

***Request for Qualifications of Underwriters (“Request, “RFQ”)
RFQ No. 758-14-00023***

February 12, 2014

The Texas State University System (“TSUS”) requests information from firms regarding their experience and qualifications to provide investment banking and underwriting services in connection with multiple financings expected to be undertaken by TSUS through August 31, 2020 (the “Qualification Period”). TSUS will use the responses to this RFQ as a basis for qualifying firms to serve in particular roles, including senior manager and co-manager underwriters, selling group members Extendible Commercial Paper (“ECP”) Dealers and remarketing agents. It is the intent of TSUS to utilize firms from the qualified pool selection in conjunction with any debt issuance undertaken during the Qualification Period.

First Southwest Company is engaged as financial advisor to TSUS. First Southwest Company will provide advice and may, if specifically requested by TSUS, participate in the qualification process. First Southwest Company will also provide advice and may participate in the selection of firms from the qualified pool for any financing transaction’s syndicate.

A number of qualified firms are expected to be utilized in conjunction with the bond(s) to be issued during the Qualification Period. Proceeds from the bonds will be used primarily to refinance outstanding obligations, finance new money projects and potentially create an Extendible Commercial Paper Program. TSUS does not expect any of the transactions during the Qualification Period to utilize interest rate swaps or similar derivative financial instruments. Firms interested in serving as Senior or Co-Managing Underwriter or ECP dealer are invited to respond to the Request.

TSUS, in its sole discretion, may select a team for any particular financing that may consist of senior managers, co-senior managers, co-managers and/or selling group members, with any combination or number of participants depending upon size and complexity of the transaction. If variable rate instruments are issued, the System may select one or more remarketing agents or commercial paper dealers.

RESPONSE CONTENT

Please provide a response to each question listed below or indicate why no response is given.

Responses to this RFQ should be limited to the following information:

1. Fixed-Rate Experience. Please describe your firm’s experience during the 24 months ending February 1, 2014 as book-running senior manager of negotiated, natural fixed-

rate, tax-exempt and taxable higher education transactions. Please provide the following information in spreadsheet format with the following column headings from left to right: name of the issuer, name of the borrower, par amount, and closing date. Please **do not** include transactions for which your firm served as financial advisor, co-manager or selling group member. Please include totals where appropriate.

2. Fixed-Rate Experience. Please describe your firm's experience during the 24 months ending February 1, 2014 as co-manager of negotiated, natural fixed-rate, tax-exempt and taxable higher education transactions. Please provide the following information in spreadsheet format with the following column headings from left to right: name of the issuer, name of the borrower, par amount, and closing date. Please **do not** include transactions for which your firm served as financial advisor, senior-manager or selling group member. Please include totals where appropriate. Please clearly identify any of those transactions for which the issuer is a medical school and/or academic medical center.

3. TSUS Experience. Please describe your firm's experience over the last 10 years in providing financial services or financial market coverage to TSUS.

4. Direct Placement/Private Placement. If offered by your firm, please provide any direct placement or private placement options that TSUS could consider as an alternative to a public bond offering.

5. Creativity and Innovation. Please provide up to three case studies demonstrating your firm's ability to structure financings applying its creative skills and services for the benefit of a higher education client comparable to TSUS, including at least one example of a taxable financing, if possible. Also, if possible, one of the examples should describe a situation in which your firm used its capital to support the effective and orderly sale and market distribution of the issuers' debt. Please include reference and contact information for each client listed.

6. Qualifications of Personnel. Please provide the names of the investment banking personnel and sales/trading personnel that would be assigned to transactions undertaken by TSUS and a brief description of their individual experience.

7. Texas, Local Employment and Market Participation. Please provide a spreadsheet that identifies any Texas offices maintained by your firm. The spreadsheet should include the location of the office, the number of full-time employees in that office, and the number of full-time employees that are directly engaged in the municipal securities activities of your firm. Also, please provide a summary of any municipal finance transactions that your firm has provided to Texas issuers for the 4 year period ending February 1, 2014.

8. Extendible Commercial Paper Programs. Provide a list of the issuers, the amounts authorized, and the current status of the programs, for each extendible commercial paper programs for which your firm has served as dealer.

9. Capital. Provide your firm's excess net capital as reported on the firm's most recent FOCUS report.

10. Conflicts. Describe any relationship that could create a conflict of interest if your firm is selected. Disclose all compensation arrangements that your firm has or has had within the past 24 months, with any potential parties to a proposed TSUS financing, including but not limited to First Southwest Company (Financial Advisor), McCall, Parkhurst & Horton (Bond Counsel), or any of the TSUS Board of Regents (see list at <http://www.tsus.edu/leadership/regents.html>).

11. Compliance. Since January 1, 2009, has your firm been involved in any material litigation, administrative proceedings, violation of or investigation relating to any regulatory agency rules (SEC, MSRB, NASD, NYSE, state securities board or commission)? If so, provide an explanation and the current status.

12. Categories. State which of the following categories best describes your firm: National, Regional, certified Minority Owned/Woman Owned.

13. Historical Underutilized Business (HUB). It is the policy of the TSUS to make a good faith effort to include participation by HUB-certified and women or minority owned firms. Specify whether your firm is recognized by the State of Texas as a HUB certified firm. Please describe your firm's business practices, including previous experience and involvement working with HUB-certified firms, if the firm is not HUB-certified. Please describe efforts made by the firm to encourage and develop the participation of minorities and women in the firm's day-to-day business practices and bond matters in particular, even if the firm is Minority Owned/Woman Owned or HUB-certified.

14. Other Information. Please provide any additional information TSUS should consider in evaluating your firm in providing investment banking services.

EVALUATION CRITERIA AND SYNDICATE SELECTION PROCESS

It is the intention of TSUS to utilize the information received from responding firms to form a pool of pre-qualified investment banking and underwriting firms from which it will periodically select participants on bond financings (the "Qualified Pool") that may take place up through August 31, 2020. From this Qualified Pool, TSUS may periodically request updated statements of qualifications and/or oral interviews as part of its syndicate selection process. The evaluation criteria to be used in establishing the Qualified Pool will include, but not be limited to the following:

1. Relevant experience, qualifications, and success in providing the services outlined in this RFQ;
2. Financial stability and strength as well as the firm's financial proposal;
3. References from institutions of higher education that demonstrate credit and operating profiles comparable to TSUS;
4. The quality of the information provided regarding the requirements listed in the Response above;
5. Texas and locally based employment and bond market participation; and
6. Any other factors relevant to the firm's capacity and ability to meet TSUS's needs.

DEADLINE FOR SUBMISSION OF RESPONSE

All responses to RFQ No. 758-14-00023 must be received by the no later than 5:00 p.m. CDT on March 4, 2014. Responses received after such time may not be considered.

Only electronic submittals will be accepted. Please email copies to:

Mary Williams & Ester Flores
First Southwest Company
mary.williams@firstsw.com
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Daniel Harper
TSUS
daniel.harper@tsus.edu

TSUS reserves the right to reject any or all responses to this RFQ. TSUS will not be responsible for any costs incurred in the preparation and delivery of responses to this RFQ. Any questions or comments should be directed to First Southwest Company.

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Ester Flores – ester.flores@firstsw.com – 214.953.8863