and the 2016B 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 2000 Rebate Fund, the Series 2001 Rebate Fund, the Series 2002 Rebate Fund, the Series 2007A Rebate Fund, the Series 2012 Rebate Fund, the Series 2014A Rebate Fund, the Series 2014C Rebate Fund, and the 2016A 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 2017 Bonds:

(i) *Subordinate Lien Parity Bond Service Fund.* "The Regents of the University of New Mexico, Subordinate Lien System Improvement Revenue Bonds, Series 2017 Bond Service Fund" to be maintained with the Fiscal Agent. Within such Subordinate Lien Parity Bond Service Fund there is hereby created for the 2017 Bonds, the following accounts: the 2017 Bonds Interest Account, 2017 Principal Account, 2017 Redemption Account and 2017 Additional Payments Account.

(ii) *Subordinate Lien Parity Bonds Reserve Fund.* Within the Subordinate Lien Parity Bonds Reserve Fund there is hereby created the Series 2017 Reserve Account.

(iii) *Acquisition Fund.* "The Regents of the University of New Mexico, Subordinate Lien System Improvement Revenue Bonds, Series 2017 Acquisition Fund" to be maintained with the University for the deposit of certain of the 2017 Bond proceeds.

(iv) *Issuance Expense Fund.* "The Regents of the University of New Mexico, Subordinate Lien System Improvement Revenue Bonds, Series 2017 Issuance Expense Fund" to be maintained with the University.

(v) *Rebate Fund.* The Series 2017 Rebate Fund to be maintained with the Fiscal Agent.

In addition, the President is hereby authorized to create any additional funds in the Pricing Resolution 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 2017 Bonds, the proceeds from the sale of the Series 2017 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 2017 Bonds shall be credited to the Series 2017 Bonds Interest Account.

(b) On the Closing Date of the Series 2017 Bonds, proceeds of the Series 2017 Bonds or a Subordinate Lien Parity Bonds Reserve Fund Surety Bond, in an amount specified by the Regents, shall be deposited in the Series 2017 Reserve Account to satisfy the Reserve Requirement for the Series 2017 Bonds.

(c) Proceeds of the Series 2017 Bonds in an amount to be specified by the Regents on the Closing Date shall be deposited into the Series 2017 Acquisition Fund to be used for the Improvement Project. Investment earnings on moneys deposited in the 2017 Acquisition Fund may be transferred to the 2017 accounts in the 2017 Bonds Service Fund upon certification by the chief financial officer of the University that the amount remaining in the Acquisition Fund, after giving effect to such transfer, is anticipated to be sufficient to complete the Improvement Project. After the Improvement Project is completed, all money remaining in the Acquisition Fund, if any, (i) may be deposited into the 2017 accounts in the 2017 Bonds Service Fund to be used for the payment of the principal of and the interest on the Series 2017 Bonds next coming due; or, (ii) may be used for any other lawful purpose if there is provided a written opinion of nationally-recognized bond counsel to the effect that such use is permissible under State law and, if applicable, that such use will not adversely affect the exclusion of interest on the Series 2017 Bonds from gross income of the owners thereof for federal income tax purposes under the Code.

(e) Proceeds of the Series 2017 Bonds in an amount to be specified by the Regents on the Closing Date shall be deposited in the 2017 Issuance Expense Fund. Such moneys shall be used and paid out by the Regents to defray the Expenses associated with the issuance of the respective Series 2017 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 Associate Vice-President for Planning, Budget and Analysis 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 2017 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 2000 Reserve Account, Series 2001 Reserve Account, Series 2002B Reserve Account, Series 2002C Reserve Account, Series 2007A Reserve Account, Series 2007B Reserve Account, Series 2012 Reserve Account, Series 2014A Reserve Account, Series 2014B Reserve Account, Series 2014C Reserve Account, Series 2016A Reserve Account, Series 2016B Reserve Account, or Series 2017 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 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 2000, Series 2001, Series 2002B, Series 2002C, Series 2007A, Series 2007B, Series 2012, Series 2014A, Series 2014B, Series 2014C, Series 2016A, Series 2016B, or Series 2017 Reserve Account shall be used first to pay any deficiency in the amount available to pay Debt Service on the 2000B Bonds, 2001 Bonds, 2002B Bonds, 2002C Bonds, 2007A Bonds, Series 2007B Bonds, Series 2012 Bonds, Series 2014A Bonds, Series 2014B Bonds, Series 2014C Bonds, Series 2016A Bonds, Series 2016B Bonds, or Series 2017 Bonds, 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.

Section 5.05 General Administration of Funds. The funds and accounts designated in Sections 5.01, 5.02, 5.03, 5.04 and 5.05 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, 5.04 and 5.05 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, 5.04 and 5.05 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 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 5.04 hereof and shall have the priority set forth in Section 5.04 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 (c) 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 Associate Vice-President for Planning, Budget and Analysis 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 Associate Vice-President for Planning, Budget and Analysis 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 Associate Vice-President for Planning, Budget and Analysis 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 Associate Vice-President for Planning, Budget and Analysis 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 Associate Vice-President for Planning, Budget and Analysis 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 2000B Bonds, the 2001 Bonds, the 2002B Bonds, the 2002C Bonds, the 2007A Bonds, and the 2007B 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 Associate Vice-President for Planning, Budget and Analysis 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 2000B Bonds, the 2001Bonds, the 2002B Bonds, the 2002C Bonds, the 2007A Bonds, and the 2007B Bonds have been paid in full,

deceased 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 Associate Vice-President for Planning, Budget and Analysis 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 2017 Bond Proceeds. The Regents will proceed without delay to apply the proceeds of the Series 2017 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 Associate Vice-President for Planning, Budget and Analysis 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 Associate Vice-President for Planning, Budget and Analysis 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 Regents and the University covenant for the benefit of the owners of the Series 2017 Bonds that they will not take any action or omit to take any action with respect to the Series 2017 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 Series 2017 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 Series 2017 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 Series 2017 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 Series 2017 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.

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 the 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 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 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 affect on the rights of the owners of Subordinate Lien Parity Bonds. Except as provided above, the Bond Resolution 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 11.09 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 and the Related Documents, 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, including, but not necessarily limited to the absence and existence of factors affecting the exclusion of interest on the tax-exempt Bonds from gross income for federal income tax purposes.

Section 11.02 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 11.03 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 11.04 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 11.05 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 11.06 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 11.07 Ratification. All action heretofore taken (not inconsistent with the express provisions of this Bond Resolution) by the Regents or the University directed toward the Improvement 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 11.08 Governing Law. This Bond Resolution shall be governed by the laws of the State without reference to choice of law principles thereof.

Section 11.09 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 Associate Vice-President for Planning, Budget and Analysis 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 November 15, 2016, 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 Improvement Revenue Bonds, Series 2017 in an amount not to exceed \$56,500,000.

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 IMPROVEMENT REVENUE BONDS, SERIES 2017 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$56,500,000, IN ONE OR MORE SERIES, FOR THE PURPOSE OF PURCHASING, ERECTING, ALTERING, REMODELING, EXPANDING, IMPROVING, REPAIRING, FURNISHING AND EQUIPPING BUILDINGS, IMPROVEMENTS AND FACILITIES FOR THE USE OF THE UNIVERSITY OF NEW MEXICO, FUNDING CAPITALIZED INTEREST FOR THE 2017 BONDS, ACQUIRING A RESERVE FUND INSURANCE POLICY TO FUND, OR OTHERWISE FUNDING, A RESERVE FUND FOR SUCH 2017 BONDS, AND PAYING THE COSTS OF ISSUANCE ASSOCIATED THEREWITH; PROVIDING FOR THE PLEDGE OF CERTAIN REVENUES FOR THE PAYMENT OF THE 2017 BONDS; PROVIDING FOR ENTERING INTO CERTAIN CONTRACTS AND AGREEMENTS IN CONNECTION THEREWITH; 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 Associate Vice-President for Planning, Budget and Analysis 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 Associate Vice-President for Planning, Budget and Analysis 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 15th day of November, 2016.

THE REGENTS OF THE UNIVERSITY OF
NEW MEXICO

[END OF FORM OF NOTICE]

Section 11.10 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:	to be set forth in the Pricing Resolution
If to the Regents or the University:	University of New Mexico Scholes Hall Albuquerque, New Mexico 87131 Attention: Associate Vice-President for Planning, Budget and Analysis 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 11.11 Effective Date. This resolution shall take immediate effect.

ADOPTED AND APPROVED this 15th day of November, 2016.

THE REGENTS OF THE UNIVERSITY OF
NEW MEXICO

[SEAL]

By _____
Robert M. Doughty III, President

Attest:

By

Jack L. Fortner, Secretary

Y:\dox\client\73740\0165\GENERAL\W2816799.DOC

[Signature Page to Bond Resolution]

EXHIBIT A

(FORM OF BOND)

EXCEPT AS OTHERWISE PROVIDED IN THE HEREINAFTER DEFINED BOND RESOLUTION, THIS GLOBAL BOOK-ENTRY BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF DTC (AS DEFINED HEREIN) OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

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

THE REGENTS OF THE UNIVERSITY OF NEW MEXICO
SUBORDINATE LIEN SYSTEM IMPROVEMENT REVENUE BOND
SERIES 2017

NO. R-1 \$_____ CUSIP 914692_____

Maturity Date **Interest Rate** **Dated as of**
June 1, _____ % _____, 2017

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 _____, 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 resolutions of the Regents adopted on November 15, 2016 and on _____, 2017 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 2017 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 2017 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 2017 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 2017 Bond may be in a denomination which exceeds the principal coming due on any Maturity Date, and no individual Series 2017 Bond may be issued for more than one maturity) and are exchangeable for fully registered Series 2017 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 2017 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 2017 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 2017 Bonds.

Series 2017 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 2017 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 2017 Bond or portion thereof so redeemed) set forth below, plus accrued interest to the redemption date.

Redemption Dates	Redemption Price
June 1, ____ through May 31, ____	%
June 1, ____ and thereafter	

The Series 2017 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 2017 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 2017 Bond or portion thereof so redeemed plus accrued interest to the redemption date.

**Redemption Dates
(June 1)**

**Principal to
be Redeemed**

\$

*

*Final Maturity

The Series 2017 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 2017 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 2017 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 2017 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 2017 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 2017 Bond of a denomination larger than \$5,000, a portion of such Series 2017 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 2017 Bond, authenticate and issue a replacement Series 2017 Bond or Bonds for the unredeemed portion thereof. Money sufficient to provide for the redemption price due in connection with any redemption of Series 2017 Bonds as provided herein shall be credited to the Series 2017 Bonds Principal Account for such purpose prior to the redemption date set for such Series 2017 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 2017 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 2017 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 2017 Bond or any portion thereof after the mailing of notice calling such Series 2017 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 2017 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 2017 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 2017 BONDS OR OTHER COSTS INCIDENT THERETO. THE REGENTS HAVE NO TAXING POWER.

The Series 2017 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 2017 Bonds, all as amended.

The Regents are issuing the Series 2017 Bonds in order to provide funds for the (i) purchasing, erecting, altering, remodeling, expanding, improving, repairing, furnishing, and equipping buildings, improvements and facilities for the use of the University of New Mexico, including, but not limited to, the Physics and Astronomy Replacement Building project, the Smith Plaza supplemental project, the Art Annex Renewal project, the Biology Annex Renewal project, and the Student Health and Counseling Renewal project; (ii) funding capitalized interest on the Series 2017 Bonds, if any; (iii) acquiring a reserve fund insurance policy to fund, or otherwise fund, a reserve fund for the Series 2017 Bonds, and (iv) paying the costs of issuance associated therewith (collectively, the "Project")

The Series 2017 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 Associate Vice-President for Planning, Budget and Analysis 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 2017 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 2017 Bonds becoming due at maturity, by call for redemption or otherwise, together with interest accrued to the due date, interest on such Series 2017 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 2017 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 2017 Bonds do not exceed or violate any constitutional or statutory limitation. This Series 2017 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 _____, 2017.

THE REGENTS OF THE UNIVERSITY OF
NEW MEXICO

[SEAL]

By _____
Robert M. Doughty III, President

Attest:

By _____
Jack L. Fortner, Secretary and Treasurer

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2017 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 2017 Bonds.

as Paying Agent/Registrar

By _____
Authorized Officer

Date of Authentication:

_____, 2017

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 2017 IMPROVEMENT PROJECT

2017 Improvement Project Description

Not to Exceed*

\$56,500,000

a) Purchasing, erecting, altering, remodeling, expanding, improving, repairing, furnishing and equipping buildings, improvements and facilities for the use of the University of New Mexico, including, but not limited to, the Physics and Astronomy Replacement Building project, the Smith Plaza supplemental project, the Art Annex Renewal project, the Biology Annex Renewal project, and the Student Health and Counseling Renewal project

b) Funding Capitalized Interest on the 2017 Bonds, if any

c) Acquiring a Reserve Fund Insurance Policy or otherwise funding a reserve fund for the 2017 Bonds

d) Paying the Expenses associated with the issuance of the 2017 Bonds

***To be finally determined in Pricing Resolution**

*Supporting materials for this agenda item
may be available at the meeting*

UNIVERSITY SEAL REPORT

Prepared by Jozi De Leon, Ph.D
Vice President, Equity and Inclusion
Division for Equity and Inclusion
October 2016

For years comments have circulated on the problematic nature of the UNM University Seal. In 1991, Irene Blea, the former director of the Hispanic Student Services, wrote the following to President Richard Peck:

"[R]ecently I concentrated on the symbol on the rich red banner behind the speakers [at a forum]. I found the symbolism somewhat contradictory to what was being said. A review of the banner will exhibit two white European males (no females) holding military arms in traditional male garb. This symbol completely overlooks the fact that women and Native Americans were very much present in the region UNM serves before the appearance of the European. I suggest a review of the banner and a different design that is inclusionary and more contemporary."

The Kiva Club and other Native American students and faculty have also repeatedly voiced their concerns and opposition to the use of the university seal. In 2015-16 the UNM Kiva Club and the community group Red Nation, yet again, voiced opposition by redesigning a facsimile of the university seal to depict the absence and victimization of Native Americans. They also engaged in a peaceful protest outside of Scholes Hall. In addition, President Robert Frank was presented with a petition with 185 names requesting that the university abolish the seal. In response, President Frank and Provost Chaouki Abdallah decided to solicit input from university and external constituents to determine whether to change the university seal.

Method of Gathering and Analyzing Input

Individuals had the opportunity to provide feedback to the administration and the regents. They could: (1) respond to email requests for reactions and suggestions sent through faculty, staff, student or alumni listservs and e-mail their feedback to unmseal@unm.edu; or (2) could attend one of several fora that were held between May and October 2016. During each forum, participants could voice their opinions verbally or write their feedback on index cards.

Fora

A total of five (5) fora and two (2) special meetings were held to engage individuals in a conversation and solicit their feedback. Fora were held on May 12th (faculty, staff and students), June 16th (faculty, staff and students), July 12th (staff), September 20th (faculty & students), and September 28th (alumni). The Division for Equity and Inclusion staff made it public that they would make themselves available to meet with any group requesting information on the seal and wishing to provide their input. On September 28th a special meeting was requested and held to accommodate members of Hispanic organizations and other Hispanic community members who had traveled to campus to attend the September

13th forum that had been rescheduled. On October 3rd a special meeting was held for Native American community members.

Fora were announced for specific target groups to ensure faculty, staff, student and UNM alumni involvement and were open to everyone. Target groups were given priority in speaking at meetings designated for their group. With each conversation, special attention was paid to fairness, respect, inclusion, free speech and openness. The first two fora provided individuals with an opportunity to share their perspectives in front of the whole group. Each individual was timed and ground rules for participation were established. Every forum began with a PowerPoint of the history of the University Seal (see attached). The forums and special meetings on and after September 20th were structured as facilitated roundtable conversations to ensure that all participants were able to share their perspectives and engage in respectful dialogue. This structure also allowed for greater understanding, minimized inflammatory comments and provided for more robust participation.

Analysis of Input

Sign in sheets were present at every forum or meeting to determine participant affiliations which were then used to code data according to participant groups. Notes were taken during the meetings to capture the comments by participants. These comments were transcribed and placed on a spreadsheet. Written and emailed comments were collected and numbered.

A thematic analysis was used to make sense of the data. According to Braun and Clarke (2006), a theme captures something important about the data in relation to the question of interest and represents some level of patterned response or meaning within the data set. The following process was applied in arriving at meaning from the input provided via emails or during forums: (1) becoming familiar with data by reviewing all input several times; (2) generating initial codes; (3) searching for themes; and (4) defining and naming the themes.

Themes

The themes that emerged from the data are defined accordingly:

- ***Bigger Challenges (BC)*** – UNM has bigger challenges to address and changing the seal is viewed as frivolous or the cost of changing the seal during this financial climate is problematic;
- ***Diversity/ Inclusion (D/I)***- UNM is a different university today than when the seal was created and the seal does not speak to the institution's value statement about diversity and inclusion nor is it inclusive or various groups i.e., women, African Americans, a growing international population;
- ***Hiding History (HH)***– any changes to the seal will be negating or hiding a historical past that is important to remember or can be used as a teaching moment;

- **Offensive (O)**– the seal is offensive because of its focus on a painful and violent history toward Native Americans and other New Mexico populations or racist in its sole inclusion of White European colonizers and aggressors.
- **Symbols Problematic (SP)**– the frontiersman, conquistador, the swords/weapons, UNM Script and the absence of Native Americans is problematic; include symbols that represent UNM as an educational institution or use NM symbols/imagery – i.e., Sandia Mountains, Sun, Rio Grande
- **Tradition (T)**– any changes to the seal will impact UNM tradition or the seal is an important symbol representative of the UNM experience;

TABLE 1. Participation and Recommendations Individuals at Forum I Faculty, Staff & Student Forum 5-12-16

	Participants	Recommendations	Totals
Alumni	0		
Community	0		
Faculty	1		
Organization	0		
Staff	0		
Students	20		
Unknown	0		
Participants			21
<i>Change</i>		7	7
• D/I		2	
• O		3	
• SP		2	
<i>Do Not Change</i>		3	3
• BC		1	
• HH		1	
• T		1	
Combined Responses			10

TABLE 2. Participation and Recommendations by Individuals at Forum II Faculty, Staff & Student Forum 6-16-16

	Participants	Recommendations	Totals
Alumni	0		
Community	2		
Faculty	7		
Organization	6		
Staff	19		
Students	21		
Unknown	16		
Participants			71
<i>Change</i>		34	34
• D/I		5	
• O		28	
• SP		1	
<i>Do Not Change</i>		1	1
• BC		0	
• HH		0	
• T		0	
*Combined Responses			35

*Includes written responses

TABLE 3. Participation and Recommendations by Individuals at Forum III Staff Forum 7-12-15

	Participants	Recommendations	Total
Alumni	0		
Community	1		
Faculty	2		
Organization	1		
Staff	17		
Students	32		
Unknown	7		
Participants			60

<i>Change</i>		4	4
• D/I		0	
• O		4	
• SP		0	
<i>Do Not Change</i>		0	0
• BC		0	
• HH		0	
• T		0	
Combined Responses			4

TABLE 4. Participation and Recommendations by Individuals at Forum IV Faculty & Student Forum 9-20-16

	Participants	Recommendations	Total
Alumni	1		
Community	1		
Faculty	19		
Organization	3		
Staff	18		
Students	54		
Unknown	11		
Participants			107
<i>Change</i>		107	107
• D/I		0	
• O		107	
• SP		0	
<i>Do Not Change</i>		0	
• BC		0	
• HH		0	
• T		0	
Combined Responses			107

**TABLE 5. Participation and Recommendations by Individuals at Forum V
Alumni Forum 9-28-16**

	Participants	Recommendations	Total
Alumni	4		
Community	0		
Faculty	2		
Organization	1		
Staff	5		
Students	6		
Unknown	0		
Participants			18
<i>Change</i>		18	18
• D/I		0	
• O		18	
• SP		0	
<i>Do Not Change</i>		0	0
• BC		0	
• HH		0	
• T		0	
Combined Responses			18

Includes written responses

**TABLE 6. Participation and Recommendations by Individuals at Forum VI
Community Forum 9-28-16**

	Participants	Recommendations	Total
Alumni	3		
Community	4		
Faculty	0		
Organization	7		
Staff	0		
Students	0		
Unknown	0		
Participants			14

<i>Change</i>		14	14
• D/I		14	
• O		0	
• SP		0	
<i>Do Not Change</i>		0	0
• BC		0	
• HH		0	
• T		0	
Combined Responses			14

**TABLE 7. Participation and Recommendations by Individuals at Forum VII
Community Forum 10-3-16**

	Participants	Recommendations	Total
Alumni	2		
Community	0		
Faculty	2		
Organization	0		
Staff	0		
Students	6		
Unknown	0		
Participants			10
<i>Change</i>		10	10
• D/I		0	
• O		10	
• SP		0	
<i>Do Not Change</i>		0	0
• BC		0	
• HH		0	
• T		0	
Combined Responses			10

TABLE 8. Quantitative Data for All Fora

	Participants	Recommendations	Totals
Alumni	10		
Community	4		
Faculty	33		
Organization	18		
Staff	59		
Students	139		
Unknown	38		
Participants			301
<i>Change</i>		194	194
• D/I		21	
• O		150	
• SP		3	
<i>Do Not Change</i>		4	4
• BC		1	
• HH		1	
• T		1	
*Combined Responses			198

*Includes written responses submitted on index cards

TABLE 9. Email Data

	Participants	Recommendations	Total
Alumni	23		
Community	1		
Faculty	13		
Organization	0		
Staff	28		
Students	12		
Unknown	17		
*Participants			94
<i>Change</i>		42	42
• D/I		13	
• O		13	
• SP		14	

<i>Do Not Change</i>		42	42
• BC		10	
• HH		12	
• T		9	
*Combined Responses			84

*Includes individuals that did had other questions/concerns

Summary of Outcomes

Table 10 incorporates all of the compiled data on fora and email. The majority of participants were students followed by staff, faculty, alumni, organization representatives from internal and external organizations and community members, respectively. Some individual affiliations were not known since input was provided by email or they had not indicated their affiliation on sign-in sheets. Participation by students indicate their high interest in the change or retention of the university seal.

There was greater participation in fora than via email despite the use of multiple listservs. Fora also included repeat participants inflating some of the participation numbers. Email responses were more varied and were evenly split between those stating that they wanted the university seal changed and those that did not want it changed. Fora participation provided an opportunity for individuals to listen to speakers and formulate their ideas. Several individuals expressed to the facilitators that they had arrived with an opinion that was different than the one they had adopted by the end of the forum or meeting.

The majority of respondents felt that the seal needed to be changed because it was offensive or racist. Multiple descriptions of the offensive nature of the seal were cited with the most frequent being the frontiersman and conquistador as representatives of a violent history inflicted upon Native Americans. Please note that all participants of Forum III conducted on September 20th reached a consensus that the seal should be changed and unanimously voiced their concern that the seal was offensive and racist.

The depiction of two European males as representative symbols of the university were viewed as problematic. In addition, some individuals felt that the figures were exclusionary and not aligned with our values of diversity and inclusion. Individuals that voiced opposition to changing the seal did so because it was tradition, they felt the university was negating history rather than using it for educational purposes or they felt the institution had bigger challenges to manage at this time.

Multiple suggestions were provided to improve the seal. Some participants suggested removing the frontiersman and conquistador and leaving the rest of the seal intact, changing the UNM script to something more readable, adding education-related symbols, or adding NM landscape symbols – Mountains, Rio Grande River, sun/Zia, eagle, and roadrunner.

Table 10. Email and Fora Outcomes

	Forum Outcomes	Email Outcomes	Total
Participants			
• Alumni	10	23	33
• Community	4	1	5
• Faculty	33	13	46
• Organization	18	0	18
• Staff	59	28	87
• Students	139	12	151
• Unknown	38	17	55
Participants	301	94	395
Recommendations			
Change*	194	42	236
• D/I	21	13	34
• O	150	13	183
• SP	3	14	17
Do Not Change	4	42	46
• BC	1	10	11
• HH	1	12	13
• T	1	9	10

**Includes 107 participants that formed consensus on change in Forum IV*

Recommendations

We provide the following recommendations from the feedback provided as well as considerations to be taken into account if the University Seal is changed.

- The University Seal should be changed by removing the existing conquistador and frontiersman and creating a seal that is more inclusive, aspirational, honors UNM’s diversity and/or defines us as an institution of higher education.
- The President should determine the appropriate mechanism for creating a new seal. We propose that he appoint a diverse committee including faculty, staff, students and alumni to solicit potential designs and make recommendations.
- A comprehensive cost analysis needs to be completed and a plan should be developed to determine a phased-out approach in implementing the changes to the seal as well as the steps to eliminate the usage of the present seal.
- A plan should be developed to determine usage of regalia for students graduating during the transition period. We recommend that students be allowed to cover the seal on their regalia or not wear regalia.

- Diplomas featuring the new seal should be made available to those individuals wishing to purchase them.
- The University should communicate their process and the next steps widely to the whole university community and especially to the Native American communities.

Reference

Braun, V. and Clarke, V. (2006). *Using thematic analysis in psychology*. *Qualitative Research in Psychology*, 3: 77-101.

Appendix A

Quotes

The seal seems to represent that the sword is mightier than the pen.

The frontiersman and conquistador are reminders of a past that is filled with much bloodshed, turmoil and unrest and should not represent this University.

The current seal suggests nothing about UNM being an institution of learning. It suggests preoccupation with a violent local past that wasn't even directly related to the institution.

This is not an image that has a long-standing or beloved heritage at UNM. It is offensive to the majority of the UNM population, as it excludes all women in addition to indigenous people and other groups.

There is simply no way to acknowledge the dizzying yet wonderful array of cultural diversity in our state by including two, three, six or even a dozen individuals on the seal.

The seal as currently rendered neglects the rich history of this state and her Native people. We are one of the most ethnically diverse flagship universities in the U.S., and it is a shame that we do not have an official seal that honors this diversity.

The seal accurately depicts the cultures that NM embraced. It's on my undergrad degree.

It seems to me it has served its purpose well and there is no reason to change it.



The UNM University Seal: Report and Recommendations

PRESENTED BY:

JOZI DE LEON, VP FOR EQUITY AND INCLUSION

Introduction

- ❖ For years, various groups have questioned the appropriateness of the UNM University Seal as a representation of the University
- ❖ In 2015-2016 the UNM Kiva Club was joined by the community group, Red Nation, in its opposition of the Seal
- ❖ President Frank and Provost Abdallah directed that forums be held to gain input on recommendations to change or keep the seal



Process for Gathering Information

- ❖ Five (5) Fora and two (2) meetings were held
- ❖ Emails were sent via listservs for faculty, staff, students, alumni, diversity groups and others
- ❖ Outreach was extensive including a custom website
- ❖ Comments were gathered during fora (oral and written) and via email
- ❖ The Division for Equity and Inclusion served as the repository for all comments, emails and notes, analyzed the data and compiled the results into a report

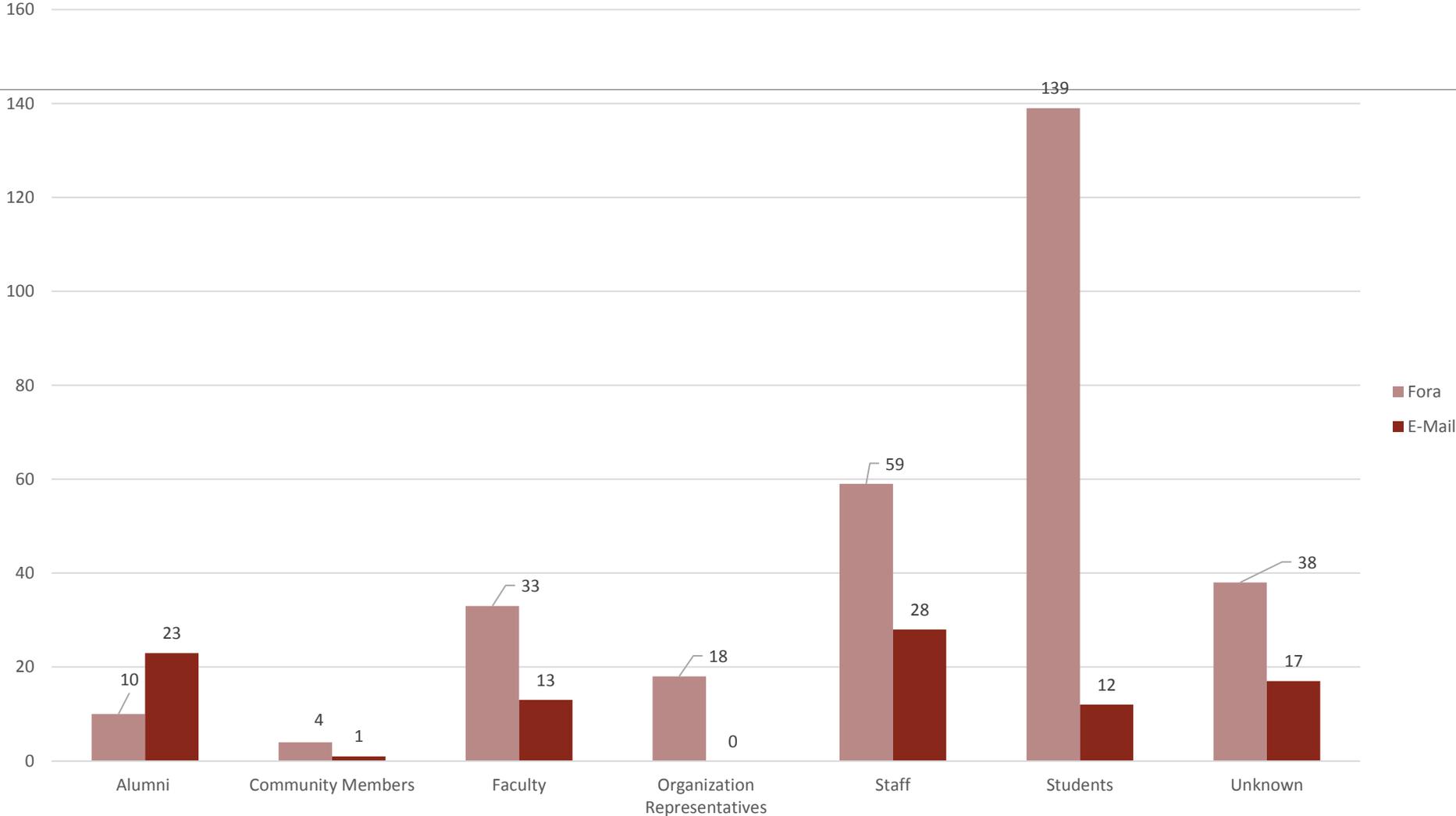
Analysis

- ❖ All data was collected, collated, organized and coded according to type
- ❖ Becoming familiar with data – All input was read several times to determine nuance and meaning
- ❖ Thematic analysis was applied
- ❖ Codes were generated – Change, Do Not Change, Reasons
- ❖ Emergent themes were determined
- ❖ Themes were named and defined

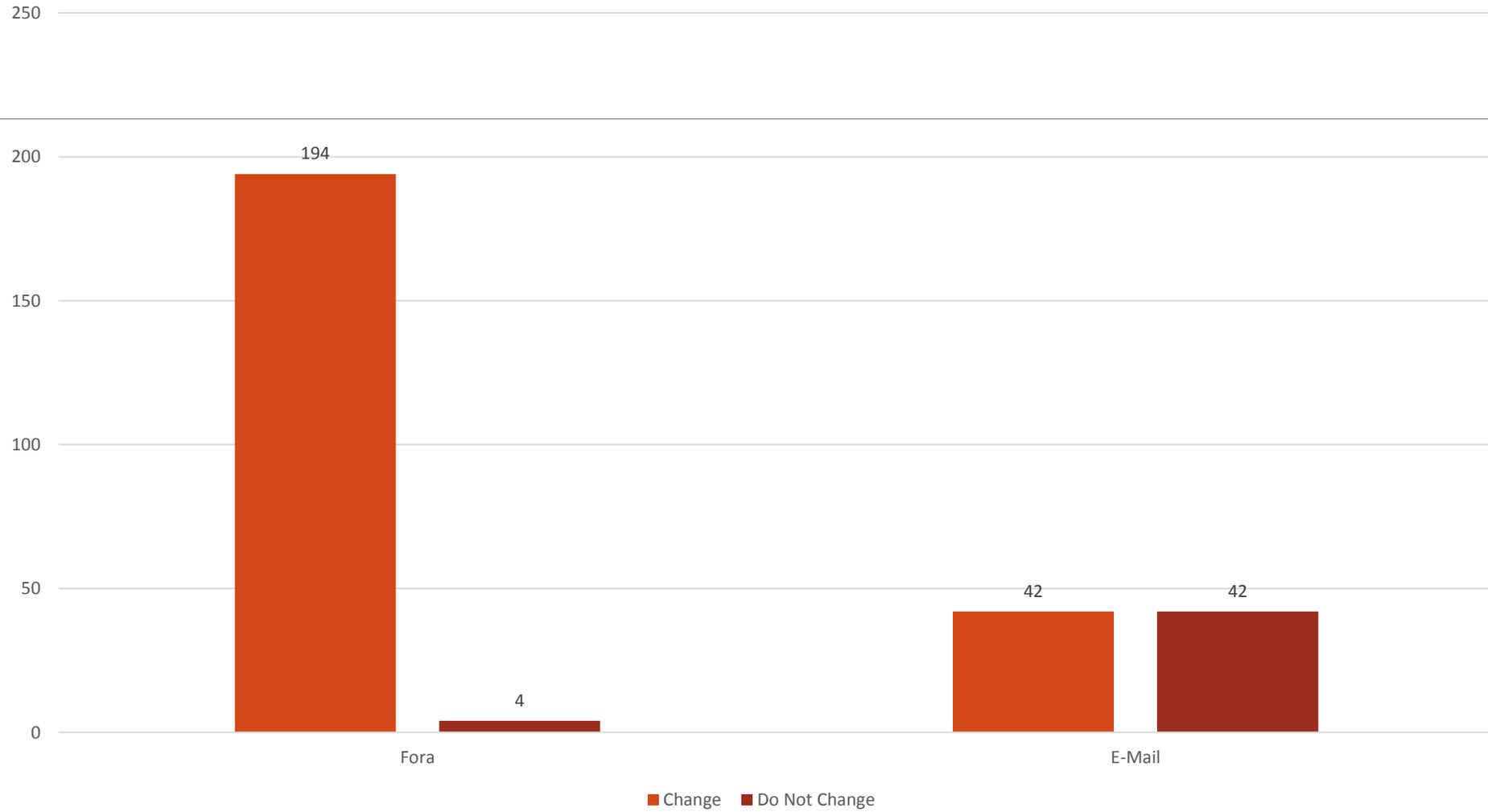
Themes

- ❖ Bigger Challenges
- ❖ Diversity/Inclusion
- ❖ Hiding History
- ❖ Offensive
- ❖ Symbols Problematic
- ❖ Tradition

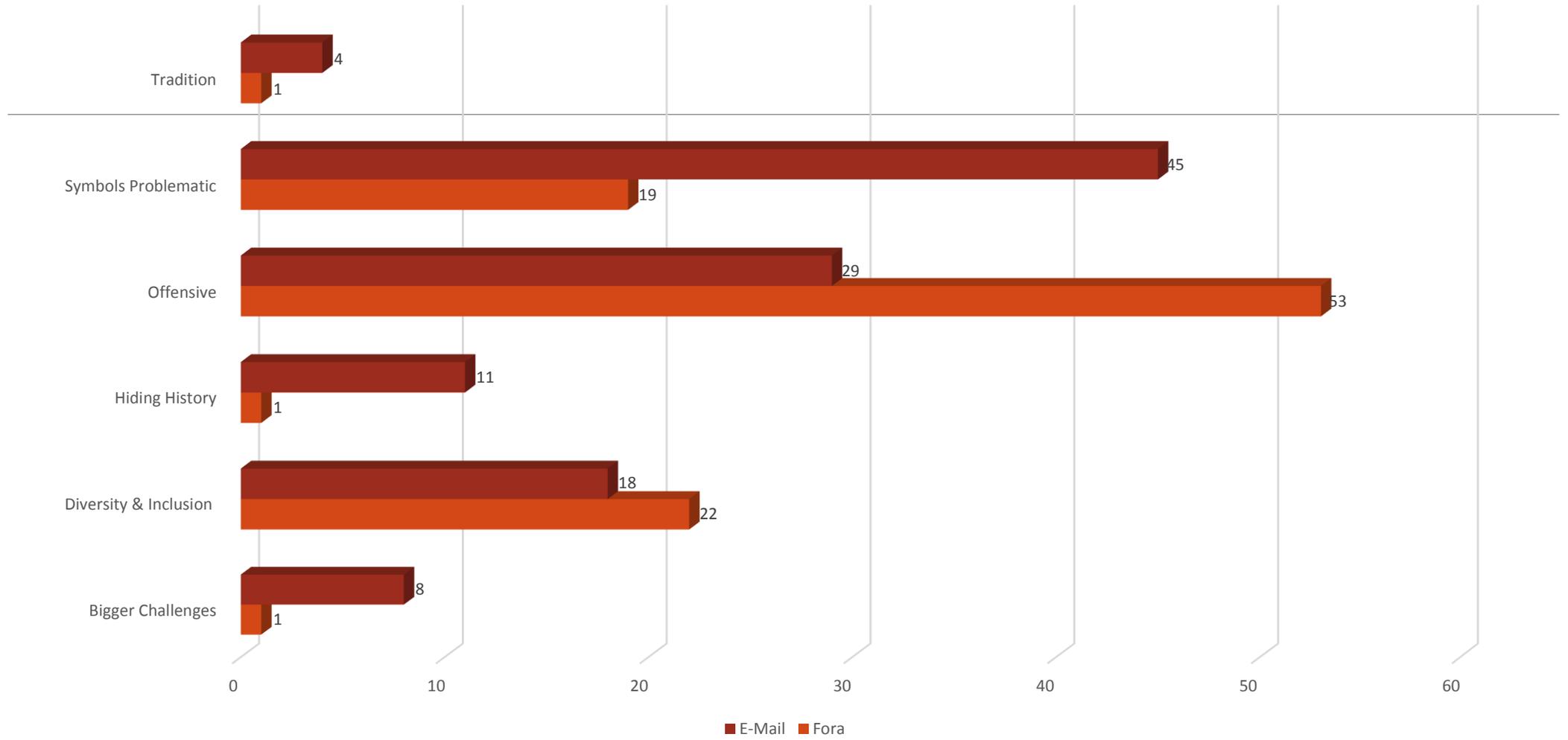
Number and Affiliation of Respondents



Recommendations



Themes



The seal seems to represent that the sword is mightier than the pen.

The frontiersman and conquistador are reminders of a past that is filled with much bloodshed, turmoil and unrest and should not represent the university.

Quotes from the Seal forums and E-mails

This is not an image that has a long-standing or beloved heritage at UNM. It is offensive to the majority of the UNM populations, as it excludes women in addition to indigenous people and other groups.

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There is simply no way to acknowledge the dizzying yet wonderful array of cultural diversity in our state by including two, three, six or even a dozen individuals on the seal.

Recommendations

- ❖ Change the seal by either removing the existing figures and replacing with something more inclusive, aspirational, honoring diversity and/or defining UNM as an institution of higher education
- ❖ Determine the appropriate mechanism for redesigning the new seal by appointing an inclusive committee
- ❖ Engage in a comprehensive cost analysis that determines the phased-out plan for eliminating the seal and replacing it
- ❖ Develop a short-term response to students who are graduating and do not wish to wear the regalia with the seal
- ❖ Develop a plan for how diplomas will be transitioned and option to purchase a new diploma
- ❖ Communicate next steps widely

Summary Meeting Report (Not Approved Minutes) Regents' Audit and Compliance Committee September 2, 2016

The **Regents' Audit and Compliance Committee (Committee)** held a Meeting on September 2, 2016.

ACTION ITEMS:

- The Committee approved the meeting agenda and the minutes from the meeting of May 5, 2016.
- The final calendar year 2016 Committee meeting date is October 20, 2016. The Committee approved this date.
- Proposed Revisions to Regents' Policy 7.17 on Affiliated Organizations. Pamina Deutsch, Director, UNM Policy Office; and Amy Wohlert, Chief of Staff, President's Office presented the Committee with revised policy information. The policy was issued in 1996 and has not been updated since; therefore, the policy has been out of date for a long time. Revisions include updates to affiliated entities (i.e. some have been dissolved, were never 501(c)(3) organizations, or have name changes), and clarification of requirements of the statute. The scope of the revisions is limited to only the affiliated organizations that are classified as 501(c)(3). The Committee approved the revisions.

The Committee unanimously approved the following UNM Hospital audits:

- SRMC Purchasing, Report 2015-04
- UNMH Purchasing, Report 2015-05
- SRMC Outpatient Access, Report 2015-05
- UNMH Outpatient Access, Report 2015-06
- UNMH Facilities – Planning and Construction, Report 2015-05
- SRMC 501(r) Requirements, Report 2015-06

The Committee unanimously approved the following UNM audits:

- Audit of Research Agreement (Brain Safe Project), Report 2015-08; and
- UNM Section of Integrated Medicine/Center for Life - Cash Handling, Report 2016-12

INFORMATION ITEMS:

Main Campus Quarterly Compliance Report. The Main Campus Compliance Office administers the hotline for UNM Main and Branch Campuses, UNM Health Sciences Center, UNM Hospital, UNM Medical Group, and Sandoval Regional Medical Center. The hotline vendor is Ethics Point, a case management system provided by Navex Global. It has the capability to accommodate these allegations and document all of the information gathered from an investigation. It was transitioned to the Main Campus Compliance Office from Internal Audit in March 2015 when the new system was implemented. The Compliance Office developed investigation procedures, compliance protocol, and best practices for investigators using the system. Eileen Sanchez is the system administrator and monitors and implements all access privileges for investigators. She monitors all the cases and produces analytic reports. This helps to identify trends, compliance risks, and locations

where violations are occurring. In addition, she benchmarks the data against other compliance organizations that use Ethics Point. Approximately 2100 entities use the Ethics Point system. Areas around UNM can also run reports for the cases they have access to.

There were 167 cases in FY16. There is a steady increase in the number of cases. The analysis of FY17 will determine if the upward trend continues. The trend may be due to more of an awareness of the system. Employees are reporting the most cases. There are more than 70 issues in five categories that reporters can choose from when reporting cases either by phone or by web reporting. Reporters can be anonymous or provide their name. Of the 167 cases reported in FY16, 92 were anonymous and 75 were named. There were 122 cases closed in FY16; 14 were substantiated, 12 were partially substantiated, and there were 36 “other” that could have required more information or did not respond to a follow-up inquiry, etc.; 60 of those were found by investigators to be unsubstantiated. Case closure time is rising a little throughout the Ethics Point community. There could be several reasons for this statistic, including a lack of resources. Cases should be resolved in a timely manner to avoid the perception that the University is not listening or responding.

It is the duty of the Chief Compliance Officer to distribute investigations and gather back information about completion. An area where the University needs to continue to make progress is in the monitoring of the quality of each investigation. The Chief Compliance Officer role was created just about two years ago

The incoming Interim Chief Compliance Officer is Libby Washburn. Once Ms. Washburn is on board, the University will move forward with reorganization plans. The Chief Compliance Officer will take a more active role in overseeing the key partners within the President’s organizations to allow for much more uniform processes and communication, neither duplicating nor omitting important activities. The office will also work closely with the other partners, such as Safety and Risk Services, Research Compliance, and the Policy Office. The President’s Office is working closely with the Policy Office to revise pertinent policies, such as the Whistleblower Policy

- **Health Sciences Center Compliance Report.** This Compliance Office tries to mirror what the Office of the Inspector General does when they look at compliance programs and their relationships to the seven sentencing guidelines. In the Research area, they enhanced their export control features. There are a number of trainings offered through UNM’s Learning Central module. At the HSC, they also require privacy and security training, a very serious concern in healthcare. There is also a lot of in-person training, allowing staff members to see a subject matter expert speak about a specific topic.

The whole purpose of a hotline is to prevent a whistleblower from going to a regulatory agency and to give an employee unfettered access to present an issue that is investigated in a fair, thoughtful, and independent manner. It is a best practice, and expected by regulatory agencies, that an agency have a hotline. The voice reporting option is available 24 hours a day, seven days a week, as is the web option. About 50 percent of the reports come in to the phone hotline; about 20 percent on the web.

Most calls are HR-related, and that is common. HSC Compliance is very concerned about medical overbilling, and they have very few of those reports. Privacy is a very important

thing that they have to monitor. Privacy issues are captured in the hotline, but they also track it in a separate database. Most inquiries come in through the hospital. People are concerned with access to records. The HSC Compliance Office has a Privacy Officer who is a subject matter expert. Going forward, they will be ranking their substantiated cases to determine if they are causing real concerns.

The more people know about what Compliance does, the more they will come forward. It is important to get a standard message out. Their Code of Ethics is value-based, not rules-based. It helps people understand where to report different issues. UNM and Hospital Purchasing departments now require vendors, as part of a purchase order, to read and follow the Code of Ethics. This requirement went into effect in June, 2016.

Internal Audit Director's Report. Mr. Patel reviewed his Director's Report. Next year, the University will have a Request for Proposal for the financial statement audit. That needs to be approved by this Committee before a contract is signed. Internal Audit has completed ten audits; five are in the planning process, two are before the Committee today, and three are unassigned. The departmental budget report as of July 31, 2016 is provided. The budget is \$852,000. Of that, \$802,000 is from the general fund, and \$50,000 is from reserves form carryover funds. The carryover is due to a vacancy resulting in the loss of one staff auditor position.

External Third Party Audits. Mr. Patel provided the Committee with current, updated information regarding four third party audits/reviews underway. The Defense Threat Reduction Agency is auditing us the University for their grants and contracts. The total amount is 1.8 million dollars. The National Science Foundation has various grants and contracts they are reviewing. The Substance Abuse and Mental Health Organization is also performing an audit. CMS has contracted out with the private company Connolly. They usually request a number of patient records. In the past several years, there have been about 20 third party audits. Most result in no major findings. Mr. Patel stated he can recall one audit where the University did not get prior approval for international travel. That only amounted to a couple of thousand dollars.

The meeting adjourned at 11:54AM.

Summary Meeting Report (Not Approved Minutes) Regents' Audit and Compliance Committee October 21, 2016

The Regents' Audit and Compliance Committee (Committee) held a Meeting on October 21, 2016.

ACTION ITEMS:

- The Committee approved the meeting agenda and minutes from the meeting of September 2, 2016.
- The Committee unanimously approved the FY16 External Financial Audit for submission to the New Mexico Office of the State Auditor. The audit cannot be released until it is approved and released by the State Auditor.

The Committee unanimously approved the following UNM Hospital audits:

- UNM Hospitals and Sandoval Regional Medical Center Billing Compliance Protocol Report
- UNM Hospitals and Sandoval Regional Medical Center Inpatient Controlled Substance Reports (2016-01 and 2016-02)

The meeting adjourned at 5:16 PM.



Board of Regent Report

UNM Alumni Association & Alumni Relations Office

November 15, 2016

Strategic Goals

Goal: Maximize alumni and student engagement

Student Engagement

Donut Days – Wednesday, November 1, 2016

The Alumni Association hosted its monthly Donut Days event. We had 159 Staff/Faculty and Community in attendance and we gave out donuts to 320 students.

Trailblazers Student Alumni Ambassadors – continue to represent the Alumni Association at events hosted by the Association and the Office of the President, such as:

- Men’s Basketball Games – meet and greet guests
- Lobo Living Room – meet and greet guests
- CASE New Mexico Conference – presentation on student advancement programs
- Hanging of the Greens – meet and greet guests

Student Engagement – celebrating our new graduates

- “Free Grad Photos at the U” will be offered to December graduates on November 17 and December 5 from 5:30-8:30. The U will be lit in red to honor the grads and a professional photographer will provide free digital photos for the students to use.
- Mini diplomas will be sent to all December Graduates to welcome them to the Alumni Association.
- UNM Official Class Ring Ceremony – Rings will be presented to eligible students Dec. 5.
- New Graduate Reception at Hodgin Hall Thursday, December 15.

Alumni Engagement

- Chapters and Alumni Outreach
 - Dallas Alumni Weekend –
 - Friday, October 14 at House of Blues, 85 in attendance
 - Pre-Game Tailgates
 - Saturday, October 15, UNM vs. AFA at Fair Park, Dallas, TX, 200+ in attendance
 - Saturday, October 29, UNM at Hawaii, 57 in attendance (est.)
 - Austin Chapter
 - November 5 – Hill Country Wine Tasting
 - December 4 – Holiday Potluck Dinner
 - Chicago Chapter
 - December 3 – MBB Pre-Game Social at Buffalo Wild Wings,
 - UNM vs. ISU, Normal, IL

- Denver Chapter
 - November 5 and 12 - FB Game Watch Parties at Choppers Sports Grill
 - November 18 – MBB Game Watch Party at Acero with NMSU Alumni
 - November 19 – FB Pre-Game Social at CSU, TBD, Ft. Collins
- Seattle Chapter
 - December 3 - Howliday Potluck Dinner
- San Diego Chapter
 - November 12, 19 and 26, Game Watch Parties at McGregor’s Grill
 - December 3 – Posole and Red Chile Christmas Dinner
- Wooden Classic Men’s Basketball Tournament, November 24-27, anticipated attendance by Los Angeles, Las Vegas, San Diego and Phoenix Chapters
- Regional Chapter Scholarships/Stipends
 - Denver Chapter (2)
 - Las Vegas Chapter (2)
 - NorCal Chapter (2)

- Departments developing alumni outreach & surveys include: International Studies Institute, Indigenous Design & Planning Institute, Communication & Journalism, Native American Studies, American Studies & College of Education
 - Academic Program Review Alumni Survey coordination and assistance provided to: Biology, Geography, Philosophy, Math & Statistics

- Constituent Chapters
 - Young Alumni
 - Friday, October 14 – Annual Halloween Costume Drive, Apothecary Lounge, Hotel Parq Central, collected 45 costumes
 - Sunday, November 13 – “Adulting Series” Gift Giving Outside the Box, Hodgkin Hall Alumni Center, 12-2 pm
 - The School of Architecture + Planning Alumni Chapter – Design Presentation and Social at Bow & Arrow Brewery October 26; 33 attended
 - Honors Alumni Chapter – Alumni Social at Bow & Arrow Brewery October 25
 - Veterans Alumni Chapter – Celebrated Veterans Day with a joint celebration in the Alumni Memorial Chapel, on Friday, November 11th. Speakers included President Frank and Regent Hosmer. Sergeant Matthew Q. McClintock’s name will be added to the memorial chapel wall.

Greater Albuquerque Area Alumni Chapter (GAAAC)

- **Electrical Computer Engineering Graduate Student Association Career Development seminar, November 4.** GAAAC sponsored the Electrical Computer Engineering Graduate Student Association Career Development seminar on the UNM Campus.
- 32 ECE graduate students attended the **career development** seminar which focused on how to use LinkedIn to create a resume, present themselves online, get *found* by job recruiters, market their skills and education via LinkedIn, and find a job after graduation.
- **Aluminaria Awards.** GAAAC awarded 5 Aluminaria Awards during November, 2016:
 - **Octavio Casillas '11, JD**, head administrator for La Academica Dolores Huerta Middle School
 - **Mark Herman, '91 BA**, CEO of Dion's and President of New Mexico Golden Apple Foundation
 - **Rosa Matoni-Montoya '86 BSN**, received the Excellence in Nurse Leadership Award from the New Mexico Center for Nursing Excellence.
 - **Carol E Moye '73 BSN**, honored with 2015 Nursing Legend Award from the New Mexico Center for Nursing Excellence.
 - **Pablo H. Padilla '05 JD**, received the All Pueblo Council of Governors' Distinguished Governors' Award for commitment and service to tribal leadership.

Goal: Increase alumni advocacy for UNM

Lobos for Legislation

- **Senate Bill 9:** Lobos for Legislation was called to action to advocate for treating UNM fairly in regards to the higher education budget during the recent special session of the NM Legislature. Over 100 UNM alumni contacted their state representatives and advocated on behalf of UNM. As a result, UNM's budget was held at a 5 percent cut, was not reduced by 8 percent.
- **General Obligation Bond advocacy.** June-November, 2016. The **Lobos for Legislation** committee has been involved in the GO Bond campaign and advocating in the passage of 2016 GO Bond.
- **UNM Hospital Mil Levy. June-November, 2016.** **Lobos for Legislation** has been involved in creating awareness for the UNM Hospital Mil Levy on the November 8 ballot. Mil Levy receptions were attended and letters sent from alumni to the Albuquerque Journal
- **Legislative Briefing. November 29, 5:30-7:30 p.m. in Hodgin Hall.** Advocacy tips from UNM administrators will be presented for the 2017 legislative session.

Goal: Maximize benefits of technology

Website:

Date range: 10/18 to 11/7

Views: 6,109

Top 5 pages: Home page, Alumni Chapel, Staff Directory, Events, Travel

Online Community

There were 44 new registered members to the Online Community during this period.

Goal: Invest in a strategic and collaborative communications and marketing program

Howler Statistics

The Howler monthly e-newsletter continues to average a 15% open rate (12,687), with an average of 800 click throughs per issue.

- The October issue featured: The All Alumni Weekend in Dallas, Homecoming 2016 thank you, Winter Award nominations, and Traveling Tailgates
- The November issue featured: The Veterans Day celebration and remembrance at the UNM Alumni Memorial Chapel; New Graduate Reception and Ring Ceremony information; Lobo Living Room: Election Coverage & The Future of The News Paper Industry; Hanging of The Greens and Lobos For Legislation Legislative Briefing on Nov. 29.

The Mirage Magazine

The Mirage for Spring 2016 is in the early planning stages. The next issue will focus on UNM's international reach.



GRADUATE *and* PROFESSIONAL
STUDENT ASSOCIATION

Board of Regents Meeting
November 15, 2016 Talking Points

*GPSA 2016 Fall Funding

*Spring 2017 Planning

*Legislative Session