

**FIRST SUPPLEMENT TO
MASTER TRUST INDENTURE**

This First Supplement to Master Trust Indenture (the or this "First Supplement"), is dated as of May 1, 2016 but effective as set forth herein, between Southern Methodist University (the "University") and The Bank of New York Mellon Trust Company, National Association (the "Master Trustee").

WITNESSETH:

WHEREAS, the University previously entered into a certain Master Trust Indenture, dated as of January 1, 1999 (the "Master Trust Indenture") with Chase Bank of Texas National Association, as Master Trustee;

WHEREAS, the Master Trust Indenture is in full force and effect between the University and The Bank of New York Mellon Trust Company, National Association (successor in trust to JPMorgan Chase Bank National Association, formerly known as The Chase Manhattan Bank, successor by merger to Chase Bank of Texas, National Association), as trustee;

WHEREAS, Section 802 of the Master Trust Indenture provides for the execution by the University and the Master Trustee of a Supplemental Indenture for the purpose of adding, changing or eliminating provisions of the Master Trust Indenture, with certain limitations, upon the consent of not less than a majority in principal amount of the "Outstanding Securities" (as defined in the Master Trust Indenture);

WHEREAS, the University and the Master Trustee desire to enter into this First Supplement in order to make certain amendments to the Master Trust Indenture, such amendments being effective as of the Effective Date hereof, for the purpose of providing for the issuance from time to time of Securities in one or more series issued as provided herein; and

WHEREAS, all things necessary to make the Master Trust Indenture, as amended by this First Supplement, a valid agreement and contract for the benefit and security of the Securities in accordance with the terms of such Securities and the Master Trust Indenture, as amended by the First Supplement have been done.

Granting Clauses

NOW, THEREFORE, THIS FIRST SUPPLEMENT TO MASTER TRUST INDENTURE WITNESSETH, that to secure the payment of the principal of (and premium, if any) and interest on the Outstanding Securities and the performance of the covenants thereon and in the Master Trust Indenture, as amended by this First Supplement and in consideration of (i) the premises, (ii) the purchase of the Securities by the holders thereof, (iii) the rights granted and restrictions and property constituting the "Trust Estate" set forth in the Granting Clauses of the Master Trust Indenture, and (iv) the sum of One Dollar (\$1.00) paid to the University by the Master Trustee, the receipt and sufficiency of which is hereby acknowledged;

NOW, THEREFORE, the University does hereby covenant and agree to the Master Trustee, for the equal and proportionate benefit of all Holders of the Securities except as herein otherwise expressly provided, as follows:

Section 1. Limitations on Liens and Limitations on Debt. Sections 408 and 409, respectively, of the Master Trust Indenture are deleted in their entirety and of no effect on the University.

Section 2. Certificate of Authentication. The Certificate of Authentication set forth in Section 203 of the Master Trust Indenture is amended to read as follows:

“CERTIFICATE OF AUTHENTICATION

This is one of the Securities referred to in the Master Trust Indenture, dated as of January 1, 1999, as amended by the First Supplement to Master Trust Indenture, dated as of May 1, 2016, between Southern Methodist University and The Bank of New York Mellon Trust Company, National Association.

Date of Authentication: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, as Master Trustee”

Section 3. Confirmation of Remaining Provisions. All provisions, terms, covenants and limitations set forth in the Master Trust Indenture, except for those affected by this First Supplement are hereby confirmed and remain unchanged.

Section 4. Consent to First Supplement. The Master Trustee shall deem the purchase of the Series 2016 Bonds as consent of the Holders of such Series 2016 Bonds to the changes made to the Master Trust Indenture pursuant to this First Supplement.

Section 5. Effective Date. This First Supplement and the changes to the Master Trust Indenture provided for herein shall have an Effective Date upon certification by the Master Trustee that the changes made pursuant to this First Supplement have received the consent of the Holders of a majority in the principal amount of the Securities outstanding under the Master Trust Indenture.

IN WITNESS WHEREOF, the University and the Master Trustee, have caused this First Supplement to Master Trust Indenture to be signed on their behalf by their duly authorized representative, as of the date first written above.

SOUTHERN METHODIST UNIVERSITY

By: Cristine Regis
Authorized Officer

ATTEST:

By: Paul J. Ward
Authorized Officer

Signature Page to First Supplement to Master Trust Indenture

IN WITNESS WHEREOF, the University and the Master Trustee, have caused this First Supplement to Master Trust Indenture to be signed on their behalf by their duly authorized representative, as of the date first written above.

SOUTHERN METHODIST UNIVERSITY

By: _____
Authorized Officer

ATTEST:

By: _____
Authorized Officer

THE BANK OF NEW YORK MELLON
TRUST COMPANY, as Master Trustee

By: Rebecca A. Newson
Authorized Officer

Signature Page to First Supplement to Master Trust Indenture

BRACEWELL

January 8, 2018

Southern Methodist University
6425 Boaz Lane
Perkins Administration Building
Room 202
Dallas, Texas 75275

The Bank of New York Mellon Trust Company,
National Association,
as Master Trustee
601 Travis, 16th Floor
Houston, Texas 77002

Re: First Supplement to Master Trust Indenture

Ladies and Gentlemen:

We have acted as special counsel to Southern Methodist University (the "University"), a Texas non-profit corporation, in connection with the First Supplement to Master Trust Indenture (the "First Supplement") dated as of May 1, 2016, by and between the University and The Bank of New York Mellon Trust Company, National Association (ultimate successor in trust to Chase Bank of Texas, National Association), as master trustee (the "Master Trustee"), pursuant to a certain Master Trust Indenture, dated as of January 1, 1999 (the "Master Trust Indenture"), between the University and the Master Trustee. This opinion is delivered in partial satisfaction of the requirements of provisions of Section 803 of the Master Trust Indenture. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Master Trust Indenture.

We have examined the Master Trust Indenture, the First Supplement, the Certificate of Master Trustee Regarding First Supplement to Master Trust Indenture and such other official proceedings, documents and materials, as we have deemed necessary for the purpose of rendering this opinion.

As to questions of fact material to our opinion, we have relied upon certifications furnished to us by or on behalf of the University and the Master Trustee, without undertaking to verify the same by independent investigation. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. We have assumed that all signatures on each document submitted to us for review are genuine and that each such document that is a copy conforms to an authentic original. We have, with your permission, assumed due authorization, execution and delivery as well as the enforceability and validity with respect to the Master Trust Indenture as against the Master Trustee and the University.

Based upon the foregoing, we are of the opinion that:

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The conditions precedent to the authentication and delivery of the First Supplement have been satisfied, the execution of the First Supplement is authorized by the Master Trust Indenture, and the Master Trust Indenture as amended by the First Supplement is binding and enforceable in accordance with its terms.

The opinions expressed herein are for the sole benefit of, and may be relied upon only by, the addressees named above, and are not otherwise to be used, circulate, quoted, or referred to, in whole or in part, without the prior written consent of the undersigned in each and every instance.

Very truly yours,

A handwritten signature in black ink that reads "Bracewell LLP". The signature is written in a cursive, flowing style.

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