



Regular Agenda Items
Meeting
of the
Board of Regents

August 23, 2017



AGENDA ITEMS
MEETING OF THE BOARD OF REGENTS
THE TEXAS A&M UNIVERSITY SYSTEM
August 23, 2017
College Station, Texas

1. COMMITTEE ON FINANCE

- 1.1 Approval of Fiscal Year 2018 Operating Budgets, A&M System
- 1.2 Authorization to Exceed Limitations on State Employment Levels, A&M System
- 1.3 Approval of Fiscal Year 2018 Service Department Accounts, A&M System
- 1.4 Adoption of a Resolution Authorizing the Issuance of the Board of Regents of The Texas A&M University System Permanent University Fund Bonds, A&M System
- 1.5 Adoption of a Resolution Authorizing the Issuance of the Board of Regents of The Texas A&M University System Revenue Financing System Bonds, Series 20___, A&M System

2. COMMITTEE ON AUDIT

- 2.1 Approval of System Internal Audit Plan for Fiscal Year 2018, A&M System

3. COMMITTEE ON BUILDINGS AND PHYSICAL PLANT

- 3.1 Approval of System Capital Plan for FY 2018 – FY 2022, A&M System
- 3.2 Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the Agriculture Building #5 Project, Texas A&M University, College Station, Texas (Project No. 02-3208), A&M System
- 3.3 Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the Music Activities Center Project, Texas A&M University, College Station, Texas (Project No. 02-3211), A&M System
- 3.4 Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the Memorial Football Stadium Renovation and Expansion Project, Tarleton State University, Stephenville, Texas (Project No. 04-3176), A&M System

**Certified by the general counsel or other appropriate attorney as confidential or information that may be withheld from public disclosure in accordance with Section 551.1281 and Chapter 552 of the Texas Government Code.*

- 3.5 Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the HVAC Replacement at Clements Hall Project, Texas A&M University, College Station, Texas (SSC Project No. 2016-01444), Texas A&M
- 3.6 Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the HVAC Replacement at Hobby Hall Project, Texas A&M University, College Station, Texas (SSC Project No. 2016-01445), Texas A&M
- 3.7 Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the Campus Thermal Systems Improvements Project, Texas A&M University, College Station, Texas (Project No. 1-2016), Texas A&M

Report

Report of System Construction Projects Authorized by the Board

4. COMMITTEE ON ACADEMIC AND STUDENT AFFAIRS

- 4.1 Establishment of the Texas A&M RELLIS Gateway Education Center, A&M System
- 4.2 Establishment of the Center for Grand Strategy, Texas A&M

5. THE TEXAS A&M UNIVERSITY SYSTEM BOARD OF REGENTS (not assigned to Committee)

- 5.1 Adoption of a Resolution Honoring George C. Wright as President of Prairie View A&M University and Bestowing the Title of President Emeritus, A&M System
- 5.2 Adoption of Resolution Celebrating the 50th Anniversary of the Establishment of the Texas A&M Veterinary Medical Diagnostic Laboratory, TVMDL
- 5.3 Approval of Revisions to Policy 07.03, Conflicts of Interest, Dual Office Holding and Political Activities, A&M System
- 5.4 Approval of Revisions to Policy 33.03, Nepotism, A&M System
- 5.5 Approval for System Employees to Serve in their Official Capacities as Members of the Governing Board and/or Officers of Prime Seeds, Inc., an Entity Formed for the Purpose of Development and Commercialization of Technology Owned by The Texas A&M University System, A&M System
- 5.6 Approval for Dr. Kevin Burgess, a System Employee, to Serve as an Officer, Member of the Board of Directors and Employee of Small Molecule PPI Mimics, LLC, an Entity that Proposes to License Technology from The Texas A&M University System, Texas A&M

**Certified by the general counsel or other appropriate attorney as confidential or information that may be withheld from public disclosure in accordance with Section 551.1281 and Chapter 552 of the Texas Government Code.*

Executive Session Items

- 5.7 *Authorization to Sell 143 Acres of Land, More or Less, in Erath County, Texas, Tarleton
- 5.8 *Authorization to Negotiate a Settlement Agreement to Amend or Terminate an Agreement for Lease of Space at 1910 Pacific Avenue, Dallas, Dallas County, Texas, A&M-Commerce
- 5.9 *Authorization to Sell the Land and Improvements at 2127 South First Street in Lufkin, Angelina County, Texas, TFS
- 5.10 *Authorization to Execute a Working Forest Conservation Easement Covering 5,439 Acres, More or Less, of Privately-Owned Forest Land in Jasper County, Texas, TFS
- 5.11 *Authorization to Sell Approximately 52 Acres of Land and Improvements at Buffalo Stadium Road and Highway 87, in Canyon, Randall County, Texas to Canyon Independent School District, WTAMU
- 5.12 *Authorization to Sell Approximately 1.26 Acres of Land and Improvement Located at 4180 State Highway 6 in College Station, Brazos County, Texas, AgriLife Extension Service
- 5.13 *Authorization to Execute a Ground Lease with Enchanted Rock Electric, LLC, its successors and assigns, for Construction and Installation of a Redundant Power Supply System for the RELIS Campus, A&M System
- 5.14 *Authorization for the Interim President to Negotiate and Execute an Employment Contract with the Vice President and Director of Athletics, PVAMU
- 5.15 *Appointment of President of Texas A&M University-Corpus Christi, A&M System
- 5.16 *Authorization for the Chairman to Negotiate and Execute an Extension of the Employment Agreement with the Chancellor, A&M System

6. CONSENT AGENDA ITEMSThe Texas A&M University System/Board of Regents

- 6.1 Approval of Minutes
- 6.2 Approval of Revisions to Policy 15.04, Sponsored Research Services, A&M System
- 6.3 Approval of List of Authorized Signers for Revolving Fund Bank Accounts for System Members
- 6.4 Approval of Commercial Bank of Qatar as a System Depository
- 6.5 Approval of Two New Faculty Academic Workload Rules for Prairie View A&M University and West Texas A&M University

**Certified by the general counsel or other appropriate attorney as confidential or information that may be withheld from public disclosure in accordance with Section 551.1281 and Chapter 552 of the Texas Government Code.*

6.6 Granting of the Title of Emeritus, August 2017

6.7 Confirmation of Appointment and Commissioning of Peace Officers

Prairie View A&M University

6.8 Approval of Academic Tenure, August 2017

6.9 Granting of Faculty Development Leave for FY 2018

Tarleton State University

6.10 Approval of a New Bachelor of Science Degree Program with a Major in Child and Family Studies, and Authorization to Request Approval from the Texas Higher Education Coordinating Board

6.11 Approval of a New Bachelor of Applied Arts and Sciences Degree Program with a Major in Child and Family Studies, and Authorization to Request Approval from the Texas Higher Education Coordinating Board

6.12 Granting of Faculty Development Leave for FY 2018

6.13 Adoption of a Resolution Honoring the Members of the Tarleton State University Rodeo Teams

Texas A&M International University

6.14 Authorization to Execute a 30-Year Educational Broadband Service, Long-Term DE FACTO Transfer Lease Agreement

Texas A&M University

6.15 Approval of the Dissolution of the Texas A&M University at Galveston Board of Visitors

6.16 Approval of Two New Graduate Degree Programs with a Major in Pharmaceutical Sciences, and Authorization to Request Approval from the Texas Higher Education Coordinating Board

6.17 Authorization for the Texas A&M University Health Science Center to Make Intergovernmental Transfers on Behalf of Qualifying Entities

6.18 Establishment of the Texas A&M Institute of Data Science as a Joint Institute between Texas A&M University, Texas A&M Engineering Experiment Station and Texas A&M AgriLife Research (*also listed under Texas A&M Engineering Experiment Station and Texas A&M AgriLife Research*)

6.19 Establishment of the Mays Innovation Research Center

**Certified by the general counsel or other appropriate attorney as confidential or information that may be withheld from public disclosure in accordance with Section 551.1281 and Chapter 552 of the Texas Government Code.*

- 6.20 Authorization to Establish a Quasi-Endowment Entitled the “Binford M. and Doris F. Cartledge Small Animal Research Quasi-Endowment”
- 6.21 Approval of Academic Tenure, August 2017
- 6.22 Approval of Fundraising Plan for Naming of the Department of Accounting
- 6.23 *Naming of the 2nd Floor of the Academic Complex, Phase 1
- 6.24 *Naming of the Center for New Ventures and Entrepreneurship
- 6.25 *Naming of Athletics Facilities and Related Structures
- 6.26 Adoption of a Resolution Honoring the Texas A&M University Corps of Cadets Marksmanship Unit
- 6.27 Adoption of a Resolution Honoring the Texas A&M University Corps of Cadets Fish Drill Team

Texas A&M University-Central Texas

- 6.28 Approval of a New Bachelor of Science Degree Program with a Major in Exercise Physiology and Human Performance and Authorization to Request Approval from the Texas Higher Education Coordinating Board
- 6.29 Approval of a New Master of Arts Degree Program with a Major in Teaching and Authorization to Request Approval from the Texas Higher Education Coordinating Board

Texas A&M University-Commerce

- 6.30 Approval of Academic Tenure, August 2017

Texas A&M University-Corpus Christi

- 6.31 Approval of a New Master of Science Degree Program with a Major in Athletic Training and Authorization to Request Approval from the Texas Higher Education Coordinating Board
- 6.32 Approval of Academic Tenure, August 2017

Texas A&M University-Kingsville

- 6.33 *Authorization to Establish Five Quasi-Endowments
- 6.34 Approval of Academic Tenure, August 2017

**Certified by the general counsel or other appropriate attorney as confidential or information that may be withheld from public disclosure in accordance with Section 551.1281 and Chapter 552 of the Texas Government Code.*

Texas A&M University-San Antonio

- 6.35 Approval of Amended Mission Statement and Authorization to Provide Notification to the Texas Higher Education Coordinating Board
- 6.36 Establishment of the Mays Center for Experiential Learning and Community Engagement
- 6.37 Approval of Academic Tenure, August 2017

Texas A&M University-Texarkana

- 6.38 Authorization to Establish a Quasi-Endowment Entitled the "A&M-Texarkana Business Disciplines Quasi-Endowment"

West Texas A&M University

- 6.39 Approval of a New Doctor of Education Degree Program with a Major in Educational Leadership, and Authorization to Request Approval from the Texas Higher Education Coordinating Board

Texas A&M Transportation Institute

- 6.40 Establishment of the Center for Advancing Research in Transportation Emissions, Energy and Health

Texas A&M Engineering Experiment Station

- 6.18 Establishment of the Texas A&M Institute of Data Science as a Joint Institute between Texas A&M University, Texas A&M Engineering Experiment Station and Texas A&M AgriLife Research (*also listed under Texas A&M*)

Texas A&M AgriLife Research

- 6.18 Establishment of the Texas A&M Institute of Data Science as a Joint Institute between Texas A&M University, Texas A&M Engineering Experiment Station and Texas A&M AgriLife Research (*also listed under Texas A&M*)

A&M System	The Texas A&M University System
A&M-Central Texas	Texas A&M University-Central Texas
A&M-Commerce	Texas A&M University-Commerce
A&M-Corpus Christi	Texas A&M University-Corpus Christi
A&M-San Antonio	Texas A&M University-San Antonio
A/E.....	Architect/Engineer
AgriLife Extension.....	Texas A&M AgriLife Extension Service
AgriLife Research	Texas A&M AgriLife Research
BOR	Board of Regents
FP&C.....	Facilities Planning and Construction
NCTM	National Center for Therapeutics Manufacturing
POR.....	Program of Requirements
PUF	Permanent University Fund
PVAMU	Prairie View A&M University
RFS.....	Revenue Financing System
TAMHSC	Texas A&M Health Science Center
TAMIU	Texas A&M International University
TAMUG.....	Texas A&M University at Galveston
TAMUT	Texas A&M University-Texarkana
Tarleton.....	Tarleton State University
TEES.....	Texas A&M Engineering Experiment Station
TEEX.....	Texas A&M Engineering Extension Service
Texas A&M at Qatar	Texas A&M University at Qatar
Texas A&M	Texas A&M University
Texas A&M-Kingsville.....	Texas A&M University-Kingsville
TFS.....	Texas A&M Forest Service
THECB.....	Texas Higher Education Coordinating Board
TTI.....	Texas A&M Transportation Institute
TVMDL.....	Texas A&M Veterinary Medical Diagnostic Laboratory
UTIMCO.....	The University of Texas Investment Management Company
WTAMU.....	West Texas A&M University

**Certified by the general counsel or other appropriate attorney as confidential or information that may be withheld from public disclosure in accordance with Section 551.1281 and Chapter 552 of the Texas Government Code.*

Agenda Item No.

AGENDA ITEM BRIEFING

Submitted by: Billy Hamilton, Executive Vice Chancellor and Chief Financial Officer
The Texas A&M University System

Subject: Approval of Fiscal Year 2018 Operating Budgets

Proposed Board Action:

Approve the fiscal year 2018 operating budgets recommended by the Chief Executive Officers of The Texas A&M University System.

Background Information:

The presidents of the academic universities, the Vice Chancellor for Agriculture and Life Sciences, the Vice Chancellor for Engineering, and the Chancellor of The Texas A&M University System have submitted budget recommendations for the fiscal year ending August 31, 2018.

Financial reviews of the proposed FY 2018 operating budgets have been performed by the System Office of Budgets and Accounting staff. Based on these reviews, an executive summary of the detailed operating budgets for The Texas A&M University System has been provided to each member of the Board for review. In addition, programmatic budget reviews were held on August 8th and 9th which allowed each CEO an opportunity to present an overview of their programmatic and financial direction of their institution/agency.

A&M System Funding or Other Financial Implications:

Approval of the FY 2018 operating budgets will appropriate approximately \$4.55 billion.

Agenda Item No.

THE TEXAS A&M UNIVERSITY SYSTEM
Office of the Executive Vice Chancellor and Chief Financial Officer
July 6, 2017

Members, Board of Regents
The Texas A&M University System

Subject: Approval of Fiscal Year 2018 Operating Budgets

I recommend adoption of the following minute order:

“The operating budgets, included in the exhibit, as submitted by the members of The Texas A&M University System for the fiscal year ending August 31, 2018, are hereby approved and adopted subject to the provisions contained in System Policy 27.04, *Budget Authorizations, Limitations and Delegations of Authority*.

The Board of Regents of The Texas A&M University System (Board) reasonably expects to incur debt in one or more obligations for this project, and all or a portion of the proceeds received from the sale of such obligations is reasonably expected to be used to reimburse the account(s) for amounts previously appropriated and/or expended from such account(s).

As required by Section 5(a) of the Master Resolution of the Revenue Financing System, the Board hereby determines that it will have sufficient funds to meet the financial obligations of The Texas A&M University System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System and that the Participants, on whose behalf the debt is issued, possess the financial capacity to satisfy their Direct Obligations.”

Respectfully submitted,

Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

Approval Recommended:

Approved for Legal Sufficiency:

John Sharp
Chancellor

Ray Bonilla
General Counsel



The Texas A&M University System
FY 2018 Operating Budgets
(In Thousands)

ITEM
EXHIBIT

Member	FY 2018 Budget
Prairie View A&M University	\$ 209,966
Tarleton State University	174,386
Texas A&M International University	112,145
Texas A&M University	1,664,430
Texas A&M University at Galveston	66,884
Texas A&M Health Science Center	314,480
Texas A&M University - Central Texas	34,844
Texas A&M University - Commerce	169,394
Texas A&M University - Corpus Christi	201,584
Texas A&M University - Kingsville	149,243
Texas A&M University - San Antonio	71,181
Texas A&M University - Texarkana	38,759
West Texas A&M University	143,203
ACADEMIC SUBTOTAL	\$ 3,350,497
Texas A&M AgriLife Research	194,793
Texas A&M AgriLife Extension Service	129,375
Texas A&M Forest Service	73,747
Texas A&M Veterinary Medical Diagnostic Lab	18,874
Texas A&M Engineering Experiment Station	153,176
Texas A&M Engineering Extension Service	82,574
Texas A&M Transportation Institute	68,465
AGENCY SUBTOTAL	\$ 721,003
System Offices	
Operations	40,054
Debt Service	439,960
Texas A&M Shared Services	383
The Texas A&M University System	\$ 4,551,897

Agenda Item No.

AGENDA ITEM BRIEFING

Submitted by: Billy Hamilton, Executive Vice Chancellor and Chief Financial Officer
The Texas A&M University System

Subject: Authorization to Exceed Limitations on State Employment Levels

Proposed Board Action:

Authorize the request from the members of The Texas A&M University System to exceed the full-time equivalent (FTE) limitations specified in Senate Bill 1, 85th Legislature, Regular Session.

Background Information:

Article IX, Part 6, Section 6.10, of Senate Bill 1, 85th Legislature, Regular Session, places limits on state employment levels (paid from appropriated funds) for the current biennium. Requests to exceed the FTE limitations established in Senate Bill 1 must be submitted to the Governor and the Legislative Budget Board by the Board of Regents of The Texas A&M University System with detailed justification regarding the need for additional staff. The justification must include, at a minimum:

- The date on which the board approved the request;
- A statement justifying the need to exceed the limitation;
- The source of funds to be used to pay the salaries; and
- An explanation as to why the functions of the proposed FTEs cannot be performed within current staffing levels.

In addition, subsequent quarterly reporting will be required by members of The Texas A&M University System who exceed their FTE limitation no later than the last day of the first month following each quarter of the fiscal year. Without the written approval of the Governor and the Legislative Budget Board, an institution of higher education may not use funds appropriated by Senate Bill 1, 85th Legislature, Regular Session to pay all or part of the salaries or benefits of a number of employees that would cause it to exceed for each quarter, the lesser of:

- a. One hundred and ten percent (110%) of the FTE limitation specified for each member
- b. One hundred percent (100%) of the FTE limitation specified for each member plus fifty (50) FTEs

A&M System Funding or Other Financial Implications:

Funding implications related to these requests to exceed the FTE limits are included in the fiscal year 2018 operating budgets.

Agenda Item No.

THE TEXAS A&M UNIVERSITY SYSTEM
Office of the Executive Vice Chancellor and Chief Financial Officer
July 6, 2017

Members, Board of Regents
The Texas A&M University System

Subject: Authorization to Exceed Limitations on State Employment Levels

I recommend adoption of the following minute order:

“The Board of Regents of The Texas A&M University System hereby approves the request and subsequent reporting (as required) by the members of The Texas A&M University System listed in the attached exhibit, regarding an exception to the limitations on state employment levels specified in Senate Bill 1, 85th Legislature, Regular Session.”

Respectfully submitted,

Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

Approval Recommended:

Approved for Legal Sufficiency:

John Sharp
Chancellor

Ray Bonilla
General Counsel

**The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2018**

The Following Members are NOT requesting an FTE Increase:

Prairie View A&M University	Texas A&M AgriLife Research
Tarleton State University	Texas A&M AgriLife Extension
Texas A&M International University	Texas A&M Forest Service
Texas A&M University at Galveston	Texas A&M Veterinary Medical Diagnostic Lab
Texas A&M University - Commerce	Texas A&M Engineering Experiment Station
Texas A&M University - Corpus Christi	Texas A&M Engineering Extension Service
Texas A&M University - Kingsville	Texas A&M Transportation Institute
Texas A&M University - Texarkana	Texas A&M System Offices
West Texas A&M University	

The Following Members ARE requesting an FTE Increase:

(justification in following pages)

Texas A&M University	Texas A&M University - Central Texas
Texas A&M Health Science Center	Texas A&M University - San Antonio

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2018

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
Texas A&M University	4,965.5	180.0	5,145.5	Appropriated	2017 actual FTE levels are expected to be around 5,100, thus the 2018 limit in the bill of 4,995.9 is too low. The 2017 bill limit was 5,378, with an increase in GR funding from 2017 to 2018, we expect FTE levels to increase slightly above 2017 levels. 130 faculty and 50 staff.

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2018

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
Texas A&M Health Science Center	1,095.8	74.5	1,170.3	Appropriated	Clinical faculty (38.0 FTE), staff (20.0 FTE), and administrator (3.0 FTE) positions needed to grow the clinical enterprise. In addition, faculty (3.0 FTE), staff (9.3 FTE), and administrator (1.2 FTE) positions needed for startup of EnHealth Program.

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2018

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
Texas A&M University - Central Texas	96.4	43.6	140.0	Appropriated	Of the 43.6 FTE's requested, 31.6 FTE's are the result of the reduction in the FY 2018 State Appropriation. This request would restore the FY 2017 FTE level and provide 12 additional FTE's needed to support enrollment growth and fulfill the mission and strategic initiatives of the institution while providing an affordable education to the Central Texas region and active duty military personnel and their families. 31.6 FTEs are full time faculty positions and 12 FTEs are support staff.

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2018

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
Texas A&M University - San Antonio	264.8	126.1	390.9	Appropriated	The additional 126.1 FTEs are needed to facilitate continued downward expansion to transform Texas A&M University-San Antonio into a comprehensive university. Of the 126.1 FTE's being requested, 36.10 FTE's are the result of the cap being reduced from 269.0 in 2015 to 232.9 in 2016 despite the approval and funding received for downward expansion. Of the remaining 90.0 FTE's being requested, 43 are for faculty positions, 39 student support FTE's and 8 administrator positions are to support the growing need of a comprehensive student population to ensure student success including areas of academic counseling, advising, and tutoring. 67 of these new FTE's are attributed to the growth seen in fiscal year 2017, and 25 of these new FTE's are attributed to the upcoming fiscal year 2018.

Agenda Item No.

AGENDA ITEM BRIEFING

Submitted by: Billy Hamilton, Executive Vice Chancellor and Chief Financial Officer
The Texas A&M University System

Subject: Approval of Fiscal Year 2018 Service Department Accounts

Proposed Board Action:

Approve the fiscal year 2018 service department accounts as submitted by the members of The Texas A&M University System (A&M System).

Background Information:

All members of The Texas A&M University System have submitted all service department accounts for the fiscal year ending August 31, 2018. Staff members in the System Office of Budgets and Accounting have reviewed these accounts in detail.

The General Appropriations Act allows appropriations to be used to reimburse any service department that is established by authority of the governing board and operated for the benefit of one or more members of a system. System Regulation [21.01.05, Service Departments or Centers](#), provides information regarding the general rules that govern the establishment, utilization and operation of service departments within the A&M System.

A detailed listing of service department accounts by member is included in the attached exhibit.

A&M System Funding or Other Financial Implications:

The funding implications of service departments are included in the fiscal year 2018 operating budgets.

Agenda Item No.

THE TEXAS A&M UNIVERSITY SYSTEM
Office of the Executive Vice Chancellor and Chief Financial Officer
July 6, 2017

Members, Board of Regents
The Texas A&M University System

Subject: Approval of Fiscal Year 2018 Service Department Accounts

I recommend adoption of the following minute order:

“The service department accounts for the members of The Texas A&M University System for the fiscal year ending August 31, 2018, included in the exhibit, are hereby approved subject to the provisions contained in System Regulation 21.01.05, *Service Departments or Centers*.”

Respectfully submitted,

Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

Approval Recommended:

Approved for Legal Sufficiency:

John Sharp
Chancellor

Ray Bonilla
General Counsel

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018

Prairie View A&M University

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
227100 - Utility System Revenue Fund	\$0	\$2,010,554	\$1,925,608	\$84,946	(\$84,946)	\$0
227106 - Water Treatment Plant	\$0	\$292,045	\$269,278	\$22,767	(\$22,767)	\$0
227107 - Wastewater Treatment Plant	\$0	\$335,794	\$299,956	\$35,838	(\$35,838)	\$0
227155 - Outsourced Services	\$0	\$7,230,446	\$7,230,446	\$0	\$0	\$0
227311 - Lump Sum Reserve - Local Accounts	\$0	\$108,250	\$108,250	\$0	\$0	\$0
227600 - Surplus Property	\$0	\$1,442	\$909	\$533	(\$533)	\$0
227701 - Campus Mail Services	\$0	\$232,321	\$224,261	\$8,060	(\$8,060)	\$0
227710 - Voice Over Ip	\$0	\$936,000	\$893,229	\$42,771	(\$42,771)	\$0
227800 - Transportation Center	\$0	\$370,000	\$431,012	(\$61,012)	\$61,012	\$0
Prairie View A&M University	\$0	\$11,516,852	\$11,382,949	\$133,903	(\$133,903)	\$0

Revenue	Sales And Services	\$11,516,852
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Expense	Salaries - Non-Faculty	\$339,208
	Wages	\$100,300
	Benefits	\$102,289
	Utilities	\$22,590
	Operations And Maintenance	\$10,718,562
	Equipment (Capitalized)	\$100,000

Prairie View A&M University	\$0	\$11,516,852	\$11,382,949	\$133,903	(\$133,903)	\$0
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**The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018**

Tarleton State University

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
280600 - Central Services	\$0	\$85,000	\$85,000	\$0	\$0	\$0
280610 - Central Services - Freight	\$0	\$13,000	\$13,000	\$0	\$0	\$0
281100 - Tiaer Laboratory Services	\$0	\$120,000	\$120,000	\$0	\$0	\$0
282000 - Uci Reserve	\$0	\$28,000	\$26,000	\$2,000	\$0	\$2,000
283000 - Lump Sum Reserve	\$0	\$570,000	\$400,000	\$170,000	\$0	\$170,000
Tarleton State University	\$0	\$816,000	\$644,000	\$172,000	\$0	\$172,000

Revenue	Sales And Services	\$816,000
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Expense	Salaries - Non-Faculty	\$55,000
	Wages	\$399,000
	Benefits	\$68,300
	Operations And Maintenance	\$121,700

Tarleton State University	\$0	\$816,000	\$644,000	\$172,000	\$0	\$172,000
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**The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018**

Texas A&M International University

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
218030 - Service Department-Postage	\$0	\$58,000	\$58,000	\$0	\$0	\$0
218040 - Service Department-Printing & Suppo	\$0	\$145,000	\$145,000	\$0	\$0	\$0
218050 - Service Department-Paper Supply	\$0	\$57,000	\$57,000	\$0	\$0	\$0
230062 - Unemployment Compensation Insurance	\$0	\$55,000	\$55,000	\$0	\$0	\$0
250001 - Lump Sum Reserve Service Center Des	\$0	\$99,000	\$99,000	\$0	\$0	\$0
Texas A&M International University	\$0	\$414,000	\$414,000	\$0	\$0	\$0

Revenue	Sales And Services	\$414,000
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Expense	Benefits	\$154,000
	Operations And Maintenance	\$260,000

Texas A&M International University	\$0	\$414,000	\$414,000	\$0	\$0	\$0
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The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018

Texas A&M University

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
200230 - University Police	\$0	\$2,600,000	\$2,637,807	(\$37,807)	\$37,807	\$0
270040 - Chemistry Department Stockroom Revo	\$0	\$150,000	\$150,000	\$0	\$0	\$0
270120 - Hazardous Waste Disposal	\$51,621	\$140,000	\$180,644	(\$40,644)	\$0	\$10,977
270160 - Utilities & Energy Services	\$10,289,445	\$51,813,215	\$30,782,834	\$21,030,381	(\$13,315,150)	\$18,004,676
270220 - Landscape Maintenance - Outsourced	\$0	\$7,622,241	\$7,622,241	\$0	\$0	\$0
270230 - Building Maintenance - Outsourced	\$0	\$28,447,516	\$28,447,516	\$0	\$0	\$0
270240 - Custodial Services - Outsourced	\$0	\$20,507,455	\$20,507,455	\$0	\$0	\$0
270260 - Procurement Services	\$0	\$190,876	\$711,972	(\$521,096)	\$521,096	\$0
270300 - Texas A&M Information Technology	\$0	\$49,297,350	\$43,593,560	\$5,703,790	(\$195,152)	\$5,508,638
270310 - Tamu Geoinnovation Service Center	\$0	\$130,000	\$130,000	\$0	\$0	\$0
270330 - Open Access Lab	\$0	\$650,000	\$650,000	\$0	\$0	\$0
270370 - Uci Reserve	\$0	\$420,000	\$240,000	\$180,000	\$0	\$180,000
270450 - Center For Chemical Characterizatio	\$0	\$75,000	\$75,000	\$0	\$0	\$0
270490 - Cyclotron Operations	\$0	\$4,000,000	\$4,000,000	\$0	\$0	\$0
270500 - Carc Support Services - Sales	\$0	\$180,000	\$180,000	\$0	\$0	\$0
270530 - Microscopy & Imaging Operations	\$0	\$291,000	\$291,000	\$0	\$0	\$0
270550 - Physics Liquid Nitrogen Sales	\$0	\$25,000	\$25,000	\$0	\$0	\$0
270580 - University Mail Service	\$0	\$1,168,709	\$1,168,709	\$0	\$0	\$0
270590 - Cmp Services	\$0	\$3,100,000	\$3,100,000	\$0	\$0	\$0
270600 - Library Photocopy & Ind Service	\$0	\$40,000	\$40,000	\$0	\$0	\$0
270620 - Transportation Center Vehicle Renta	\$724,121	\$8,093,516	\$6,697,041	\$1,396,475	\$0	\$2,120,596
270640 - Veterinary Pathological Service	\$0	\$50,000	\$50,000	\$0	\$0	\$0
270660 - Veterinary Medical Park-Other	\$0	\$250,000	\$250,000	\$0	\$0	\$0
270710 - Interactive Video Network	\$265,287	\$3,567,214	\$3,832,501	(\$265,287)	\$0	\$0
270780 - Biology Services Account	\$0	\$400,000	\$400,000	\$0	\$0	\$0
270800 - Environmental Health & Safety	\$10,446	\$39,715	\$50,161	(\$10,446)	\$0	\$0
270820 - Cet Service Department	\$0	\$80,000	\$80,000	\$0	\$0	\$0
270880 - Physics Services	\$0	\$120,000	\$120,000	\$0	\$0	\$0
270940 - Ppri Survey Lab	\$0	\$355,000	\$355,000	\$0	\$0	\$0
270950 - Center For Visualization	\$0	\$4,000	\$4,000	\$0	\$0	\$0
270970 - System Libraries Operating	\$0	\$318,753	\$318,753	\$0	\$0	\$0
270990 - Purchased Utilities	\$4,813,116	\$28,373,584	\$28,373,584	\$0	(\$542,910)	\$4,270,206

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
271020 - Protein Chemistry Laboratory	\$232,018	\$0	\$82,895	(\$82,895)	\$0	\$149,123
271050 - Material Characterization Facility	\$0	\$200,000	\$200,000	\$0	\$0	\$0
271060 - Image Analysis Service Center	\$0	\$30,000	\$30,000	\$0	\$0	\$0
271150 - Auxiliary Overhead Assessment	\$0	\$6,641,783	\$711,074	\$5,930,709	(\$5,930,709)	\$0
271160 - President's Office	\$0	\$0	\$111,988	(\$111,988)	\$111,988	\$0
271180 - University Architect	\$0	\$0	\$38,000	(\$38,000)	\$38,000	\$0
271250 - University Police	\$0	\$10,000	\$502,014	(\$492,014)	\$492,014	\$0
271260 - Vpfn/Cfo	\$0	\$0	\$309,148	(\$309,148)	\$309,148	\$0
271270 - Budget Office	\$0	\$0	\$4,869	(\$4,869)	\$4,869	\$0
271280 - Payroll	\$20,000	\$0	\$81,738	(\$81,738)	\$73,546	\$11,808
271290 - Employee & Org Development	\$0	\$125,009	\$742,756	(\$617,747)	\$617,747	\$0
271330 - Marketing & Communications	\$0	\$12,000	\$234,526	(\$222,526)	\$222,526	\$0
271350 - Ehsd	\$0	\$0	\$354,003	(\$354,003)	\$354,003	\$0
271360 - University Risk And Compliance	\$0	\$0	\$40,578	(\$40,578)	\$40,578	\$0
271380 - Contract Administration	\$0	\$0	\$38,609	(\$38,609)	\$38,609	\$0
271400 - System Assessments	\$0	\$0	\$2,409,305	(\$2,409,305)	\$2,409,305	\$0
271600 - Office Of Facilities Coordination	\$358,976	\$0	\$151,048	(\$151,048)	\$151,048	\$358,976
271620 - Lump Sum Termination Reserve-Facult	\$184,000	\$66,000	\$250,000	(\$184,000)	\$0	\$0
271630 - Lump Sum Termination Reserve-Nonfac	\$0	\$1,828,927	\$1,580,000	\$248,927	\$0	\$248,927
271670 - Histology Services	\$0	\$85,000	\$85,000	\$0	\$0	\$0
271690 - Key Control	\$100,000	\$1,165,000	\$1,165,000	\$0	\$0	\$100,000
271740 - Human Resources Department	\$0	\$175,105	\$838,026	(\$662,921)	\$662,921	\$0
271750 - Auxiliary Retiree Gip	\$440,000	\$870,000	\$1,310,000	(\$440,000)	\$0	\$0
271790 - Radiogenic Isotope Lab Service Ctr	\$0	\$20,000	\$20,000	\$0	\$0	\$0
271810 - Tips Services	\$0	\$2,000,000	\$2,000,000	\$0	\$0	\$0
271840 - Tprl(Translational Pathology Resear	\$0	\$500,000	\$500,000	\$0	\$0	\$0
271850 - Cable Tv Operations	\$0	\$120,000	\$120,000	\$0	\$0	\$0
271860 - It Data Services - Geosciences	\$0	\$25,000	\$25,000	\$0	\$0	\$0
271870 - Stable Isotope Geosciences Facility	\$0	\$35,000	\$35,000	\$0	\$0	\$0
271890 - Metal Shop	\$0	\$25,000	\$25,000	\$0	\$0	\$0
271900 - Glass Shop	\$0	\$25,000	\$25,000	\$0	\$0	\$0
271910 - X-Ray Diffraction	\$0	\$50,000	\$50,000	\$0	\$0	\$0
271920 - Nmr Spectroscopy	\$0	\$60,000	\$60,000	\$0	\$0	\$0
271930 - Network & Design	\$0	\$10,000	\$10,000	\$0	\$0	\$0

**The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018**

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
271940 - Nitrogen Services	\$0	\$100,000	\$100,000	\$0	\$0	\$0
271950 - Odases Laboratory	\$0	\$30,000	\$30,000	\$0	\$0	\$0
271960 - IIsb Service/Supplies	\$0	\$28,000	\$28,000	\$0	\$0	\$0
272010 - Procurement Services	\$0	\$0	\$539,231	(\$539,231)	\$539,231	\$0
274000 - Sponsored Research Services	\$0	\$13,802,966	\$13,802,966	\$0	\$0	\$0
274200 - Research Info Systems Service Dept	\$0	\$2,715,000	\$2,715,000	\$0	\$0	\$0
278000 - Ttc-Operating-Account-Income-Local	\$0	\$1,951,636	\$1,951,636	\$0	\$0	\$0
Texas A&M University	\$17,489,030	\$245,206,570	\$218,372,188	\$26,834,382	(\$13,359,485)	\$30,963,927

Revenue	Investment Income	\$200,000
	Other Operating Income	\$2,030,298
	Sales And Services	\$242,976,272

Expense	Salaries - Faculty	\$90,003
	Salaries - Non-Faculty	\$48,053,616
	Wages	\$6,034,180
	Benefits	\$15,172,226
	Utilities	\$28,109,942
	Scholarships	\$20,000
	Operations And Maintenance	\$120,281,458
	Equipment (Capitalized)	\$610,763

Texas A&M University	\$17,489,030	\$245,206,570	\$218,372,188	\$26,834,382	(\$13,359,485)	\$30,963,927
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**The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018**

Texas A&M University at Galveston

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
290010 - Uci Reserve	\$0	\$70,000	\$70,000	\$0	\$0	\$0
290020 - Copy Center Revolving Fund	\$0	\$150,000	\$150,000	\$0	\$0	\$0
290040 - Telephone Operations	\$0	\$70,000	\$70,000	\$0	\$0	\$0
290050 - University Mail Service	\$0	\$100	\$100	\$0	\$0	\$0
290060 - University Mail - Postage	\$0	\$60,000	\$60,000	\$0	\$0	\$0
290070 - Facilities Services Revolving	\$0	\$3,000	\$3,000	\$0	\$0	\$0
290200 - Swimming Pool-Revolving	\$0	\$5,000	\$5,000	\$0	\$0	\$0
290230 - Rmo:Poster Printing	\$0	\$1,600	\$1,600	\$0	\$0	\$0
290240 - Rmo:Truck & Vessel	\$0	\$4,000	\$4,000	\$0	\$0	\$0
290310 - List:Aquanautics Recharge Cntr	\$0	\$20,000	\$20,000	\$0	\$0	\$0
290600 - Messo Operations Revolving	\$0	\$137,000	\$27,528	\$109,472	(\$109,472)	\$0
Texas A&M University at Galveston	\$0	\$520,700	\$411,228	\$109,472	(\$109,472)	\$0

Revenue	Sales And Services	\$520,700
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Expense	Salaries - Non-Faculty	\$46,119
	Wages	\$5,424
	Benefits	\$16,161
	Operations And Maintenance	\$343,524

Texas A&M University at Galveston	\$0	\$520,700	\$411,228	\$109,472	(\$109,472)	\$0
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The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018

Texas A&M Health Science Center

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
280040 - Uci Reserve	\$0	\$70,000	\$70,000	\$0	\$0	\$0
280080 - Com Cell Analysis Facility	\$0	\$20,000	\$20,000	\$0	\$0	\$0
280110 - Animal Resource Unit	\$0	\$110,000	\$110,000	\$0	\$0	\$0
280140 - Media	\$0	\$190,000	\$190,000	\$0	\$0	\$0
280150 - Central Stores	\$0	\$800,000	\$800,000	\$0	\$0	\$0
280160 - Lump Sum Accrued Leave Payout Reser	\$0	\$1,200,000	\$1,200,000	\$0	\$0	\$0
280170 - Prf-Pharmaceutical Research Facility	\$0	\$4,515	\$4,515	\$0	\$0	\$0
280200 - Ibt Flow Cytometry Facility	\$0	\$12,500	\$12,500	\$0	\$0	\$0
280210 - Protein Production & Analysis Core	\$0	\$120,000	\$120,000	\$0	\$0	\$0
280220 - Clinical Learning Resource Center	\$0	\$1,057,000	\$1,057,000	\$0	\$0	\$0
280490 - Ibt - Animal Care Laboratory	\$0	\$550,000	\$550,000	\$0	\$0	\$0
Texas A&M Health Science Center	\$0	\$4,134,015	\$4,134,015	\$0	\$0	\$0

Revenue	Sales And Services	\$4,134,015
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Expense	Salaries - Non-Faculty	\$756,750
	Wages	\$1,128,000
	Benefits	\$427,079
	Operations And Maintenance	\$1,822,186

Texas A&M Health Science Center	\$0	\$4,134,015	\$4,134,015	\$0	\$0	\$0
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**The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018**

Texas A&M University - Central Texas

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
280100 - Serv Dept-Unemployment Comp Insuran	\$21,287	\$13,302	\$9,612	\$3,690	\$0	\$24,977
280150 - Serv Dept-Lump Sum Reserve	\$318,021	\$16,440	\$38,270	(\$21,830)	\$0	\$296,191
280200 - Serv Dept-Telecommunications	\$36,218	\$132,017	\$143,571	(\$11,554)	\$0	\$24,664
Texas A&M University - Central Texas	\$375,526	\$161,759	\$191,453	(\$29,694)	\$0	\$345,832

Revenue	Sales And Services	\$161,759
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Expense	Salaries - Non-Faculty	\$40,886
	Wages	\$36,003
	Benefits	\$20,522
	Operations And Maintenance	\$94,042

Texas A&M University - Central Texas	\$375,526	\$161,759	\$191,453	(\$29,694)	\$0	\$345,832
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**The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018**

Texas A&M University - Commerce

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
272000 - Transportation	\$0	\$50,000	\$50,000	\$0	\$0	\$0
272001 - Telephone Operations	\$0	\$500,000	\$500,000	\$0	\$0	\$0
272010 - Computer Service Center	\$0	\$100,000	\$100,000	\$0	\$0	\$0
272050 - Lump Sum Vacation Reserve	\$0	\$50,000	\$50,000	\$0	\$0	\$0
272100 - Unemployment Comp Ins Reserve (Uci)	\$0	\$35,000	\$35,000	\$0	\$0	\$0
Texas A&M University - Commerce	\$0	\$735,000	\$735,000	\$0	\$0	\$0

Revenue	Sales And Services	\$735,000
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Expense	Salaries - Non-Faculty	\$32,241
	Benefits	\$100,000
	Operations And Maintenance	\$602,759

Texas A&M University - Commerce	\$0	\$735,000	\$735,000	\$0	\$0	\$0
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The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018

Texas A&M University - Corpus Christi

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
270001 - Telecommunications	\$0	\$1,153,795	\$1,139,836	\$13,959	\$0	\$13,959
270032 - Administrative Copiers	\$0	\$347,660	\$340,660	\$7,000	(\$5,000)	\$2,000
270051 - Mail Services-Operating	\$0	\$196,225	\$177,658	\$18,567	(\$10,000)	\$8,567
270091 - Upd Special Events	\$0	\$55,000	\$49,000	\$6,000	\$0	\$6,000
270101 - Uci - Institutional Reserve	\$0	\$57,000	\$57,000	\$0	\$0	\$0
270111 - Local Acap Reserve Service Center	\$231,771	\$250,000	\$250,000	\$0	\$0	\$231,771
270141 - Cbi - Transportation/Maintenance	\$0	\$103,567	\$103,567	\$0	\$0	\$0
270190 - Boat Maintenance	\$0	\$6,000	\$6,000	\$0	\$0	\$0
270200 - Truck Maintenance	\$0	\$6,000	\$6,000	\$0	\$0	\$0
270210 - Genomics Core Lab	\$0	\$130,000	\$130,000	\$0	\$0	\$0
270220 - Wetz Lab - Sample Analysis Fees	\$0	\$1,000	\$1,000	\$0	\$0	\$0
270230 - Laguna Madre Field Station Rental	\$0	\$4,500	\$4,500	\$0	\$0	\$0
270240 - S&E - Vehicle Maintenance	\$0	\$25,000	\$25,000	\$0	\$0	\$0
270250 - S&E Boat Maintenance	\$0	\$12,000	\$12,000	\$0	\$0	\$0
270270 - Murgulet Special Projects Agi	\$0	\$1,000	\$1,000	\$0	\$0	\$0
270305 - Tv Programming Services/Cable Tv	\$0	\$32,327	\$32,327	\$0	\$0	\$0
270310 - User Support Services Center	\$0	\$1,000	\$1,000	\$0	\$0	\$0
270320 - Isotope Core Laboratory	\$0	\$60,000	\$60,000	\$0	\$0	\$0
270330 - Plotter Maintenance	\$0	\$1,000	\$1,000	\$0	\$0	\$0
270340 - Icore	\$0	\$4,000	\$4,000	\$0	\$0	\$0
270350 - Jung - Sample Analysis	\$0	\$50,500	\$50,500	\$0	\$0	\$0
270360 - Hu-Sample Analysis	\$0	\$3,000	\$3,000	\$0	\$0	\$0
270370 - Portnoy-Sample Analysis	\$0	\$16,000	\$16,000	\$0	\$0	\$0

**The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018**

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
270380 - Radio Analysis Laboratory Fees	\$0	\$15,000	\$15,000	\$0	\$0	\$0
Texas A&M University - Corpus Christi	\$231,771	\$2,531,574	\$2,486,048	\$45,526	(\$15,000)	\$262,297

Revenue	Other Operating Income	\$8,000
	Sales And Services	\$2,523,574

Expense	Salaries - Non-Faculty	\$543,394
	Wages	\$43,720
	Benefits	\$476,414
	Utilities	\$473,547
	Operations And Maintenance	\$948,973

Texas A&M University - Corpus Christi	\$231,771	\$2,531,574	\$2,486,048	\$45,526	(\$15,000)	\$262,297
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**The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018**

Texas A&M University - Kingsville

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
299980 - Local Lump Sum Vac Service Dept	\$0	\$110,000	\$110,000	\$0	\$0	\$0
299981 - Auxiliary Overhead Assessment	\$0	\$364,193	\$364,193	\$0	\$0	\$0
299986 - Ssc Contract	\$0	\$4,000,000	\$4,000,000	\$0	\$0	\$0
299989 - Service Department -Upd	\$0	\$55,000	\$55,000	\$0	\$0	\$0
299992 - Service Department - Post Office	\$0	\$125,000	\$125,000	\$0	\$0	\$0
299999 - Service Department - Uci	\$0	\$50,000	\$50,000	\$0	\$0	\$0
Texas A&M University - Kingsville	\$0	\$4,704,193	\$4,704,193	\$0	\$0	\$0

Revenue	Sales And Services	\$4,704,193
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Expense	Salaries - Non-Faculty	\$269,093
	Wages	\$100,000
	Benefits	\$155,100
	Operations And Maintenance	\$4,180,000

Texas A&M University - Kingsville	\$0	\$4,704,193	\$4,704,193	\$0	\$0	\$0
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**The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018**

Texas A&M University - San Antonio

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
270000 - Unemployment Compensation-Srv Dept	\$0	\$15,000	\$15,000	\$0	\$0	\$0
270100 - Lump Sum Termination-Srv Dept	\$0	\$42,530	\$42,530	\$0	\$0	\$0
Texas A&M University - San Antonio	\$0	\$57,530	\$57,530	\$0	\$0	\$0

Revenue	Sales And Services	\$57,530
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Expense	Wages	\$54,553
	Benefits	\$2,977

Texas A&M University - San Antonio	\$0	\$57,530	\$57,530	\$0	\$0	\$0
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**The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018**

Texas A&M University - Texarkana

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
270200 - Postage Service Center	\$0	\$20,000	\$20,000	\$0	\$0	\$0
270400 - Transportation	\$0	\$22,500	\$22,500	\$0	\$0	\$0
270501 - Unemployemnt Comp Ins - Budgeted	\$0	\$15,000	\$15,000	\$0	\$0	\$0
270600 - Internal Printing	\$0	\$19,296	\$19,296	\$0	\$0	\$0
279900 - Lump Sum Vacation Payments	\$0	\$7,500	\$7,500	\$0	\$0	\$0
Texas A&M University - Texarkana	\$0	\$84,296	\$84,296	\$0	\$0	\$0

Revenue	Other Operating Income	\$7,500
	Sales And Services	\$76,796
Expense	Wages	\$1,200
	Benefits	\$22,596
	Operations And Maintenance	\$60,500

Texas A&M University - Texarkana	\$0	\$84,296	\$84,296	\$0	\$0	\$0
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**The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018**

West Texas A&M University

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
270001 - Goldcard Mnt & Capital Accrual	\$0	\$132,731	\$132,731	\$0	\$0	\$0
270002 - Print Shop	\$0	\$329,205	\$329,205	\$0	\$0	\$0
270003 - Central Supply	\$0	\$125,494	\$125,494	\$0	\$0	\$0
270004 - Telecom Services	\$0	\$471,694	\$471,694	\$0	\$0	\$0
270007 - Postage	\$0	\$200,000	\$200,000	\$0	\$0	\$0
270009 - Media Supply	\$0	\$16,000	\$16,000	\$0	\$0	\$0
270011 - Local Uci Expense	\$0	\$20,000	\$20,000	\$0	\$0	\$0
270014 - Network Services	\$0	\$355,777	\$355,777	\$0	\$0	\$0
270018 - Tele Long Distance Svc	\$0	\$129,900	\$129,900	\$0	\$0	\$0
270057 - Lump Sum Termination Reserve	\$0	\$240,000	\$240,000	\$0	\$0	\$0
West Texas A&M University	\$0	\$2,020,801	\$2,020,801	\$0	\$0	\$0

Revenue	Sales And Services	\$2,020,801
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Expense	Salaries - Non-Faculty	\$615,052
	Benefits	\$114,723
	Operations And Maintenance	\$1,206,341
	Equipment (Capitalized)	\$84,685

West Texas A&M University	\$0	\$2,020,801	\$2,020,801	\$0	\$0	\$0
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**The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018**

Texas A&M AgriLife Research

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
270030 - Unemployment Comp Ins Reserve-Local	\$100,000	\$100,000	\$100,000	\$0	\$0	\$100,000
270060 - Accrued Compensable Leave-Lump Sum	\$10,000	\$300,000	\$281,000	\$19,000	\$0	\$29,000
270070 - Ait-Centralized Workstation Program	\$10,000	\$75,000	\$57,500	\$17,500	\$0	\$27,500
292069 - Livestock Revolving	\$0	\$300,000	\$300,000	\$0	\$0	\$0
293027 - Farm Services Budget	\$43,000	\$225,000	\$245,000	(\$20,000)	\$0	\$23,000
293068 - Bio & Bio Stockroom Budget	\$45,000	\$570,000	\$575,000	(\$5,000)	\$0	\$40,000
Texas A&M AgriLife Research	\$208,000	\$1,570,000	\$1,558,500	\$11,500	\$0	\$219,500

Revenue	Sales And Services	\$1,570,000
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Expense	Salaries - Non-Faculty	\$150,000
	Wages	\$255,000
	Benefits	\$141,500
	Operations And Maintenance	\$1,012,000

Texas A&M AgriLife Research	\$208,000	\$1,570,000	\$1,558,500	\$11,500	\$0	\$219,500
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**The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018**

Texas A&M AgriLife Extension Service

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
210440 - Fleet Service Center	\$450,000	\$865,000	\$822,798	\$42,202	\$0	\$492,202
210445 - Fleet - Vehicle Reserve	\$478,000	\$0	\$0	\$0	\$0	\$478,000
211000 - Uci Reserve - Local Funds	\$50,000	\$72,436	\$72,511	(\$75)	\$0	\$49,925
211005 - Service Center - Lump Sum Payments	\$50,000	\$184,191	\$184,903	(\$712)	\$0	\$49,288
256440 - Copy Service Center	\$45,000	\$529,973	\$483,947	\$46,026	\$0	\$91,026
256445 - Copy Service Center Reserve	\$140,819	\$0	\$0	\$0	\$0	\$140,819
257440 - Computer Service Center	\$13,000	\$82,397	\$95,397	(\$13,000)	\$0	\$0
Texas A&M AgriLife Extension Service	\$1,226,819	\$1,733,997	\$1,659,556	\$74,441	\$0	\$1,301,260

Revenue	Sales And Services	\$1,733,997
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Expense	Salaries - Non-Faculty	\$7,367
	Wages	\$238,831
	Benefits	\$87,074
	Operations And Maintenance	\$1,326,284

Texas A&M AgriLife Extension Service	\$1,226,819	\$1,733,997	\$1,659,556	\$74,441	\$0	\$1,301,260
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**The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018**

Texas A&M Forest Service

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
270011 - Fleet Leasing & Sales	\$0	\$300	\$300	\$0	\$0	\$0
270021 - Information Resources Service Dept	\$0	\$593,174	\$593,174	\$0	\$0	\$0
270110 - Uci Local Reserve	\$0	\$6,600	\$6,600	\$0	\$0	\$0
270120 - Lump Sum Payments Reserve	\$0	\$16,000	\$16,000	\$0	\$0	\$0
280013 - Wildfire Cache Svc Dept	\$0	\$10,000	\$10,000	\$0	\$0	\$0
Texas A&M Forest Service	\$0	\$626,074	\$626,074	\$0	\$0	\$0

Revenue	Sales And Services	\$626,074
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Expense	Salaries - Non-Faculty	\$370,676
	Benefits	\$116,126
	Operations And Maintenance	\$139,272

Texas A&M Forest Service	\$0	\$626,074	\$626,074	\$0	\$0	\$0
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**The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018**

Texas A&M Veterinary Medical Diagnostic Laboratory

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
295020 - Uci Reserve - Ps	\$0	\$5,400	\$5,400	\$0	\$0	\$0
295050 - Lump Sum Termination Reserve-Nonfac	\$0	\$80,743	\$80,743	\$0	\$0	\$0
Texas A&M Veterinary Medical Diagnostic Laborat	\$0	\$86,143	\$86,143	\$0	\$0	\$0

Revenue	Sales And Services	\$86,143
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Expense	Benefits	\$86,143
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Texas A&M Veterinary Medical Diagnostic Laboratory	\$0	\$86,143	\$86,143	\$0	\$0	\$0
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The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018

Texas A&M Engineering Experiment Station

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
270000 - Wind Tunnel-Internal Research Servi	\$0	\$56,285	\$56,285	\$0	\$0	\$0
270060 - Cleanroom Operating Account	\$0	\$35,000	\$35,000	\$0	\$0	\$0
270230 - Nsc Services-Internal	\$0	\$62,500	\$62,500	\$0	\$0	\$0
270250 - Tees Vehicles	\$0	\$10,000	\$10,000	\$0	\$0	\$0
270320 - Materials & Mechanics Lab-Internal	\$0	\$25,000	\$25,000	\$0	\$0	\$0
270360 - Coastal Engr Lab	\$0	\$25,000	\$25,000	\$0	\$0	\$0
270370 - Tees Flight Research Lab - Internal	\$0	\$100,000	\$100,000	\$0	\$0	\$0
270430 - Materials Char X-Ray Diff (New)	\$0	\$20,000	\$20,000	\$0	\$0	\$0
270460 - High Bay Lab - Internal	\$0	\$50,000	\$50,000	\$0	\$0	\$0
270740 - Uci Assessments	\$0	\$14,350	\$14,350	\$0	\$0	\$0
270910 - Nal Services - Internal	\$0	\$98,000	\$98,000	\$0	\$0	\$0
270930 - Hr Services	\$0	\$80,000	\$80,000	\$0	\$0	\$0
270940 - Biomaterials Analysis Lab Serv-Int	\$0	\$35,000	\$35,000	\$0	\$0	\$0
270970 - Acim Lab-Internal	\$0	\$9,500	\$9,500	\$0	\$0	\$0
271100 - Qatar Allowances	\$0	\$2,650,000	\$2,650,000	\$0	\$0	\$0
271130 - Lump Sum Acap Reserve - Local	\$0	\$475,000	\$475,000	\$0	\$0	\$0

**The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018**

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
271140 - Qatar Admin Effort	\$0	\$426,841	\$426,841	\$0	\$0	\$0
271200 - Division Copy Services	\$0	\$3,195	\$3,195	\$0	\$0	\$0
Texas A&M Engineering Experiment Station	\$0	\$4,175,671	\$4,175,671	\$0	\$0	\$0

Revenue	Sales And Services	\$4,175,671
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Expense	Salaries - Faculty	\$63,860
	Salaries - Non-Faculty	\$178,010
	Wages	\$829,418
	Benefits	\$142,857
	Operations And Maintenance	\$2,934,526
	Equipment (Capitalized)	\$27,000

Texas A&M Engineering Experiment Station	\$0	\$4,175,671	\$4,175,671	\$0	\$0	\$0
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The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018

Texas A&M Engineering Extension Service

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
230100 - Digital Printing Services	\$342,741	\$1,587,654	\$1,587,654	\$0	\$0	\$342,741
232100 - Unemployment Comp Ins	\$225,000	\$120,000	\$60,000	\$60,000	\$0	\$285,000
237100 - Curriculum	\$591,000	\$61,600	\$368,656	(\$307,056)	\$0	\$283,944
238100 - Professional Development	\$268,340	\$205,071	\$40,012	\$165,059	\$0	\$433,399
239100 - Business Marketing	\$116,440	\$94,633	\$153,962	(\$59,329)	\$0	\$57,111
240100 - Vehicle Operations	\$1,328,820	\$605,974	\$272,655	\$333,319	(\$806,028)	\$856,111
259100 - Infrastructure	\$4,225,249	\$6,867,577	\$107,340	\$6,760,237	(\$10,265,720)	\$719,766
267100 - Firefield Env Contrl	\$61,306	\$141,750	\$167,886	(\$26,136)	\$0	\$35,170
268100 - Equipment Use Charge	\$1,360,210	\$1,798,566	\$628,297	\$1,170,269	(\$1,471,116)	\$1,059,363
281100 - Lump Sum Leave Pay	\$900,000	\$300,000	\$300,000	\$0	\$0	\$900,000
Texas A&M Engineering Extension Service	\$9,419,106	\$11,782,825	\$3,686,462	\$8,096,363	(\$12,542,864)	\$4,972,605

Revenue	Sales And Services	\$11,641,075
	Fees	\$141,750

Expense	Salaries - Non-Faculty	\$767,275
	Wages	\$300,129
	Benefits	\$274,677
	Operations And Maintenance	\$2,291,341
	Equipment (Capitalized)	\$53,040

Texas A&M Engineering Extension Service	\$9,419,106	\$11,782,825	\$3,686,462	\$8,096,363	(\$12,542,864)	\$4,972,605
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The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018

Texas A&M Transportation Institute

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
270199 - Budget-027010 Motor Vehicles	\$40,600	\$180,000	\$180,000	\$0	\$0	\$40,600
270299 - Budget-027020 Computer Operations	\$10,000	\$1,849,000	\$1,849,000	\$0	\$0	\$10,000
270399 - Budget-027030 Research Equip & Test	\$325,000	\$685,000	\$685,000	\$0	\$0	\$325,000
270499 - Budget-027040 Supplies & Services	\$2,500	\$309,000	\$309,000	\$0	\$0	\$2,500
270599 - Budget-027050 Visual Media	\$26,500	\$698,000	\$698,000	\$0	\$0	\$26,500
270699 - Budget-027060 Proving Grounds	\$1,200,000	\$2,104,000	\$2,104,000	\$0	\$0	\$1,200,000
279099 - Budget-027900 Uci Reserve	\$296,800	\$15,000	\$15,000	\$0	\$0	\$296,800
279999 - Budget-027995 Lump Sum Reserve	\$2,500	\$310,000	\$310,000	\$0	\$0	\$2,500
Texas A&M Transportation Institute	\$1,903,900	\$6,150,000	\$6,150,000	\$0	\$0	\$1,903,900

Revenue	Sales And Services	\$6,150,000
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Expense	Salaries - Faculty	\$85,319
	Salaries - Non-Faculty	\$2,750,130
	Wages	\$349,000
	Benefits	\$836,000
	Operations And Maintenance	\$1,614,551
	Equipment (Capitalized)	\$515,000

Texas A&M Transportation Institute	\$1,903,900	\$6,150,000	\$6,150,000	\$0	\$0	\$1,903,900
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The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018

Texas A&M System Offices

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
250050 - Group Health/Dental Esr	\$107,857,589	\$0	\$0	\$0	(\$15,143,682)	\$92,713,907
250070 - Flexible Spending Account	\$283,200	\$0	\$193,541	(\$193,541)	\$0	\$89,659
250090 - Basic Life Reserve	\$2,095,000	\$0	\$4,000	(\$4,000)	\$0	\$2,091,000
250100 - Optional/Dependent Life Reserve	\$750,700	\$0	\$60,000	(\$60,000)	\$0	\$690,700
250150 - System-Wide Value Added Programs	\$0	\$0	\$1,679,304	(\$1,679,304)	\$1,679,304	\$0
260040 - Tamus - Self Insured Health/Dental	\$0	\$310,838,975	\$327,172,212	(\$16,333,237)	\$16,333,237	\$0
260100 - Lump Sum Payment Reserve	\$290,000	\$250,000	\$0	\$250,000	\$0	\$540,000
260500 - Health Plan Administration	\$0	\$0	\$1,065,265	(\$1,065,265)	\$1,065,265	\$0
261010 - Worker's Compensation Insurance	\$1,000,000	\$4,700,000	\$2,300,000	\$2,400,000	(\$1,356,318)	\$2,043,682
261030 - Rms Administration	\$0	\$0	\$1,520,473	(\$1,520,473)	\$1,520,473	\$0
261200 - Property Insurance	\$8,500,000	\$2,400,000	\$2,500,000	(\$100,000)	(\$905,620)	\$7,494,380
261205 - Auto Insurance	\$1,000,000	\$300,000	\$300,000	\$0	(\$80,000)	\$920,000
261210 - Malpractice Insurance	\$500,000	\$200,000	\$0	\$200,000	\$0	\$700,000
270010 - System Aircraft	\$100,000	\$200,000	\$887,550	(\$687,550)	\$587,550	\$0
270040 - Sago Postal Services	\$0	\$0	\$30,000	(\$30,000)	\$30,000	\$0
271001 - Sago Services - Revenues	\$900,000	\$10,505,000	\$0	\$10,505,000	(\$9,637,156)	\$1,767,844
271010 - Administrative Oversight Account	\$0	\$0	\$119,000	(\$119,000)	\$119,000	\$0
271020 - Bpp - System	\$0	\$0	\$1,000	(\$1,000)	\$1,000	\$0
271030 - Famis Services	\$0	\$0	\$59,330	(\$59,330)	\$59,330	\$0
271050 - Human Resources Administration	\$0	\$0	\$2,500	(\$2,500)	\$2,500	\$0
271060 - Chancellor's Salary	\$0	\$0	\$1,011,010	(\$1,011,010)	\$1,011,010	\$0
271070 - Executive Vice Chancellor & Cfo	\$0	\$0	\$120,890	(\$120,890)	\$120,890	\$0
271080 - Treasury Services	\$0	\$0	\$317,447	(\$317,447)	\$317,447	\$0
271100 - System Internal Audit	\$0	\$0	\$3,590,158	(\$3,590,158)	\$3,590,158	\$0
271160 - Federal Relations	\$0	\$0	\$122,819	(\$122,819)	\$122,819	\$0
271180 - Building Operations - Local	\$0	\$0	\$167,683	(\$167,683)	\$167,683	\$0
271200 - Enterprise Software Initiatives	\$0	\$0	\$1,286,730	(\$1,286,730)	\$1,286,730	\$0
271220 - Document Imaging System	\$0	\$0	\$100,000	(\$100,000)	\$100,000	\$0
271260 - Services-Information Technology	\$0	\$0	\$56,900	(\$56,900)	\$56,900	\$0
271270 - Svcs-Research Office	\$0	\$0	\$31,350	(\$31,350)	\$31,350	\$0
271300 - System Ethics & Compl Off - Assess	\$0	\$0	\$175,850	(\$175,850)	\$175,850	\$0
271400 - Services - Board Of Regents	\$0	\$0	\$100,000	(\$100,000)	\$100,000	\$0

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
271440 - Svcs - Academic Affairs	\$0	\$0	\$85,371	(\$85,371)	\$85,371	\$0
271470 - Services - State Relations	\$0	\$0	\$25,000	(\$25,000)	\$25,000	\$0
271510 - Svcs - Chanc Student Adisory Board	\$0	\$0	\$2,000	(\$2,000)	\$2,000	\$0
271560 - Services - Sys Ofce Of Mrktg & Comm	\$0	\$0	\$90,788	(\$90,788)	\$90,788	\$0
271600 - Gip - Sago Retirees	\$0	\$0	\$292,000	(\$292,000)	\$292,000	\$0
271690 - Budgets & Accounting	\$0	\$0	\$2,186,973	(\$2,186,973)	\$2,186,973	\$0
271730 - Business Affairs	\$0	\$0	\$3,000	(\$3,000)	\$3,000	\$0
271740 - Hub & Procurement Services	\$0	\$0	\$2,000	(\$2,000)	\$2,000	\$0
271990 - Merit Increases - Assessments	\$0	\$0	\$265,000	(\$265,000)	\$265,000	\$0
271995 - Information Security Officer	\$0	\$0	\$10,000	(\$10,000)	\$10,000	\$0
272010 - System Initiatives - Local	\$400,000	\$0	\$815,000	(\$815,000)	\$815,000	\$400,000
273001 - Facilities Planning & Construction	\$7,900,000	\$14,319,273	\$12,403,446	\$1,915,827	(\$538,472)	\$9,277,355
Texas A&M System Offices	\$131,576,489	\$343,713,248	\$361,155,590	(\$17,442,342)	\$4,594,380	\$118,728,527

Revenue	Other Operating Income	\$318,438,975
	Sales And Services	\$25,274,273

Expense	Salaries - Non-Faculty	\$12,736,378
	Wages	\$297,810
	Benefits	\$3,483,159
	Utilities	\$5,000
	Operations And Maintenance	\$24,233,891
	Claims And Losses	\$320,369,352
	Equipment (Capitalized)	\$30,000

Texas A&M System Offices	\$131,576,489	\$343,713,248	\$361,155,590	(\$17,442,342)	\$4,594,380	\$118,728,527
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**The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2018**

Texas A&M Shared Services

Account And Desc	Beginning Balance	Revenue Budget	Expense Budget	Net Operating	Transfers	Ending Balance
272001 - Security Operations Center-Assmnts	\$1,000,000	\$4,030,000	\$4,030,000	\$0	\$0	\$1,000,000
272200 - Research Security Officer	\$0	\$210,000	\$210,000	\$0	\$0	\$0
273001 - Hr Shared Services	\$0	\$120,000	\$120,000	\$0	\$0	\$0
Texas A&M Shared Services	\$1,000,000	\$4,360,000	\$4,360,000	\$0	\$0	\$1,000,000

Revenue	Sales And Services	\$4,360,000
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Expense	Salaries - Non-Faculty	\$1,183,224
	Benefits	\$328,950
	Utilities	\$60,000
	Operations And Maintenance	\$2,439,084
	Equipment (Capitalized)	\$348,742
	Budget - Begin Balance	\$0

Texas A&M Shared Services	\$1,000,000	\$4,360,000	\$4,360,000	\$0	\$0	\$1,000,000
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Agenda Item No.

AGENDA ITEM BRIEFING

Submitted by: Maria L. Robinson, Chief Investment Officer and Treasurer
The Texas A&M University System

Subject: Adoption of a Resolution Authorizing the Issuance of the Board of Regents
of The Texas A&M University System Permanent University Fund Bonds

Proposed Board Action:

Adopt a resolution authorizing the issuance of Permanent University Fund Bonds.

Background Information:

The resolution provides the authority for the issuance of one or more series of Permanent University Fund Bonds to convert all or a portion of the commercial paper to long-term bonds; provide funds for construction, renovation and other projects; refund previously issued bonds; and pay the costs of issuing the bonds. The authority in the amount of \$663 million (including issuance costs) will be for the period from September 1, 2017 to August 31, 2018.

Bonds will be issued only for those projects approved by the Board of Regents and are estimated at \$391 million. Previously issued bonds which are candidates for refunding total approximately \$267 million; however, only those bonds that meet savings targets will be included in a refunding issue.

A&M System Funding or Other Financial Implications:

Debt service for Permanent University Fund Bonds will be funded with the Available University Fund.

Agenda Item No.

THE TEXAS A&M UNIVERSITY SYSTEM

Office of Treasury Services

June 27, 2017

Members, Board of Regents
The Texas A&M University System

Subject: Adoption of a Resolution Authorizing the Issuance of the Board of Regents of
The Texas A&M University System Permanent University Fund Bonds

I recommend adoption of the following minute order:

“The resolution authorizing the issuance of the Board of Regents of The Texas A&M University System Permanent University Fund Bonds, substantially in the form of the attached exhibit, is adopted. The Chief Investment Officer and Treasurer, or other designated financial officer, is hereby authorized to take such actions as are necessary to accomplish the purposes of the resolution, including those relating to the issuance, sale, security and delivery of the bonds, all in accordance with the provisions of the resolution.”

Respectfully submitted,

Maria L. Robinson
Chief Investment Officer and Treasurer

Approval Recommended:

John Sharp
Chancellor

Approved for Legal Sufficiency:

Ray Bonilla
General Counsel

Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

ITEM
EXHIBIT

A RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM PERMANENT UNIVERSITY FUND BONDS IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$663 MILLION, PLEDGING REVENUES FOR THE PAYMENT THEREOF, AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

Adopted August 23, 2017

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 EXHIBIT A - FORM OF BONDS	

A RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM PERMANENT UNIVERSITY FUND BONDS IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$663 MILLION, PLEDGING REVENUES FOR THE PAYMENT THEREOF, AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

WHEREAS, the Board of Regents (the “Board”) of The Texas A&M University System (the “System”) hereby determines to issue obligations pursuant to the provisions of Article VII, Section 18 of the Constitution of the State of Texas, as amended (the “Constitutional Provision”), Chapters 1207 and 1371, Texas Government Code, as amended, and other applicable laws (collectively, “Applicable Law”) for the purposes hereinafter described; and

WHEREAS, the Constitutional Provision authorizes the Board to issue bonds and notes not to exceed a total amount of 10% of the cost value of investments and other assets of the Permanent University Fund (exclusive of real estate) at the time of issuance thereof, and to pledge all or any part of the Available University Fund Share (defined herein) to secure the payment of the principal and interest of those bonds and notes, for the purpose of acquiring land either with or without permanent improvements, constructing and equipping buildings or other permanent improvements, major repair and rehabilitation of buildings and other permanent improvements, acquiring capital equipment and library books and library materials, and refunding bonds or notes issued under such section or prior law, at or for the System’s administration and certain component institutions and agencies of the System; and

WHEREAS, the Board has heretofore duly authorized, sold, and delivered certain outstanding obligations pursuant to the provisions of the Constitutional Provision, payable from, and secured by a first lien on and pledge of, the Available University Fund Share (such outstanding obligations, collectively, the “Outstanding Parity Bonds”), in the manner and to the extent provided in the respective resolutions authorizing the issuance of each of the Outstanding Parity Bonds (collectively, the “Parity Bond Resolutions”); and

WHEREAS, the Board has also heretofore duly authorized certain obligations pursuant to the provisions of the Constitutional Provision, payable from, and secured by a lien on and pledge of, the Available University Fund share that is junior and subordinate to the pledge of and lien on the Available University Fund Share that secures Parity Obligations (defined below) (such obligations, collectively, the “Subordinate Lien Obligations”); and

WHEREAS, the Parity Bond Resolutions reserved the right and power in the Board to issue, under certain conditions, Additional Parity Obligations (defined herein) for the purposes and to the extent provided in the Constitutional Provision and the Parity Bond Resolutions, said Additional Parity Obligations to be on a parity with the Outstanding Parity Bonds, and equally and ratably secured by and payable from a first lien on and pledge of the Available University Fund Share in the same manner and to the same extent as are the Outstanding Parity Bonds; and

WHEREAS, the Board deems it necessary and desirable to issue Additional Parity Obligations (1) to refund such of its outstanding Subordinate Lien Obligations as shall be

specified in the Award Certificate (defined herein) executed in accordance with the terms of this Resolution for the purposes of providing permanent financing for facilities and improvements financed with the proceeds of such refunded Subordinate Lien Obligations and of providing the Board with the ability to issue additional Subordinate Lien Obligations in the future as part of the System's continuing Subordinate Lien Obligations program, (2) to refund such of its Outstanding Parity Bonds as shall be specified in the Award Certificate executed in accordance with the terms of this Resolution, for the purpose of producing a net present value savings in accordance with the requirements of this Resolution, (3) to pay the Project Costs (as defined herein) of certain Eligible Projects (as defined herein), and (4) to pay costs of issuance of such Additional Parity Obligations; and

WHEREAS, the Bonds (defined herein) hereinafter authorized are to be issued and delivered as Additional Parity Obligations pursuant to the Parity Bond Resolutions and Applicable Law.

THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM THAT:

SECTION 1. AUTHORIZATION AND FINDINGS.

(a) Bonds Authorized. The Board's bonds, designated as the "Board of Regents of The Texas A&M University System Permanent University Fund Bonds, Series ____" (the "Bonds"), are hereby authorized to be issued and delivered in one or more Series (defined herein) in the maximum aggregate principal amount of \$663 million (without regard to premium or discount affecting the sale price) for the purposes of (i) refunding the Refunded Notes (defined herein), (ii) refunding all or a portion of the Potential Refunded Bonds (defined herein), (iii) paying the Project Costs of certain Eligible Projects, and (iv) paying the costs of issuance relating to the Bonds. The Bonds shall be designated by the year in which they are awarded pursuant to Section 2(b) below; provided that for any Series of Bonds issued as Taxable Bonds (defined herein) the word "Taxable" shall be included in the designation of such Bonds before the word "Series."

(b) Refunding Purposes.

(i) The Board may issue Bonds to refund Refunded Obligations (defined herein) for the purpose of restructuring certain of its outstanding debt. Pursuant to Section 1207.008, Texas Government Code, as amended, the Board hereby finds that, because the Refunded Notes bear interest at variable rates, the amount of savings or loss as a result of the refunding of the Refunded Notes cannot be ascertained, and that issuing the Bonds to refund the Refunded Notes for the aforementioned purpose is in the best interest of the System.

(ii) The Board may issue Bonds to refund Refunded Bonds (defined herein) for the public purpose of producing a net present value savings expressed as a percentage of the principal amount of the Refunded Bonds, all in accordance with Section 2(b) of this Resolution.

(c) Type of Bonds. Each Series of Bonds herein authorized, unless otherwise indicated, shall be in the form of fixed rate bonds as either Current Interest Bonds (defined herein) or Capital Appreciation Bonds (defined herein).

SECTION 2. DATE, DENOMINATIONS, NUMBERS, MATURITIES OF AND INTEREST ON THE BONDS.

(a) Date, Denominations, and Numbers. The Bonds of each Series shall initially be issued, sold, and delivered hereunder as fully registered bonds, without interest coupons, in the form of (1) Taxable Bonds or Tax-Exempt Bonds (defined herein) and (2) Current Interest Bonds or Capital Appreciation Bonds, numbered consecutively for each Series of Bonds from R-1 upward (or CR-1 upward, in the case of Capital Appreciation Bonds) (except the Initial Bond (defined herein) which shall be numbered T-1 for the Current Interest Bonds and TR-1 for the Capital Appreciation Bonds), payable to the initial purchaser of the Bonds (the "Initial Purchaser") specified by the Authorized Representative (defined herein) in the Award Certificate, or to the registered assignee or assignees of said Bonds or any portion or portions thereof (in each case, the "Registered Owner"), in Authorized Denominations (defined herein), maturing on the dates, in the years and in the principal amounts or Maturity Amounts (defined herein), respectively, and dated, all as set forth in the Award Certificate.

(b) Delegation of Board's Authority. As permitted by Applicable Law, the Authorized Representative is hereby authorized, appointed, and designated to act on behalf of the Board in selling and delivering the Bonds and carrying out other procedures specified in this Resolution, including determining and fixing (i) the date of the Bonds and the Issuance Date (defined herein) thereof; (ii) any additional or different designations or titles by which the Bonds shall be known, if any; (iii) the price at which the Bonds will be sold; (iv) the years in which the Bonds will mature; (v) the principal amount or Maturity Amount of the Bonds to mature in each of such years; (vi) the aggregate principal amount of the Bonds, including the aggregate principal amount of Current Interest Bonds and Capital Appreciation Bonds; (vii) the rate of interest to be borne by each such maturity, and whether the Bonds shall be Tax-Exempt Bonds or Taxable Bonds; (viii) the interest payment periods; (ix) the dates, prices, and terms upon and at which the Bonds shall be subject to redemption prior to Stated Maturity at the option of the Board, as well as mandatory redemption provisions, if any; (x) the designation of which Subordinate Lien Obligations shall constitute the Refunded Notes refunded by the Bonds; (xi) the designation of which Potential Refunded Bonds shall constitute the Refunded Bonds to be refunded by the Bonds; (xii) the Paying Agent/Registrar (defined herein) and Escrow Agent (defined herein), if applicable, with respect to the Bonds; (xiii) the Eligible Projects to be financed by any Series of Bonds; and (xiv) all other matters relating to the issuance, sale, and delivery of the Bonds and the refunding of the Refunded Obligations. All such determinations made by the Authorized Representative shall be specified in the Award Certificate delivered to the Executive Director, Board of Regents. Those determinations to be made by the Authorized Representative are limited, however, by the following: (i) the price to be paid for the Bonds shall not be less than 95% of the aggregate par amount thereof, plus any accrued interest thereon from their dated date to the Issuance Date; (ii) none of the Bonds shall bear interest at a rate greater than the maximum rate allowed by law; (iii) none of the Bonds shall mature more than 30 years from their respective dates in accordance with the Constitutional Provision; and (iv) the aggregate principal

amount of the Bonds shall not exceed \$663 million (without regard to premium or discount affecting the sale price).

In addition, each Series of Bonds issued to refund Refunded Bonds must be sold on terms that produce a present value savings when the scheduled debt service payable on such Bonds during each Bond Year is subtracted from the scheduled debt service payable on the Refunded Bonds during the same Bond Year and the remainder is discounted to the scheduled date of delivery of the Bonds of such Series set forth in the Award Certificate at a discount factor equal to the yield on such Bonds determined in accordance with section 148 of the Code (defined herein). The amount of the savings to be realized from the refunding shall be set forth in the Award Certificate. The Award Certificate for each Series that is issued to refund Refunded Bonds or Refunded Notes shall also identify the Refunded Bonds or Refunded Notes being refunded by that Series.

The Award Certificate shall also contain a determination that the total principal amount of all outstanding Permanent University Fund Obligations (defined herein), subsequent to the issuance of the Bonds of such Series, will not exceed 10% of the cost value of investments and other assets of the Permanent University Fund (exclusive of real estate) at the time the Bonds of such Series are issued.

It is further provided, however, that, notwithstanding the foregoing provisions, the Bonds shall not be delivered unless prior to delivery (i) the Award Certificate has been executed and delivered as required by this Resolution, (ii) the Bonds have been rated by a Nationally-Recognized Rating Agency (defined herein) in one of the four highest rating categories for long-term obligations, as required by Chapter 1371, Texas Government Code, as amended, (iii) the Authorized Representative, or some other financial officer of the System designated by the Board, executes a certificate meeting the requirements of, and to the extent required by, Section 12(a) of this Resolution, and (iv) if a Series of Bonds are being issued to pay Project Costs, the Authorized Representative, or some other financial officer of the System designated by the Board, executes a certificate to the effect that such Bonds are being issued to pay Project Costs for Eligible Projects and, attached to such certificate is a listing of the Eligible Projects expected to be financed, in whole or in part, by such Bonds; provided, however, that at some future date, the Board may substitute other Eligible Projects to be financed, in whole or in part, by such Bonds for the Eligible Projects listed on such certificate.

The Award Certificate is hereby incorporated in and made a part of this Resolution and shall be filed in the minutes of the Board as a part of this Resolution.

(c) Maturities and Interest Rates. The Bonds shall mature on July 1 in each of the years and in the amounts as specified in the Award Certificate.

The Current Interest Bonds of each Series of Bonds shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the Award Certificate to their respective dates of maturity at the rates set forth in the Award Certificate; provided that interest on any Taxable Bonds may be computed as determined by the Authorized Representative in the Award Certificate (i) on the basis of a 365- or 366-day year, as applicable for the number of days actually elapsed based upon the calendar year in which the

interest rate period for such Bonds commences, (ii) on the basis of a 360-day year composed of twelve 30-day months, or (iii) as otherwise determined by the Authorized Representative to be necessary to achieve the most beneficial pricing terms for such Bonds.

The Capital Appreciation Bonds of each Series of Bonds shall bear interest from the Issuance Date for such Series of Bonds, calculated on the basis of a 360-day year composed of twelve 30-day months (subject to rounding to the Compounded Amounts (defined herein) thereof), compounded semiannually on the dates set forth in the Award Certificate (the "Compounding Dates") commencing on the date set forth in the Award Certificate, and payable, together with the principal amount thereof, in the manner provided in the FORM OF BONDS at the rates set forth in the Award Certificate. Attached to the Award Certificate if Capital Appreciation Bonds are to be issued shall be an Exhibit (the "Compounded Amount Table") which shall set forth the rounded original principal amounts at the Issuance Date for the Capital Appreciation Bonds and the Compounded Amounts and Maturity Amounts thereof (per \$5,000 Maturity Amount) as of each Compounding Date (defined herein), commencing on the date set forth in the Award Certificate, and continuing until the final maturity of such Capital Appreciation Bonds. The Compounded Amount with respect to any date other than a Compounding Date is the amount set forth on the Compounded Amount Table with respect to the last preceding Compounding Date, plus the portion of the difference between such amount and the amount set forth on the Compounded Amount Table with respect to the next succeeding Compounding Date that the number of days (based on 30-day months) from such last preceding Compounding Date to the date for which such determination is being calculated bears to the total number of days (based on 30-day months) from such last preceding Compounding Date to the next succeeding Compounding Date.

SECTION 3. RIGHT OF OPTIONAL REDEMPTION. The Board reserves the right to redeem prior to their stated maturities the Bonds, in whole or in part, in principal amounts or Maturity Amounts of \$5,000 or any integral multiple thereof at the redemption prices, to the extent, on the dates, and in the manner described in the Award Certificate.

SECTION 4. CHARACTERISTICS OF THE BONDS.

(a) Paying Agent/Registrar; Registration, Transfer, and Exchange; Authentication. The Board shall keep or cause to be kept at a designated corporate trust office of the Paying Agent/Registrar books or records for the registration and transfer of the Bonds (the "Registration Books"), and the Board hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers and exchanges under such reasonable regulations as the Board and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, and exchanges as herein provided. Registration of the Bonds shall be accomplished in accordance with the provisions of this Resolution, including Section 14 relating to DTC's Book-Entry-Only System. The Authorized Representative, acting for and on behalf of the Board, is hereby authorized to solicit bids for and to select an initial Paying Agent/Registrar for the Bonds and to approve, execute and deliver for and on behalf of the Board a Paying Agent/Registrar Agreement (defined herein) to reflect the appointment, responsibilities and compensation of the Paying Agent/Registrar, such approval to be conclusively evidenced by the Authorized Representative's execution thereof. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the

Registered Owner to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. To the extent possible and under reasonable circumstances, all transfers of Bonds shall be made within three business days after request and presentation thereof. The Board shall have the right to inspect the Registration Books during the Paying Agent/Registrar's regular business hours, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, exchange and delivery of a substitute Bond or Bonds shall be paid as provided in the FORM OF BONDS set forth in this Resolution. Registration of assignments, transfers, and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BONDS set forth in this Resolution. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

Except as provided in subsection (c) below, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Paying Agent/Registrar's Authentication Certificate, and no such Bond shall be deemed to be issued or outstanding unless such Authentication Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for transfer and exchange. No additional action need be taken by the Board or any other body or person so as to accomplish the foregoing transfer and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds. Pursuant to Chapter 1201, Texas Government Code, as amended, the duty of transfer and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and upon the execution of said certificate, the transferred and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Initial Bond.

(b) Payment of Bonds and Interest. The Board hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal and Maturity Amount of and interest on the Bonds, all as provided in this Resolution. The Paying Agent/Registrar shall keep proper records of all payments made by the Board and the Paying Agent/Registrar with respect to the Bonds.

(c) In General. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on or Maturity Amount of such Bonds to be payable only to the Registered Owners thereof; (ii) may and shall be prepaid or redeemed prior to the respective scheduled maturity dates; (iii) may be transferred and assigned; (iv) may be exchanged for other Bonds; (v) shall have the characteristics; (vi) shall be signed, sealed, executed, and authenticated; and (vii) shall be administered, and the Paying Agent/Registrar and the Board shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BONDS set forth in this Resolution and in the Award Certificate. The Initial Bond shall be delivered to the Initial Purchaser and is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each Bond issued in exchange for the Initial Bond or any Bond or Bonds issued under this Resolution the Paying Agent/Registrar shall execute the Paying

Agent/Registrar's Authentication Certificate, in the form set forth in the FORM OF BONDS set forth in this Resolution.

SECTION 5. FORMS. The form of all Bonds, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment, and the form of Registration Certificate of the Comptroller of Public Accounts, to accompany the Initial Bond on the initial delivery thereof shall be, respectively, substantially as provided in Exhibit A hereto, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution and the Award Certificate.

SECTION 6. DEFINITIONS. In addition to terms defined elsewhere in this Resolution, as used in this Resolution, the following terms shall have the meanings set forth below, unless expressly provided otherwise herein or unless the context shall indicate a contrary meaning or intent:

"Additional Parity Obligations" means the additional obligations of the Board permitted to be issued pursuant to Section 12 of this Resolution or pursuant to the Parity Bond Resolutions, such obligations to be payable from and secured by a first lien on and pledge of the Available University Fund Share on a parity with and of equal dignity to the Outstanding Parity Bonds and the Bonds.

"Applicable Law" has the meaning ascribed thereto in the preamble to this Resolution.

"Attorney General" means the Attorney General of the State of Texas.

"Authorized Denominations" means, except as otherwise provided in the Award Certificate, \$5,000 in principal amount or any integral multiple thereof with respect to Current Interest Bonds and \$5,000 in Maturity Amount or any integral multiple thereof with respect to Capital Appreciation Bonds.

"Authorized Representative" means one or more of the following officers or employees of the System, to-wit: the Chancellor, the Executive Vice Chancellor and Chief Financial Officer, and the Chief Investment Officer and Treasurer, or in the event of a vacancy in any such position, the person duly authorized to act in such capacity pending the appointment of a successor to such position, or such other officer or employee of the System authorized by the Board to act as an Authorized Representative.

"Available University Fund" means the fund by that name specified in the Constitutional Provision, which fund consists of the distributions made to it from the total return on all investment assets of the Permanent University Fund, including the net income attributable to the surface of Permanent University Fund land, as determined by the Board of Regents of The University of Texas System pursuant to the Constitutional Provision.

"Available University Fund Share" means the System's one-third interest in the Available University Fund as apportioned and provided in the Constitutional Provision.

“Award Certificate” means the certificate to be signed and delivered pursuant to Section 2(b) of this Resolution in connection with each Series of Bonds which establishes the terms of the Bonds.

“Board of Regents” or “Board” means the Board of Regents of the System.

“Bond” or “Bonds” mean one or more, as the case may be, of the Bonds authorized to be issued by this Resolution.

“Bond Counsel” means Bracewell LLP, or such other nationally-recognized firm designated by the Board as Bond Counsel for purposes of this Resolution.

“Bond Counsel Opinion” means, with respect to any action the occurrence of which requires such an opinion relating to the Bonds, an unqualified opinion of Bond Counsel to the effect that such action is permitted under State law and this Resolution and, with respect to Tax-Exempt Bonds, will not adversely affect the exclusion from gross income for federal income tax purposes of interest on such Tax-Exempt Bonds (subject to the inclusion of any exceptions contained in the opinion delivered upon original issuance of the Tax-Exempt Bonds).

“Bond Purchase Contract” means the Board’s agreement with a senior managing underwriter providing for the sale of a Series of Bonds on a negotiated basis as authorized by Section 20 hereof; provided that two or more Series of Bonds may be sold to the same senior managing underwriter pursuant to the terms of a single Bond Purchase Contract.

“Bond Year” means the period beginning on July 2 of any calendar year and continuing through July 1 of the following calendar year.

“Business Day” means any day other than a Saturday, Sunday, or legal holiday, or a day on which banking institutions in either the State of New York or the State of Texas are authorized by law or executive order to close.

“Capital Appreciation Bonds” means Bonds on which no interest is paid prior to maturity, maturing variously in each of the years and in the Maturity Amounts as set forth in the Award Certificate.

“Code” means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code, and (d) the regulations promulgated under the provisions described in (b) and (c).

“Commercial Paper Notes” means commercial paper notes of the Board issued as Subordinate Lien Obligations pursuant to the Board’s resolution adopted on September 26, 2008, as amended on February 4, 2011.

“Compounded Amount” means, with respect to a Capital Appreciation Bond, as of any particular date of calculation, the original principal amount thereof, plus all interest accrued and

compounded to the particular date of calculation, as determined in accordance with Section 2(c) of this Resolution and the Compounded Amount Table relating to such Bonds.

“Compounded Amount Table” means, with respect to the Capital Appreciation Bonds, the Compounded Amount Table as defined in Section 2(c) of this Resolution.

“Compounding Dates” means Compounding Dates as defined in Section 2(c) of this Resolution.

“Comptroller” means the Comptroller of Public Accounts of the State of Texas or any successor thereto.

“Constitutional Provision” means Section 18 of Article VII of the Constitution of the State, as amended and in effect on the date hereof, and any amendment thereto or any other provision or amendment to the Constitution of the State relating to the Permanent University Fund hereafter approved by the voters of the State.

“Current Interest Bonds” means Bonds paying current interest and maturing in each of the years and in the aggregate principal amounts set forth in the Award Certificate.

“Definitive Bonds” means the Bonds issued in exchange for the Initial Bond.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“DTC Participant” means securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Eligible Project” means the acquisition of land either with or without permanent improvements, the construction and equipping of buildings or other permanent improvements, major repair and rehabilitation of buildings and other permanent improvements, the acquisition of capital equipment and library books and library materials. The term “Eligible Project” does not include the constructing, equipping, repairing, or rehabilitating of buildings or other permanent improvements that are to be used for student housing, intercollegiate athletics, or auxiliary enterprises.

“Escrow Agent” means the Escrow Agent set forth in the Award Certificate, if any, and any successor thereto.

“Escrow Agreement” means an agreement between the Board and the Escrow Agent as authorized by Section 23 hereof, as each such agreement may be amended from time to time in accordance with the terms thereof.

“Fiscal Year” means the 12-month operational period of both the System and the Permanent University Fund, commencing on September 1 of each year and ending on the following August 31.

“Government Obligations” means (i) direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America (including Interest Strips of the Resolution Funding Corporation), (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Board adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provides for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Board adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provides for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent, and (iv) any other then authorized securities or obligations under applicable State law in existence on the date the Board adopts or approves any proceedings authorizing the issuance of refunding bonds or otherwise provides for the funding of an escrow to effect the defeasance of the Bonds that may be used to defease obligations such as the Bonds. The foregoing notwithstanding, the Authorized Representative may elect in the Award Certificate to modify the definition of “Government Obligations” by eliminating any securities or obligations set forth in the preceding sentence upon determining that it is in the best interests of the Board to do so.

“Initial Bond” means the Bond of a Series initially delivered hereunder and upon which the registration certificate, manually executed by or on behalf of the Comptroller of Public Accounts of the State of Texas, has been placed.

“Initial Purchaser” has the meaning given in Section 2 hereof.

“Issuance Date” means the date of delivery of each Series of Bonds to the Initial Purchasers thereof.

“MSRB” means the Municipal Securities Rulemaking Board.

“Maturity” means the date on which the principal of a Bond becomes due and payable as therein and herein provided, whether at Stated Maturity, by redemption, or otherwise.

“Maturity Amount” means the Compounded Amount of a Capital Appreciation Bond due on its Stated Maturity.

“Nationally-Recognized Rating Agency” means any nationally-recognized securities rating agency that provides a rating on the Bonds at the request of the Board.

“Outstanding Parity Bonds” has the meaning ascribed thereto in the preamble to this Resolution.

“Parity Bond Resolutions” has the meaning ascribed thereto in the preamble to this Resolution.

“Parity Obligations” means the Outstanding Parity Bonds, the Bonds, and any Additional Parity Obligations outstanding on the date of adoption of this Resolution or thereafter issued.

“Paying Agent/Registrar,” “Paying Agent,” or “Registrar” means an agent appointed pursuant to Section 2(b) of this Resolution, or any successor thereto.

“Paying Agent/Registrar Agreement” means a Paying/Agent Registrar Agreement executed by the Board and a Paying Agent/Registrar pursuant to Section 4(a) of this Resolution, substantially in the form previously approved by the Board, as such agreement may be amended from time to time in accordance with the terms thereof.

“Permanent University Fund” means the Permanent University Fund as created, established, implemented, and administered pursuant to Article VII, Sections 10, 11, 11a, 15, and 18 of the Texas Constitution, as currently or hereafter amended, and further implemented by the provisions of Chapter 66, Texas Education Code, as amended.

“Permanent University Fund Obligations” means, collectively, all bonds or notes of the Board heretofore or hereafter issued and delivered pursuant to the provisions of the Constitutional Provision, payable from and secured by a lien on and pledge of the Available University Fund Share, including, but not limited to, Parity Obligations and Subordinate Lien Obligations.

“Potential Refunded Bonds” means any of the Outstanding Parity Bonds.

“Principal and Interest Requirements” means, with respect to any Fiscal Year, the respective amounts of principal of and interest on all outstanding Permanent University Fund Obligations scheduled to be paid in such Fiscal Year from the Available University Fund Share. If the rate or rates of interest to be borne by any Additional Parity Obligations or Subordinate Lien Obligations is not fixed, but is variable or adjustable by any formula, agreement, or otherwise, and therefore cannot be calculated as actually being scheduled to be paid in a particular amount for any particular period, then for the purposes of the previous sentence, such Additional Parity Obligations or Subordinate Lien Obligations shall be deemed to bear interest at all times to maturity or due date at the lesser of (i) the maximum rate then permitted by law or (ii) the maximum rate specified in such Additional Parity Obligations or Subordinate Lien Obligations.

“Project Costs” means all costs and expenses incurred in relation to Eligible Projects, including, without limitation, design, planning, engineering, and legal costs; acquisition costs of land, interests in land, right-of-way and easements; construction costs; costs of machinery, equipment, and other capital assets incident and related to the operation, maintenance, and administration of an Eligible Project; and financing costs, including interest during construction and thereafter; underwriters' discount and/or fees; legal, financial, and other professional services; and reimbursements for such Project Costs attributable to an Eligible Project incurred prior to issuance and delivery of the Bonds.

“Refunded Bonds” means the Potential Refunded Bonds to be refunded by a Series of Bonds as set forth in the Award Certificate.

“Refunded Notes” means the Commercial Paper Notes to be refunded by a Series of Bonds as set forth in the Award Certificate.

“Refunded Obligations” means, collectively, the Refunded Notes, if any, and the Refunded Bonds, if any, refunded by a Series.

“Refunding Bonds” means any Series of Bonds issued for the purpose of refunding any of the Refunded Obligations and paying the costs of issuance of such Bonds thereby constituting "refunding bonds" for purposes of subsection (g) of the Constitutional Provision.

“Registered Owner” has the meaning ascribed thereto in Section 2 of this Resolution.

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

“Series” means any designated series of Bonds issued pursuant to this Resolution.

“State” means the State of Texas.

“Stated Maturity” with respect to any Bond, means the scheduled maturity or mandatory sinking fund redemption date of the Bond.

“Subordinate Lien Obligations” means those bonds, notes, or other obligations of the Board, including the Commercial Paper Notes, payable from, and secured by a lien on and a pledge of, the Available University Fund Share that is junior and subordinate to the pledge of and lien on the Available University Fund Share that secures the Parity Obligations.

“System” means The Texas A&M University System.

“Tax-Exempt Bonds” means a series or installment of Bonds, the interest on which is excludable from gross income from federal income tax purposes, as determined and set forth in the Award Certificate therefor.

“Taxable Bonds” means a series or installment of Bonds, the interest on which is not excludable from gross income for federal income tax purposes, as determined and set forth in the Award Certificate therefor.

“UT Board” means the Board of Regents of The University of Texas System.

SECTION 7. PLEDGE. Pursuant to the Constitutional Provision, the Bonds and any Additional Parity Obligations hereafter issued, and the interest thereon, shall be and are hereby equally and ratably secured, together with the Outstanding Parity Bonds, by and payable from a first lien on and pledge of the Available University Fund Share.

SECTION 8. PERFECTION OF SECURITY. Chapter 1208, Texas Government Code, applies to the issuance of the Parity Obligations and the pledge of the Available University Fund Share made in Section 7 of this Resolution, and such pledge is, therefore, valid, effective, and perfected. Should State law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the Available University Fund Share is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the Registered Owners a security interest in such pledge, the Board agrees to take such measures as it determines are reasonable and necessary to enable a filing of a security interest in said pledge to occur.

SECTION 9. PAYMENT OF BONDS AND ADDITIONAL PARITY OBLIGATIONS.

(a) Payment of the Bonds. The Comptroller previously has established and shall maintain in the State Treasury a fund known as the “Board of Regents of The Texas A&M University System Permanent University Fund Bonds Interest and Sinking Fund” (the “Interest and Sinking Fund”). The Board and the officers of the System shall cause the Comptroller to (i) transfer to the Interest and Sinking Fund, out of the fund in the State Treasury to which is deposited the Available University Fund Share, such fund being designated the “The Texas A&M University System Available University Fund”, on or before each date upon which the principal of, premium, if any, or interest on any Parity Obligations is due and payable, whether by reason of maturity, mandatory redemption, or optional redemption prior to maturity and (ii) withdraw from the Interest and Sinking Fund and deposit with the Paying Agent/Registrar, on or before each such date, the amounts of interest or principal, premium, if any, and interest which will come due on the Parity Obligations on each such date, and in such manner that such amounts, in immediately available funds, will be on deposit with the Paying Agent/Registrar at least by each such date.

(b) Payment of Additional Parity Obligations. When Additional Parity Obligations are issued pursuant to the provisions of this Resolution, the Board, the officers of the System, and the Comptroller shall follow substantially the same procedures as provided above in connection with paying the principal of and interest on such Additional Parity Obligations when due; provided, however, that other and different banks or places of payment (paying agents) and/or paying agent/registrar, dates and methods of payment, and other procedures not in conflict with this Resolution may be named and provided for in connection with each issue of Additional Parity Obligations. In the event that any such Additional Parity Obligations are made redeemable prior to maturity, the resolution or resolutions authorizing the issuance of such Additional Parity Obligations shall prescribe the appropriate procedures for redeeming the same.

SECTION 10. DISPOSITION OF FUNDS. After provision has been made for the payment of the principal of, premium, if any, and interest on the Parity Obligations the balance of the Available University Fund Share each year shall be made available to the Board for payment of any Subordinate Lien Obligations and, thereafter, shall be available to the Board in the manner and to the extent provided by law and by regulations of the Board to be used by the Board as it may lawfully direct.

SECTION 11. INVESTMENTS. Subject to the requirements of any Parity Bond Resolution and except as may be otherwise provided herein, (i) money in any account or fund established or affirmed pursuant to this Resolution may be invested at the direction of an Authorized Representative in the manner prescribed by law and in accordance with the written policies adopted by the Board, and (ii) the interest and income derived from such investments shall be credited to the account or fund from which the deposit or investment was made and shall be used only for the purpose or purposes for which such account or fund is required or permitted to be used.

SECTION 12. ADDITIONAL OBLIGATIONS.

(a) Additional Parity Obligations. The Board reserves the right and shall have full power at any time and from time to time, to authorize, issue, and deliver Additional Parity Obligations, in as many separate installments or series as deemed advisable by the Board but only for the purpose and to the extent provided in the Constitutional Provision, or in any amendment hereafter made to the Constitutional Provision, or for refunding purposes as provided by Applicable Law. Such Additional Parity Obligations when issued, and the interest thereon, shall be equally and ratably secured by and payable from a first lien on and pledge of the Available University Fund Share, in the same manner and to the same extent as are the Parity Obligations, and shall be on a parity and in all respects of equal dignity. It is further covenanted that no installment or series of Additional Parity Obligations shall be issued and delivered unless the Authorized Representative, or some other financial officer of the System designated by the Board, executes a certificate to the effect that (i) for the Fiscal Year immediately preceding the date of said certificate, the amount of the Available University Fund Share was at least 1.5 times the average annual Principal and Interest Requirements of the installment or series of Additional Parity Obligations then proposed to be issued and the Parity Obligations which are then and will be outstanding after the issuance and delivery of said proposed installment or series; provided, however, that the certification required by this clause (i) shall only remain in effect so long as any Parity Obligation that was outstanding on August 3, 2012, remains outstanding; and (ii) the total principal amount of all Permanent University Fund Obligations that will be outstanding after the issuance and delivery of the installment or series of Additional Parity Obligations then proposed to be issued will not exceed 10% of the cost value of investments and other assets of the Permanent University Fund (exclusive of real estate) at the time the proposed series or installment of Additional Parity Obligations is issued.

(b) Subordinate Lien Obligations. The Board may, at any time and from time to time, for any lawful purpose permitted pursuant to the terms of the Constitutional Provision, issue Subordinate Lien Obligations, the principal of and redemption premium, if any, and interest on which are payable from and secured by a pledge of and lien on the Available University Fund Share junior and subordinate to the lien and pledge created hereby for the security of the Parity Obligations; provided, however, that any such pledge and lien securing such Subordinate Lien Obligations shall be, and shall be expressed to be, subordinate in all respects to the pledge of and lien on the Available University Fund Share pledged as security for the Parity Obligations.

SECTION 13. GENERAL COVENANTS. The Board covenants and agrees with the Registered Owners as follows:

(a) It is recognized that the UT Board is the legal custodian of the Permanent University Fund, having sole power to administer and invest the Permanent University Fund in accordance with applicable law, provided that the Constitutional Provision affirmatively appropriates out of the Available University Fund Share an annual amount sufficient to pay the principal and interest on the Permanent University Fund Obligations. Therefore, while the Parity Obligations or the Subordinate Lien Obligations are outstanding and unpaid, the Board covenants to use its best efforts to cause the Permanent University Fund to be administered, invested, and the income therefrom to be distributed, all as required by law and consistent with the Parity Bond Resolutions and this Resolution.

(b) The Board will duly and punctually pay or cause to be paid the principal of every Parity Obligation and all Subordinate Lien Obligations, while outstanding, and the interest thereon, from the sources, on the days, at the places, and in the manner mentioned and provided in such obligations, according to the true intent and meaning thereof, and it will duly cause to be called for redemption prior to maturity, and will cause to be redeemed prior to maturity, all Parity Obligations and Subordinate Lien Obligations which, by their terms, are mandatorily required to be redeemed prior to maturity, when and as so required, and it will faithfully do and perform and at all times fully observe all covenants, undertakings, and provisions contained in this Resolution and in the aforesaid obligations.

(c) Except for the benefit of the Parity Obligations, and the interest thereon, the Board will not at any time create or allow to accrue or exist any lien or charge upon the Interest and Sinking Fund or the Available University Fund Share, unless such lien or charge is made junior and subordinate in all respects to the liens, pledges, and covenants in connection with the Parity Obligations, but the right to issue Subordinate Lien Obligations payable from the Available University Fund Share, as specified in Section 12(b) of this Resolution, is specifically reserved by the Board. The lien created by this Resolution will not be impaired in any manner as a result of any action or non-action on the part of the Board or officers of the System.

(d) Proper books of records and accounts will be kept in which true, full, and correct entries will be made of all income, expenses, and transactions of and in relation to the Permanent University Fund and each and every part thereof in accordance with accepted accounting practices, and as soon after the close of each Fiscal Year as reasonably may be done, the Board will furnish to all bondholders and Registered Owners who may so request, such audits and reports by the State Auditor of the State for the preceding Fiscal Year, concerning the Permanent University Fund, the Available University Fund Share, and the Parity Obligations, as the State Auditor is required by applicable law to prepare and distribute.

(e) No portion of the proceeds of the Bonds will be used for the purpose of constructing, equipping, repairing, or rehabilitating buildings or other permanent improvements that are to be used for student housing, intercollegiate athletics, or auxiliary enterprises.

(f) The Board will (i) pay the standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the

Bonds, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to (A) the transfer of registration of the Bonds, and (B) solely to the extent provided in this Resolution, the exchange of the Bonds.

(g) At all times while the Bonds are outstanding, the Board will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Resolution. The Paying Agent/Registrar will be one entity. The Board reserves the right to, and may at its option, change the Paying Agent/Registrar upon not less than 60 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Board covenants that it will promptly appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Resolution. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Board. Upon any change in the Paying Agent/Registrar, the Board promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.

SECTION 14. BOOK-ENTRY-ONLY SYSTEM. It is intended that the Bonds initially be registered so as to participate in a securities depository system (the “DTC System”) with DTC, as set forth herein. The Definitive Bonds shall be issued in the form of a separate single definitive Bond for each maturity. Upon issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the outstanding Bonds shall be registered in the name of Cede & Co., as the nominee of DTC. The Board and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including a “Letter of Representations” (the “Representation Letter”).

With respect to the Bonds registered in the name of Cede & Co., as nominee of DTC, the Board and the Paying Agent/Registrar shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Bonds from time to time as securities depository (a “Depository Participant”) or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds (an “Indirect Participant”). Without limiting the immediately preceding sentence, the Board and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to any ownership interest in the Bonds, or (ii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a Registered Owner of a Bond, of any amount with respect to principal of or interest on the Bonds. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Bond evidencing the obligation of the Board to make payments

of principal and interest pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks or drafts being mailed to the holder, the words “Cede & Co.” in this Resolution shall refer to such new nominee of DTC.

In the event that (a) the Board determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason, or (c) DTC or the Board determines that it is in the best interest of the Registered Owners that they be able to obtain certificated Bonds, the Board shall notify the Paying Agent/Registrar, DTC, and Depository Participants of the availability within a reasonable period of time through DTC of certificated Bonds, and the Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the Board may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the Board, or such depository’s agent or designee, and if the Board and the Paying Agent/Registrar do not select such alternate securities depository system, then the Bonds may be registered in whatever names the Registered Owners transferring or exchanging the Bonds shall designate, in accordance with the provisions hereof.

Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

SECTION 15. AMENDMENT OF RESOLUTION.

(a) The owners of the Parity Obligations aggregating 51% in principal amount of the aggregate principal amount of then outstanding Parity Obligations shall have the right, from time to time, to approve any amendment to any resolution authorizing the issuance of Parity Obligations which may be deemed necessary or desirable by the Board; provided, however, that nothing herein contained shall permit or be construed to permit, without the approval of the owners of all of the outstanding Parity Obligations, the amendment of the terms and conditions in said resolutions or in the Parity Obligations so as to (i) make any change in the maturity of the outstanding Parity Obligations; (ii) reduce the rate of interest borne by any of the outstanding Parity Obligations; (iii) reduce the amount of the principal payable on the outstanding Parity Obligations; (iv) modify the terms of payment of principal of or interest on the outstanding Parity Obligations, or impose any conditions with respect to such payment; (v) affect the rights of the owners of less than all of the Parity Obligations then outstanding; or (vi) change the minimum percentage of the principal amount of Parity Obligations necessary for consent to such amendment.

(b) If at any time the Board shall desire to amend a resolution under this Section, the Board shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in New York, New York, once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of each Paying

Agent/Registrar for the Parity Obligations for inspection by all owners of Parity Obligations. Such publication is not required, however, if written notice is given to each owner of Parity Obligations.

(c) Whenever at any time not less than 30 days, and within one year, from the date of the first publication of said notice or other service of written notice of the proposed amendment, the Board shall receive an instrument or instruments executed by the owners of at least 51% in aggregate principal amount of all Parity Obligations then outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file as aforesaid, the Board may adopt the amendatory resolution in substantially the same form.

(d) Any consent given by the owner of a Parity Obligation pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication or other service of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Parity Obligations during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing notice thereof with the Paying Agent/Registrar for such Parity Obligations and the Board, but such revocation shall not be effective if the owners of 51% in aggregate principal amount of the then-outstanding Parity Obligations as in this Section defined have, prior to the attempted revocation, consented to and approved the amendment.

(e) Notwithstanding the provisions of Subsections (a)-(d) of this Section and subject to the requirements of the resolutions authorizing the Outstanding Parity Bonds, this Resolution and the rights and obligations of the Board and of the owners of the Bonds may, to the extent permitted by law, be modified or amended at any time by a supplemental resolution, without notice to or the consent of any owners of the Bonds, to cure any ambiguity, or to cure or correct any defective provision contained in this Resolution, upon receipt by the Board of an approving opinion of Bond Counsel that the same is needed for such purpose and will more clearly express the intent of this Resolution.

(f) Upon the adoption of any amendatory resolution adopted by the Board pursuant to the provisions of this Section, the resolution being amended shall be deemed to be amended in accordance with the amendatory resolution, and the respective rights, duties, and obligations of the Board and all the owners of then-outstanding Parity Obligations and all future Parity Obligations shall thereafter be determined, exercised, and enforced thereunder, subject in all respects to such amendment.

SECTION 16. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

(a) Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered a new Bond of the same principal amount, Maturity Amount, maturity, and interest

rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

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

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

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

(e) Authority for Issuing Replacement Bonds. In accordance with Chapter 1201, Texas Government Code, as amended, this Section shall constitute authority for the issuance of any such replacement Bond without necessity of further action by the governing body of the Board or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 4(a) of this Resolution, for Bonds issued in exchange for other Bonds.

SECTION 17. DEFEASANCE OF BONDS.

(a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Resolution, except to the extent provided in subsections (c) and (e) of this Section, when payment of the principal of such Bond, plus interest thereon, with respect to Current Interest Bonds, and/or the Maturity Amount with respect to Capital Appreciation Bonds, to the due date or dates (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption or the establishment of irrevocable provisions for the giving of such notice)

or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar or an eligible trust company or commercial bank for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Government Obligations that mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the Board with the Paying Agent/Registrar or an eligible trust company or commercial bank for the payment of its services until all Defeased Bonds shall have become due and payable or (3) any combination of (1) and (2). At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the revenues herein pledged as provided in this Resolution, and such principal and interest shall be payable solely from such money or Government Obligations.

(b) The deposit under clause (ii) of subsection (a) shall be deemed a payment of a Bond as aforesaid when proper notice of redemption of such Bonds shall have been given or upon the establishment of irrevocable provisions for the giving of such notice, in accordance with this Resolution. Any money so deposited with the Paying Agent/Registrar or an eligible trust company or commercial bank as provided in this Section may at the discretion of the Board also be invested in Government Obligations, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Government Obligations in possession of the Paying Agent/Registrar or an eligible trust company or commercial bank pursuant to this Section which is not required for the payment of such Bond and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be remitted to the Board.

(c) Notwithstanding any provision of any other Section of this Resolution which may be contrary to the provisions of this Section, all money or Government Obligations set aside and held in trust pursuant to the provisions of this Section for the payment of principal of the Bonds and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Bonds and premium, if any, and interest thereon, with respect to which such money or Government Obligations have been so set aside in trust. Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the Board shall make proper arrangements to provide and pay for such services as required by this Resolution.

(d) Notwithstanding any other provision of this Resolution to the contrary, if money or Government Obligations have been deposited or set aside with the Paying Agent/Registrar or an eligible trust company or commercial bank pursuant to this Section for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment of the provisions of this Section shall be made without the consent of the registered owner of each Bond affected thereby. Notwithstanding the provisions of this Section to the contrary, any Taxable Bonds issued under this Resolution may be designated by the Authorized Representative in the Award Certificate as not being subject to defeasance if such Authorized Representative determines that such treatment is in the best economic interest of the Board.

(e) Notwithstanding the provisions of subsection (a) of this Section, to the extent that, upon the defeasance of any Defeased Bond to be paid at its maturity, the Board retains the right

under State law to later call that Defeased Bond for redemption in accordance with the provisions of this Resolution, the Board may call such Defeased Bond for redemption upon complying with the provisions of State law and upon the satisfaction of the provisions of subsection (a) of this Section with respect to such Defeased Bond as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bond and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Bond.

SECTION 18. CONTINUING DISCLOSURE.

(a) Annual Reports. The Board shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of each Fiscal Year ending after the issuance and sale of each Series of Bonds pursuant to this Resolution, financial information and operating data with respect to the Permanent University Fund as determined by the Authorized Representative at the time the Bonds are sold. The Award Certificate shall specify such financial information and operating data. Any financial statements with respect to the Permanent University Fund so to be provided shall be (1) prepared on an accrual basis, or such other basis as the UT Board may be required to employ from time to time pursuant to State law or regulation, and (2) audited, if the UT Board commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements with respect to the Permanent University Fund are not so provided within the required period, then the Board shall provide unaudited financial statements with respect to the Permanent University Fund for the applicable Fiscal Year to the MSRB, in an electronic format as prescribed by the MSRB, and shall file audited financial statements with respect to the Permanent University Fund when and if such audited financial statements become available. If audited financial statements with respect to the Permanent University Fund are not prepared for any Fiscal Year and audited financial statements are prepared with respect to the State of Texas for such Fiscal Year, the Board shall provide, or cause to be provided, the audited financial statements of the State of Texas for the applicable Fiscal Year to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of said Fiscal Year or as soon thereafter as such audited financial statements become available from the State Auditor of the State of Texas. Any such audited financial statements of the State of Texas so provided shall be prepared in accordance with generally accepted accounting principles for state governments, as such principles may be changed from time to time to comply with State law.

If the UT Board changes the Permanent University Fund's Fiscal Year, the Board will notify the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which the Board otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this subsection (a) may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet web site or filed with the SEC.

(b) Event Notices. As used in this subsection (b), the term "obligated person" shall mean any person, including the Board, who is either generally or through an enterprise, fund, or

account of such person committed by contract or other arrangement to support payment of all or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities). The Board shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds: (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of holders of the Bonds, if material; (viii) bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the obligated person; (xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) the appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of the event identified in clause (xii) of the immediately preceding paragraph, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

In addition, the Board shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, of any failure by the Board to provide financial information or operating data in accordance with subsection (a) of this Section by the time required.

(c) Identifying Information. All information and notices shall be provided to the MSRB in an electronic format, as prescribed by the MSRB, and all documents provided to the MSRB pursuant to this Section 18 shall be accompanied by identifying information, as prescribed by the MSRB.

(d) Limitations, Disclaimers, and Amendments. The Board shall be obligated to observe and perform the covenants specified in this Section 18 for so long as, but only for so long as, the Board, the Permanent University Fund, or the Available University Fund Share remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the Board in any event will give the notice required by Section 4 of this Resolution of any

Bond calls and defeasance that cause the Board, the Permanent University Fund, or the Available University Fund Share to no longer be “obligated persons”.

The provisions of this Section 18 are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Section 18, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Board undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section 18 and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Permanent University Fund’s or the Available University Fund Share’s financial results, condition, or prospects, or hereby undertake to update any information provided in accordance with this Section 18 or otherwise, except as expressly provided herein. The Board does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE BOARD BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE BOARD, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION 18, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the Board in observing or performing its obligations under this Section 18 shall constitute a breach of or default under this Resolution for purposes of any other provision of this Resolution. Should the Rule be amended to obligate the Board to make filings with or provide notices to entities other than the MSRB, the Board hereby agrees to undertake such obligation with respect to the Bonds in accordance with the Rule as amended.

Nothing in this Section 18 is intended or shall act to disclaim, waive, or otherwise limit the duties of the Board under federal and State securities laws.

Except as otherwise authorized by Section 32, the provisions of this Section 18 may be amended by the Board from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Board or the Permanent University Fund, but only if (i) the provisions of this Section 18, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (A) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (B) a person that is unaffiliated with the Board and the Permanent University Fund (such as nationally-recognized bond counsel) determines that such amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. If the Board so amends the provisions of this Section 18, it shall include with any amended financial information or operating data next

provided in accordance with this Section 18 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Board may also amend or repeal the provisions of this continuing disclosure requirement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

SECTION 19. PROVISIONS CONCERNING FEDERAL INCOME TAX EXCLUSION.

(a) General Tax Covenant. As used in this Section 19, the term “Bonds” shall mean only Bonds issued as Tax-Exempt Bonds. The Board intends that the interest on the Bonds be excludable from gross income for federal income tax purposes pursuant to sections 103 and 141 through 150, inclusive, of the Code. The Board covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would (i) cause the interest on the Bonds to be includable in gross income, as defined in section 61 of the Code, for federal income tax purposes or (ii) result in the violation of or failure to satisfy any provision of section 103 and 141 through 150, inclusive, of the Code. In particular, the Board covenants and agrees to comply with each requirement of this Section 19; provided, however, that the Board will not be required to comply with any particular requirement of this Section 19 if the Board has received an opinion of Bond Counsel that (i) such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or (ii) compliance with some other requirement will satisfy the applicable requirements of the Code and the Regulations, in which case compliance with such other requirement will constitute compliance with the corresponding requirement specified in this Section 19. The covenants of the Board set forth in this Section 19 are intended to apply only to Bonds when, as and if issued.

(b) No Private Use or Payment and No Private Loan Financing. The Board covenants and agrees that it has made use of proceeds of the Refunded Obligations (if issued on a tax-exempt basis) and will make such use of the proceeds of the Bonds, including interest or other investment income derived from such proceeds; regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Bonds will not be “private activity bonds” within the meaning of section 141 of the Code. Moreover, the Board will certify, through an authorized officer, employee or agent, that based upon all facts and estimates known or reasonably expected to be in existence on the date each Series of Bonds is delivered, the proceeds of the Refunded Obligations (if issued on a tax-exempt basis) have not been used, and the proceeds of the Bonds will not be used, in a manner that would cause the Bonds to be “private activity bonds” within the meaning of section 141 of the Code.

(c) No Federal Guarantee. The Board covenants and agrees that it has not taken and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

(d) No Hedge Bonds. The Board covenants and agrees that it has not taken and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code. Moreover, the Board will certify, through an authorized officer, employee or agent, that based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, the proceeds of the Refunded Obligations (if issued on a tax-exempt basis) have not been used in a manner that would cause the Refunded Obligations (if issued on a tax-exempt basis) or the Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code.

(e) No Arbitrage. The Board covenants and agrees that it will make such use of the proceeds of the Bonds, including interest or other investment income derived from Bond proceeds; regulate investments of proceeds of the Bonds; and take such other and further action as may be required so that the Bonds will not be “arbitrage bonds” within the meaning of section 148(a) of the Code. Moreover, the Board will certify, through an authorized officer, employee or agent, that based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, the proceeds of the Refunded Obligations (if issued on a tax-exempt basis) have not been used and proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of section 148(a) of the Code.

(f) Arbitrage Rebate. If the Board does not qualify for an exception to the requirements of section 148(f) of the Code relating to the required rebate to the United States, the Board will take all necessary steps to comply with the requirement that certain amounts earned by the Board on the investment of the “gross proceeds” of the Bonds of each Series (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the Board will (i) maintain records regarding the investment of the gross proceeds of the Bonds of each Series as may be required to calculate the amount earned on the investment of the gross proceeds of the Bonds of such Series separately from records of amounts on deposit in the funds and accounts of the System allocable to other bond issues of the Board or moneys that do not represent gross proceeds of any bonds of the Board, (ii) calculate at such times as are required by applicable Regulations, the amount earned from the investment of the gross proceeds of the Bonds of such Series that is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of the Bonds of such Series or on such other dates as may be permitted under applicable Regulations, all amounts required to be rebated to the federal government. Further, the Board will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds of a Series that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm’s length and had the yield on the issue not been relevant to either party.

(g) Information Reporting. The Board covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds of such Series are issued, an information statement concerning the Bonds of such Series, all under and in accordance with section 149(e) of the Code.

(h) Record Retention. The Board will retain all pertinent and material records relating to the use and expenditure of the proceeds of the Refunded Obligations (if issued on a tax-exempt basis) and the Bonds until three years after the last Bond is redeemed, or such shorter period as authorized by subsequent guidance issued by the Department of Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the Board to retrieve and reproduce such books and records in the event of an examination of the Bonds by the Internal Revenue Service.

(i) Deliberate Actions. The Board will not take a deliberate action (as defined in section 1.141-2(d)(3) of the Regulations) that causes the Bonds to fail to meet any requirement of section 141 of the Code after the issue date of the Bonds unless an appropriate remedial action is permitted by section 1.141-12 of the Regulations, the Board takes such remedial action and an opinion of Bond Counsel is obtained that such remedial action cures any failure to meet the requirements of section 141 of the Code.

(j) Continuing Obligation. Notwithstanding any other provision of this Resolution, the Board's obligations under the covenants and provisions of this Section 19 will survive the defeasance and discharge of the Bonds for so long as such matters are relevant to the exclusion from gross income of interest on the Bonds for federal income tax purposes.

SECTION 20. SALE OF THE BONDS.

(a) The Authorized Representative is hereby authorized to act for and on behalf of the Board in connection with the issuance and sale of the Bonds. In that capacity, the Authorized Representative, acting for and on behalf of the Board, shall determine the dates for the issuance and sale of the Bonds and all other matters relating to the issuance, sale and delivery of the Bonds as set forth in Section 2(b) of this Resolution.

(b) Except as set forth in subsection (c) of this Section 20, the Bonds of each Series shall be sold through competitive bidding as required by the Constitutional Provision. For any Series of Bonds to be sold through competitive bidding pursuant to the terms hereof, the Authorized Representative shall prepare a notice of sale and bidding instructions (including an official bid form) with respect thereto to be in substantially the form and substance previously approved by the Board in connection with the authorization of Parity Obligations, which form is hereby approved, but with such changes and completions as the Authorized Representative may approve.

(c) Notwithstanding the provisions of subsection (b) of this Section 20 or any other provisions in this Resolution, any Series of Bonds constituting Refunding Bonds may be sold in the manner deemed by the Authorized Representative to be the most economically advantageous to the Board, as set forth in the Award Certificate.

If the Authorized Representative determines that a Series of Refunding Bonds should be sold by a negotiated sale, the Authorized Representative shall designate the senior managing

underwriter for such Refunding Bonds and such additional investment banking firms as he or she deems appropriate to assure that the Refunding Bonds are sold on the most advantageous terms to the Board. The Authorized Representative, acting for and on behalf of the Board, is authorized to approve, execute and deliver a Bond Purchase Contract for each Series of Refunding Bonds to be sold by negotiated sale, with the underwriter(s) thereof at such price, with and subject to such terms as determined by the Authorized Representative pursuant to Section 2 of this Resolution. Each Bond Purchase Contract shall be substantially in the form and substance previously approved by the Board in connection with the authorization of Parity Obligations or the Board's revenue financing system obligations with such changes as are acceptable to the Authorized Representative, including those set forth in this Resolution with respect to disclosure documents and continuing disclosure provisions. The Authorized Representative's approval of a Bond Purchase Contract shall be conclusively evidenced by said Authorized Representative's execution thereof.

(d) Following the award of the sale of each Series of Bonds the Authorized Representative shall notify the Paying Agent/Registrar in writing of the identity of the purchaser of the Bonds and of the following terms for such Bonds: Series designation; dated date and Issuance Date; date from which interest accrues; principal amount; maturities; redemption provisions; rate or rates of interest; and first interest payment date. The Authorized Representative shall deliver the Initial Bonds of such Series to the purchasers thereof against payment therefor.

(e) The authority conferred by this Resolution to (i) act on behalf of the Board in selling any Series of Bonds and (ii) award the sale of the Bonds of such Series to a bidder in a competitive sale or execute one or more Bond Purchase Contract(s) pursuant to this Section shall expire at 11:59 p.m. on August 31, 2018. Any Series of Bonds awarded pursuant to an official bid form or sold pursuant to a Bond Purchase Contract executed on or before August 31, 2018, may be delivered after such date.

SECTION 21. PROCEEDS OF SALE. Proceeds from the sale of each Series of Bonds shall, promptly upon receipt thereof, be applied by the Authorized Representative as follows:

(i) accrued interest for the Bonds, if any, shall be deposited in the Interest and Sinking Fund to be used to pay interest on the Bonds on the first interest payment date therefor;

(ii) if the Series of Bonds is being issued to refund Refunded Obligations, there shall be applied, from the remaining proceeds from the sale of such Bonds, the amounts specified in Section 23 of this Resolution; and

(iii) any proceeds from the sale of such Bonds remaining after the deposits provided for in clauses (i) and (ii) above shall be used to pay Project Costs of Eligible Projects and, to the extent not otherwise provided for, to pay all expenses arising in connection with the issuance of such Bonds and the refunding of the Refunded Obligations, as appropriate.

Any sale proceeds of the Bonds remaining after making all deposits and payments provided for above shall be deposited into the Interest and Sinking Fund.

SECTION 22. APPROVAL OF OFFICIAL STATEMENT. The Authorized Representative, acting for and on behalf of the Board, is authorized and directed to provide for and oversee the preparation of a preliminary official statement to be prepared for distribution (which may be made electronically) and to be used in the offering and sale of the Bonds. The Authorized Representative, acting for and on behalf of the Board, is hereby authorized to approve the form of the preliminary official statement and to deem the preliminary official statement to be final as of its date, except for such omissions as are permitted by the Rule. The Authorized Representative, acting for and on behalf of the Board, shall cause a final official statement to be prepared and provided in compliance with the Rule. Notwithstanding the foregoing, the Authorized Representative may prepare one preliminary official statement and one final official statement with respect to multiple Series of such Bonds so sold.

SECTION 23. REFUNDING AND REDEMPTION OF REFUNDED OBLIGATIONS; ESCROW AGREEMENT.

(a) Concurrently with the delivery of each Series of Bonds issued to refund Refunded Notes, the Authorized Representative shall cause to be deposited with the issuing and paying agent for the Refunded Notes or with an Escrow Agent selected by the Authorized Representative, from the proceeds from the sale of such Series of Bonds and other legally available funds, an amount sufficient to provide for the refunding and defeasance of such Refunded Notes, in accordance with Chapter 1207, Texas Government Code, as amended. In the event it is deemed necessary, the Authorized Representative is hereby authorized to select one or more Escrow Agent(s) with respect to the Refunded Notes and to enter into one or more Escrow Agreements. The Authorized Representative is further authorized and directed to apply and there is hereby appropriated such moneys of the Board as are necessary (i) to provide for the defeasance of such Refunded Notes on the date of delivery of the Bonds or (ii) to fund the Escrow Fund to be created pursuant to the Escrow Agreement(s) with amounts sufficient to provide for the defeasance of the Refunded Notes.

(b) Concurrently with the delivery of each Series of Bonds issued to refund Refunded Bonds, the Authorized Representative shall cause to be deposited with the paying agent for the Refunded Bonds or with an Escrow Agent selected by the Authorized Representative, from the proceeds from the sale of such Series of Bonds and other legally available funds, an amount sufficient to provide for the refunding and defeasance of such Refunded Bonds, in accordance with Chapter 1207, Texas Government Code, as amended. In the event it is deemed necessary, the Authorized Representative is hereby authorized to select one or more Escrow Agent(s) with respect to the Refunded Bonds and to enter into one or more Escrow Agreements. The Authorized Representative is further authorized and directed to apply and there is hereby appropriated such moneys of the Board as are necessary (i) to provide for the defeasance of such Refunded Bonds on the date of delivery of the Bonds or (ii) to fund the Escrow Fund to be created pursuant to the Escrow Agreement(s) with amounts sufficient to provide for the defeasance of the Refunded Bonds.

(c) As provided in Section 2(b) of this Resolution, the Authorized Representative shall determine the particular Subordinate Lien Obligations and Potential Refunded Bonds to be refunded by a Series of Bonds subject, in the case of the Refunded Bonds, to the present value savings requirement of said Section 2(b).

(d) Subject to the execution of an Award Certificate and the determination by the Authorized Representative of the Refunded Bonds to be refunded by a Series of Bonds, the Board irrevocably calls the particular Potential Refunded Bonds constituting Refunded Bonds for redemption prior to maturity on the first optional redemption date following delivery of the Bonds of such Series, for which all of the notice requirements for redemption can reasonably be met, at a redemption price of par (plus accrued interest to the date fixed for redemption).

The Authorized Representative, acting for and on behalf of the Board, shall provide for notice of such redemption to be given in accordance with the resolution(s) of the Board authorizing the Refunded Bonds.

(e) If the Authorized Representative determines to execute an Escrow Agreement relating to the Refunded Notes or the Refunded Bonds, to assure the purchase of the “Escrowed Securities” referred to in the respective Escrow Agreements for the Refunded Notes or the Refunded Bonds, the Authorized Representative, acting for and on behalf of the Board, is hereby authorized to subscribe for, agree to purchase and purchase “Government Obligations” and “Defeasance Obligations” (as defined in resolutions authorizing the Refunded Notes or the Parity Bond Resolutions authorizing the Refunded Bonds, as appropriate) in such amounts and maturities and bearing interest at such rates as may be provided for in such Escrow Agreement, and to execute any and all subscriptions, purchase agreements, commitments, letters of authorization and other documents necessary to effectuate the foregoing, and is authorized to create and fund the “Escrow Fund” contemplated by such Escrow Agreement through the use of the proceeds of the Series of Bonds issued to refund the Refunded Notes or the Refunded Bonds, the moneys and investments held in the fund securing the Refunded Notes or the Refunded Bonds, and other lawfully available moneys of the Board.

(f) To satisfy in a timely manner all of the Board’s obligations under this Resolution and the Escrow Agreement(s), the Authorized Representative and all other appropriate officers and agents of the Board are hereby severally authorized and directed for and on behalf of the Board to take all other actions that are reasonably necessary to provide for the refunding of the Refunded Notes or the Refunded Bonds, including, without limitation, executing and delivering for and on behalf of the Board all certificates, consents, receipts, requests and other documents as may be reasonably necessary to satisfy the Board’s obligations under the Escrow Agreement(s) and this Resolution and to direct the transfer and application of funds of the Board consistent with the provisions of such Escrow Agreement(s) and this Resolution.

SECTION 24. AGREEMENTS AUTHORIZED. The Paying Agent/Registrar Agreement, the Escrow Agreements, if used, and the Bond Purchase Contract are hereby approved and the Authorized Representative is hereby authorized to execute and deliver same and to execute certificates and other documents pursuant to any such agreement to carry out the intent thereof.

SECTION 25. PARTIES INTERESTED HEREIN. Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Board, the Paying Agent/Registrar, and the Registered Owners 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 Board shall be for the sole and exclusive benefit of the Board, the Paying Agent/Registrar, and the Registered Owners.

SECTION 26. REMEDIES. Any owner or holder of any of the Bonds or Additional Parity Obligations, when issued, in the event of default in connection with any covenant contained herein or default in the payment of said obligations, or of any interest thereon, shall have the right to institute mandamus proceedings against the Board or any other necessary or appropriate party for the purpose of enforcing payment from the source pledged herein or for enforcing any covenant herein contained.

SECTION 27. INDIVIDUALS NOT LIABLE. All covenants, stipulations, obligations, and agreements of the Board contained in this Resolution shall be deemed to be covenants, stipulations, obligations, and agreements of the System and the Board to the full extent authorized or permitted by the Constitution and laws of the State. No covenant, stipulation, obligation, or agreement herein contained shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the Board or agent or employee of the Board in his individual capacity and neither the members of the Board nor any officer thereof shall be liable personally on the Parity Obligations or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 28. EXECUTION, CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION; AND CUSIP NUMBERS.

(a) The Bonds shall be executed either manually or by facsimile signature on behalf of the Board by the Chairman or Vice Chairman of the Board and countersigned by the Executive Director, Board of Regents, or the Assistant to the Board, and the official seal of the Board shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by said officers of the Board, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the Board had been manually impressed upon each of the Bonds.

(b) The Authorized Representative is hereby authorized to have control of the Initial Bonds of each Series issued and delivered hereunder and all necessary records and proceedings pertaining to such Bonds pending their delivery and approval by the Attorney General and their registration by the Comptroller. Upon registration of the Bonds of a Series, the Comptroller (or a deputy designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate printed or attached to the Initial Bonds of such Series, and the seal of said Comptroller shall be impressed or placed in facsimile thereon. The Bond Counsel Opinion and the assigned CUSIP numbers may, at the option of the Board, be printed on the Initial Bonds of such Series or on any Bonds issued and delivered in exchange or replacement of any Bond, but neither of such items shall be binding upon the Board or have any legal effect, and shall be solely for the convenience and information of the Registered Owners of the Bonds. If insurance

is obtained on any of the Bonds, the Bonds shall bear, as appropriate and applicable, a legend concerning insurance as provided by the Insurer.

SECTION 29. DTC LETTER OF REPRESENTATIONS. The Authorized Representative is authorized to implement the Book-Entry-Only System of Bond registration with respect to the Bonds pursuant to the Representation Letter. Notwithstanding anything to the contrary contained herein, while the Bonds are subject to DTC's Book-Entry-Only System and to the extent permitted by law, the Representation Letter is hereby incorporated herein and its provisions shall prevail over any other provisions of this Resolution in the event of conflict. Provisions relating to DTC, its Book-Entry-Only System of registration, and the Representation Letter are set forth in Section 14 of this Resolution.

SECTION 30. APPROPRIATION OF FUNDS. The Authorized Representative is further authorized and directed to apply and there is hereby appropriated such money of the Board as is necessary (i) to pay the costs of issuance of Bonds incurred in connection with the issuance thereof and the refunding of the Refunded Obligations, to the extent not paid from Bond proceeds and (ii) to make the deposits described in Sections 21 and 23 in amounts sufficient, together with the proceeds of the Bonds, to provide for the defeasance of the Refunded Obligations on the date of delivery of the Bonds.

SECTION 31. DEFEASANCE OF OUTSTANDING PARITY BONDS. (a) The Board desires to authorize the use of certain lawfully available funds of the Board, including but not limited to Available University Fund moneys, as determined by the Authorized Representative, to defease, from time to time, certain Outstanding Parity Bonds previously issued by the Board in accordance with the applicable defeasance provisions in the respective resolutions authorizing their issuance. The Authorized Representative is hereby authorized to determine and retire, from time to time, the various portions of such Outstanding Parity Bonds which are economically advantageous for the Board to retire by the defeasance of such Bonds. The Authorized Representative is authorized to enter into one or more escrow agreements in substantially the standard form previously approved by the Board to accomplish such defeasances. In the event of such a defeasance, the Authorized Representative is authorized hereby to take such steps as may be necessary to purchase the escrowed securities identified in such escrow agreements on behalf of the Board and is authorized to create and fund the escrow funds contemplated by such escrow agreements through the use of the lawfully available funds of the Board. The Authorized Representative is authorized to call for redemption such Outstanding Parity Bonds defeased pursuant to this Section and is hereby authorized to provide and complete an appropriate notice of redemption to the paying agent(s) and/or registrar(s) for such Outstanding Parity Bonds upon the deposit with the escrow agent of such available funds and compliance with the conditions set forth in the escrow agreements.

(b) Except as provided in the following sentence, the Board hereby (i) expressly reserves the right to call for redemption any Outstanding Parity Bonds defeased pursuant to this Section in accordance with the applicable redemption provisions contained in the respective resolution authorizing their issuance, (ii) directs the Authorized Representative to give notice of the reservation of such right to the owners of such Outstanding Parity Bonds immediately following the making of the firm banking and financial arrangements for such defeasance, and (iii) directs the Authorized Representative to include notice of such reservation in any notice of

redemption authorized pursuant to this Section. Notwithstanding the immediately preceding sentence, the Authorized Representative, upon determining that doing so is in the best interest of the Board, may elect on behalf of the Board not to retain the right to call such Outstanding Parity Bonds for redemption by choosing not to give the notices required in clauses (ii) and (iii) of the immediately preceding sentence.

(c) The Board hereby expressly authorizes the expenditure of, and appropriates for such purpose, moneys in the Available University Fund constituting the Available University Fund Share in the amount determined by the Authorized Representative for the purpose of defeasing Outstanding Parity Bonds in accordance with the terms of this Section 31; provided that, the remaining balance of the Available University Fund Share after giving effect to any such expenditure shall not be less than the sum of (i) the amount necessary for the Board to be able to fully observe and comply with its covenants and obligations, as appropriate, under (A) the Constitutional Provision, (B) all Parity Bond Resolutions and resolutions of the Board authorizing the issuance of Subordinate Lien Obligations that are then outstanding, and (C) all other resolutions or agreements then outstanding pursuant to which the obligations of the Board thereunder are payable from the Available University Fund Share, plus (ii) to the extent not included in clause (i) of this sentence, any unexpended amounts previously appropriated by the Board for the support and maintenance of The Texas A&M University System administration, Texas A&M University and Prairie View A&M University.

SECTION 32. FURTHER PROCEDURES. The Chairman of the Board, the Vice Chairman of the Board, the Executive Director, Board of Regents, each Authorized Representative, and all other officers, employees, and agents of the Board, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the seal and on behalf of the Board all such agreements, documents and instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Bonds, the preliminary official statement, the official statement, the Paying Agent/Registrar Agreement, each Escrow Agreement, any Bond Purchase Contract and the Representation Letter. In addition, each Authorized Representative, the General Counsel of the System, and Bond Counsel are hereby authorized to approve, subsequent to the date of the adoption of this Resolution, any amendments to the above named documents, and any technical amendments to this Resolution as may be required by any Nationally-Recognized Rating Agency as a condition to the granting of a rating on the Bonds, as may be required by the Attorney General as a condition to the approval of the Bonds and as may be required to assist the underwriters in complying with the Rule.

In case any officer whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. It is further provided the Authorized Representative is hereby designated as the officer responsible for making the certifications required by the Parity Bond Resolutions as a condition to the issuance of obligations on a parity with the Outstanding Parity Bonds.

SECTION 33. PUBLIC NOTICE. It is hereby found and determined that each of the officers and members of the Board were duly and sufficiently notified officially and personally,

in advance, of the time, place, and purpose of the meeting at which this Resolution was adopted; that this Resolution would be introduced and considered for adoption at said meeting; that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

SECTION 34. NONPRESENTMENT OF BONDS. In the event any Bond shall not be presented for payment when the principal thereof or interest thereon, if applicable, becomes due, either at maturity or otherwise, or if any check or draft representing payment of principal of or interest on the Bonds shall not be presented for payment, if funds sufficient to pay the principal of or interest on such Bond shall have been made available by the Board to the Paying Agent/Registrar for the benefit of the Registered Owner thereof, all liability of the Board to such Registered Owner for the payment of the principal of or interest on such Bond shall cease, terminate, and be completely discharged, and thereupon it shall be the duty of the Paying Agent/Registrar to hold such funds in trust, uninvested and without liability for interest thereon, for the benefit of the Registered Owner of such Bond who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Resolution with respect to the principal of or interest on such Bond. To the extent applicable, the Paying Agent/Registrar shall hold and apply any such funds in accordance with Title 6, Texas Property Code, as amended, and shall comply with the reporting requirements of Chapter 74, Texas Property Code, as amended.

SECTION 35. INTERPRETATIONS. The titles and headings of the articles and sections of this Resolution have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa; words importing the masculine gender shall include the feminine and neuter genders and vice versa. Reference to any document means that document as amended or supplemented from time to time. Reference to any party to a document means that party and its successors and assigns. Reference herein to any article, section, subsection or other subdivision, as applicable, unless specifically stated otherwise, means the article, section, subsection or other subdivision, as applicable, of this Resolution.

SECTION 36. SEVERABILITY. The provisions of this Resolution are severable; and in case any one or more of the provisions of this Resolution or the application thereof to any person or circumstance should be held to be invalid, unconstitutional, or ineffective as to any person or circumstance, the remainder of this Resolution nevertheless shall be valid, and the application of any such invalid provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

SECTION 37. PREAMBLE INCORPORATED. The preamble of this Resolution is hereby incorporated by reference as if copied in full.

SECTION 38. IMMEDIATE EFFECT. This Resolution shall take effect immediately upon its adoption.

* * *

EXHIBIT A

FORM OF BONDS

**[FORM OF FIRST TWO PARAGRAPHS OF CURRENT
INTEREST BONDS]**

UNITED STATES OF AMERICA
STATE OF TEXAS

NO. R - ____

PRINCIPAL AMOUNT
\$ _____

BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM
PERMANENT UNIVERSITY FUND BONDS, SERIES ____

INTEREST RATE	MATURITY DATE	ISSUANCE DATE	CUSIP NO.
____%	_____, 20__	_____	_____

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS (\$ _____)

ON THE MATURITY DATE, specified above, the BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM (the "Board"), being an agency of the State of Texas, hereby promises to pay to the Registered Owner, specified above, or the registered assignee hereof (either being hereinafter called the "registered owner") the Principal Amount, specified above, and to pay interest thereon calculated on the basis of a 360 day year of twelve 30 day months, from the Issuance Date, specified above, to the date of its scheduled maturity or the date of its redemption prior to scheduled maturity, at the Interest Rate per annum, specified above, with said interest being payable on _____, 20__, and semiannually on each _____ and _____ thereafter.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at the designated payment office of [_____, _____, _____] which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof as shown by the "Registration Books" kept by the Paying Agent/Registrar at the close of business on the Record Date (hereinafter described) by check drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Board required to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof at its address as it appears on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. Upon written request, the registered owner of any Bonds of at least \$1,000,000 in principal amount may receive payment of interest by wire

transfer. The record date for determining the person to whom interest is payable on any interest payment date (the "Record Date") means the 15th calendar day of the month next preceding such interest payment date. In the event of a non payment of interest on a scheduled payment date, and for 30 calendar days thereafter, a new Record Date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Board. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each registered owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. The Board covenants with the registered owner of this Bond that no later than each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds by wire transfer or other means acceptable to the Paying Agent/Registrar, of all principal of and interest on the Bonds, when due, in the manner set forth in the resolution authorizing the issuance of this Bond adopted by the Board (the "Resolution").

* * *

[FORM OF FIRST TWO PARAGRAPHS OF CAPITAL APPRECIATION BONDS]

UNITED STATES OF AMERICA
STATE OF TEXAS

NO. CR - ____

MATURITY AMOUNT
\$ _____

BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM
PERMANENT UNIVERSITY FUND BONDS, SERIES _____

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ISSUANCE DATE</u>	<u>CUSIP NO.</u>
_____%	_____, 20__	_____	_____

REGISTERED OWNER: _____

MATURITY AMOUNT: _____ DOLLARS (\$ _____)

ON THE MATURITY DATE, specified above, the BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM (the "Board"), being an agency of the State of Texas, hereby promises to pay to the Registered Owner specified above or the registered assignee hereof (either being hereinafter called the "registered owner") the Maturity Amount specified above, representing the principal amount hereof and accrued and compounded interest hereon. Interest shall accrete on the original principal amount hereof from the Issuance Date at the interest rate per annum specified above (subject to rounding to the Compounded Amounts as provided in the Bond Resolution), compounded semi-annually on _____ and _____ of each year, commencing _____, 20__. For convenience of reference, a table appears on the back of this Bond showing the "Compounded Amount" of the original principal amount per \$5,000 Maturity Amount compounded semiannually at the yield shown on such table.

THE MATURITY AMOUNT OF this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The Maturity Amount or Compounded Amount of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at the designated payment office of [_____, _____, _____] which is the "Paying Agent/Registrar" for this Bond. The Board covenants with the registered owner of this Bond that on or before the Maturity Date for this Bond it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds by wire transfer or other means acceptable to the Paying Agent/Registrar, of the Maturity Amount when due, in the manner set forth in the resolution authorizing the issuance of this Bond adopted by the Board (the "Resolution").

**[FORM OF REMAINDER OF CURRENT INTEREST BONDS
AND CAPITAL APPRECIATION BONDS]**

THIS BOND is one of a series of bonds of like tenor and effect, except as to denomination, number, maturity, interest rate, interest payment, and right of prior redemption,

dated _____, 20__, and issued in the aggregate principal amount of \$_____ for the purposes of _____, [and comprised of (i) Bonds in the aggregate principal amount of \$_____ that pay interest only at maturity (the “Capital Appreciation Bonds”) and (ii) Bonds in the aggregate principal amount of \$_____ that pay interest semiannually until maturity (the “Current Interest Bonds”)].

[THE BONDS maturing on _____, 20__ shall be subject to mandatory redemption at par plus accrued interest in the following amounts on the following dates:

OF THE YEAR

AMOUNT

(final maturity)]

[ON _____, 20__, or on any date thereafter, the Bonds of this Series scheduled to mature on _____, 20__, and thereafter may be redeemed prior to their scheduled maturities, at the option of the Board, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portion thereof, to be redeemed shall be selected and designated by the Board (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the date fixed for redemption; provided that during any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Board and the securities depository.]

[AT LEAST 30 days prior to the date for any redemption of this Bond prior to maturity, a notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the registered owner of each Bond, or portion thereof to be redeemed, at its address as it appeared on the Registration Books on the 45th day prior to such redemption date and to each registered securities depository and to any national information service that disseminates such notices; provided, however, that the failure to send, mail, or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption, due provision shall be made by the Board with the Paying Agent/Registrar for the payment of the required redemption price for this Bond or the portion hereof which is to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, this Bond, or the portion thereof which is to be so redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such redemptions of principal of this Bond or any portion hereof. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same

rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Board, all as provided in the Resolution.]

IF AT THE TIME of mailing of notice of any optional redemption in connection with a refunding of the Bonds, the Board shall not have deposited with the Paying Agent/Registrar moneys sufficient to redeem all of the Bonds called for redemption, such notice may state that it is conditional in that it is subject to the deposit of the proceeds of refunding bonds with the Paying Agent/Registrar not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

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

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, [with respect to the Current Interest Bonds, in the denomination of any integral multiple of \$5,000] [with respect to Capital Appreciation Bonds, in the denomination of \$5,000 Maturity Amounts or any integral multiple thereof.] As provided in the Resolution, this Bond, or any unredeemed portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, and exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, and bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The Board shall pay the Paying Agent/Registrar's reasonable standard or customary fees and charges for transferring and exchanging any Bond or portion thereof; provided, however, that any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such transfer and exchange. In any circumstance, neither the Board nor the Paying Agent/Registrar shall be required (i) to make any transfer or exchange during a period beginning at the opening of business 15 calendar days before the day of the first mailing of a notice of redemption of Bonds and ending at the close of business on the

day of such mailing or (ii) to transfer or exchange any Bonds so selected for redemption when such redemption is scheduled to occur within 30 calendar days; provided, however, that such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Board, resigns, or otherwise ceases to act as such, the Board has covenanted in the Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

BY BECOMING the registered owner of this Bond, the registered owner hereby acknowledges all of the terms and provisions of the Resolution, agrees to be bound by such terms and provisions, acknowledges that the Resolution is duly recorded and available for inspection in the official minutes and records of the Board, and agrees that the terms and provisions of this Bond and the Resolution constitute a contract between each registered owner hereof and the Board.

THE BONDS ARE ON A PARITY with Outstanding Parity Bonds, and the Board has reserved the right, subject to the restrictions stated in the Resolution, to issue additional obligations which also may be made payable from, and secured by a lien on and pledge of, the Available University Fund Share (as defined in the Resolution) on a parity with the Bonds, and the Board may issue other obligations payable from the Available University Fund Share junior and subordinate to the Bonds.

THE REGISTERED OWNER HEREOF shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation, or from any source whatsoever other than specified in the Resolution.

IT IS HEREBY certified and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; and that the principal of and interest on this Bond are equally and ratably secured by and payable from a first lien on and pledge of the Available University Fund Share, all in accordance with the Constitutional Provision and other applicable law, on a parity with the lien and pledge securing the Outstanding Parity Bonds.

IN WITNESS WHEREOF this Bond has been signed with the manual or facsimile signature of the [Chairman] [Vice Chairman] of the Board and countersigned with the manual or facsimile signature of the Executive Director, Board of Regents, and the official seal of the Board has been duly impressed, or placed in facsimile, on this Bond.

BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Executive Director, Board of Regents of The
Texas A&M University System

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
[Chairman] [Vice Chairman], Board of Regents
of The Texas A&M University System

(BOARD SEAL)

The Initial Bonds shall be in the form set forth above for the Definitive Bonds, except the following shall replace the headings and the first two paragraphs:

[INITIAL CURRENT INTEREST BOND]

NO. T-__

\$_____

UNITED STATES OF AMERICA
STATE OF TEXAS

BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM
PERMANENT UNIVERSITY FUND BONDS, SERIES ____

Issuance Date: _____, 20__

Registered Owner: [Initial Purchaser]

Principal Amount: \$_____

THE BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM (the “Board”), for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner, specified above, or the registered assigns thereof (the “Registered Owner”), the Principal Amount, specified above, with principal installments payable on July 1 in each of the years, and bearing interest at per annum rates in accordance with the following schedule:

YEARS OF
STATED MATURITIES

PRINCIPAL
INSTALLMENTS

INTEREST
RATES

[(Information to be inserted from schedule in Award Certificate)]

INTEREST on the unpaid Principal Amount hereof from the Issuance Date, specified above, or from the most recent interest payment date to which interest has been paid or duly provided for until the Principal Amount has become due and payment thereof has been made or duly provided for shall be paid computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____ and _____ of each year, commencing _____, 20__.

THE PRINCIPAL AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The final payment of principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at final maturity, at the designated payment office of [_____, _____, _____], which is the “Paying Agent/Registrar” for this Bond. The payment of principal installments and interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof as shown by the “Registration Books” kept by the Paying Agent/Registrar at the close of business on the Record Date (defined below) by check drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Board required to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such payment date, to the registered owner hereof at its address as it appears on the Registration Books kept by the Paying Agent/Registrar, as

hereinafter described. The record date ("Record Date") for payments hereon means the fifteenth calendar day of the month preceding a scheduled payment. In the event of a non payment of interest on a scheduled payment date, and for 30 calendar days thereafter, a new Record Date for such payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the Board. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date," which shall be 15 calendar days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of the Registered Owner appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. The Board covenants with the Registered Owner that no later than each principal installment payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on this Bond, when due, in the manner set forth in the resolution authorizing the issuance of this Bond adopted by the Board (the "Resolution").

* * *

[INITIAL CAPITAL APPRECIATION BOND]

NO. TR - ____ \$_____

UNITED STATES OF AMERICA
STATE OF TEXAS

BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM
PERMANENT UNIVERSITY FUND BONDS, SERIES ____

Issuance Date: _____, 20__

Registered Owner: [Initial Purchaser]

Maturity Amount: \$_____

THE BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM (the "Board"), being an agency of the State of Texas, hereby promises to pay to the Registered Owner specified above or the registered assignee hereof (either being hereinafter called the "registered owner") the Maturity Amounts on July 1 in each of the years as set forth in the following schedule:

<u>YEARS OF</u> <u>STATED MATURITIES</u>	<u>PRINCIPAL</u> <u>INSTALLMENTS</u>	<u>INTEREST</u> <u>RATES</u>
---	---	---------------------------------

[(Information to be inserted from schedule in Award Certificate)]

INTEREST shall accrete on the original principal amount hereof from the Issuance Date specified above at the interest rate per annum specified above (subject to rounding to the Compounded Amounts as provided in the Resolution), compounded semi-annually on

_____ and _____ of each year, commencing _____, 20____. For convenience of reference, a table appears on the back of this Bond showing the "Compounded Amount" of the original principal amount per \$5,000 Maturity Amount compounded semiannually at the yield shown on such table.

THE MATURITY AMOUNT OF this Bond is payable in lawful money of the United States of America, without exchange or collection charges. The Maturity Amount or Compounded Amount of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at the designated payment office of [_____, _____, _____] which is the "Paying Agent/Registrar" for this Bond. The Board covenants with the registered owner of this Bond that on or before the Maturity Date for this Bond it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds by wire transfer or other means acceptable to the Paying Agent/Registrar, of the Maturity Amount when due, in the manner set forth in the resolution authorizing the issuance of this Bond adopted by the Board (the "Resolution").

* * *

TABLE OF ACCRETED VALUES [FOR CAPITAL APPRECIATION BONDS]

The Accreted Value, initial offering price (all per \$5,000 of Maturity Amount), together with the yield to maturity are as follows. Accreted Values are calculated based on the initial offering price and yield to maturity and, except at maturity, do not equal principal amount plus accrued interest.

[FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE]

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

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

[_____]
Paying Agent/Registrar

Dated: _____

Authorized Representative

* * *

[FORM OF REGISTRATION CERTIFICATE OF THE COMPTROLLER OF PUBLIC
ACCOUNTS]

REGISTRATION CERTIFICATE OF THE COMPTROLLER OF PUBLIC ACCOUNTS

COMPTROLLER'S REGISTRATION CERTIFICATE:

REGISTER NO. ____

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

Witness my signature and seal this ____ day of _____, 20____.

(COMPTROLLER'S SEAL)

Comptroller of Public Accounts of
the State of Texas

* * *

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____

Please insert Social Security or Taxpayer Identification Number of Transferee

(Please print or typewrite name and address, including zip code, of Transferee.)

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

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

Note: In addition, provisions of the Bond relating to redemption may be changed, completed, or deleted as determined by the Authorized Representative to conform to the terms set forth in the Award Certificate.

Agenda Item No.

AGENDA ITEM BRIEFING

Submitted by: Maria L. Robinson, Chief Investment Officer and Treasurer
The Texas A&M University System

Subject: Adoption of a Resolution Authorizing the Issuance of the Board of Regents of
The Texas A&M University System Revenue Financing System Bonds, Series
20__

Proposed Board Action:

Adopt a resolution authorizing the issuance of Revenue Financing System Bonds.

Background Information:

The resolution provides the authority for the issuance of one or more series of Revenue Financing System Bonds to convert all or a portion of the commercial paper notes to long-term bonds; provide funds for construction, renovation and other projects; refund all or a portion of the outstanding bonds previously issued by the Board of Regents; and pay the costs of issuing the bonds. The authority in the maximum amount of \$704 million (including issuance costs) will be effective for the period from September 1, 2017 to August 31, 2018.

Bonds will be issued only for those projects approved by the Board of Regents and the projects which may be financed during this period are estimated at \$415 million.

Previously issued outstanding bonds which are candidates for refunding total approximately \$286 million; however, only those bonds that meet the savings targets will be included in a refunding issue.

A&M System Funding or Other Financial Implications:

Debt service for Revenue Financing System Bonds will be funded with various revenues which may include housing revenue, utility revenue, designated tuition, transportation services, parking revenue, student fees, available university fund, energy savings contracts, and indirect costs.

Agenda Item No.

THE TEXAS A&M UNIVERSITY SYSTEM

Office of Treasury Services

July 5, 2017

Members, Board of Regents
The Texas A&M University System

Subject: Adoption of a Resolution Authorizing the Issuance of the Board of Regents
of The Texas A&M University System Revenue Financing System Bonds,
Series 20__

I recommend adoption of the following minute order:

“The resolution authorizing the issuance of the Board of Regents of The Texas A&M University System Revenue Financing System Bonds, Series __, substantially in the form of the attached exhibit, is adopted. The Chief Investment Officer and Treasurer, or other designated financial officer, is hereby authorized to take such actions as are necessary to accomplish the purposes of the resolution, including those relating to the issuance, sale, security and delivery of the bonds, all in accordance with the provisions of the resolution.”

Respectfully submitted,

Maria L. Robinson
Chief Investment Officer and Treasurer

Approval Recommended:

John Sharp
Chancellor

Approved for Legal Sufficiency:

Ray Bonilla
General Counsel

Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

ITEM
EXHIBIT

TWENTY-EIGHTH SUPPLEMENTAL RESOLUTION TO THE
MASTER RESOLUTION AUTHORIZING THE ISSUANCE,
SALE, AND DELIVERY OF BOARD OF REGENTS OF THE
TEXAS A&M UNIVERSITY SYSTEM REVENUE FINANCING
SYSTEM BONDS IN THE MAXIMUM AGGREGATE
PRINCIPAL AMOUNT OF \$704 MILLION, AND APPROVING
AND AUTHORIZING INSTRUMENTS AND PROCEDURES
RELATING THERETO

Adopted August 23, 2017

TWENTY-EIGHTH SUPPLEMENTAL RESOLUTION TO THE
MASTER RESOLUTION AUTHORIZING THE ISSUANCE,
SALE, AND DELIVERY OF BOARD OF REGENTS OF THE
TEXAS A&M UNIVERSITY SYSTEM REVENUE FINANCING
SYSTEM BONDS IN THE MAXIMUM AGGREGATE
PRINCIPAL AMOUNT OF \$704 MILLION, AND APPROVING
AND AUTHORIZING INSTRUMENTS AND PROCEDURES
RELATING THERETO

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EXHIBIT A - DEFINITIONS

EXHIBIT B - FORM OF BONDS

TWENTY-EIGHTH SUPPLEMENTAL RESOLUTION TO THE
MASTER RESOLUTION AUTHORIZING THE ISSUANCE,
SALE, AND DELIVERY OF BOARD OF REGENTS OF THE
TEXAS A&M UNIVERSITY SYSTEM REVENUE FINANCING
SYSTEM BONDS IN THE MAXIMUM AGGREGATE
PRINCIPAL AMOUNT OF \$704 MILLION, AND APPROVING
AND AUTHORIZING INSTRUMENTS AND PROCEDURES
RELATING THERETO

WHEREAS, the Board of Regents of The Texas A&M University System (the “Board”) has adopted a Master Resolution Establishing The Texas A&M University System Revenue Financing System (referred to herein as the “Master Resolution”); and

WHEREAS, unless otherwise defined herein, capitalized terms used herein shall have the meaning given in the Master Resolution; and

WHEREAS, the Master Resolution establishes the Revenue Financing System comprised of each institution and agency presently in The Texas A&M University System, and pledges the Pledged Revenues attributable to each Participant of the Revenue Financing System to the payment of Parity Obligations to be outstanding under the Master Resolution; and

WHEREAS, the Board has previously adopted the First through Twenty-Seventh Supplemental Resolutions to the Master Resolution authorizing Parity Obligations thereunder; and

WHEREAS, the Board has determined to issue Parity Obligations in one or more installments to (i) finance and refinance the cost of facilities and improvements for the Participants of the Revenue Financing System, including but not limited to those set forth in The Texas A&M University System Capital Plan; (ii) provide permanent financing for facilities and improvements financed with the proceeds of Refunded Notes; (iii) refund Refunded Bonds; and (iv) pay the costs of issuance relating to such Parity Obligations; and

WHEREAS, for such purposes the Board deems it necessary to issue Parity Obligations pursuant to this Twenty-Eighth Supplement to the Master Resolution (the “Twenty-Eighth Supplement”); and

WHEREAS, pursuant to the Master Resolution, a Designated Financial Officer, has delivered to the Board a certificate stating that, to the best of his or her knowledge, the Board is in compliance with all covenants contained in the Master Resolution and each Supplemental Resolution and is not in default in the performance and observance of any of the terms, provisions, and conditions contained therein; and

WHEREAS, the Bonds authorized to be issued by this Twenty-Eighth Supplement are to be issued and delivered pursuant to Chapter 55, Texas Education Code, and Chapters 1207 and 1371, Texas Government Code,

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM THAT:

Section 1. DEFINITIONS.

(a) Definitions. In addition to the definitions set forth in the preamble of this Twenty-Eighth Supplement, the terms used in this Twenty-Eighth Supplement (except in the Form of Bonds) and not otherwise defined shall have the meanings given in the Master Resolution or in Exhibit A to this Twenty-Eighth Supplement attached hereto and made a part hereof.

(b) Construction of Terms. If appropriate in the context of this Twenty-Eighth Supplement, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine, or neuter gender shall be considered to include the other genders.

Section 2. AMOUNT, PURPOSE, AND DESIGNATION OF THE BONDS.

(a) The Board's "BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM BONDS, SERIES _____," are hereby authorized to be issued and delivered in the maximum principal amount (determined without regard to premium or discount affecting the sale price) of \$704 Million, in one or more Series or sub-Series (as Tax-Exempt Bonds, Taxable Bonds or any combination thereof) as determined by the Designated Financial Officer pursuant to the terms of this Twenty-Eighth Supplement. The Bonds shall be designated by the year in which they are awarded pursuant to Section 3 below, and each Series within a year may have a letter designation following the year as determined by the Designated Financial Officer. The title of the Bonds may also be revised by a Designated Financial Officer as reflected in the Award Certificate pursuant to Section 3(b) hereof to reflect the status of the Bonds as Tax-Exempt Bonds or Taxable Bonds, as applicable. The authority conferred by this Twenty-Eighth Supplement to (i) act on behalf of the Board in selling any Series of Bonds and (ii) award the sale of the Bonds of such Series to a bidder in a competitive sale or execute one or more Bond Purchase Contract(s) pursuant to this Section shall expire at 11:59 p.m. on August 31, 2018 (the "Expiration Date"). Any Series of Bonds awarded pursuant to an official bid form or sold pursuant to a Bond Purchase Contract executed on or before the Expiration Date, may be delivered after such date.

(b) The Bonds are to be issued for the purpose of financing and refinancing the costs of acquiring, purchasing, constructing, improving, enlarging, and equipping the property and facilities of the Participants of the Revenue Financing System; refunding all or a portion of the Potential Refunded Bonds; refunding all or a portion of the Board's outstanding Revenue Financing System Commercial Paper Notes, Series B (the "Notes") to provide permanent financing for facilities and improvements financed with the proceeds of the Notes; and paying the costs of issuance related thereto.

(c) To the extent that it is economically reasonable, Section 55.17 Projects may be financed in separate Series of Bonds and the Award Certificate relating to each such Series of Bonds shall show the principal amount of Parity Obligations, including the Bonds, issued for each Participant to finance or refinance Section 55.17 Projects and the additional Parity Obligations that may be issued pursuant to such sections. Each Series of Bonds issued to refund portions of the Potential Refunded Bonds that were issued pursuant to Section 55.17 Authorization or issued to

refund Parity Obligations issued pursuant to Section 55.17 Authorization, or any similar section, may also be included in that separate Series of Bonds.

(d) Each Series of Bonds herein authorized, unless otherwise indicated, are hereinafter referred to as the “Bonds,” which may be in the form of fixed or adjustable rate bonds and as either Current Interest Bonds or Capital Appreciation Bonds.

Section 3. DATE, DENOMINATIONS, NUMBERS, MATURITIES AND TERMS OF BONDS.

(a) Terms of Bonds. The Bonds shall initially be issued, sold, and delivered hereunder as fully registered bonds, without interest coupons, in the form of Current Interest Bonds or Capital Appreciation Bonds, numbered consecutively for each Series of Bonds from R-1 upward (or CR-1 upward, in the case of Capital Appreciation Bonds) (except the Initial Bond which shall be numbered T-1 for the Current Interest Bonds and TR-1 for the Capital Appreciation Bonds), payable to the respective initial registered owners thereof, or to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the “Registered Owner”), in Authorized Denominations, maturing on the dates, in the years and in the principal amounts, respectively, and dated, all as set forth in the Award Certificate.

(b) Award Certificate. As authorized by Chapter 1371, Government Code, as amended, the Designated Financial Officer is hereby authorized, appointed, and designated to act on behalf of the Board in selling and delivering the Bonds and carrying out the other procedures specified in this Resolution, including determining and fixing: (i) the date of the Bonds, (ii) any additional or different designation or title by which the Bonds shall be known, (iii) the price at which the Bonds will be sold, (iv) the years in which the Bonds will mature, (v) the principal amount or Maturity Amount of the Bonds to mature in each of such years, (vi) the aggregate principal amount of the Bonds, including the aggregate principal amount of Current Interest Bonds and Capital Appreciation Bonds, (vii) the rate or rates of interest to be borne by each maturity, (viii) the interest payment periods, (ix) the dates, prices, and terms upon and at which the Bonds shall be subject to redemption, (x) the designation of which notes shall constitute the Refunded Notes refunded by the Bonds, (xi) the designation of which Potential Refunded Bonds shall constitute the Refunded Bonds, (xii) the Paying Agent/Registrar and Escrow Agent, if applicable, for the Bonds, (xiii) whether the Bonds shall be issued as Tax-Exempt Bonds or Taxable Bonds, (xiv) the Authorized Denominations for the Bonds, (xv) the date on which the Bonds shall be delivered to the purchaser(s) thereof, which date shall be not more than twelve (12) months following the Expiration Date, and (xvi) all other terms, details and matters relating to the Bonds and their issuance, sale, and delivery, and the refunding of the Refunded Obligations. All such determinations made by the Designated Financial Officer shall be specified in the Award Certificate delivered to the Executive Director, Board of Regents. Such determinations shall be limited by the following: (1) the price to be paid for the Bonds shall not be less than 95% of the aggregate original principal amount thereof plus accrued interest thereon, if any, from their dated date to their date of initial delivery, (2) none of the Bonds shall bear interest at a rate greater than the maximum rate allowed by law, (3) no Stated Maturity of any Bond shall be later than May 15, 2059, (4) the aggregate principal amount of the Bonds shall not exceed the amount authorized in Section 2(a) hereof, and (5) Bonds shall be issued to refund all or a portion of the Potential Refunded Bonds only if that refunding, assuming that each Series sold and delivered at the same

time is one Series of Bonds, results in the minimum present value savings set forth in the following paragraph.

Each Series of Bonds to be issued, in whole or in part, to refund Refunded Bonds must be sold on terms that produce a present value savings when the scheduled debt service payable on such Bonds during each Bond Year is subtracted from the scheduled debt service payable on the Refunded Bonds during the same Bond Year and the remainder is discounted to the scheduled date of delivery of the Bonds of such Series set forth in the Award Certificate at a discount factor equal to the yield on such Bonds determined in accordance with section 148 of the Code. The amount of the savings to be realized from the refunding shall be shown in the Award Certificate. The Award Certificate for each Series that is issued to refund Refunded Bonds or Refunded Notes shall also identify the Refunded Bonds or Refunded Notes being refunded by that Series.

It is further provided, however, that, notwithstanding the foregoing provisions, the Bonds shall not be delivered unless prior to delivery (i) the Award Certificate has been executed and delivered as required by this Twenty-Eighth Supplement and (ii) the Bonds have been rated by a Nationally-Recognized Rating Agency in one of the four highest rating categories for long-term obligations, as required by Chapter 1371, Texas Government Code, as amended.

The Designated Financial Officer is authorized and directed to determine which facilities and improvements will be financed or refinanced with the proceeds of the Bonds taking into account (i) the scheduled completion dates of the improvements and facilities financed with the proceeds of the Bonds, (ii) the economic projections for each such facility and improvement and the Participant on whose campus the facility or improvement is located and (iii) which Section 55.17 Projects are being undertaken and the projected budget impact on the Financing System of such financing. The designation of which improvements or facilities are to be financed or refinanced with the proceeds of the Bonds shall be set forth in the Award Certificate. Before the Designated Financial Officer may determine that any improvement or facility is to be financed or refinanced with the proceeds of the Bonds, (i) the improvement or facility must have been approved for construction and financing by the Board, (ii) the Board must have made the findings required by Section 5 of the Master Resolution with respect to the Parity Obligations to be issued for such improvement or facility, and (iii) the project must have received any required approval or review of the Higher Education Coordinating Board to the extent and as required by the provisions of Section 61.058 of the Texas Education Code.

Each Award Certificate is hereby incorporated in and made a part of this Twenty-Eighth Supplement and shall be filed in the minutes of the Board as a part of this Twenty-Eighth Supplement.

(c) Sale of the Bonds. To achieve the lowest borrowing costs for the Participants of the Financing System, each Series of Bonds shall be sold to the public on either a negotiated or competitive basis as determined by the Designated Financial Officer in the Award Certificate for that Series of Bonds. In determining whether to sell a Series of Bonds by negotiated or competitive sale, the Designated Financial Officer shall take into account the financial condition of the State, the System, and the Financing System, any material disclosure issues that might exist at the time, the market conditions expected at the time of the sale, the achievement of the HUB goals of the

Board, and any other matters that, in the judgment of the Designated Financial Officer, might affect the net borrowing costs on the Series of Bonds to be sold.

If the Designated Financial Officer determines that a Series of Bonds should be sold at a competitive sale, the Designated Financial Officer shall prepare a notice of sale and Official Statement in such manner as the Designated Financial Officer deems appropriate, to make the notice of sale and Official Statement available to those institutions and firms wishing to submit a bid for the Series of Bonds, to receive such bids, and to award the sale of the Series of Bonds to the bidder submitting the best bid in accordance with the provisions of the notice of sale. If the Designated Financial Officer determines that a Series of Bonds should be sold by a negotiated sale, the Designated Financial Officer shall designate the senior managing underwriter for such Series of Bonds and such additional investment banking firms as he or she deems appropriate to assure that the Bonds are sold on the most advantageous terms to the Financing System. The Designated Financial Officer, acting for and on behalf of the Board, is authorized to enter into and carry out the terms of a Bond Purchase Contract for each Series of the Bonds to be sold by negotiated sale, with the underwriter(s) thereof at such price, with and subject to such terms as determined by the Designated Financial Officer pursuant to subsection (b) above. The Designated Financial Officer's approval of a Bond Purchase Contract shall be conclusively evidenced by said Designated Financial Officer's execution thereof.

(d) In General. The Bonds (i) may and shall be redeemed prior to the respective scheduled maturity dates, (ii) may be assigned and transferred, (iii) may be exchanged for other Bonds, (iv) shall have the characteristics, (v) shall be signed and sealed, and (vi) shall be subject to redemption prior to maturity, and the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the FORM OF BONDS set forth in Exhibit B to this Twenty-Eighth Supplement and as determined by the Designated Financial Officer as provided herein, with such changes and additions as are required to be consistent with the terms and provisions shown in the Award Certificate relating to the Bonds.

(e) Delegation to Establish Sinking Fund for Balloon Debt. In the event that the Designated Financial Officer determines to issue Bonds that constitute Balloon Debt, the Designated Financial Officer may upon determining that it is in the best interests of the Board provide in the Award Certificate for (i) the establishment of a sinking fund for such Balloon Debt, (ii) the accumulation of amounts in such sinking fund either by a fixed schedule stated in such Award Certificate or by a formula setting forth the amount and timing of required contributions that in each case is sufficient to provide for the payment of all amounts due on such Balloon Debt, and (iii) any restrictions with respect to such sinking fund, including the investment thereof, necessary to ensure compliance with any applicable provisions of the Code.

(f) Finding Regarding Section 1207.008 (b) Government Code. Pursuant to Section 1207.008(b), Government Code, it is hereby found that it is not practicable or possible to make the determination required by Section 1207.008(a), Government Code, in connection with the issuance of the Bonds to refund the Refunded Obligations. A portion of the Bonds is being authorized to refund the Refunded Notes to provide permanent financing for the improvements and facilities financed by the Refunded Notes. It is not possible to determine what the difference in debt service would be if the Refunded Notes were not refunded.

Section 4. INTEREST. The Current Interest Bonds of each Series of Bonds shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM OF BONDS and in the Award Certificate to their respective dates of maturity at the rates set forth in the Award Certificate; provided that interest on any Taxable Bonds may be computed as determined by the Designated Financial Officer in the Award Certificate either (i) on the basis of a 365- or 366-day year, as applicable for the number of days actually elapsed based upon the calendar year in which the interest rate period for such Bonds commences, (ii) on the basis of a 360-day year of twelve 30-day months or (iii) as otherwise determined by the Designated Financial Officer to be necessary to achieve the most beneficial pricing terms for such Bonds.

The Capital Appreciation Bonds of each Series of Bonds shall bear interest from the Issuance Date for such Series of Bonds, calculated on the basis of a 360-day year composed of twelve 30-day months (subject to rounding to the Compounded Amounts thereof), compounded semiannually on the dates set forth in the Award Certificate (the “Compounding Dates”) commencing on the date set forth in the Award Certificate, and payable, together with the principal amount thereof, in the manner provided in the FORM OF BONDS at the rates set forth in the Award Certificate. Attached to the Award Certificate if Capital Appreciation Bonds are to be issued shall be an Exhibit (the “Compounded Amount Table”) which will set forth the rounded original principal amounts at the Issuance Date for the Capital Appreciation Bonds and the Compounded Amounts and Maturity Amounts thereof (per \$5,000 Maturity Amount) as of each Compounding Date, commencing on the date set forth in the Award Certificate, and continuing until the final maturity of such Capital Appreciation Bonds. The Compounded Amount with respect to any date other than a Compounding Date is the amount set forth on the Compounded Amount Table with respect to the last preceding Compounding Date, plus the portion of the difference between such amount and the amount set forth on the Compounded Amount Table with respect to the next succeeding Compounding Date that the number of days (based on 30-day months) from such last preceding Compounding Date to the date for which such determination is being calculated bears to the total number of days (based on 30-day months) from such last preceding Compounding Date to the next succeeding Compounding Date.

Section 5. REGISTRATION TRANSFER AND EXCHANGE; BOOK-ENTRY-ONLY SYSTEM; AUTHENTICATION.

(a) Paying Agent/Registrar. The Designated Financial Officer is authorized to solicit bids for and to select a Paying Agent/Registrar for the Bonds. The Designated Financial Officer is also authorized to enter into and carry out a Paying Agent/Registrar Agreement with the Paying Agent/Registrar with respect to the Bonds in substantially the form previously approved by the Board.

(b) Registration Books. The Board shall keep Registration Books for the registration of the transfer, exchange, and replacement of Bonds, and the Board hereby designates the Paying Agent/Registrar as the initial registrar and transfer agent to keep such Registration Books and make such registrations of transfers, exchanges, and replacements under such reasonable regulations as the Board may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, exchanges, and replacements as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Bond to which

payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Board shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(c) Ownership of Bonds. The entity in whose name any Bond shall be registered in the Registration Books at any time shall be deemed and treated as the absolute owner thereof for all purposes of this Twenty-Eighth Supplement, whether or not such Bond shall be overdue, and, to the extent permitted by law, the Board and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any such Bond shall be made only to such Registered Owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(d) Payment of Bonds and Interest. The Board hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Twenty-Eighth Supplement. The Paying Agent/Registrar shall keep proper records of all payments made by the Board and the Paying Agent/Registrar with respect to the Bonds.

(e) Authentication. The Initial Bond shall be delivered to the initial purchaser and is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each Bond issued in exchange for the Initial Bond or any Bond or Bonds issued under this Twenty-Eighth Supplement the Paying Agent/Registrar shall execute the Paying Agent/Registrar's Authentication Certificate, in the form set forth in the FORM OF BONDS set forth in this Resolution.

(f) Transfer, Exchange, or Replacement. Each Bond issued and delivered pursuant to this Twenty-Eighth Supplement, to the extent of the unpaid or unredeemed principal amount or Maturity Amount thereof, upon surrender of such Bond at a designated corporate trust office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, may, at the option of the Registered Owner or such assignee or assignees, as appropriate, be exchanged for fully registered bonds, without interest coupons, in the appropriate form prescribed in the FORM OF BONDS set forth in this Twenty-Eighth Supplement, in the denomination of any Authorized Denominations (subject to the requirement hereinafter stated that each substitute Bond shall be of the same Series and have a single stated maturity date) as requested in writing by such Registered Owner or such assignee or assignees, in an aggregate principal amount or Maturity Amount equal to the unpaid or unredeemed principal amount or Maturity Amount of any Bond or Bonds so surrendered, and payable to the appropriate Registered Owner, assignee, or assignees, as the case may be. If a portion of any Bond shall be redeemed prior to its scheduled maturity as provided herein, a substitute Bond or Bonds having the same Series designation and maturity date, bearing interest at the same rate, and payable in the same manner, in Authorized Denominations at the request of the Registered Owner, and in aggregate principal amount equal to the unredeemed

portion thereof, will be issued to the Registered Owner upon surrender thereof for cancellation. If any Bond or portion thereof is assigned and transferred, each Bond issued in exchange therefor shall have the same Series designation and maturity date and bear interest at the same rate and be payable in the same manner as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange or replace Bonds as provided herein, and each fully registered bond delivered in exchange for or replacement of any Bond or portion thereof as permitted or required by any provision of this Twenty-Eighth Supplement shall constitute one of the Bonds for all purposes of this Twenty-Eighth Supplement, and may again be exchanged or replaced. On each substitute Bond issued in exchange for or replacement of any Bond or Bonds issued under this Twenty-Eighth Supplement there shall be printed an Authentication Certificate, in the form set forth in Exhibit B to this Twenty-Eighth Supplement. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the above Authentication Certificate, and, except as provided in (e) above, no such Bond shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Bonds surrendered for transfer, exchange, or replacement. No additional resolutions need be passed or adopted by the Board or any other body or person so as to accomplish the foregoing transfer, exchange, or replacement of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein. Pursuant to Chapter 1203, Texas Government Code, as amended, the duty of transfer, exchange, or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the above Paying Agent/Registrar's Authentication Certificate, the exchanged or replaced Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which were originally issued pursuant to this Twenty-Eighth Supplement. The Board shall pay the Paying Agent/Registrar's standard or customary fees and charges, if any, for transferring, and exchanging any Bond or any portion thereof, but the one requesting any such transfer and exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, exchange, or replacement of Bonds or any portion thereof during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following interest payment date. To the extent possible, any new Bond issued in an exchange, replacement, or transfer of a Bond will be delivered to the Registered Owner or assignee of the Registered Owner not more than three business days after the receipt of the Bonds to be cancelled and the written request as described above.

(g) Substitute Paying Agent/Registrar. The Board covenants with the Registered Owners of the Bonds that at all times while the Bonds are outstanding the Board will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Twenty-Eighth Supplement. The Board reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 60 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Board covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Twenty-Eighth

Supplement. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Board. Upon any change in the Paying Agent/Registrar, the Board promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Twenty-Eighth Supplement, and a certified copy of this Twenty-Eighth Supplement shall be delivered to each Paying Agent/Registrar.

(h) Book-Entry-Only System. The Definitive Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York (“DTC”), and except as provided in subsection (i) hereof, all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Board and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest on the Bonds. Without limiting the immediately preceding sentence, the Board and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown on the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Bondholder, as shown in the Registration Books of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Twenty-Eighth Supplement to the contrary, but to the extent permitted by law, the Board and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective owners, as shown in the Registration Books as provided in this Twenty-Eighth Supplement, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Board's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the Board to make payments of principal, premium, if any, and interest pursuant to this Twenty-Eighth Supplement. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Twenty-Eighth Supplement with respect to interest checks being mailed to the Registered Owner at the close of business on the Record Date, the word “Cede & Co.” in this Twenty-Eighth Supplement shall refer to such new nominee of DTC.

(i) Successor Securities Depository: Transfers Outside Book-Entry-Only System. In the event that the Board determines to discontinue the use of the Book-Entry-Only System through DTC, or DTC determines to discontinue providing its services with respect to the Bonds the Board shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Twenty-Eighth Supplement. Whenever a successor securities depository has been appointed pursuant to this paragraph, the terms DTC and DTC Participant as used in this Twenty-Eighth Supplement shall refer to such successor securities depository and its participants, respectively.

(j) Payments to Cede & Co. Notwithstanding any other provision of this Twenty-Eighth Supplement to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the representation letter of the Board to DTC.

(k) Notice of Redemption and Defeasance.

(i) In addition to the notice of redemption set forth in the FORM OF BONDS, the Designated Financial Officer shall give notice of redemption or defeasance to the Paying Agent/Registrar at least forty-five (45) days prior to a redemption date in the case of a redemption and on the defeasance date in the case of a defeasance and the Paying Agent/Registrar shall give notice of redemption or of defeasance of Bonds by mail, first-class postage prepaid at least thirty (30) days prior to a redemption date and within thirty (30) days after a defeasance date to each registered securities depository and to any national information service that disseminates such notices.

(ii) In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Paying Agent/Registrar shall send a second notice of redemption to the persons specified in the immediately preceding sentence at least thirty (30) days but not more than ninety (90) days prior to the actual redemption date. Any notice sent to the registered securities depositories or such national information services shall be sent so that they are received at least two (2) days prior to the general mailing or publication date of such notice. The Paying Agent/Registrar shall also send a notice of prepayment or redemption to the Registered Owner of any Bond who has not sent the Bonds in for redemption sixty (60) days after the redemption date.

(iii) Each notice of redemption or defeasance, whether required in the FORM OF BONDS or in this Section, shall contain a description of the Bonds to be redeemed or defeased including the complete name of the Bonds, the date of issue, the interest rate, the

maturity date, the CUSIP number, the certificate numbers, the amounts called of each certificate, the publication and mailing date for the notice, the date of redemption or defeasance, the redemption price, if any, the name of the Paying Agent/Registrar and the address at which the Bonds may be redeemed or paid, including a contact person and telephone number.

(iv) All redemption payments made by the Paying Agent/Registrar to the Registered Owners of the Bonds shall include a CUSIP number relating to each amount paid to such Registered Owner.

(v) If at the time of mailing of notice of any optional redemption in connection with a refunding of the Bonds, the Board shall not have deposited with the Paying Agent/Registrar or an eligible financial institution moneys sufficient to redeem all of the Bonds called for redemption, such notice may state that it is conditional in that it is subject to the deposit of the proceeds of refunding bonds with the Paying Agent/Registrar or an eligible financial institution not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

Section 6. FORM OF BONDS. The form of the Bonds, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas, if needed with respect to the Bonds initially issued and delivered pursuant to this Twenty-Eighth Supplement, shall be, respectively, substantially as set forth in Exhibit B, with such appropriate variations, omissions, or insertions as are permitted or required by this Twenty-Eighth Supplement and the Award Certificate, including specifically information relating to Capital Appreciation Bonds and Current Interest Bonds, redemption provisions, and the information to be included in the purpose clause.

Section 7. ESTABLISHMENT OF FINANCING SYSTEM AND ISSUANCE OF PARITY OBLIGATIONS. By adoption of the Master Resolution the Board has established The Texas A&M University System Revenue Financing System for the purpose of providing a financing structure for revenue supported indebtedness of the institutions and agencies of The Texas A&M University System which are from time to time included as Participants of the Financing System. The Master Resolution is intended to establish a master plan under which revenue supported debt of the Financing System can be incurred. This Twenty-Eighth Supplement provides for the authorization, issuance, sale, delivery, form, characteristics, provisions of payment and redemption, and security of the Bonds as Parity Obligations. The Master Resolution is incorporated herein by reference and as such made a part hereof for all purposes, except to the extent modified and supplemented hereby, and the Bonds are hereby declared to be Parity Obligations under the Master Resolution. As required by Section 5(a) of the Master Resolution, the Board hereby determines that, upon the issuance of the Bonds, it will have sufficient funds to meet the financial obligations of The Texas A&M University System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System and that the Participants on whose behalf the Bonds are to be issued possess the financial capacity to satisfy their Direct Obligations after taking the Bonds into account.

Section 8. SECURITY AND PAYMENTS. The Bonds are special obligations of the Board payable from and secured solely by the Pledged Revenues pursuant to the Master Resolution and this Twenty-Eighth Supplement. The Pledged Revenues are hereby pledged, subject to the liens securing Prior Encumbered Obligations, to the payment of the principal of, premium, if any, and interest on Parity Obligations, including the Bonds, as the same shall become due and payable. The Board agrees to pay the principal of, premium, if any, and the interest on the Bonds when due, whether by reason of maturity or redemption.

Section 9. PAYMENTS

(a) Immediately after the delivery of the Bonds, the Board shall deposit all accrued interest received from the sale and delivery of the Bonds to the credit of a special account to be held to pay interest on the Bonds on the first interest payment date.

(b) Semiannually on or before each principal, redemption, or interest payment date while any of the Bonds are outstanding and unpaid, commencing on the first interest payment date for the Bonds as provided in the Award Certificate, the Board shall make available to the Paying Agent/Registrar, money sufficient to pay such interest on and such principal of the Bonds, including the Maturity Amount of any Capital Appreciation Bonds, as will accrue or mature, or be subject to mandatory redemption prior to maturity, on such principal, redemption, or interest payment date. The Paying Agent/Registrar shall cancel all paid Bonds and shall furnish the Board with an appropriate certificate of cancellation.

Section 10. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS

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

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

(c) Payment in Lieu of Replacement. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal, Maturity Amount, redemption premium, if any, or interest on the Bond, the Board may authorize the payment of the same (without surrender thereof

except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

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

(e) Authority for Issuing Replacement Bonds. In accordance with Chapter 1203, Texas Government Code, as amended, this Section shall constitute authority for the issuance of any such replacement Bond without the necessity of further action by the Board or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 5(e) of this Twenty-Eighth Supplement for Bonds issued in exchange and replacement for other Bonds.

Section 11. AMENDMENT OF SUPPLEMENT

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

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

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

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

(iv) To make such other changes in the provisions of this Twenty-Eighth Supplement as the Board may deem necessary or desirable and which does not, in the judgment of the Board, materially adversely affect the interests of the owners of Parity Obligations; or

(v) To make any changes or amendments requested by any National-Recognized Rating Agency then rating or requested to rate Bonds, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Board, materially adversely affect the interests of the owners of the Outstanding Bonds,

(b) Amendments With Consent. Subject to the other provisions of this Twenty-Eighth Supplement, the owners of Outstanding Bonds aggregating 51 percent in Outstanding Principal Amount of Bonds shall have the right from time to time to approve any amendment, other than amendments described in subsection (a) of this Section, to this Twenty-Eighth Supplement which may be deemed necessary or desirable by the Board; provided, however, that nothing herein contained shall permit or be construed to permit, without the approval of the owners of all of the Outstanding Bonds, the amendment of the terms and conditions in this Twenty-Eighth Supplement or in the Bonds so as to:

- (i) Make any change in the maturity of the Outstanding Bonds;
- (ii) Reduce the rate of interest borne by Outstanding Bonds;
- (iii) Reduce the amount of the principal or Maturity Amount payable on Outstanding Bonds;
- (iv) Modify the terms of payment of principal or Maturity Amount of or interest on the Outstanding Bonds, or impose any conditions with respect to such payment;
- (v) Affect the rights of the owners of less than all Bonds then Outstanding; or
- (vi) Change the minimum percentage of the Outstanding Principal Amount of Bonds necessary for consent to such amendment.

(c) Notice. If at any time the Board shall desire to amend this Twenty-Eighth Supplement pursuant to (b) above, the Board shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in the City of New York, New York, once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Registrar for inspection by all owners of Bonds. Such publication is not required, however, if the Board gives or causes to be given such notice in writing to each owner of Bonds.

(d) Receipt of Consents. Whenever at any time not less than thirty days, and within one year, from the date of the first publication of said notice or other service of written notice of the proposed amendment the Board shall receive an instrument or instruments executed by all of the owners or the owners of at least 51 percent in Outstanding Principal Amount of Bonds, as appropriate, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file as aforesaid, the Board may adopt the amendatory resolution in substantially the same form.

(e) Effect of Amendments. Upon the adoption by the Board of any resolution to amend this Twenty-Eighth Supplement pursuant to the provisions of this Section, this Twenty-Eighth Supplement shall be deemed to be amended in accordance with the amendatory resolution, and the respective rights, duties, and obligations of the Board and all the owners of then Outstanding Bonds and all future Bonds shall thereafter be determined, exercised, and enforced under the Master Resolution and this Twenty-Eighth Supplement, as amended.

(f) Consent Irrevocable. Any consent given by any owner of Bonds pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication or other service of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Bonds during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing notice thereof with the Registrar and the Board, but such revocation shall not be effective if the owners of 51 percent in Outstanding Principal Amount of Bonds, prior to the attempted revocation, consented to and approved the amendment.

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

Section 12. COVENANTS REGARDING TAX MATTERS.

(a) Definitions. When used in this Section, the following terms have the following meanings:

“Code” means the Internal Revenue Code of 1986, as amended by all legislation, if any, enacted on or before the Issue Date.

“Computation Date” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Gross Proceeds” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Investment” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Issue Date” for each Series or sub-Series of the Tax-Exempt Bonds or other obligations of the Board is the respective date on which such Series or sub-Series of the Tax-Exempt Bonds or other obligations of the Board is delivered against payment therefor.

“Net Sale Proceeds” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Nonpurpose Investment” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Proceeds” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Rebate Amount” has the meaning stated in Section 1.148-3 of the Regulations.

“Regulations” means the temporary or final Income Tax Regulations applicable to the Tax-Exempt Bonds issued pursuant to Sections 141 through 150 of the Code. Any reference to a section of the Regulations shall also refer to any successor provision to such section hereafter promulgated by the Internal Revenue Service pursuant to Sections 141 through 150 of the Code and applicable to the Tax-Exempt Bonds.

“Yield of”

- (1) any Investment shall be computed in accordance with Section 1.148-5 of the Regulations, and
- (2) the Tax-Exempt Bonds shall be computed in accordance with Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The Board shall not use, permit the use of or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which, if made or omitted, respectively, would cause the interest on any Tax-Exempt Bonds to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Board shall have received a written opinion of Bond Counsel to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the Board shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the regulations and rulings thereunder, the Board shall, at all times prior to the last stated maturity of the Tax-Exempt Bonds,

(i) exclusively own, operate, and possess all property the acquisition, construction, or improvement of which is to be financed directly or indirectly with Gross Proceeds of the Tax-Exempt Bonds (including property financed with Gross Proceeds of the Refunded Bonds or notes or bonds refunded by the Refunded Bonds) and not use or permit the use of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds in any activity carried on by any person or entity other than a state or local government, unless such use is solely as a member of the general public, or

(ii) not directly or indirectly impose or accept any charge or other payment for use of Gross Proceeds of the Tax-Exempt Bonds or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with such Gross Proceeds (including property financed with Gross Proceeds of the Refunded Bonds or notes or bonds refunded by the Refunded Bonds) other than taxes of general application and interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the regulations and rulings thereunder, the Board shall not use Gross Proceeds of the Tax-Exempt Bonds, to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, Gross Proceeds are considered to be “loaned” to a person or entity if (A) property acquired, constructed or improved with Gross Proceeds (including property financed with Gross Proceeds of the Refunded Bonds or notes or bonds refunded by the Refunded Bonds) is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (B) capacity in or service from such property is committed to such person or entity under a take-or-pay, output, or similar contract or arrangement, or (C) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or such property are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the regulations and rulings thereunder, the Board shall not, at any time prior to the earlier of the final stated maturity or final payment of the Tax-Exempt Bonds, directly or indirectly invest Gross Proceeds of the Tax-Exempt Bonds in any Investment (or use such Gross Proceeds to replace money so invested), if as a result of such investment the Yield of all Investments allocated to such Gross Proceeds whether then held or previously disposed of, exceeds the Yield on the Tax-Exempt Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the regulations and rulings thereunder, the Board shall not take or omit to take any action which would cause the Tax-Exempt Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the regulations and rulings thereunder.

(g) Information Report. The Board shall timely file with the Secretary of the Treasury the information required by Section 149(e) of the Code with respect to each of the Tax-Exempt Bonds on such forms and in such place as such Secretary may prescribe.

(h) Payment of Rebate Amount. Except to the extent otherwise provided in Section 148(f) of the Code and the regulations and rulings thereunder, the Board shall:

(i) account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of such accounting for at least six years after the final Computation Date. The Board may, however, to the extent permitted by law, commingle Gross Proceeds of the Tax-Exempt Bonds with other money of the Board, provided that the Board separately accounts for each receipt and expenditure of such Gross Proceeds and the obligations acquired therewith,

(ii) calculate the Rebate Amount with respect to the Tax-Exempt Bonds not less frequently than each Computation Date, in accordance with rules set forth in Section 148(f) of the Code, Section 1.148-3 of the Regulations, and the rulings thereunder. The Board shall maintain a copy of such calculations for at least six years after the final Computation Date,

(iii) as additional consideration for the purchase of the Tax-Exempt Bonds, by the initial purchaser thereof and the loan of the money represented thereby, and in order to induce such purchase by measures designed to ensure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, pay to the United States the amount described in paragraph (B) above at the times, in the installments, to the place, in the manner and accompanied by such forms or other information as is or may be required by Section 148(f) of the Code and the regulations and rulings thereunder, and

(iv) exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (B) and, if such error is made, to discover and promptly to correct such error within a reasonable amount of time thereafter, including payment to the United States of any interest and any penalty required by the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the regulations and rulings thereunder, the Board shall not, at any time prior to the earlier of the final stated maturity or final payment of the Tax-Exempt Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (8) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Tax-Exempt Bonds, not been relevant to either party.

(j) Not Hedge Bonds. The Board did not invest more than 50 percent of the Proceeds of each series of the Refunded Bonds (or, if applicable, the obligations refunded by the Refunded Bonds (the "Original Bonds")) in Nonpurpose Investments having a guaranteed yield for four years or more. On the Issue Date of the Refunded Bonds, or, if applicable, the Original Bonds, the Board reasonably expected that at least 85 percent of the Net Sale Proceeds of each series of the Refunded Bonds, or, if applicable, the Original Bonds, would be used to carry out the governmental purpose of such series within three years after the Issue Date of such series.

(k) No Disposition. The Board covenants that the property financed with the proceeds of the Tax-Exempt Bonds or the Refunded Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the Board of cash or other compensation, unless the Board obtains an opinion of Bond Counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Tax-Exempt Bonds or the Refunded Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation.

Section 13. CONTINUING DISCLOSURE UNDERTAKING

(a) Annual Reports. The Board shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of each Fiscal Year, financial information and operating data with respect to The Texas A&M University System, including the Annual Financial Report of The Texas A&M University System, as determined by the Designated Financial Officer at the time the Bonds are sold. The Award Certificate shall specify such financial information and operating data. Any financial statements with respect to The Texas A&M University System so to be provided shall be (1) prepared on an accrual basis, or such other basis

as the Board may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the Board commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not so provided within the required period, then the Board shall provide unaudited financial statements for the applicable Fiscal Year to the MSRB, in an electronic format as prescribed by the MSRB, and shall file audited financial statements when and if audited financial statements become available. If audited financial statements are not prepared for any Fiscal Year and audited financial statements are prepared with respect to the State of Texas for such Fiscal Year, the Board shall provide, or cause to be provided, the audited financial statements of the State of Texas for the applicable Fiscal Year to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of said Fiscal Year or as soon thereafter as such audited financial statements become available from the State Auditor of the State of Texas. Any such audited financial statements of the State of Texas so provided shall be prepared in accordance with generally accepted accounting principles for state governments, as such principles may be changed from time to time to comply with state law.

If the Board changes the Fiscal Year, the Board will notify the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which the Board otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Subsection may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet web site or filed with the SEC. All documents provided to the MSRB pursuant to this subsection shall be accompanied by identifying information as prescribed by the MSRB.

(b) Material Event Notices. The Board shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds: (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of holders of the Bonds, if material; (viii) bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the obligated person; (xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) the appointment of a successor or additional trustee or the change of name of a trustee, if material.

As used in clause (xii), above, the phrase “bankruptcy, insolvency, receivership or similar event” means the appointment of a receiver, fiscal agent or similar officer for the System in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the System, or if jurisdiction has been assumed by leaving the System in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the System.

The Board shall notify the MSRB, in a timely manner, of any failure by the Board to provide financial information or operating data in accordance with this subsection by the time required.

(c) Identifying Information. All information and notices shall be provided to the MSRB in an electronic format, as prescribed by the MSRB, and all documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information, as prescribed by the MSRB.

(d) Limitations, Disclaimers, and Amendments. The Board shall be obligated to observe and perform the covenants specified in this Subsection for so long as, but only for so long as, the Board remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the Board in any event will give the notice required by Section 4 of this Resolution any Bond calls and defeasance that cause the Bonds to no longer be outstanding.

The provisions of this Subsection are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Subsection, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Board undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this subsection and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Board’s financial results, condition, or prospects, or hereby undertake to update any information provided in accordance with this subsection or otherwise, except as expressly provided herein. The Board does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE BOARD BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE BOARD, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the Board in observing or performing its obligations under this Subsection shall constitute a breach of or default under this Resolution for purposes of any other provision of this Resolution.

Should the Rule be amended to obligate the Board to make filings with or provide notices to entities other than the MSRB, the Board hereby agrees to undertake such obligation with respect to the Bonds in accordance with the Rule as amended.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Board under federal and State securities laws.

The provisions of this Subsection may be amended by the Board from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Board, but only if (i) the provisions of this subsection, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (A) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (B) a person that is unaffiliated with the Board (such as nationally-recognized bond counsel) determines that such amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. If the Board so amends the provisions of this Subsection, it shall include with any amended financial information or operating data next provided in accordance with this Subsection an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Board may also amend or repeal the provisions of this continuing disclosure requirement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

Section 14. TWENTY-EIGHTH SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY. In consideration of the acceptance of the Bonds, the issuance of which is authorized hereunder, by those who shall hold the same from time to time, this Twenty-Eighth Supplement shall be deemed to be and shall constitute a contract between the Board and the Holders from time to time of the Bonds and the pledge made in this Twenty-Eighth Supplement by the Board and the covenants and agreements set forth in this Twenty-Eighth Supplement to be performed by the Board shall be for the equal and proportionate benefit, security, and protection of all Holders, without preference, priority, or distinction as to security or otherwise of any of the Bonds authorized hereunder over any of the others by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Twenty-Eighth Supplement.

Section 15. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements, or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or

against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements, or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

Section 16. PAYMENT AND PERFORMANCE ON BUSINESS DAYS. Except as provided to the contrary in the FORM OF BONDS, whenever under the terms of this Twenty-Eighth Supplement or the Bonds, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Bonds, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Bonds, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the date of performance or payment.

Section 17. LIMITATION OF BENEFITS WITH RESPECT TO THE TWENTY-EIGHTH SUPPLEMENT. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Twenty-Eighth Supplement or the Bonds is intended or should be construed to confer upon or give to any person other than the Board, the Holders, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Twenty-Eighth Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Twenty-Eighth Supplement and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Board, the Holders, and the Paying Agent/Registrar as herein and therein provided.

Section 18. CUSTODY, APPROVAL, BOND COUNSEL'S OPINION, CUSIP NUMBERS, PREAMBLE AND INSURANCE. The Designated Financial Officer is hereby authorized to have control of the Bonds issued hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and approval by the Attorney General of the State of Texas of the proceedings authorizing the Bonds in accordance with Chapter 1371, Texas Government Code, as amended. The Designated Financial Officer is also authorized to request that the Attorney General approve the Bonds and that the Comptroller of Public Accounts register the Bonds, and to cause an appropriate legend reflecting such approval and registration to appear on the Bonds and the substitute Bonds. The approving legal opinion of Bond Counsel and the assigned CUSIP numbers may, at the option of the Board, be printed on the Bonds and on any Bonds issued and delivered in exchange or replacement of any Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the Registered Owners of the Bonds. The preamble to the Twenty-Eighth Supplement is hereby adopted and made a part of this Twenty-Eighth Supplement for all purposes. If insurance is obtained on any of the Bonds, the Bonds shall bear, as appropriate and applicable, a legend concerning insurance as provided by the Insurer.

Section 19. REFUNDING OF REFUNDED OBLIGATIONS; ESCROW AGREEMENTS

(a) Concurrently with the delivery of Bonds issued to refund Refunded Notes, the Designated Financial Officer shall cause to be deposited with the Issuing and Paying Agent for the Refunded Notes or with an Escrow Agent selected by the Designated Financial Officer, from the proceeds from the sale of such Series of Bonds and other legally available funds, an amount sufficient to provide for the refunding and defeasance of such Refunded Notes. In the event it is deemed necessary, the Designated Financial Officer is hereby authorized to select one or more Escrow Agent(s) with respect to the Refunded Notes and to enter into one or more Escrow Agreements. The Designated Financial Officer is further authorized and directed to apply and there is hereby appropriated such moneys of the Board as are necessary (i) to provide for the defeasance of such Refunded Notes on the date of delivery of the Bonds or (ii) to fund the Escrow Fund to be created pursuant to the Escrow Agreement(s) with amounts sufficient to provide for the defeasance of the Refunded Notes.

(b) Concurrently with the delivery of each Series of Bonds issued in whole or in part to refund Refunded Bonds, the Designated Financial Officer shall cause to be deposited with the Escrow Agent selected by the Designated Financial Officer, from the proceeds from the sale of such Series of Bonds and other legally available funds, an amount sufficient to provide for the refunding and defeasance of such Refunded Bonds in accordance with Chapter 1207, Texas Government Code, as amended. In the event it is deemed necessary, the Designated Financial Officer is hereby authorized to select one or more Escrow Agent(s) with respect to the Refunded Bonds and to enter into one or more Escrow Agreements. The Designated Financial Officer is further authorized and directed to apply and there is hereby appropriated such moneys of the Board as are necessary (i) to provide for the defeasance of such Refunded Bonds on the date of delivery of the Bonds or (ii) to fund the Escrow Fund to be created pursuant to the Escrow Agreement(s) with amounts sufficient to provide for the defeasance of the Refunded Bonds.

(c) With regard to issuance of any Series of Bonds constituting Refunding Bonds, as provided in Section 2(b) above, the Designated Financial Officer shall designate in the Award Certificate the particular Potential Refunded Bonds to be refunded by such Series of Bonds; provided, that the Award Certificate in which Refunded Bonds are so designated must contain a certification to the effect that the Bonds of such Series being issued to refund such Refunded Bonds are being sold on terms that produce present value savings as required by Section 3(b) hereof.

(d) Subject to the designation by the Designated Financial Officer of the Refunded Bonds to be refunded by a Series of Bonds, the Board irrevocably calls the particular Potential Refunded Bonds constituting Refunded Bonds for redemption prior to maturity on the date(s) and at the price(s) set forth in the Award Certificate.

The Designated Financial Officer, acting for and on behalf of the Board, shall provide for notice of such redemption to be given in accordance with the resolution(s) of the Board authorizing the Refunded Bonds.

(e) To assure the purchase of the "Escrowed Securities" referred to in the respective Escrow Agreements for the Refunded Notes or the Refunded Bonds, the Designated Financial Officer, acting for and on behalf of the Board, is hereby authorized to subscribe for, agree to purchase and purchase "Government Obligations," as defined in resolutions authorizing the Refunded Notes or the resolutions authorizing the Refunded Bonds, in such amounts and

maturities and bearing interest at such rates as may be provided for in such Escrow Agreement, and to execute any and all subscriptions, purchase agreements, commitments, letters of authorization and other documents necessary to effectuate the foregoing, and is authorized to create and fund the "Escrow Fund" contemplated by such Escrow Agreement through the use of the proceeds of the Series of Bonds issued to refund the Refunded Notes or the Refunded Bonds, the moneys and investments held in the fund securing the Refunded Notes or the Refunded Bonds, and other lawfully available moneys of the Board.

(f) To satisfy in a timely manner all of the Board's obligations under this Twenty-Eighth Supplement and the Escrow Agreement(s), the Designated Financial Officer and all other appropriate officers and agents of the Board are hereby severally authorized and directed for and on behalf of the Board to take all other actions that are reasonably necessary to provide for the refunding of the Refunded Notes or the Refunded Bonds, including, without limitation, executing and delivering for and on behalf of the Board all certificates, consents, receipts, requests and other documents as may be reasonably necessary to satisfy the Board's obligations under the Escrow Agreement(s) and this Twenty-Eighth Supplement and to direct the transfer and application of funds of the Board consistent with the provisions of such Escrow Agreement(s) and this Twenty-Eighth Supplement.

Section 20. APPLICATION OF BOND PROCEEDS

(a) Proceeds from the sale of the Bonds shall, promptly upon receipt thereof, be applied by the Designated Financial Officer, as follows: (i) accrued interest for the Bonds shall be deposited as provided in Section 9 hereof; (ii) an amount sufficient to accomplish the purposes of Section 19 hereof shall be so applied; (iii) an amount sufficient to pay the cost of acquiring, purchasing, constructing, improving, enlarging, and equipping the improvements being financed with the proceeds of the Bonds shall be deposited in the Board's accounts to be used for such purposes; (iv) the amount of any premium received as a portion of the purchase price of the Bonds issued to finance or refinance, through the refunding of the Refunded Notes, improvements or facilities to be financed or refinanced pursuant to Section 55.17 Authorization, that is not to be counted against the authorized amount of bonds that can be issued pursuant to such Section 55.17 Authorization, shall, except as otherwise allowed by state law, including Sections 1201.042 and 1201.029 of the Texas Government Code, be credited to a special account to be held to pay interest on the Bonds on the first interest payment date; and (v) any proceeds from the sale of the Bonds remaining after the deposits provided for in clauses (i) through (iv) above, shall be applied to pay expenses arising in connection with the issuance of the Bonds and the refunding of the Refunded Obligations.

Any sale proceeds of Bonds remaining after making all deposits and payments provided for above shall be applied to the payment of principal of and interest on the Bonds.

(b) Additional projects may be added to the list of projects included in the Award Certificate pursuant to Section 3 hereof and the amount of the proceeds of the Bonds allocated to each project may be reallocated to other projects in the list (such reallocation may also result in the removal of any such project), and therefore be financed or refinanced with the proceeds of the Bonds upon satisfaction of the following conditions:

(i) the project has received the required approval or review of the Higher Education Coordinating Board to the extent and as required by the provisions of Section 61.058 of the Texas Education Code;

(ii) the Board shall have approved the construction of the project and made the findings required by Section 5 of the Master Resolution relating to the issuance of Parity Obligations to finance the cost of the project;

(iii) with respect to Tax-Exempt Bonds, the Board shall have received an opinion of Bond Counsel with respect to the Revenue Financing System, to the effect that the amendment of the exhibit, or the financing or refinancing of the project, and the expenditure of the proceeds of the Tax-Exempt Bonds to pay the cost of project will not adversely affect the treatment of interest on the Tax-Exempt Bonds for federal income tax purposes; and

(iv) the Designated Financial Officer shall execute and deliver a certificate to the Executive Director, Board of Regents certifying (a) that the requirements of subsection (b)(i), (ii), and (iii) of this Section have been satisfied and having attached to such certificate copies of the documents referred to in those subsections and (b) that, to the extent that the list of projects set forth in the Award Certificate or the allocation of proceeds set forth in the Award Certificate to finance or refinance improvements and facilities pursuant to Section 55.17 Authorization have been changed, the Board is in compliance with the requirements and limitations of such sections of the Education Code. A copy of the certificate shall be filed in the minutes of the Board with the Award Certificate.

Section 21. FURTHER PROCEDURES.

(a) The Chairman, Vice Chairman and Executive Director, Board of Regents, and each member of the Board, the Designated Financial Officer, and all other officers, employees, and agents of the Board, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Board all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Twenty-Eighth Supplement, the Award Certificate, the Blanket Letter of Representation with DTC regarding the Book-Entry-Only System, the Bonds, the sale and delivery of the Bonds and fixing all details in connection therewith, and the refunding of the Refunded Obligations. Notwithstanding anything to the contrary contained herein, while the Bonds are subject to DTC's Book-Entry-Only System and to the extent permitted by law, the Blanket Letter of Representation is hereby incorporated herein and its provisions shall prevail over any other provisions of this Twenty-Eighth Supplement in the event of conflict. In addition, the Designated Financial Officer is authorized to submit a notice of intent to the Texas Bond Review Board requesting the approval of the issuance of the Bonds if such approval is required by law.

(b) In case any officer whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

(c) The Board hereby determines that (i) designating the number of this Supplemental Resolution is a ministerial act and (ii) the number of this Supplemental Resolution shall be revised at the direction of the Designated Financial Officer to conform the number of this Supplemental Resolution to the actual sequence of the Board's approval of this Supplemental Resolution in relation to the Board's approval of any other Supplemental Resolution(s). In addition, the Designated Financial Officer, General Counsel, and Bond Counsel are hereby authorized to approve, subsequent to the date of the adoption of this Twenty-Eighth Supplement, any amendments to the above named documents, and any technical amendments to this Twenty-Eighth Supplement as may be required by a Nationally-Recognized Rating Agency as a condition to the granting of a rating on the Bonds or as required by the office of the Texas Attorney General as a condition to the approval of the Bonds.

Section 22. APPROVAL OF NOTICE OF SALE AND OFFICIAL STATEMENT.

The Designated Financial Officer is authorized and directed to provide for and oversee the preparation of a notice of sale, if appropriate, a preliminary Official Statement and a final Official Statement in connection with the issuance of each Series of the Bonds, and to approve such official statement and deem it final in compliance with the Rule and to provide it to the Purchasers of the Bonds in compliance with such Rule.

Section 23. DTC LETTER OF REPRESENTATIONS. The Designated Financial Officer is authorized to implement the Book-Entry-Only System of Bond registration with respect to the Bonds pursuant to the Representation Letter. Notwithstanding anything to the contrary contained herein, while the Bonds are subject to DTC's Book-Entry-Only System and to the extent permitted by law, the Representation Letter is hereby incorporated herein and its provisions shall prevail over any other provisions of this Resolution in the event of conflict. Provisions relating to DTC, its Book-Entry-Only System of registration, and the Representation Letter are detailed in Section 5(h) of this Twenty-Eighth Supplement.

Section 24. ADDITIONAL DEFEASANCE PROVISIONS

(a) In addition to the defeasance provisions set forth in Section 12 of the Master Resolution, it is hereby provided that, to the extent that the Bonds are treated as Defeased Debt for purposes of Section 12 of the Master Resolution, any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified in Section 12(a)(i) or (ii) of the Master Resolution shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the Board expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the defeasance; (3) directs that notice of the reservation be included in any redemption notices that it authorizes; and (4) at or prior to the time of the redemption, satisfies the conditions of subsection (a) of Section 12 of the Master Resolution with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

(b) Notwithstanding the provisions of Section 12(c) of the Master Resolution and except as otherwise provided in the Award Certificate for the Bonds, in connection with the defeasance of the Bonds pursuant to Section 12 of the Master Resolution, the term Government

Obligations shall mean (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America (including Interest Strips of the Resolution Funding Corporation), (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Board adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Board adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

(c) Notwithstanding the provisions of Section 12 of the Master Resolution, the Board may provide for the irrevocable deposit contemplated by Section 12 of the Master Resolution to be made with the Paying Agent/Registrar or with any other eligible bank or trust company as then authorized by state law.

(d) Notwithstanding the provisions of Section 12 of the Master Resolution or any of the other provisions of this Section, any Taxable Bonds issued under this Twenty-Eighth Supplement may be designated by the Designated Financial Officer in the Award Certificate as not being subject to defeasance to the extent that such Designated Financial Officer determines in the Award Certificate that such treatment is in the best economic interests of the Board.

Section 25. REPEAL OF CONFLICTING RESOLUTIONS . All resolutions and all parts of any resolutions which are in conflict or are inconsistent with this Twenty-Eighth Supplement are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

Section 26. DEFEASANCE OF OUTSTANDING PARITY OBLIGATIONS. The Board desires to authorize the use of certain lawfully available funds of the Board, as determined by the Designated Financial Officer, to defease and refund, from time to time, certain outstanding Parity Obligations previously issued by the Board in accordance with the applicable defeasance provisions in the respective Supplemental Resolutions that authorized the issuance of such Parity Obligations. The Designated Financial Officer is hereby authorized to determine and retire, from time to time, the various portions of such outstanding Parity Obligations which are economically advantageous for Board to retire by the defeasance of such debt. The Designated Financial Officer is authorized to enter into one or more Escrow Agreements to accomplish such defeasances. In the event of such a defeasance, the Designated Financial Officer is authorized hereby to take such steps as may be necessary to purchase the escrowed securities identified in such Escrow Agreements on behalf of the Board and is authorized to create and fund the escrow funds contemplated by the Escrow Agreements through the use of the lawfully available funds of the Board. The Designated Financial Officer is authorized to call for redemption such Parity Obligations defeased pursuant to this Section and is hereby authorized to provide and complete an appropriate notice of redemption to the paying agent(s) for such Parity Obligations upon the

deposit with the Escrow Agent of such available funds and compliance with the conditions set forth in the Escrow Agreements.

Section 27. PUBLIC NOTICE. It is hereby found and determined that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting at which this Twenty-Eighth Supplemental Resolution was adopted, and that this Twenty-Eighth Supplemental Resolution would be introduced and considered for adoption at said meeting; that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

EXHIBIT A

DEFINITIONS

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

The term “Acts” means, collectively, Chapter 55, Texas Education Code, as amended, and Chapters 1207 and 1371, Texas Government Code, as amended.

The term “Authorized Denomination” means \$5,000 or any integral multiple thereof with respect to Current Interest Bonds and \$5,000 in Maturity Amount or any integral multiple thereof with respect to Capital Appreciation Bonds, except as otherwise provided in the Award Certificate for each Series of Bonds.

The term “Award Certificate” means the certificate executed by the Designated Financial Officer in connection with each Series of Bonds which establishes the terms of the Bonds delivered pursuant to Section 3 of this Twenty-Eighth Supplement.

The terms “Board” and “Issuer” mean the Board of Regents of The Texas A&M University System or any successor thereto.

The term “Bond Counsel” means Andrews Kurth Kenyon LLP, or such other nationally-recognized firm designated by the Board as Bond Counsel for purposes of this Twenty-Eighth Supplement.

The term “Bond Purchase Contract” means the Board’s agreement with underwriters providing for the sale of a Series of Bonds as authorized by Section 2(c) hereof, provided that two or more Series of Bonds may be sold to the same underwriters pursuant to the terms of a single Bond Purchase Contract.

The term “Bonds” means, collectively, the Bonds issued pursuant to this Supplemental Resolution, and all substitute bonds exchanged therefor, and all other substitute and replacement bonds issued pursuant to this Supplemental Resolution; and the term “Bond” means any of the Bonds.

The term “Bond Year” means the period beginning on June 2 of any calendar year and continuing through June 1 of the following calendar year.

The term “Business Day” means any day other than a Saturday, Sunday, or legal holiday, or a day on which banking institutions in either the State of New York or the State of Texas are authorized by law or executive order to close.

The term “Capital Appreciation Bonds” means the Bonds on which no interest is paid prior to maturity, maturing variously in each of the years and in the aggregate principal amount and Maturity Amount as set forth in the Award Certificate.

The term “Code” means the Internal Revenue Code of 1986, as amended.

The term “Compounded Amount” means, with respect to a Capital Appreciation Bond, as of any particular date of calculation, the original principal amount thereof, plus all interest accrued and compounded to the particular date of calculation, as determined in accordance with Section 4 of this Twenty-Eighth Supplement and the Compounded Amount Table relating to such Bonds.

The term “Compounded Amount Table” means, with respect to the Capital Appreciation Bonds, the Compounded Amount Table as defined in Section 4 of this Twenty-Eighth Supplement.

The term “Compounding Dates” means Compounding Dates as defined in Section 4 of this Twenty-Eighth Supplement.

The term “Current Interest Bonds” means the Bonds paying current interest and maturing in each of the years and in the aggregate principal amounts set forth in the Award Certificate.

The term “Definitive Bonds” means the Bonds issued in exchange for the Initial Bond.

The term “Designated Financial Officer” means each Designated Financial Officer under the Master Resolution and shall include the Chancellor, the Executive Vice Chancellor and Chief Financial Officer, and the Chief Investment Officer and Treasurer, or such other officer or employee of the System authorized by the Board to act as a Designated Financial Officer.

The term “DTC” means The Depository Trust Company of New York, New York, New York, or any successor securities depository.

The term “DTC Participant” means securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

The term “Escrow Agent” means each Escrow Agent selected pursuant to Section 19 hereof.

The term “Initial Bond” means the Bond initially delivered hereunder and upon which the registration certificate, manually executed by or on behalf of the Comptroller of Public Accounts of the State of Texas, has been placed.

The term “Issuance Date” means the date of delivery of Bonds to the initial purchaser or purchasers thereof against payment therefor.

The term “MSRB” shall mean the Municipal Securities Rulemaking Board.

The term “Master Resolution” means the Master Resolution Establishing The Texas A&M University System Revenue Financing System adopted by the Board on November 19, 1990, as amended on September 17, 1993 and July 25, 1997.

The term “Maturity” means the date on which the principal of a Bond becomes due and payable as therein and herein provided, whether at Stated Maturity, by redemption, declaration of acceleration or otherwise.

The term “Maturity Amount” means the Compounded Amount of a Capital Appreciation Bond due on its Stated Maturity.

The term “Nationally-Recognized Rating Agency” means any nationally-recognized securities rating agency that provides a rating on the Bonds at the request of the Board.

The term “Official Statement” means the disclosure document describing the Bonds of a Series dated the date of sale pursuant to Section 22 of this Twenty-Eighth Supplement.

The term “Paying Agent/Registrar,” “Paying Agent” or “Registrar” means the agent appointed pursuant to Section 5 hereof, or any successor to such agent.

The term “Potential Refunded Bonds” means the outstanding Parity Obligations previously issued by the Board.

The term “Record Date” means, with respect to the Bonds, the last calendar day of each month preceding an interest payment date.

The term “Refunded Bonds” means the Potential Refunded Bonds to be refunded by a Series of Bonds as set forth in the Award Certificate.

The term “Refunded Notes” means the Board's Revenue Financing System Commercial Paper Notes, Series B to be refunded by a Series of Bonds as set forth in the Award Certificate.

The term “Refunded Obligations” means, collectively, the Refunded Notes, if any, and the Refunded Bonds, if any, refunded by a Series.

The term “Registration Books” means the books or records relating to the registration, payment and transfer or exchange of the Bonds maintained by the Paying Agent/Registrar pursuant to Section 5 hereof.

The term “Rule” means SEC Rule 15c2-12, as amended from time to time.

The term “SEC” means the United States Securities and Exchange Commission.

The term “Section 55.17 Authorization” means the statutory authorization provided by the Legislature for Section 55.17 Projects.

The term “Section 55.17 Projects” means the improvements or facilities to be financed or refinanced with Bonds pursuant to Sections 55.1711, 55.1721, 55.1731, 55.1741, 55.17411, 55.1751, 55.1771, and 55.1781 of the Education Code, or similar provisions currently existing or hereafter enacted by the Legislature.

The term “Series” means any designated Series of Bonds issued pursuant to this Twenty-Eighth Supplement.

The term “State” means the State of Texas.

The term “Taxable Bonds” means any Bonds designated by the Designated Financial Officer in the Award Certificate as Taxable Bonds, the interest on which is includable in the gross income of the owners thereof for federal income tax purposes.

The term “Tax-Exempt Bonds” means any Bonds designated by the Designated Financial Officer in the Award Certificate as Tax-Exempt Bonds, the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes, pursuant to section 103 of the Code.

The term “Twenty-Eighth Supplement” means this Supplemental Resolution authorizing the Bonds.

EXHIBIT B

FORM OF BONDS

#[FORM OF FIRST TWO PARAGRAPHS OF CURRENT INTEREST BONDS]

United States of America
State of Texas

NUMBER
R-____
REGISTERED

PRINCIPAL AMOUNT
\$_____
REGISTERED

BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM BONDS, SERIES _____

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>[DATED/ISSUANCE DATE]</u>	<u>CUSIP:</u>
_____%	_____, 20__	_____	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

ON THE MATURITY DATE specified above the BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM (the "Board"), being an agency of the State of Texas, hereby promises to pay to the registered owner, specified above, or to the registered assignee hereof (either being hereinafter called the "registered owner") the principal amount, specified above, and to pay interest thereon, calculated on the basis of a 360-day year composed of twelve 30-day consecutive months, from the [Dated Date] [Issuance Date], specified above, to the Maturity Date, specified above, or the date of redemption prior to maturity, at the interest rate per annum, specified above, with interest being payable on_____, 20__, and semiannually on each _____ and _____ thereafter, except that if the date of authentication of this Bond is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges, solely from funds of the Board required by the Bond Resolution (hereinafter defined) to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at the corporate trust office of _____ in _____, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Board required by the Bond Resolution (hereinafter defined), to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at the address of the registered owner, as it appeared on the last calendar day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described; provided, that upon the written request of any owner of no less than \$1,000,000 in aggregate principal amount of the Bonds, delivered to the Paying Agent/Registrar not later than the Record Date immediately preceding an interest payment date, interest due on such interest payment date shall be made by wire transfer to any designated account within the United States of America. In addition, interest may be paid by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. Any accrued interest due upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for redemption and payment at the corporate trust office of the Paying Agent/Registrar. The Board covenants with the registered owner of this Bond that on or before each principal payment date, interest payment date, and accrued interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the Pledged Revenues, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due, in the manner set forth in the resolution authorizing the issuance of this Bond adopted by the Board on _____, 2017 (the "Bond Resolution"). Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Board and the securities depository. Terms used herein and not otherwise defined have the meanings given in the Bond Resolution.

* * *

##[FORM OF FIRST TWO PARAGRAPHS OF CAPITAL APPRECIATION BONDS]

NUMBER _____ MATURITY AMOUNT
CR-____ \$ _____
REGISTERED _____ REGISTERED

**BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM BONDS, SERIES _____**

INTEREST RATE MATURITY DATE ISSUANCE DATE CUSIP:
_____ % _____, 20____ _____ _____

REGISTERED OWNER:

MATURITY AMOUNT: _____ DOLLARS

ON THE MATURITY DATE specified above, the BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM (the "Board"), being an agency and political subdivision of the State of Texas, hereby promises to pay to the Registered Owner specified above or the registered assignee hereof (either being hereinafter called the "Registered Owner") the Maturity Amount specified above representing the original principal amount hereof and accrued and compounded interest hereon. Interest shall accrete on the original principal amount hereof from the Issuance Date at the interest rate per annum specified above (subject to rounding to the Compounded Amounts as provided in the Bond Resolution), compounded semi-annually on _____ and _____ of each year, commencing _____, 20____. For convenience of reference, a table appears on the back of this Bond showing the "Compounded Amount" of the original principal amount per \$5,000 Maturity Amount compounded semiannually at the yield shown on such table.

THE MATURITY AMOUNT OF this Bond is payable in lawful money of the United States of America, without exchange or collection charges, solely from funds of the Board required by the Bond Resolution to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided. The Maturity Amount or Compounded Amount of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, as the case may be, at the corporate trust office of _____ in _____, which is the "Paying Agent/Registrar" for this Bond. The Board covenants with the registered owner of this Bond that on or before the Maturity Date for this Bond it will make available to the Paying Agent/Registrar, the amount required to provide for the payment, in immediately available funds, of the Maturity Amount when due, in the manner set forth in the resolution authorizing the issuance of this Bond adopted by the Board on _____, 2017 (the "Bond Resolution"). Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined by a book entry at a securities depository for the

Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Board and the securities depository. Terms used herein and not otherwise defined have the meaning given in the Bond Resolution.

**[FORM OF REMAINDER OF CURRENT INTEREST BONDS
AND CAPITAL APPRECIATION BONDS]**

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

THIS BOND is one of an issue of Bonds dated _____, 20__, authorized by resolution of the Board adopted on _____ (the "Bond Resolution") in the aggregate principal amount of \$_____ FOR THE PURPOSE OF *[(i) REFUNDING THE REFUNDED NOTES AND THE REFUNDED BONDS; (ii) PROVIDING \$_____ TO PAY THE COST OF ACQUIRING, PURCHASING, CONSTRUCTING, IMPROVING, ENLARGING, AND EQUIPPING THE PROPERTY AND FACILITIES OF THE PARTICIPANTS OF THE REVENUE FINANCING SYSTEM; AND (iii) PAYING THE COSTS RELATED THERETO], ##[and comprised of (i) Bonds in the aggregate principal amount of \$_____ that pay interest only at maturity (the "Capital Appreciation Bonds") and (ii) Bonds in the aggregate principal amount of \$_____ that pay interest semiannually until maturity (the "Current Interest Bonds")].

**On _____, or on any date thereafter, the Bonds scheduled to mature on and after _____ may be redeemed prior to their scheduled maturities, at the option of the Board, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the Board (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to _____ and accrued interest to date fixed for the redemption; provided, that during any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Board and the securities depository.

**The Bonds of this issue scheduled to mature on _____, are subject to mandatory sinking fund redemption prior to their scheduled maturity and shall be redeemed by the Board, in part, prior to their scheduled maturity, with the particular Bonds or portions thereof to be redeemed to be selected and designated by the Board (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the par or principal amount thereof and accrued interest to the date of redemption, on the dates, and in the principal amounts, respectively, as set forth in the following schedule:

Bonds Maturing _____

<u>Redemption Date</u>	<u>Principal Amount</u>
------------------------	-------------------------

**The principal amount of the Bonds required to be redeemed on each such redemption date pursuant to the foregoing operation of the mandatory sinking fund shall be reduced, at the option of the Board, by the principal amount of any Bonds, which, at least 45 days prior to the mandatory sinking fund redemption date, (1) shall have been acquired by the Board and delivered to the Paying Agent/Registrar for cancellation, or (2) shall have been acquired and canceled by the Paying Agent/Registrar at the direction of the Board, in either case of (1) or (2) at a price not exceeding the par or principal amount of such Bonds or (3) have been redeemed pursuant to the optional redemption provisions set forth above and not theretofore credited against a mandatory sinking fund redemption. During any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Board and the securities depository.

**AT LEAST 30 days prior to the date for any redemption of this Bond prior to maturity, a notice of such redemption also shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the registered owner of each Bond, or portion thereof to be redeemed, at its address as it appeared on the Registration Books on the 45th day prior to such redemption date and to major securities depositories, national bond rating agencies, and bond information services; provided, however, that the failure to send, mail, or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption, due provision shall be made by the Board with the Paying Agent/Registrar for the payment of the required redemption price for this Bond or the portion hereof which is to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, this Bond, or the portion thereof which is to be so redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such redemptions of principal of this Bond or any portion hereof. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Board, all as provided in the Bond Resolution.

THIS BOND OR ANY PORTION OR PORTIONS HEREOF IN ANY AUTHORIZED DENOMINATION may be assigned and shall be transferred only in the Registration Books of the Board kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon

the terms and conditions set forth in the Bond Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The Form of Assignment printed or endorsed on this Bond shall be executed by the registered owner, or its duly authorized attorney or representative, to evidence the assignment hereof. A new Bond or Bonds payable to such assignee or assignees (which then will be the new registered owner or owners of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Paying Agent/Registrar in exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the exchange of other Bonds. The Board shall pay the Paying Agent/Registrar's standard or customary fees and charges, if any, for making such transfer or exchange as provided below, but the one requesting such transfer or exchange shall pay any taxes or other governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration or exchange of this Bond or any portion hereof #[(i) with respect to Current Interest Bonds,] during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. The registered owner of this Bond shall be deemed and treated by the Board and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and, to the extent permitted by law, the Board and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, #[with respect to the Current Interest Bonds,] in the denomination of any integral multiple of \$5,000 ##[, with respect to Capital Appreciation Bonds, in the denomination of \$5,000 Maturity Amounts or any integral multiple thereof.] As provided in the Bond Resolution, this Bond may, at the request of the registered owner or the assignee or assignees hereof, be exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, in the same form, and bearing interest at the same rate, in any authorized denomination as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution. Whenever the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering, or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Board, resigns, or otherwise ceases to act as such, the Board has covenanted in the Bond Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

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

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

THE REGISTERED OWNER hereof shall never have the right to demand payment of this Bond or the interest hereon out of any funds raised or to be raised by taxation or from any source whatsoever other than specified in the Bond Resolution.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Resolution, agrees to be bound by such terms and provisions, acknowledges that the Bond Resolution is duly recorded and available for inspection in the official minutes and records of the Board, and agrees that the terms and provisions of this Bond and the Bond Resolution constitute a contract between each registered owner hereof and the Board.

IN WITNESS WHEREOF, the Board has caused this Bond to be signed with the manual or facsimile signature of the Chairman or Vice Chairman of the Board and countersigned with the manual or facsimile signature of the Executive Director, Board of Regents, and has caused the official seal of the Board to be duly impressed, or placed in facsimile, on this Bond.

(signature)

Executive Director, Board of
Regents of The Texas A&M
University System

(signature)

Vice Chairman, Board of
Regents of The Texas A&M
University System

(BOARD SEAL)

* The use of proceeds provisions shall be conformed to the purposes referenced in the Award Certificate.

** The redemption provisions shall be conformed to the language relating to redemption in the Award Certificate. Provisions of Bonds related to redemption are to be deleted if the

Bonds are not subject to redemption. Any inconsistencies in such provisions shall be resolved in favor of the Award Certificate.

For inclusion in Current Interest Bonds if some of the Bonds are issued as Capital Appreciation Bonds.

For inclusion in Capital Appreciation Bonds.

[INSERTIONS FOR THE INITIAL BONDS]

The Initial Current Interest Bond shall be in the form set forth in this exhibit, except that:

- A. Immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below", and the heading "CUSIP NO." shall be deleted.
- B. The first paragraph of the Bond shall be deleted and the following will be inserted (with all blanks and bracketed items to be completed with information contained in the Award Certificate):

"The BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY (the "Board"), being an agency of the State of Texas, hereby promises to pay to the registered owner specified above or the registered assignee hereof (either being hereinafter called the "registered owner") on in each of the years in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Principal</u> <u>Installments</u>	<u>Years of</u> <u>Stated Maturities</u>	<u>Interest</u> <u>Rates</u>
---	---	---------------------------------

(Information from Award Certificate to be inserted)

The Board promises to pay interest on the unpaid principal amount hereof from the [Dated Date] [Issuance Date] specified above at the respective per annum rate of interest specified above, calculated on the basis of a 360-day year composed of twelve 30-day months, to the Maturity Date specified above, or the date of redemption prior to maturity; with interest being payable on _____, 20__, and semi-annually on each _____ and _____ thereafter, except that if the date of authentication of this Bond is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date."

- C. The Initial Bond shall be numbered "T-I".

The Initial Capital Appreciation Bond shall be in the form set forth in this exhibit, except that:

- A. Immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below", and the heading "CUSIP NO." shall be deleted.
- B. The first paragraph of the Bond shall be deleted and the following will be inserted (with all blanks and bracketed items to be completed with information contained in the Award Certificate):

"The BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM (the "Board"), being an agency of the State of Texas, hereby promises to pay to the registered owner specified above or the registered assignee hereof (either being hereinafter called the "registered owner") on in each of the years in the Maturity Amounts and bearing interest at the per annum rates set forth in the following schedule:

<u>Maturity</u>	<u>Years of</u>	<u>Interest</u>
<u>Amounts</u>	<u>Stated Maturities</u>	<u>Rates</u>

(Information from Award Certificate to be inserted)

Interest shall accrete on the original principal amount hereof from the Issuance Date at the interest rate per annum specified above (subject to rounding to the Compounded Amounts as provided in the Bond Resolution), compounded semi-annually on _____ and _____ of each year, commencing _____, 20___. For convenience of reference, a table appears on the back of this Bond showing the "Compounded Amount" of the original principal amount per \$5,000 Maturity Amount compounded semiannually at the yield shown on such table."

- C. The Initial Capital Appreciation Bond shall be numbered "CT-I".

* * *

TABLE OF ACCRETED VALUES [FOR CAPITAL APPRECIATION BONDS]

The Accreted Value, initial offering price (all per \$5,000 of Maturity Amount), together with the yield to maturity are as follows. Accreted Values are calculated based on the initial offering price and yield to maturity and, except at maturity, do not equal principal amount plus accrued interest.

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

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

[_____] , as
Paying Agent/Registrar

Dated: _____

By: _____
Authorized Representative

Address: _____

FORM OF REGISTRATION CERTIFICATE
OF THE COMPTROLLER OF PUBLIC ACCOUNTS

COMPTROLLER'S REGISTRATION CERTIFICATE

REGISTER NO.

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

Witness my signature and seal this

(COMPTROLLER'S SEAL)

Comptroller of Public Accounts of
the State of Texas

ASSIGNMENT

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --	as tenants in common	UNIF GIFT MIN ACT --
TEN ENT --	as tenants by the entireties	Custodian
JT TEN --	as joint tenants with rights	(Cust) (Minor)
	of survivorship and not as	under Uniform Gifts to
	tenants in common	Minors Act_____
		(State)

Additional abbreviations may also be used though not in the above list.

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

Please insert Social Security or

Other Identification Number of Assignee

/_____/

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitutes and appoints

to transfer said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated:_____

Signature Guaranteed: _____

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

NOTICE: Signature(s) must be guaranteed by the Securities Transfer Association signature guarantee program.

**BOARD OF REGENTS
THE TEXAS A&M UNIVERSITY SYSTEM**
July 21, 2017

Members, Board of Regents
The Texas A&M University System

Subject: Approval of System Internal Audit Plan for Fiscal Year 2018

The Committee on Audit recommends adoption of the following minute order:

“The Board of Regents of The Texas A&M University System hereby approves the System Internal Audit Plan for Fiscal Year 2018, a copy of which is attached to the official minutes.”

Respectfully submitted,

Clifton L. Thomas
Chairman, Committee on Audit

Approved for Legal Sufficiency:

Ray Bonilla
General Counsel



**THE TEXAS A&M
UNIVERSITY SYSTEM**

System Internal Audit Department

Fiscal Year 2018 Audit Plan



System Internal Audit Department Fiscal Year 2018 Audit Plan

Introduction

The purpose of the audit plan is to outline audits and other activities the System Internal Audit Department will conduct during fiscal year 2018. The plan is developed to satisfy responsibilities established by the Board of Regents Bylaws, System Policy 10.01, Section 2102.008 of the Government Code, and applicable auditing standards. The Chief Auditor is authorized to make changes to the plan, as deemed necessary, to address changes in identified risks. The Committee on Audit and the Chancellor will be notified of any significant additions, deletions, or other changes to the audit plan.

The audits in the plan provide a systematic and objective approach to assist The Texas A&M University System in achieving its goals and objectives in an efficient and effective manner. The audits included in this plan were primarily identified through a system-wide risk assessment process, although some of the audits are performed to assist the A&M System in complying with external requirements. Deliverables for planned audits may include audit reports, technical assistance, data analysis, and other written and oral communications.

The specific scope of each audit will be determined once the audit team has completed the planning process for the audit, which includes consideration of the governance, risk management and control processes that provide reasonable assurance that:

- Risks are appropriately identified and managed.
- Information is accurate, reliable, and timely.
- Employee actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Operations are efficient and effective.
- Resources are acquired economically, used efficiently, and adequately protected.
- Accountability systems are in place to ensure organizational and program missions, goals, plans, and objectives are achieved.



**System Internal Audit Department
Fiscal Year 2018 Audit Plan**

Planned Audits for Fiscal Year 2018

SYSTEMWIDE AUDIT

Compliance with Benefits Proportional by Fund Requirements*

A&M SYSTEM OFFICES

Construction Project Reporting to the Texas Higher Education Coordinating Board*

TEXAS A&M UNIVERSITY

College of Agriculture and Life Sciences – Information Technology
Mays Business School – Information Technology
School of Law – Information Technology
Accounts Payable
Facilities Condition
Form I-9 Processes
Recreational Sports
University Center

PRAIRIE VIEW A&M UNIVERSITY

Information Technology
Owens-Franklin Health Center
Research Administration

TARLETON STATE UNIVERSITY

Information Technology
Student Financial Aid

TEXAS A&M INTERNATIONAL UNIVERSITY

Health and Safety
Student Financial Aid

TEXAS A&M UNIVERSITY – CENTRAL TEXAS

Tuition and Fees

TEXAS A&M UNIVERSITY – COMMERCE

Information Technology
Research Administration

*These audits are required to be performed to comply with external audit requirements.



**System Internal Audit Department
Fiscal Year 2018 Audit Plan**

TEXAS A&M UNIVERSITY – CORPUS CHRISTI

Research Administration
University Police Department

TEXAS A&M UNIVERSITY – KINGSVILLE

Athletics Department
Health and Safety

TEXAS A&M UNIVERSITY – TEXARKANA

Financial Management Services

WEST TEXAS A&M UNIVERSITY

Information Technology

TEXAS A&M AGRILIFE EXTENSION SERVICE

Financial Management Services
Transportation and Fleet

TEXAS A&M AGRILIFE RESEARCH

Financial Management Services
Transportation and Fleet

TEXAS A&M ENGINEERING EXTENSION SERVICE

Export Controls
Information Technology

TEXAS A&M ENGINEERING EXPERIMENT STATION

Research Centers

TEXAS A&M TRANSPORTATION INSTITUTE

Information Technology
Proving Grounds Research Facility Compliance with ISO Standards*

TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY

Financial Management Services

*These audits are required to be performed to comply with external audit requirements.



System Internal Audit Department Fiscal Year 2018 Audit Plan

Other Types of Audits and Activities

Follow-up Audits

Follow-up audits will be conducted to determine if management has adequately addressed prior audit recommendations.

Change in Management Reviews

Change in management reviews will be conducted on an as-needed basis when a change in an executive management position occurs.

Assistance

Assistance will be provided as needed to A&M System members in developing and maintaining strong governance, risk management, and control processes and systems. Internal Audit may participate in work groups, major information system design, or provide consultative advice on financial, operational, and compliance issues. Internal Audit may also perform work to support external audit requirements.

AGENDA ITEM BRIEFING

Submitted by: Billy Hamilton, Executive Vice Chancellor and Chief Financial Officer
The Texas A&M University System

Subject: Approval of System Capital Plan for FY 2018 – FY 2022

Proposed Board Action:

Approve the System Capital Plan for FY 2018 – FY 2022.

Background Information:

Members of The Texas A&M University System each prepare a five-year capital plan as part of the overall planning process. These plans are then compiled into a system capital plan. The system capital plan includes all Revenue Financing System (RFS) and Permanent University Fund (PUF) financed projects, repair/renovation projects costing \$4 million or more, new construction/addition projects costing \$4 million or more, and real property acquisitions costing more than \$1 million. Both the CEO and CFO of each system member have certified the information included in the system member's capital plan including the adequacy of the debt repayment revenue resources.

Per System Policy [51.01, Capital Planning](#), the five-year capital plan for The Texas A&M University System is being presented to the Board of Regents for approval.

The \$4.3 billion system capital plan includes \$3.3 billion of previously approved projects that are either in design or construction. After cumulative expenditures of \$1.1 billion through May 2017, the remaining balance to be expended on approved projects is \$2.1 billion. The system capital plan also includes \$1.0 billion in proposed future projects including \$555.1 million of RFS debt projects, \$137.1 million of PUF debt projects, and \$320.6 million of projects to be funded by cash sources including the Available University Fund, Higher Education Fund, energy savings contracts, interest income, federal grants, designated tuition, gifts, student fees, auxiliary enterprise funds, general revenue, and other local funds.

Prior to inclusion on the capital plan for FY 2018, projects have completed the preparation of the Program of Requirements (unless otherwise noted on the plan). Board approval of the system capital plan for FY 2018 – FY 2022 will constitute approval for initiation of the proposed projects indicated to start in FY 2018 along with approval of the identified funding sources and will authorize the appropriation of up to 10 percent of the planning amounts indicated for the FY 2018 projects for pre-construction activities. Pre-construction activities include work of the Architect/Engineer Design Team, design assistance from a Design-Build Contractor or Construction Manager at Risk, environmental surveys, site surveys, building and site demolition work, and any other activities required to design the project. In addition, approval will authorize the completion of FY 2018 minor construction, rehabilitation/renovation, and equipment/software procurement projects including the appropriation of PUF and RFS debt proceeds where indicated.

Agenda Item No.
Agenda Item Briefing

FY 2018 proposed projects total \$309.5 million and include \$156.0 million of RFS debt projects, \$131.1 million of PUF debt projects, and \$22.4 million of projects to be funded by cash sources including AUF, HEF, energy savings contracts, interest income, federal grants, designated tuition, gifts, auxiliary enterprise funds, general revenue, and other local funds.

The initiated projects will be presented to the board for approval of construction when a scope and budget are more defined, prior to any construction contract award.

A&M System Funding or Other Financial Implications:

The board's approval of the system capital plan for FY 2018 – FY 2022 will authorize the appropriation of up to 10 percent of the planning amounts for FY 2018 proposed projects for pre-construction activities. As presented, requested appropriations for proposed FY 2018 projects would total up to \$30.95 million. In addition, the board's approval authorizes appropriation of PUF and RFS funds for the completion of FY 2018 minor construction, rehabilitation/renovation, equipment/software procurement, and other projects to be administered by the institutions or System Facilities Planning and Construction.

Agenda Item No.

**THE TEXAS A&M UNIVERSITY SYSTEM
FACILITIES PLANNING AND CONSTRUCTION**

Office of the Executive Vice Chancellor and Chief Financial Officer

July 5, 2017

Members, Board of Regents
The Texas A&M University System

Subject: Approval of System Capital Plan for FY 2018 – FY 2022

I recommend adoption of the following minute order:

“The system capital plan for FY 2018 – FY 2022, as shown in the exhibit, is approved and authorization to appropriate up to 10 percent of the planning amount indicated for all FY 2018 proposed projects is granted. In addition, the appropriation of PUF and RFS funding is approved for FY 2018 minor construction, rehabilitation/renovation, and equipment/software procurement projects administered by the institutions or System Facilities Planning and Construction.

The Board of Regents of The Texas A&M University System (board) reasonably expects to incur debt in one or more obligations for these projects, and all or a portion of the proceeds received from the sale of such obligations is reasonably expected to be used to reimburse the account(s) for amounts previously appropriated and/or expended from such account(s).

To the extent that the system capital plan identifies projects for financing through the issuance of parity obligations secured by and payable from revenues of the Revenue Financing System, and as required by Section 5(a) of the Master Resolution of the Revenue Financing System, the board hereby determines that it will have sufficient funds to meet the financial obligations of The Texas A&M University System, including sufficient pledged revenues to satisfy the annual debt service requirements of the Revenue Financing System and to meet all financial obligations of the board relating to the Revenue Financing System and that the participants, on whose behalf the parity obligations are issued, possess the financial capacity to satisfy their direct obligations after taking into account such proposed

Agenda Item No.
July 5, 2017

additional Revenue Financing System parity obligations as are identified in the system capital plan.”

Respectfully submitted,

Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

Approval Recommended:

John Sharp
Chancellor

Approved for Legal Sufficiency:

Ray Bonilla
General Counsel



**FY 2018 – FY 2022
Capital Plan
August 2017**

EXECUTIVE SUMMARY

Members of The Texas A&M University System each prepare a five-year capital plan as part of the overall planning process. These plans are then compiled into a System Capital Plan. Both the CEO and CFO of each system member certify the information included in the system member's capital plan including the adequacy of the debt repayment revenue resources.

The \$4.3 billion System Capital Plan includes \$3.3 billion of previously approved projects that are either in design or under construction and \$1.0 billion in proposed future projects. After cumulative expenditures through May 2017 of \$1.1 billion, the remaining balance to be expended on approved projects is \$2.1 billion. Included in the proposed future projects are \$555.1 million of Revenue Financing System debt projects, \$137.1 million of Permanent University Fund debt projects, and \$320.6 million of projects to be funded by cash sources including the Available University Fund, Higher Education Fund, energy savings contracts, interest income, federal grants, designated tuition, gifts, student fees, auxiliary enterprise funds, general revenue, and other local funds.

Fiscal year 2018 proposed projects total \$309.5 million and include \$156.0 million of RFS debt projects, \$131.1 million of PUF debt projects, and \$22.4 million of projects to be funded by cash sources including AUF, HEF, energy savings contracts, interest income, federal grants, designated tuition, gifts, auxiliary enterprise funds, general revenue, and other local funds.

<p align="center">THE TEXAS A&M UNIVERSITY SYSTEM</p> <p align="center">CAPITAL PLAN</p> <p align="center">FY 2018 - FY 2022</p>

System Member	Previously Approved Projects	Proposed Projects	Total Project Planning Amounts
Texas A&M University	1,324,407,191	481,174,561	1,805,581,752
Texas A&M University at Galveston	110,186,000	-	110,186,000
Texas A&M Health Science Center	276,566,789	112,000,000	388,566,789
Prairie View A&M University	178,437,091	10,000,000	188,437,091
Tarleton State University	172,592,074	12,400,000	184,992,074
Texas A&M University - Corpus Christi	126,859,384	11,000,000	137,859,384
Texas A&M International University	74,998,000	9,000,000	83,998,000
Texas A&M University - Kingsville	104,176,024	58,700,000	162,876,024
West Texas A&M University	154,812,878	74,250,000	229,062,878
Texas A&M University - Texarkana	107,700,000	-	107,700,000
Texas A&M University - Commerce	63,051,865	7,000,000	70,051,865
Texas A&M University - Central Texas	43,616,253	-	43,616,253
Texas A&M University - San Antonio	73,201,828	25,000,000	98,201,828
Texas A&M AgriLife Research	69,279,388	-	69,279,388
Texas A&M AgriLife Extension Service	896,261	-	896,261
Texas A&M Forest Service	287,042	-	287,042
Texas A&M Veterinary Medical Diagnostic Laboratory	53,799,000	15,000,000	68,799,000
Texas A&M Engineering Experiment Station	84,596,515	92,900,000	177,496,515
Texas A&M Engineering Extension Service	4,950,000	57,000,000	61,950,000
Texas A&M Transportation Institute	71,325,054	-	71,325,054
System Offices	65,388,521	-	65,388,521
RELLIS	98,375,000	47,375,000	145,750,000
	<u>3,259,502,159</u>	<u>1,012,799,561</u>	<u>4,272,301,720</u>

<p align="center">THE TEXAS A&M UNIVERSITY SYSTEM</p> <p align="center">CAPITAL PLAN</p> <p align="center">FY 2018 - FY 2022</p>

<u>System Member</u>	<u>Total Project Planning Amounts</u>	<u>Cumulative Prior Years Expenditures to 5/31/17</u>	<u>Remaining Planning Amounts</u>
Texas A&M University	1,805,581,752	631,648,190	1,173,933,562
Texas A&M University at Galveston	110,186,000	42,128,507	68,057,493
Texas A&M Health Science Center	388,566,789	29,427,399	359,139,390
Prairie View A&M University	188,437,091	110,613,424	77,823,667
Tarleton State University	184,992,074	31,203,099	153,788,975
Texas A&M University - Corpus Christi	137,859,384	18,434,583	119,424,801
Texas A&M International University	83,998,000	9,482,556	74,515,444
Texas A&M University - Kingsville	162,876,024	18,253,936	144,622,088
West Texas A&M University	229,062,878	13,544,719	215,518,159
Texas A&M University - Texarkana	107,700,000	75,397,648	32,302,352
Texas A&M University - Commerce	70,051,865	4,503,232	65,548,633
Texas A&M University - Central Texas	43,616,253	6,029,574	37,586,679
Texas A&M University - San Antonio	98,201,828	5,694,028	92,507,800
Texas A&M AgriLife Research	69,279,388	31,220,924	38,058,464
Texas A&M AgriLife Extension Service	896,261	-	896,261
Texas A&M Forest Service	287,042	36,703	250,339
Texas A&M Veterinary Medical Diagnostic Laboratory	68,799,000	49,820,546	18,978,454
Texas A&M Engineering Experiment Station	177,496,515	26,329,201	151,167,314
Texas A&M Engineering Extension Service	61,950,000	-	61,950,000
Texas A&M Transportation Institute	71,325,054	2,010,940	69,314,114
System Offices	65,388,521	33,099,739	32,288,782
RELLIS	145,750,000	4,012,844	141,737,156
	<u>4,272,301,720</u>	<u>1,142,891,793</u>	<u>3,129,409,927</u>

<p style="text-align: center;">THE TEXAS A&M UNIVERSITY SYSTEM CAPITAL PLAN PROPOSED PROJECTS - FISCAL YEAR 2018</p>

System Member	Planning Amounts	Resource Allocation		
		PUF Debt Proceeds	RFS Debt Proceeds	Other
Texas A&M University	81,984,053		76,676,553	5,307,500
Texas A&M University at Galveston	-			
Texas A&M Health Science Center	112,000,000	106,100,000	5,900,000	
Prairie View A&M University	-			
Tarleton State University	12,400,000		2,400,000	10,000,000
Texas A&M University - Corpus Christi	11,000,000		9,300,000	1,700,000
Texas A&M International University	-			
Texas A&M University - Kingsville	-			
West Texas A&M University	2,400,000			2,400,000
Texas A&M University - Texarkana	-			
Texas A&M University - Commerce	-			
Texas A&M University - Central Texas	-			
Texas A&M University - San Antonio	25,000,000	25,000,000		
Texas A&M AgriLife Research	-			
Texas A&M AgriLife Extension Service	-			
Texas A&M Forest Service	-			
Texas A&M Veterinary Medical Diagnostic Laboratory	15,000,000		15,000,000	
Texas A&M Engineering Experiment Station	23,300,000		20,300,000	3,000,000
Texas A&M Engineering Extension Service	22,000,000		22,000,000	
Texas A&M Transportation Institute	-			
System Offices	-			
RELLIS	4,375,000		4,375,000	
	<u>309,459,053</u>	<u>131,100,000</u>	<u>155,951,553</u>	<u>22,407,500</u>

THE TEXAS A&M UNIVERSITY SYSTEM
Capital Plan

Funding Codes

a	Available University Fund
b	Gifts
c	Contracts and Grants
e	E&G Unrestricted
f	Federal Funds
g	Designated Tuition
h	Housing Revenues
n	General Revenue
o	Other
p	Parking
r	Recreational Sports Fees
s	Student Fees
T	Tuition Revenue
u	Utility
v	Stadium Revenue Funds
w	Higher Education Funds
x	Auxiliary Enterprise Funds
y	Indirect Cost Recoveries

TEXAS A&M UNIVERSITY
FY 2018 - FY 2022 CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/17	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS							
2-3125		Veterinary Medicine and Biomedical Sciences Education Bldg	123,294,248	119,498,729	501,271		3,294,248 o,p
2-3143		Student Recreation Center Addition	54,990,000	51,731,348		3,258,652 r	
2-3155		* Engineering Education Complex	224,669,000	107,984,482		107,534,518 b,o,y	9,150,000 b,o,y
2-3156		Commons Building Renovation and Additions	49,850,000	42,858,840		241,160 h	6,750,000 h
2-3162		Completion of Corps Dorm Renovation	149,000,000	130,431,426		15,568,574 h	3,000,000 b
2-3164		Chemistry Building '72 Wing 1st and 2nd Floor Renovation	12,894,125	8,939,720			3,954,405 a,g,o
2-3170		Human Clinical Research Facility	13,950,000	13,307,423			642,577 a,g,y
2-3177		West Campus Support Building	17,000,000	3,024,156		13,975,844 h	
2-3183		Aggie Softball Stadium	28,640,000	1,411,387		22,393,066 b,v	4,835,547 b
2-3184		Aggie Track & Field Stadium	39,800,000	1,456,557		34,379,742 b,v	3,963,701 b
2-3193		Joint Library Facility Module 2	5,000,000	1,594,788			3,405,212 a,g
2-3205		Biocontainment Research Facility	86,000,000	6,944,431	4,055,569	75,000,000 T	
2-3208		** Agriculture Building #5	45,000,000	1,187,587	22,912,413	13,200,000 g,y,o	7,700,000 s,g,o
2-3210		Renovate the Commissary Building	33,155,000	25,054,894		8,100,106 s	
2-3211		Music Activities Center	42,500,000	782,083		9,016,250 b	32,701,667 a,b,x
2-3212		McAllen Multipurpose Academic Building	40,000,000	2,864,820	27,135,180		10,000,000 o
2-3213		HVAC Replacement Mosher Hall	15,028,100	1,906,165		13,121,935 h	
2-3216		Penberthy Rec Fields Relocation	9,984,263	8,055,636			1,928,627 b
2-3220		Storm Water System Improvements	11,430,000	207,478		11,222,522 u	
2-3235		Student Services Building	40,000,000			40,000,000 s	
2-3236		21st Century Classroom Building	74,000,000		70,000,000		4,000,000 o
		Agromony Road Electrical Substation Capacity Upgrade	4,100,000	3,916,634		183,366 u	
		Campus Storm Water Improvements	5,000,000	4,456,176		543,824 u	
		Campus Water Systems Improvements	5,000,000	4,619,988		380,012 u	
		Domestic Water System Improvements	9,560,000			9,560,000 u	
		Electrical System Improvements	8,940,000			8,940,000 u	
		FY15 Utility Production Upgrade	7,388,599	7,266,946		121,653 u	
		HVAC Replacement Krueger Hall	9,939,305	9,710,616		228,689 h	
		HVAC Replacement Legett Hall	5,534,408	5,143,180		391,228 h	
		HVAC Replacement Neeley Hall	6,803,145	6,214,186		588,959 h	
		HVAC Replacement Rudder Hall	6,830,500	518,906		6,311,594 h	
		HVAC Replacement Underwood Hall	6,583,840	5,571,170		1,012,670 h	
		HVAC Replacement Clements Hall	7,123,200			7,123,200 h	
		HVAC Replacement Hobby Hall	6,932,400			6,932,400 h	
		New Electrical Substation and Capacity Upgrade	9,750,000	1,252,851		8,497,149 u	
		Thermal System Improvements	9,665,875			9,665,875 u	
		TVMDL Renovation	5,000,000				5,000,000 g
		Energy Consumption Reduction Project - Phase IV	5,465,600	5,178,345			287,255 o
		Energy Consumption Reduction Project - Phase V	5,518,515	5,236,537			281,978 o
		Equine Phase II Initiative	6,841,401	126,599			6,714,802 g,o
		The Gardens at Texas A&M University	6,578,770			1,483,366 b	5,095,404 b,g
		Reimagine the Libraries Phase 3	7,300,000	3,629,815			3,670,185 b,s
		Physical Plant Projects/Equipment/Other	62,366,897	39,564,291	20,200,950	2,601,656	
		Total Construction/Acquisitions in Progress	1,324,407,191	631,648,190	144,805,383	431,578,010	116,375,608

TEXAS A&M UNIVERSITY
FY 2018 - FY 2022 CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/17	PUF Debt Proceeds	RFS Debt Proceeds	Other
PROPOSED PROJECTS							
	2018	** Agriculture Building #5 (addition)	4,000,000			4,000,000 g,y,o	
	2018	Combined Heat and Power System Maintenance	5,307,500				5,307,500 u
	2018	HVAC Replacement Haas	8,195,041			8,195,041 h	
	2018	HVAC Replacement McFadden	7,614,216			7,614,216 h	
	2018	Polo Garage	56,867,296			56,867,296 p	
	2019	HVAC Replacement Lechner	7,025,766			7,025,766 h	
	2019	HVAC Replacement Wells Hall	6,932,400			6,932,400 h	
	2019	Peterson Building Renovation	11,500,000			11,500,000 g,o	
	2019	Aggie Park	10,000,000				10,000,000 b
	2019	Aggie Park Pavilion	5,000,000				5,000,000 b
	2019	Indoor Tennis Facility	30,000,000				30,000,000 b
	2019	Chemistry Building Renovation 86/72 Wings	4,000,000				4,000,000 o
	2019	Swimming and Diving Expansion	7,000,000				7,000,000 b
	2020	Aggie Band Residence Hall	57,844,000			57,844,000 h	
	2020	HVAC Replacement Appelt Hall	7,703,631			7,703,631 h	
	2020	HVAC Replacement Aston Hall	12,371,219			12,371,219 h	
	2020	Mosher Hall Renovation	39,200,000			19,700,000 h	19,500,000 b
	2020	Satellite Recreation Center	30,000,000			30,000,000 r	
	2020	Southside Innovation Center	41,500,000			21,500,000 h	20,000,000 b
	2020	Law School Clinic and Garage	31,000,000				31,000,000 b
	2021	HVAC Replacement Dunn Hall	13,113,492			13,113,492 h	
	2021	Law School Building	85,000,000				85,000,000 b
		Total Proposed Construction/Acquisitions	481,174,561	-	-	264,367,061	216,807,500
TOTAL CAPITAL PLAN			1,805,581,752	631,648,190	144,805,383	695,945,071	333,183,108

* \$2 million of RFS debt will be funded by TEES.

** \$4.1 million of PUF will be funded by AL-RSRCH FY17 and FY18 PUF equipment allocation; subject to approval by the Board. \$10 million of RFS debt will be funded by TEES.
\$7.2 million of RFS debt will be funded by AL-RSRCH and \$1.34 million of Other will be funded by AL-RSRCH.

Unfunded Capital Needs:

2021	Heldenfels 2nd Floor Renovation - Biology	6,200,000
2021	Heldenfels 2nd Floor Renovation - Chemistry	7,486,750
2021	Chemistry Building '72 Wing Renovation	7,200,000

TEXAS A&M UNIVERSITY at GALVESTON
FY 2018 - FY 2022 CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/17	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS							
10-3180		Academic Building Complex - Phase I	47,950,000	32,508,050		13,211,950	T,a,o 2,230,000 b,x
10-3197		Academic Building Complex Phase II and Infrastructure	56,280,000	8,728,110		47,551,890	T
		Waterfront Events Pavilion	5,956,000	892,347		3,448,500	x 1,615,153 x
		Total Construction/Acquisitions in Progress	<u>110,186,000</u>	<u>42,128,507</u>	<u>0</u>	<u>64,212,340</u>	<u>3,845,153</u>
TOTAL CAPITAL PLAN			<u>110,186,000</u>	<u>42,128,507</u>	<u>0</u>	<u>64,212,340</u>	<u>3,845,153</u>

Unfunded Capital Needs:

2019	The ISLE, Infrastructure, and Central Plant	56,650,000
2019	Renovation of Old Library for New Student Center	8,114,919
2019	New Engineering Teaching/Research Building	50,000,000
2020	Recreation Sports Facility Expansion and Athletic Fields	50,000,000
2020	Building Condition Assessment Upgrades	41,385,853
2020	Corps Walk	597,026

TEXAS A&M HEALTH SCIENCE CENTER
FY 2018 - FY 2022 CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/17	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS							
23-3202		Dentistry Clinical Education Facility - Dallas	127,500,000	4,584,515	5,000,000	104,915,485 T,g,o	13,000,000 b,g
23-3203		Medical Research and Education Building 2	103,800,000	10,286,514		93,513,486 T,g,o	
		Physical Plant Projects/Equipment/Other	45,266,789	14,556,370	29,210,419		1,500,000
		Total Construction/Acquisitions in Progress	<u>276,566,789</u>	<u>29,427,399</u>	<u>34,210,419</u>	<u>198,428,971</u>	<u>14,500,000</u>
PROPOSED PROJECTS							
2018		* En/Health Building and Renovation	112,000,000		106,100,000	5,900,000 a	
		Total Construction/Acquisitions	<u>112,000,000</u>	<u>0</u>	<u>106,100,000</u>	<u>5,900,000</u>	<u>0</u>
TOTAL CAPITAL PLAN			<u>388,566,789</u>	<u>29,427,399</u>	<u>140,310,419</u>	<u>204,328,971</u>	<u>14,500,000</u>

* Project will not move forward until due diligence and POR are complete.

Unfunded Capital Needs:

2020	Multi-Institutional Translational Research Campus (excludes FF&E)	189,000,000
2020	Public Health Educational Innovation Facility	50,000,000

PRAIRIE VIEW A&M UNIVERSITY
FY 2018 - FY 2022 CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/17	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS							
5-3126		Agriculture and Business Multipurpose Classroom Building	38,234,752	37,737,081			497,671 a
5-3157		Football Stadium and Athletic Field House	63,010,374	59,983,884			3,026,490 b,h,o,x
5-3198		Fabrication Center	17,158,000	2,848,442	2,158,000	11,651,558 T	500,000 g
5-3204		Capital Improvements	20,232,000	957,831		13,174,169 T	6,100,000 a,g
5-3251		Energy Consumption Reduction Project	15,302,030				15,302,030 g,o
		Agriculture Comprehensive Facility	5,844,688				5,844,688 c,g
		Physical Plant Projects/Equipment/Other	18,376,300	8,807,239	8,242,185	500,225	826,651
		Total Construction/Acquisitions in Progress	178,158,144	110,334,477	10,400,185	25,325,952	32,097,530
PROPOSED PROJECTS							
	2019	Innovation and Commercialization Center for Entrepreneurs (ICCE)	10,000,000				10,000,000 o
		Total Proposed Construction/Acquisitions	10,000,000	0	0	0	10,000,000
TOTAL CAPITAL PLAN			188,158,144	110,334,477	10,400,185	25,325,952	42,097,530
Unfunded Capital Needs:							
	2020	Expanded Utility Plant	12,000,000				
	2020	Cultural Arts Center	15,000,000				

TARLETON STATE UNIVERSITY
FY 2018 - FY 2022 CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/17	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS							
4-3176		Memorial Football Stadium Renovation and Expansion	24,000,000	1,293,673		22,706,327	o,x
4-3187		Utility and Infrastructure Improvements	25,750,000	11,306,608	8,693,392	5,000,000	s 750,000 x
4-3191		Southwest Metroplex Building	39,600,000	244,476		39,355,524	T
4-3195		Applied Sciences Building	54,000,000	3,579,231		50,420,769	T
		Physical Plant Projects/Equipment/Other	29,242,074	14,779,111	14,427,805	35,158	
		Total Construction/Acquisitions in Progress	<u>172,592,074</u>	<u>31,203,099</u>	<u>23,121,197</u>	<u>117,517,778</u>	<u>750,000</u>
PROPOSED PROJECTS							
	2018	Memorial Football Stadium Renovation and Expansion (addition)	2,400,000			2,400,000	b
	2018	* Farm Repair and Modernization	10,000,000				10,000,000 n
		Total Proposed Construction/Acquisitions	<u>12,400,000</u>	<u>0</u>	<u>0</u>	<u>2,400,000</u>	<u>10,000,000</u>
TOTAL CAPITAL PLAN			<u>184,992,074</u>	<u>31,203,099</u>	<u>23,121,197</u>	<u>119,917,778</u>	<u>10,750,000</u>

* Project will not move forward until POR is complete.

Unfunded Capital Needs:

2018	Land Acquisitions	2,500,000
2019	Land Acquisitions	1,200,000
2020	Aquatics Center	7,000,000
2020	Fort Worth Building #2 and Physical Plant	45,000,000
2020	Land Acquisitions	1,200,000
2020	Wisdom Gym Renovation	10,000,000
2021	Applied Sciences Building 2: Agriculture	90,000,000
2021	Land Acquisitions	1,200,000
2022	Convocation and Event Center	72,000,000
2022	Land Acquisitions	1,200,000
2022	Joe Autry Building Expansion and Renovation	25,000,000

TEXAS A&M UNIVERSITY - CORPUS CHRISTI
FY 2018 - FY 2022 CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/17	RFS Debt Proceeds	Other
APPROVED PROJECTS						
15-3188		Life Sciences Research and Engineering Building - Ph I	60,000,000	11,559,460	48,440,540	T
		Energy Consumption Reduction Project - Phase I	7,100,000			7,100,000
		Parking Garage - Island Campus	39,000,000		39,000,000	g,o,p
		Physical Plant Projects/Equipment/Other	20,759,384	6,875,123	13,131,903	752,358
		Total Construction/Acquisitions in Progress	<u>126,859,384</u>	<u>18,434,583</u>	<u>100,572,443</u>	<u>7,852,358</u>
PROPOSED PROJECTS						
		Physical Plant Projects/Equipment/Other	11,000,000		9,300,000	1,700,000
		Total Proposed Construction/Acquisitions	<u>11,000,000</u>	<u>0</u>	<u>9,300,000</u>	<u>1,700,000</u>
TOTAL CAPITAL PLAN			<u>137,859,384</u>	<u>18,434,583</u>	<u>109,872,443</u>	<u>9,552,358</u>

Unfunded Capital Needs:

2019	Arts and Media Building	65,000,000
2019	Electrical Distribution Upgrades Phase 2 and 3	1,500,000
2019	Learning Resources - Library	70,000,000
2019	Life Sciences Research and Engineering Complex - Ph II	65,000,000
2019	Momentum Athletics Complex	30,000,000
2019	Momentum Basketball Practice Facility	15,000,000
2019	NRC Roof Replacement	1,000,000
2019	NRC Renovations	3,500,000
2020	New Academic Building	45,000,000
2021	Health Center	25,500,000
2021	Student Aquatics Center	45,000,000
2022	Bridge Construction	30,000,000
2022	Central Plant Chiller Replacement (#2 & #3)	1,800,000
2022	Convocation Center	101,250,000
2022	Parking Garage	40,000,000

<p style="text-align: center;">TEXAS A&M INTERNATIONAL UNIVERSITY FY 2018 - FY 2022 CAPITAL PLAN SUMMARY INFORMATION</p>

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/17	RFS Debt Proceeds	Other
APPROVED PROJECTS						
16-3206		Addition of Instructional and Support Spaces	71,000,000	5,642,447	49,557,553 T	15,800,000 g,w
		Physical Plant Projects/Equipment/Other	3,998,000	3,840,109	157,891	
		Total Construction/Acquisitions in Progress	<u>74,998,000</u>	<u>9,482,556</u>	<u>49,715,444</u>	<u>15,800,000</u>
PROPOSED PROJECTS						
2019		* ESCO Utility Project	9,000,000		9,000,000 g,o	
		Total Proposed Construction/Acquisitions	<u>9,000,000</u>	<u>0</u>	<u>9,000,000</u>	<u>0</u>
TOTAL CAPITAL PLAN			<u>83,998,000</u>	<u>9,482,556</u>	<u>58,715,444</u>	<u>15,800,000</u>

* Funding has not been finalized and is subject to change.

Unfunded Capital Needs:		
2020	WHTC Large Classroom Addition	5,000,000
2021	Renovation of Kinesiology Convocation Building	28,000,000
2022	Addition to Fine and Performing Arts	6,000,000
2022	Assembly Hall/Events Center	80,000,000

TEXAS A&M UNIVERSITY - KINGSVILLE
FY 2018 - FY 2022 CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/17	RFS Debt Proceeds	Other
APPROVED PROJECTS						
17-3207		Education Complex	60,950,320	2,332,550	57,667,450 T	950,320 w
17-3225		Administrative Services Building	16,553,075		16,553,075 w	
		Athletic and Intramural Fields	7,000,000	6,248,653	751,347 r	
		Eckhardt Hall Renovation	9,000,000		9,000,000 w	
		Physical Plant Projects/Equipment/Other	10,672,629	9,672,733	692,267	307,629
		Total Construction/Acquisitions in Progress	104,176,024	18,253,936	84,664,139	1,257,949
PROPOSED PROJECTS						
2019		* ESCO Utility Project	9,000,000		9,000,000 u	
2019		Bellamah Music Building Renovation	8,000,000		8,000,000 w	
2020		Parking Garage Structure	20,000,000		20,000,000 p	
2021		Athletic Campaign Building	9,800,000		9,800,000 b,s	
2021		Business Admin Building Renovation	8,000,000		8,000,000 w	
		Physical Plant Projects/Equipment/Other	3,900,000		3,900,000	
		Total Proposed Construction/Acquisitions	58,700,000	0	58,700,000	0
TOTAL CAPITAL PLAN			162,876,024	18,253,936	143,364,139	1,257,949

* Funding has not been finalized and is subject to change.

Unfunded Capital Needs:

2020	Lewis Hall Renovation	17,340,000
2020	Nierman Hall Renovation	9,000,000
2021	Athletic Venue Improvements	12,000,000
2021	Health Professions Building	60,000,000
2021	Kinesthetic Studies Facility	15,000,000
2021	New Physical Plant Building and Shops	6,800,000
2021	STEM and Educational Center at the Weslaco Campus	80,570,000
2022	Drama/Art Building Renovation	7,000,000
2022	Health & Rec Renovation	12,000,000
2022	Hill Hall Renovation	5,000,000
2022	Howe Ag Building Renovation	6,000,000
2022	New Campus HVAC Central Plant	30,000,000
2022	Technology Learning Center	47,000,000

<p style="text-align: center;">WEST TEXAS A&M UNIVERSITY FY 2018 - FY 2022 CAPITAL PLAN SUMMARY INFORMATION</p>
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Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/17	RFS Debt Proceeds	Other
APPROVED PROJECTS						
18-3199		Agricultural Sciences Complex	49,036,000	8,008,230	41,027,770	T,b,o
18-3226		Football and Soccer/Track Stadiums	32,500,000		32,500,000	s
18-3227		Renovate Jarrett Hall Phase II	14,330,000		14,330,000	h
18-3250		Amarillo Center Renovation Phase II	18,200,000		14,300,000	T,w 3,900,000 o
		Engineering Renovation - Phase II	6,000,000		6,000,000	w
		Physical Plant Projects/Equipment/Other	34,746,878	5,536,489	4,082,471	25,127,918
		Total Construction/Acquisitions in Progress	<u>154,812,878</u>	<u>13,544,719</u>	<u>112,240,241</u>	<u>29,027,918</u>
PROPOSED PROJECTS						
2019		* Energy Consumption Reduction Project	16,500,000		16,500,000	o
2019		Cousins Hall Renovation	8,750,000		8,750,000	h
2021		Underclassmen Residence Hall - Phase III	35,000,000		35,000,000	h
		Physical Plant Projects/Equipment/Other	14,000,000			14,000,000
		Total Proposed Construction/Acquisitions	<u>74,250,000</u>	<u>0</u>	<u>60,250,000</u>	<u>14,000,000</u>
TOTAL CAPITAL PLAN			<u>229,062,878</u>	<u>13,544,719</u>	<u>172,490,241</u>	<u>43,027,918</u>

* Funding has not been finalized and is subject to change.

Unfunded Capital Needs:

2020	Education Building	18,000,000
2020	Nursing and Health Building	20,000,000
2021	Enrichment Center	25,000,000
2021	Visitor Center	20,000,000

TEXAS A&M UNIVERSITY - TEXARKANA
FY 2018 - FY 2022 CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/17	RFS Debt Proceeds	Other
APPROVED PROJECTS						
22-2997		Multipurpose Library Building and Central Plant - Phase 2	75,700,000	75,397,648	302,352 T,w	
		Academic and Student Services Building	32,000,000		32,000,000 T	
		Total Construction/Acquisitions in Progress	<u>107,700,000</u>	<u>75,397,648</u>	<u>32,302,352</u>	<u>0</u>
TOTAL CAPITAL PLAN			<u>107,700,000</u>	<u>75,397,648</u>	<u>32,302,352</u>	<u>0</u>

Unfunded Capital Needs:		
2019	College of Business Building	36,500,000

TEXAS A&M UNIVERSITY - COMMERCE
FY 2018 - FY 2022 CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/17	RFS Debt Proceeds	Other
APPROVED PROJECTS						
21-1701		* Energy Conservation Measures Project	9,051,865		8,874,378 o	177,487 g
21-3186		Nursing and Health Sciences Building	54,000,000	4,503,232	43,496,768 T	6,000,000 w
		Total Construction/Acquisitions in Progress	<u>63,051,865</u>	<u>4,503,232</u>	<u>52,371,146</u>	<u>6,177,487</u>
PROPOSED PROJECTS						
	2019	Morris Rec Center Expansion	7,000,000		7,000,000 r	
		Total Proposed Construction/Acquisitions	<u>7,000,000</u>	<u>0</u>	<u>7,000,000</u>	<u>0</u>
TOTAL CAPITAL PLAN			<u>70,051,865</u>	<u>4,503,232</u>	<u>59,371,146</u>	<u>6,177,487</u>

* Funding has not been finalized and is subject to change.

Unfunded Capital Needs:		
2020	Engineering Building	70,000,000
2020	Agricultural Meat Lab	8,000,000
2020	Library and Center for Educational Innovation and Faculty Development, and Renovation of Existing Gee Library	82,000,000
2021	Multi-Purpose Event Center	30,000,000
2021	Rayburn Student Center Expansion	17,500,000
2022	Parking Garage	20,000,000

<p align="center">TEXAS A&M UNIVERSITY - CENTRAL TEXAS FY 2018 - FY 2022 CAPITAL PLAN SUMMARY INFORMATION</p>
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<u>Project #</u>	<u>Projected FY Start Date</u>	<u>Project Name</u>	<u>Total Planning Amount</u>	<u>Cumulative Expenditures Prior Years to 5/31/17</u>	<u>PUF Debt Proceeds</u>	<u>RFS Debt Proceeds</u>	<u>Other</u>
APPROVED PROJECTS							
24-3194		Multipurpose Building 3	36,000,000	4,241,872		31,758,128	T
		Physical Plant Projects/Equipment/Other	7,616,253	1,787,702	4,088,551	1,500,000	240,000
		Total Construction/Acquisitions in Progress	<u>43,616,253</u>	<u>6,029,574</u>	<u>4,088,551</u>	<u>33,258,128</u>	<u>240,000</u>
TOTAL CAPITAL PLAN			<u>43,616,253</u>	<u>6,029,574</u>	<u>4,088,551</u>	<u>33,258,128</u>	<u>240,000</u>

Unfunded Capital Needs:			
2020	Central Utility Plant	25,000,000	
2020	Student and Faculty Learning Commons/Auditorium	60,000,000	

TEXAS A&M UNIVERSITY - SAN ANTONIO
FY 2018 - FY 2022 CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/17	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS							
25-3158		Science and Technology Building	63,000,000	5,456,029		57,543,971	T
		Physical Plant Projects/Equipment/Other	10,201,828	237,999	6,463,829	3,500,000	
		Total Construction/Acquisitions in Progress	<u>73,201,828</u>	<u>5,694,028</u>	<u>6,463,829</u>	<u>61,043,971</u>	<u>0</u>
PROPOSED PROJECTS							
2018	*	Academic and Administration Building - Phase I	25,000,000		25,000,000		
		Total Proposed Construction/Acquisitions	<u>25,000,000</u>	<u>0</u>	<u>25,000,000</u>	<u>0</u>	<u>0</u>
TOTAL CAPITAL PLAN			<u>98,201,828</u>	<u>5,694,028</u>	<u>31,463,829</u>	<u>61,043,971</u>	<u>0</u>

* Project will not move forward until POR is complete.

Unfunded Capital Needs:

2020	Academic and Administration Building - Phase 2	53,000,000
2020	Central Utility Plant	24,310,000
2020	Kinesiology/Classroom/Lab Facility	45,000,000
2021	Student Innovation Center and Library	54,000,000

TEXAS A&M AGRILIFE RESEARCH
FY 2018 - FY 2022 CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/17	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS							
06-3175		Agriculture & Life Sciences Building #4	28,500,000	22,714,276			5,785,724 o
06-3192		Dallas AgriLife Center	34,000,000	3,578,366			30,421,634 o
		Physical Plant Projects/Equipment/Other	6,779,388	4,928,282	1,851,106		
		Total Construction/Acquisitions in Progress	<u>69,279,388</u>	<u>31,220,924</u>	<u>1,851,106</u>	<u>0</u>	<u>36,207,358</u>
TOTAL CAPITAL PLAN			<u>69,279,388</u>	<u>31,220,924</u>	<u>1,851,106</u>	<u>0</u>	<u>36,207,358</u>

<p align="center">TEXAS A&M AGRILIFE EXTENSION SERVICE FY 2018 - FY 2022 CAPITAL PLAN SUMMARY INFORMATION</p>
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Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/17	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS							
		Physical Plant Projects/Equipment/Other	896,261		896,261		
		Total Construction/Acquisitions in Progress	896,261	0	896,261	0	0
TOTAL CAPITAL PLAN			896,261	0	896,261	0	0

<p align="center">TEXAS A&M FOREST SERVICE FY 2018 - FY 2022 CAPITAL PLAN SUMMARY INFORMATION</p>
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Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/17	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS							
		Physical Plant Projects/Equipment/Other	287,042	36,703	250,339		
		Total Construction/Acquisitions in Progress	287,042	36,703	250,339	0	0
TOTAL CAPITAL PLAN			287,042	36,703	250,339	0	0

Unfunded Capital Needs: 2018	Agency Facilities (new construction, renovations, improvements, furnishings)	7,400,000
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<p align="center">TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY</p> <p align="center">FY 2018 - FY 2022 CAPITAL PLAN</p> <p align="center">SUMMARY INFORMATION</p>
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Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/17	RFS Debt Proceeds	Other
APPROVED PROJECTS						
20-3160		Texas A&M Veterinary Medical Diagnostic Laboratory	53,600,000	49,630,360	3,369,640 n	600,000 p
		Physical Plant Projects/Equipment/Other	199,000	190,186	8,814	
		Total Construction/Acquisitions in Progress	<u>53,799,000</u>	<u>49,820,546</u>	<u>3,378,454</u>	<u>600,000</u>
PROPOSED PROJECTS						
	2018	Texas A&M Veterinary Medical Diagnostic				
		* Laboratory, Canyon Facility	15,000,000		15,000,000 n,x	
		Total Proposed Construction/Acquisitions	<u>15,000,000</u>	<u>0</u>	<u>15,000,000</u>	<u>0</u>
TOTAL CAPITAL PLAN			<u>68,799,000</u>	<u>49,820,546</u>	<u>18,378,454</u>	<u>600,000</u>

* Project will not move forward until POR is complete.

TEXAS A&M ENGINEERING EXPERIMENT STATION
FY 2018 - FY 2022 CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/17	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS							
28-3196		Center for Infrastructure Renewal	80,851,000	25,814,330		55,036,670	n
		Physical Plant Projects/Equipment/Other	3,745,515	514,871	3,230,644		
		Total Construction/Acquisitions in Progress	<u>84,596,515</u>	<u>26,329,201</u>	<u>3,230,644</u>	<u>55,036,670</u>	<u>0</u>
PROPOSED PROJECTS							
2018		Haynes Coastal Engineering Lab	6,500,000			6,500,000	y
2018		TEES Headquarters Building	15,000,000			12,000,000	y
2019		Industrial Distribution Building #2	18,000,000				3,000,000 o
2019		Mary K. O'Connor Process Safety Center	21,000,000				18,000,000 b
2019		Rowlett Industrial Distribution Building	20,600,000			9,500,000	s
2019		TEES Industry Lab	10,000,000		4,000,000	4,000,000	y,o
		Physical Plant Projects/Equipment/Other	1,800,000			1,800,000	
		Total Proposed Construction/Acquisitions	<u>92,900,000</u>	<u>0</u>	<u>4,000,000</u>	<u>33,800,000</u>	<u>55,100,000</u>
TOTAL CAPITAL PLAN			<u>177,496,515</u>	<u>26,329,201</u>	<u>7,230,644</u>	<u>88,836,670</u>	<u>55,100,000</u>

TEXAS A&M ENGINEERING EXTENSION SERVICE
FY 2018 - FY 2022 CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/17	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS							
		Physical Plant Projects/Equipment/Other	4,950,000		1,000,000	3,950,000	
		Total Construction/Acquisitions in Progress	4,950,000	0	1,000,000	3,950,000	0
PROPOSED PROJECTS							
2018		New Building at H.B. Zachry Training Center	22,000,000			22,000,000 e	
2019		Fire Station/Classroom/Office - Brayton Firefield	12,000,000			12,000,000 e	
2019		Water Wastewater Treatment System Expansion	11,000,000			11,000,000 e	
2020		Brayton Fire Field Training Props	5,000,000			5,000,000 e	
2020		RELLIS - TEEX Training Complex	7,000,000			7,000,000 e	
		Total Proposed Construction/Acquisitions	57,000,000	0	0	57,000,000	0
TOTAL CAPITAL PLAN			61,950,000	0	1,000,000	60,950,000	0

<p style="text-align: center;">TEXAS A&M TRANSPORTATION INSTITUTE FY 2018 - FY 2022 CAPITAL PLAN SUMMARY INFORMATION</p>

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/17	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS							
12-3224	*	TTI Headquarters	70,000,000	1,956,343	52,543,657	15,500,000	o,y
		Physical Plant Projects/Equipment/Other	1,325,054	54,597	1,270,457		
		Total Construction/Acquisitions in Progress	<u>71,325,054</u>	<u>2,010,940</u>	<u>53,814,114</u>	<u>15,500,000</u>	<u>0</u>
TOTAL CAPITAL PLAN			<u>71,325,054</u>	<u>2,010,940</u>	<u>53,814,114</u>	<u>15,500,000</u>	<u>0</u>

* \$4.5 million of PUF will be funded by TEES FY17 and FY18 PUF equipment allocation; subject to approval by the Board. \$8 million of RFS debt will be funded by TEES.

<p style="text-align: center;">SYSTEM OFFICES FY 2018 - FY 2022 CAPITAL PLAN SUMMARY INFORMATION</p>

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/17	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS							
		Human Capital Management Software Purchase	53,507,000	27,027,965	26,479,035		
		Physical Plant Projects/Equipment/Other	11,881,521	6,071,774		5,809,747	
		Total Construction/Acquisitions in Progress	<u>65,388,521</u>	<u>33,099,739</u>	<u>26,479,035</u>	<u>5,809,747</u>	<u>0</u>
TOTAL CAPITAL PLAN			<u>65,388,521</u>	<u>33,099,739</u>	<u>26,479,035</u>	<u>5,809,747</u>	<u>0</u>

Unfunded Capital Needs:			
2019	Financial Management System Replacement	100,000,000	

RELLIS
FY 2018 - FY 2022 CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/17	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS							
	01-3228	RELLIS Campus Infrastructure	53,175,000	3,770,265		49,404,735 a,o	
	01-3233	Gateway Education Center - Phase I	42,000,000	51,300		41,948,700 a,o	
		Physical Plant Projects/Equipment/Other	3,200,000	191,279		3,008,721	
		Total Construction/Acquisitions in Progress	<u>98,375,000</u>	<u>4,012,844</u>	<u>0</u>	<u>94,362,156</u>	<u>0</u>
PROPOSED PROJECTS							
	2018	* RELLIS Phase I Parking Lot	4,375,000			4,375,000 p	
	2019	Gateway Education Center - Phase II	28,000,000			28,000,000 a,o	
	2019	** RELLIS Workforce Training Facility	15,000,000		2,000,000		13,000,000 b,o
		Total Proposed Construction/Acquisitions	<u>47,375,000</u>	<u>0</u>	<u>2,000,000</u>	<u>32,375,000</u>	<u>13,000,000</u>
TOTAL CAPITAL PLAN			<u>145,750,000</u>	<u>4,012,844</u>	<u>2,000,000</u>	<u>126,737,156</u>	<u>13,000,000</u>

* \$4.375 million of RFS debt will be funded by TAMU.

** \$2 million of PUF will be funded by AL-RSRCH FY18 PUF equipment allocation; subject to approval by the Board.

Agenda Item No.

AGENDA ITEM BRIEFING

Submitted by: Billy Hamilton, Executive Vice Chancellor and Chief Financial Officer
The Texas A&M University System

Subject: Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the Agriculture Building #5 Project, Texas A&M University, College Station, Texas (Project No. 02-3208)

Background and Prior Actions:

The Agriculture Building #5 Project was included as an approved project on the FY 2017 – FY 2021 A&M System Capital Plan approved by the Board at the September 2016 meeting.

Proposed Board Action:

- (1) Approve the project scope and budget.
- (2) Appropriate \$44,500,000 for construction services and related project costs. \$4,500,000 has been previously appropriated.
- (3) Approve construction of the Agriculture Building #5 Project at Texas A&M University (Texas A&M).

Funding/Budget Amount:

<u>Funding Source</u>	<u>Budget Amount</u>	<u>Average Estimated Annual Debt Service</u>	<u>Debt Service Source</u>
Permanent University Fund Debt Proceeds - TAMU	\$20,000,000	\$1,620,988	Available University Funds
Permanent University Fund Debt Proceeds - AL-RSRCH	\$ 4,100,000	\$332,475	Available University Funds
Revenue Financing System Debt Proceeds	\$ 5,000,000	\$366,894	TAMU COE-Differential Tuition
Revenue Financing System Debt Proceeds	\$ 5,000,000	\$366,894	TEES Indirect Cost Recoveries
Revenue Financing System Debt Proceeds	\$ 7,200,000	\$583,663	AL-RSRCH Designated Funds
Cash (TAMU University Advancement Fee)	\$ 3,588,000	N/A	N/A
Cash (TAMU University Advancement Fee)	\$ 1,515,441	N/A	N/A

Agenda Item No.
Agenda Item Briefing

Cash (TAMU Designated Tuition)	\$ 1,234,971	N/A	N/A
Cash (TAMU Designated Funds)	\$ 849,588	N/A	N/A
Cash (AL-RSRCH Land Sale Revenue)	<u>\$ 512,000</u>	N/A	N/A
Total Project Funds	<u>\$49,000,000</u>		

Project Justification:

Texas A&M has established a strong foundation of excellence by focusing on academics, research, and professional development. Texas A&M's strong tradition as a research-intensive institution has made it one of three Tier 1 public universities in Texas. In support of Texas A&M's commitment to cutting edge research, as well as the growth of engineering enrollment, the university has the opportunity to relocate the Department of Plant Pathology and Microbiology to College Station West, within the Agriculture and Life Sciences Complex. The location of the new facility, known as the Agriculture Building #5, will benefit Plant Pathology by collocation near related research departments and facilities, as well as strengthen and enhance opportunities for cross-discipline collaboration among faculty and students. The new building will provide generic flexible labs with the capabilities necessary to support research as it evolves into the future.

Scope:

The Agriculture Building #5 Project will include approximately 78,000 gross square feet (GSF) and will be located on west campus between the Horticulture/Forest Science Building and Rosenthal Meat Science & Technology Center.

To support the instruction and research necessary to accomplish the department's mission, the new Agriculture Building #5 Project will include the following elements:

- Instructional labs
- Generic research labs with dedicated and shared support spaces
- Administrative offices, conference rooms and shared offices for graduate students and postdoctoral researchers
- Student spaces for collaboration
- 300-seat auditorium and pre-function space
- Seminar rooms with audiovisual, teleconferencing, and recording capabilities
- Outdoor landscape area with seating
- Outdoor receiving and work area in support of research

Construction on this project is scheduled to start in September 2017, with substantial completion scheduled for March 2019. The total project budget is \$49,000,000.

Other Major Fiscal Impacts:

None.

THE TEXAS A&M UNIVERSITY SYSTEM
FACILITIES PLANNING AND CONSTRUCTION
Office of the Executive Vice Chancellor and Chief Financial Officer
June 30, 2017

Members, Board of Regents
The Texas A&M University System

Subject: Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the Agriculture Building #5 Project, Texas A&M University, College Station, Texas (Project No. 02-3208)

I recommend adoption of the following minute order:

“The project scope along with a project budget of \$49,000,000 for the Agriculture Building #5 Project is approved.

The amount of \$15,500,000 is appropriated from Account No. 01-084243 Permanent University Fund Debt Proceeds - TAMU (AUF), the amount of \$4,100,000 is appropriated from Account No. 01-084243 Permanent University Fund Debt Proceeds - AL-RSRCH (AUF), the amount of \$5,000,000 is appropriated from Account No. 01-083540 Revenue Financing System Debt Proceeds (TAMU COE-Differential Tuition), the amount of \$5,000,000 is appropriated from Account No. 01-083540 Revenue Financing System Debt Proceeds (TEES Indirect Cost Recoveries), the amount of \$7,200,000 is appropriated from Account No. 01-083540 Revenue Financing System Debt Proceeds (AL-RSRCH Designated Funds), the amount of \$3,588,000 is appropriated from Account No. 02-237302 TAMU UAF-Agriculture and Life Sciences Building, the amount of \$3,600,000 is appropriated from Account No. 02-808823 TAMU Agriculture Construction/Renovations, and the amount of \$512,000 is appropriated from Account No. 06-203412 AL-RSRCH Land Sale Revenue, for construction services and related project costs.

The Agriculture Building #5 Project, Texas A&M University, College Station, Texas, is approved for construction.

The Board of Regents of The Texas A&M University System (Board) reasonably expects to incur debt in one or more obligations for this project, and all or a portion of the proceeds received from the sale of such obligations is reasonably expected to be used to reimburse the account(s) for amounts previously appropriated and/or expended from such account(s).

As required by Section 5(a) of the Master Resolution of the Revenue Financing System, the Board hereby determines that it will have sufficient funds to meet the financial obligations of The Texas A&M University System, including sufficient Pledged Revenues to satisfy the Annual Debt Service

Agenda Item No.
June 30, 2017

Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System and that the Participants, on whose behalf the debt is issued, possess the financial capacity to satisfy their Direct Obligations.”

Respectfully submitted,

Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

Approval Recommended:

Approved for Legal Sufficiency:

John Sharp
Chancellor

Ray Bonilla
General Counsel

Michael K. Young, President
Texas A&M University

AGRICULTURE BUILDING #5 TEXAS A&M UNIVERSITY PROJECT NO. 02-3208	PROJECT BUDGET
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1.	Amount Available for Construction Contract	\$36,180,600
2.	Architectural/Engineering Fees	\$ 3,348,579
3.	Physical Plant/Facility Services	\$ 75,000
4.	Data / CIS	\$ 1,015,000
5.	Telecommunications	\$ 418,000
6.	Security.....	\$ 146,000
7.	Testing and Air Balancing.....	\$ 187,000
8.	Construction Materials Testing	\$ 200,000
9.	Envelope Testing.....	\$ 100,000
10.	Owner Supplied Insurance (OCIP).....	\$ 530,000
11.	A/V Equipment.....	\$ 1,080,000
12.	Moveable Equipment	\$ 25,000
13.	Moveable Furnishings	\$ 2,526,000
14.	FP&C Project Management and Inspection Fees.....	\$ 1,265,000
15.	Owner's Contingency	\$ 1,706,821
16.	Miscellaneous	<u>\$ 197,000</u>
17.	TOTAL ESTIMATED COST OF PROJECT	<u>\$49,000,000</u>

1. Issue A/E RFQ June 7, 2016
2. Receive A/E RFQ Responses..... June 28, 2016
3. Shortlist A/E Firms July 12, 2016
4. Interview A/E Shortlist July 19, 2016
5. A/E Ranked Order Approved by Chancellor August 16, 2016
6. BOR Approval of Capital Plan September 1, 2016
7. Execute A/E Agreement September 13, 2016
8. A/E Design Kickoff September 15, 2016
9. Complete Schematic Design January 12, 2017
10. Issue CMAR RFP February 21, 2017
11. Receive CMAR RFP Responses March 14, 2017
12. Shortlist CMAR Firms March 22, 2017
13. Interview CMAR Shortlist..... March 29, 2017
14. CMAR Ranked Order Approved by Chancellor..... March 30, 2017
15. Execute CMAR Agreement May 10, 2017
16. Complete Design Development June 15, 2017
17. Receive GMP from CMAR July 18, 2017
18. BOR Approval for Construction August 23, 2017
19. Begin Construction September 29, 2017
20. Complete Construction Documents November 7, 2017
21. Submit THECB Application November 2017
22. Substantial Completion March 2019
23. Owner Occupancy May 2019

**TEXAS A&M UNIVERSITY
PERMANENT UNIVERSITY FUND
Agriculture Building #5
Available University Fund**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total
BONDS	20,200,000.00			
YEAR 1	19,590,000.00	610,000.00	1,010,000.00	1,620,000.00
YEAR 2	18,950,000.00	640,000.00	979,500.00	1,619,500.00
YEAR 3	18,275,000.00	675,000.00	947,500.00	1,622,500.00
YEAR 4	17,570,000.00	705,000.00	913,750.00	1,618,750.00
YEAR 5	16,830,000.00	740,000.00	878,500.00	1,618,500.00
YEAR 6	16,050,000.00	780,000.00	841,500.00	1,621,500.00
YEAR 7	15,230,000.00	820,000.00	802,500.00	1,622,500.00
YEAR 8	14,370,000.00	860,000.00	761,500.00	1,621,500.00
YEAR 9	13,465,000.00	905,000.00	718,500.00	1,623,500.00
YEAR 10	12,515,000.00	950,000.00	673,250.00	1,623,250.00
YEAR 11	11,520,000.00	995,000.00	625,750.00	1,620,750.00
YEAR 12	10,475,000.00	1,045,000.00	576,000.00	1,621,000.00
YEAR 13	9,380,000.00	1,095,000.00	523,750.00	1,618,750.00
YEAR 14	8,230,000.00	1,150,000.00	469,000.00	1,619,000.00
YEAR 15	7,020,000.00	1,210,000.00	411,500.00	1,621,500.00
YEAR 16	5,750,000.00	1,270,000.00	351,000.00	1,621,000.00
YEAR 17	4,415,000.00	1,335,000.00	287,500.00	1,622,500.00
YEAR 18	3,015,000.00	1,400,000.00	220,750.00	1,620,750.00
YEAR 19	1,545,000.00	1,470,000.00	150,750.00	1,620,750.00
YEAR 20	-	1,545,000.00	77,250.00	1,622,250.00
		<u>\$ 20,200,000.00</u>	<u>\$ 12,219,750.00</u>	<u>\$ 32,419,750.00</u>

Estimated issuance costs and rounding of \$200,000 are included in this schedule.
Long-term rates are assumed to be 5.00%. Rates are subject to market change.
Prepared by the Office of the Treasurer - Treasury Services 6/09/17

Rates are subject to market change. Amounts are preliminary estimates that will be revised at the time bonds are issued.

**TEXAS A&M UNIVERSITY
PERMANENT UNIVERSITY FUND
Agriculture Building #5
Available University Fund**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total
BONDS	4,145,000.00			
YEAR 1	4,020,000.00	125,000.00	207,250.00	332,250.00
YEAR 2	3,890,000.00	130,000.00	201,000.00	331,000.00
YEAR 3	3,750,000.00	140,000.00	194,500.00	334,500.00
YEAR 4	3,605,000.00	145,000.00	187,500.00	332,500.00
YEAR 5	3,450,000.00	155,000.00	180,250.00	335,250.00
YEAR 6	3,290,000.00	160,000.00	172,500.00	332,500.00
YEAR 7	3,120,000.00	170,000.00	164,500.00	334,500.00
YEAR 8	2,945,000.00	175,000.00	156,000.00	331,000.00
YEAR 9	2,760,000.00	185,000.00	147,250.00	332,250.00
YEAR 10	2,565,000.00	195,000.00	138,000.00	333,000.00
YEAR 11	2,360,000.00	205,000.00	128,250.00	333,250.00
YEAR 12	2,145,000.00	215,000.00	118,000.00	333,000.00
YEAR 13	1,920,000.00	225,000.00	107,250.00	332,250.00
YEAR 14	1,685,000.00	235,000.00	96,000.00	331,000.00
YEAR 15	1,435,000.00	250,000.00	84,250.00	334,250.00
YEAR 16	1,175,000.00	260,000.00	71,750.00	331,750.00
YEAR 17	900,000.00	275,000.00	58,750.00	333,750.00
YEAR 18	615,000.00	285,000.00	45,000.00	330,000.00
YEAR 19	315,000.00	300,000.00	30,750.00	330,750.00
YEAR 20	-	315,000.00	15,750.00	330,750.00
		<u>\$ 4,145,000.00</u>	<u>\$ 2,504,500.00</u>	<u>\$ 6,649,500.00</u>

Estimated issuance costs and rounding of \$45,000 are included in this schedule.
Long-term rates are assumed to be 5.00%. Rates are subject to market change.
Prepared by the Office of the Treasurer - Treasury Services 6/09/17

Rates are subject to market change. Amounts are preliminary estimates that will be revised at the time bonds are issued.

**TEXAS A&M UNIVERSITY
REVENUE FINANCING SYSTEM
Agriculture Building #5
COE Differential Tuition**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
BONDS	5,050,000.00				
YEAR 1	4,985,000.00	65,000.00	303,000.00	368,000.00	423,200.00
YEAR 2	4,915,000.00	70,000.00	299,100.00	369,100.00	424,465.00
YEAR 3	4,845,000.00	70,000.00	294,900.00	364,900.00	419,635.00
YEAR 4	4,770,000.00	75,000.00	290,700.00	365,700.00	420,555.00
YEAR 5	4,690,000.00	80,000.00	286,200.00	366,200.00	421,130.00
YEAR 6	4,605,000.00	85,000.00	281,400.00	366,400.00	421,360.00
YEAR 7	4,515,000.00	90,000.00	276,300.00	366,300.00	421,245.00
YEAR 8	4,420,000.00	95,000.00	270,900.00	365,900.00	420,785.00
YEAR 9	4,320,000.00	100,000.00	265,200.00	365,200.00	419,980.00
YEAR 10	4,210,000.00	110,000.00	259,200.00	369,200.00	424,580.00
YEAR 11	4,095,000.00	115,000.00	252,600.00	367,600.00	422,740.00
YEAR 12	3,975,000.00	120,000.00	245,700.00	365,700.00	420,555.00
YEAR 13	3,845,000.00	130,000.00	238,500.00	368,500.00	423,775.00
YEAR 14	3,710,000.00	135,000.00	230,700.00	365,700.00	420,555.00
YEAR 15	3,565,000.00	145,000.00	222,600.00	367,600.00	422,740.00
YEAR 16	3,410,000.00	155,000.00	213,900.00	368,900.00	424,235.00
YEAR 17	3,245,000.00	165,000.00	204,600.00	369,600.00	425,040.00
YEAR 18	3,075,000.00	170,000.00	194,700.00	364,700.00	419,405.00
YEAR 19	2,895,000.00	180,000.00	184,500.00	364,500.00	419,175.00
YEAR 20	2,700,000.00	195,000.00	173,700.00	368,700.00	424,005.00
YEAR 21	2,495,000.00	205,000.00	162,000.00	367,000.00	422,050.00
YEAR 22	2,280,000.00	215,000.00	149,700.00	364,700.00	419,405.00
YEAR 23	2,050,000.00	230,000.00	136,800.00	366,800.00	421,820.00
YEAR 24	1,805,000.00	245,000.00	123,000.00	368,000.00	423,200.00
YEAR 25	1,545,000.00	260,000.00	108,300.00	368,300.00	423,545.00
YEAR 26	1,270,000.00	275,000.00	92,700.00	367,700.00	422,855.00
YEAR 27	980,000.00	290,000.00	76,200.00	366,200.00	421,130.00
YEAR 28	670,000.00	310,000.00	58,800.00	368,800.00	424,120.00
YEAR 29	345,000.00	325,000.00	40,200.00	365,200.00	419,980.00
YEAR 30	-	345,000.00	20,700.00	365,700.00	420,555.00
		<u>\$ 5,050,000.00</u>	<u>\$ 5,956,800.00</u>	<u>\$ 11,006,800.00</u>	<u>\$ 12,657,820.00</u>

Estimated issuance costs and rounding of \$50,000 are included in this schedule.
Long-term rates are assumed to be 6.00%. Rates are subject to market change.
Prepared by the Office of the Treasurer - Treasury Services 6/09/17

Rates are subject to market change. Amounts are preliminary estimates that will be revised at the time bonds are issued.

**TEXAS A&M ENGINEERING EXPERIMENT STATION
REVENUE FINANCING SYSTEM
TAMU Agriculture Building #5
Indirect Cost Recovery**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
BONDS	5,050,000.00				
YEAR 1	4,985,000.00	65,000.00	303,000.00	368,000.00	423,200.00
YEAR 2	4,915,000.00	70,000.00	299,100.00	369,100.00	424,465.00
YEAR 3	4,845,000.00	70,000.00	294,900.00	364,900.00	419,635.00
YEAR 4	4,770,000.00	75,000.00	290,700.00	365,700.00	420,555.00
YEAR 5	4,690,000.00	80,000.00	286,200.00	366,200.00	421,130.00
YEAR 6	4,605,000.00	85,000.00	281,400.00	366,400.00	421,360.00
YEAR 7	4,515,000.00	90,000.00	276,300.00	366,300.00	421,245.00
YEAR 8	4,420,000.00	95,000.00	270,900.00	365,900.00	420,785.00
YEAR 9	4,320,000.00	100,000.00	265,200.00	365,200.00	419,980.00
YEAR 10	4,210,000.00	110,000.00	259,200.00	369,200.00	424,580.00
YEAR 11	4,095,000.00	115,000.00	252,600.00	367,600.00	422,740.00
YEAR 12	3,975,000.00	120,000.00	245,700.00	365,700.00	420,555.00
YEAR 13	3,845,000.00	130,000.00	238,500.00	368,500.00	423,775.00
YEAR 14	3,710,000.00	135,000.00	230,700.00	365,700.00	420,555.00
YEAR 15	3,565,000.00	145,000.00	222,600.00	367,600.00	422,740.00
YEAR 16	3,410,000.00	155,000.00	213,900.00	368,900.00	424,235.00
YEAR 17	3,245,000.00	165,000.00	204,600.00	369,600.00	425,040.00
YEAR 18	3,075,000.00	170,000.00	194,700.00	364,700.00	419,405.00
YEAR 19	2,895,000.00	180,000.00	184,500.00	364,500.00	419,175.00
YEAR 20	2,700,000.00	195,000.00	173,700.00	368,700.00	424,005.00
YEAR 21	2,495,000.00	205,000.00	162,000.00	367,000.00	422,050.00
YEAR 22	2,280,000.00	215,000.00	149,700.00	364,700.00	419,405.00
YEAR 23	2,050,000.00	230,000.00	136,800.00	366,800.00	421,820.00
YEAR 24	1,805,000.00	245,000.00	123,000.00	368,000.00	423,200.00
YEAR 25	1,545,000.00	260,000.00	108,300.00	368,300.00	423,545.00
YEAR 26	1,270,000.00	275,000.00	92,700.00	367,700.00	422,855.00
YEAR 27	980,000.00	290,000.00	76,200.00	366,200.00	421,130.00
YEAR 28	670,000.00	310,000.00	58,800.00	368,800.00	424,120.00
YEAR 29	345,000.00	325,000.00	40,200.00	365,200.00	419,980.00
YEAR 30	-	345,000.00	20,700.00	365,700.00	420,555.00
		<u>\$ 5,050,000.00</u>	<u>\$ 5,956,800.00</u>	<u>\$ 11,006,800.00</u>	<u>\$ 12,657,820.00</u>

Estimated issuance costs and rounding of \$50,000 are included in this schedule.
Long-term rates are assumed to be 6.00%. Rates are subject to market change.
Prepared by the Office of the Treasurer - Treasury Services 6/09/17

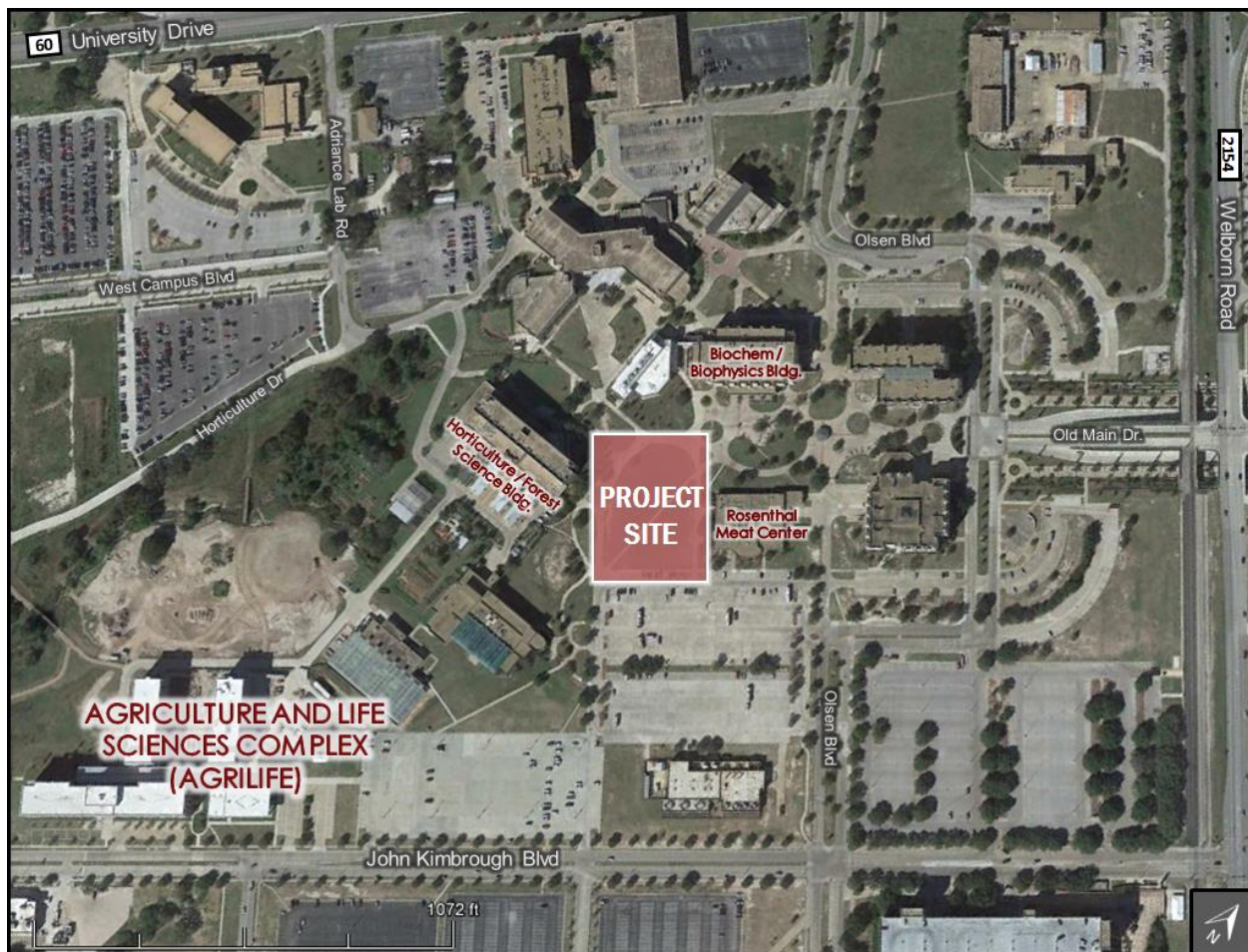
Rates are subject to market change. Amounts are preliminary estimates that will be revised at the time bonds are issued.

**TEXAS A&M AGRILIFE RESEARCH
REVENUE FINANCING SYSTEM
TAMU Agriculture Building #5
Designated Funds**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
BONDS	7,275,000.00				
YEAR 1	7,055,000.00	220,000.00	363,750.00	583,750.00	671,312.50
YEAR 2	6,825,000.00	230,000.00	352,750.00	582,750.00	670,162.50
YEAR 3	6,580,000.00	245,000.00	341,250.00	586,250.00	674,187.50
YEAR 4	6,325,000.00	255,000.00	329,000.00	584,000.00	671,600.00
YEAR 5	6,055,000.00	270,000.00	316,250.00	586,250.00	674,187.50
YEAR 6	5,775,000.00	280,000.00	302,750.00	582,750.00	670,162.50
YEAR 7	5,480,000.00	295,000.00	288,750.00	583,750.00	671,312.50
YEAR 8	5,170,000.00	310,000.00	274,000.00	584,000.00	671,600.00
YEAR 9	4,845,000.00	325,000.00	258,500.00	583,500.00	671,025.00
YEAR 10	4,505,000.00	340,000.00	242,250.00	582,250.00	669,587.50
YEAR 11	4,145,000.00	360,000.00	225,250.00	585,250.00	673,037.50
YEAR 12	3,770,000.00	375,000.00	207,250.00	582,250.00	669,587.50
YEAR 13	3,375,000.00	395,000.00	188,500.00	583,500.00	671,025.00
YEAR 14	2,960,000.00	415,000.00	168,750.00	583,750.00	671,312.50
YEAR 15	2,525,000.00	435,000.00	148,000.00	583,000.00	670,450.00
YEAR 16	2,070,000.00	455,000.00	126,250.00	581,250.00	668,437.50
YEAR 17	1,590,000.00	480,000.00	103,500.00	583,500.00	671,025.00
YEAR 18	1,085,000.00	505,000.00	79,500.00	584,500.00	672,175.00
YEAR 19	555,000.00	530,000.00	54,250.00	584,250.00	671,887.50
YEAR 20	-	555,000.00	27,750.00	582,750.00	670,162.50
		<u>\$ 7,275,000.00</u>	<u>\$ 4,398,250.00</u>	<u>\$ 11,673,250.00</u>	<u>\$ 13,424,237.50</u>

Estimated issuance costs and rounding of \$75,000 are included in this schedule.
Long-term rates are assumed to be 5.00%. Rates are subject to market change.
Prepared by the Office of the Treasurer - Treasury Services 6/20/17

Rates are subject to market change. Amounts are preliminary estimates that will be revised at the time bonds are issued.



Agriculture Building #5

Texas A&M University

Project No. 02-3208

Agenda Item No.

AGENDA ITEM BRIEFING

Submitted by: Billy Hamilton, Executive Vice Chancellor and Chief Financial Officer
The Texas A&M University System

Subject: Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the Music Activities Center Project, Texas A&M University, College Station, Texas (Project No. 02-3211)

Background and Prior Actions:

The Music Activities Center Project was included as an approved project on the FY 2017 – FY 2021 A&M System Capital Plan approved by the Board at the September 2016 meeting.

Proposed Board Action:

- (1) Approve the project scope and budget.
- (2) Appropriate \$38,250,000 for construction services and related project costs. \$4,250,000 has been previously appropriated.
- (3) Approve construction of the Music Activities Center Project at Texas A&M University (Texas A&M).

Funding/Budget Amount:

<u>Funding Source</u>	<u>Budget Amount</u>	<u>Average Estimated Annual Debt Service</u>	<u>Debt Service Source</u>
Revenue Financing System Debt Proceeds	\$ 9,016,250	\$1,999,448	Gifts*
Cash (Gifts)	\$13,483,750	N/A	N/A
Cash (Auxiliary Reserves)	\$10,000,000	N/A	N/A
Cash (Available University Fund)	<u>\$10,000,000</u>	N/A	N/A
Total Project Funds	<u>\$42,500,000</u>		

*Currently 86% of all gifts have been pledged. As required by System Policy 51.04, 50% of the gift funds are in hand, and another 25% of the gift funds have been pledged. Should Texas A&M fail to receive the remaining \$9,016,250 needed to fund the gift portion of the project, Texas A&M has agreed to make timely payments to A&M System as necessary to fully service commercial paper or other debt issued to support the project, and such payment shall be made from University Advancement Fees.

Note: Any gifts received for this project are hereby appropriated and previous appropriations are reverted from Revenue Financing System Debt Proceeds.

Project Justification:

The Department of Music Activities' instrumental ensembles currently use the E.V. Adams Band Hall, which was built in 1970, and the choral ensembles use basement space inside the MSC. Together, these spaces can no longer safely accommodate over 1,300 students that participate in the Music Activities program each year. The proposed construction for the Music Activities Center Project will replace these spaces, allowing the department to better support current and future offerings in areas designed to the program's size and scope. The new facility will also allow the department to work more collaboratively by bringing together the instrumental and choral offerings, allowing for more flexible scheduling and growth, and providing much needed secure storage. The Music Activities Center Project is to be built on the Duncan Drill Field, and will be designed to provide state-of-the-art acoustics for instruction, individual practice, and ensemble rehearsals. The use of the spaces will vary widely in terms of size and make-up of the performers, as well as music style. Uses will vary from small vocal groups and jazz combos to a 450-piece marching band.

Scope:

Located on the corner of George Bush Drive and Coke Street, the approximately 71,000 gross square foot (GSF) facility will include:

- A 100-yard artificial turf practice field for the Aggie Band that will eliminate uneven or unsafe rehearsal conditions.
- Soundproof practice rooms with extended access for students.
- Ample locker space for students to store their instruments.
- New rehearsal halls with state-of-the-art acoustics and adequate space.
- Opportunities within the building to tell students, alumni and visitors about the proud traditions of the music organizations at Texas A&M.

As part of the Corps of Cadets Master Plan, the proposed site for the Music Activities Center Project is Duncan Drill Field, located south of Duncan Dinning Center. A future expansion may include a 1,200-seat concert hall. This possible expansion will not only give the ensembles within the Department of Music Activities a place to perform, but will also provide additional space for the Rudder Theatre Complex to house more events, and will provide the Bryan/College Station communities and school districts a first rate performance venue for large musical ensembles.

Construction on this project is scheduled to start in September 2017, with substantial completion scheduled for May 2019. The total project budget is \$42,500,000.

Other Major Fiscal Impacts:

None.

THE TEXAS A&M UNIVERSITY SYSTEM
FACILITIES PLANNING AND CONSTRUCTION
Office of the Executive Vice Chancellor and Chief Financial Officer
June 30, 2017

Members, Board of Regents
The Texas A&M University System

Subject: Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the Music Activities Center Project, Texas A&M University, College Station, Texas (Project No. 02-3211)

I recommend adoption of the following minute order:

“The project scope along with a project budget of \$42,500,000 for the Music Activities Center Project is approved.

The amount of \$9,016,250 is appropriated from Account No. 01-083540 Revenue Financing System Debt Proceeds (Gifts), the amount of \$13,483,750 is appropriated from Account No. 02-512979-20000 Student Affairs Projects-Music Activities Center Project, the amount of \$10,000,000 is appropriated from Account No. 02-030062 Residence Halls, and the amount of \$5,750,000 is appropriated from Account No. 02-806346 AUF Music Activities Center, for construction services and related project costs.

The Music Activities Center Project, Texas A&M University, College Station, Texas, is approved for construction.

The Board of Regents of The Texas A&M University System (Board) reasonably expects to incur debt in one or more obligations for this project, and all or a portion of the proceeds received from the sale of such obligations is reasonably expected to be used to reimburse the account(s) for amounts previously appropriated and/or expended from such account(s).

As required by Section 5(a) of the Master Resolution of the Revenue Financing System, the Board hereby determines that it will have sufficient funds to meet the financial obligations of The Texas A&M University System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System and that

the Participants, on whose behalf the debt is issued, possess the financial capacity to satisfy their Direct Obligations.”

Respectfully submitted,

Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

Approval Recommended:

Approved for Legal Sufficiency:

John Sharp
Chancellor

Ray Bonilla
General Counsel

Michael K. Young, President
Texas A&M University

MUSIC ACTIVITIES CENTER	PROJECT BUDGET
TEXAS A&M UNIVERSITY	
PROJECT NO. 02-3211	

1.	Amount Available for Construction Contract	\$31,796,000
2.	Architectural/Engineering Fees	\$ 3,200,000
3.	Physical Plant/Facility Services	\$ 50,000
4.	Data / CIS	\$ 556,000
5.	Telecommunications	\$ 422,000
6.	Security	\$ 150,000
7.	Testing and Air Balancing.....	\$ 177,000
8.	Construction Materials Testing	\$ 210,000
9.	Envelope Testing	\$ 75,000
10.	Artwork / Graphics	\$ 61,000
11.	A/V Equipment.....	\$ 780,000
12.	Moveable Equipment	\$ 165,000
13.	Moveable Furnishings	\$ 1,550,000
14.	FP&C Project Management and Inspection Fees.....	\$ 1,097,000
15.	Owner's Contingency	\$ 1,494,300
16.	Miscellaneous	<u>\$ 716,700</u>
17.	TOTAL ESTIMATED COST OF PROJECT	<u>\$42,500,000</u>

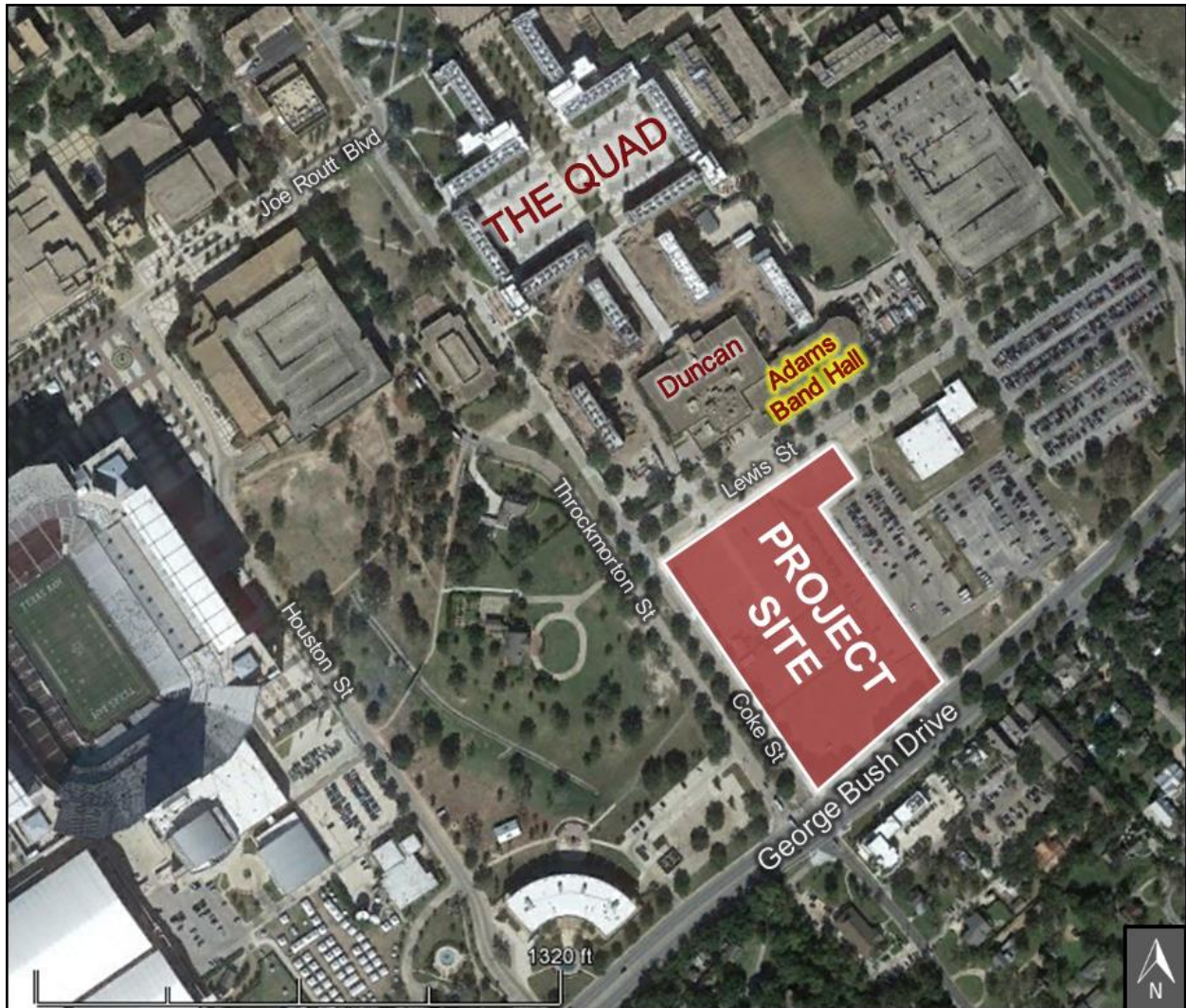
1. Issue A/E RFQ June 7, 2016
2. Issue CMAR RFP June 28, 2016
3. Receive A/E RFQ Responses..... June 29, 2016
4. Shortlist A/E Firms July 14, 2016
5. Receive CMAP RFP Responses July 20, 2016
6. Interview A/E Shortlist July 21, 2016
7. Shortlist CMAR Firms..... August 2, 2016
8. Interview CMAR Shortlist..... August 9, 2016
9. A/E Ranked Order Approved by Chancellor August 18, 2016
10. BOR Approval of Capital Plan September 2, 2016
11. CMAR Ranked Order Approved by Chancellor..... September 6, 2016
12. Execute A/E Agreement September 15, 2016
13. A/E Design Kickoff September 21, 2016
14. Execute CMAR Agreement September 27, 2016
15. Complete Schematic Design January 13, 2017
16. Complete Design Development April 14, 2017
17. Submit THECB Application July 5, 2017
18. Receive GMP from CMAR July 6, 2017
19. BOR Approval for Construction..... August 23, 2017
20. Complete Construction Documents September 13, 2017
21. Begin Construction September 2017
22. Substantial Completion..... May 2019
23. Owner Occupancy..... July 2019

**TEXAS A&M UNIVERSITY
REVENUE FINANCING SYSTEM
MUSIC ACTIVITIES CENTER
Gifts**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
Coml Paper	9,016,250.00				
FY18	9,016,250.00	-	225,406.00	225,406.00	259,216.90
FY19	7,286,250.00	1,730,000.00	270,488.00	2,000,488.00	2,300,561.20
FY20	5,541,250.00	1,745,000.00	255,019.00	2,000,019.00	2,300,021.85
FY21	3,736,250.00	1,805,000.00	193,944.00	1,998,944.00	2,298,785.60
FY22	1,866,250.00	1,870,000.00	130,769.00	2,000,769.00	2,300,884.35
FY23	-	1,866,250.00	130,769.00	1,997,019.00	2,296,571.85
		<u>\$ 9,016,250.00</u>	<u>\$ 1,206,395.00</u>	<u>\$ 10,222,645.00</u>	<u>\$ 11,756,041.75</u>

Short-term rates are assumed to be 2.5% in FY18, 3.0% in FY19, and 3.5% in FY20-FY21. Rates are subject to market change.
Assuming this portion of the funding for the project will remain in commercial paper until paid off in five years.
Prepared by the Office of the Treasurer - Treasury Services 6/09/17

Rates are variable and subject to market change.



Music Activities Center

Texas A&M University

Project No. 02-3211

Agenda Item No.

AGENDA ITEM BRIEFING

Submitted by: Billy Hamilton, Executive Vice Chancellor and Chief Financial Officer
The Texas A&M University System

Subject: Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the Memorial Football Stadium Renovation and Expansion Project, Tarleton State University, Stephenville, Texas (Project No. 04-3176)

Background and Prior Actions:

The Memorial Football Stadium Renovation and Expansion Project was originally approved for inclusion on the FY 2016 – FY 2020 A&M System Capital Plan by the Board at the September 2015 meeting, and was subsequently retained as an approved project on the FY 2017 – FY 2021 A&M System Capital Plan approved by the Board at the September 2016 meeting.

Proposed Board Action:

- (1) Approve the project scope and budget.
- (2) Appropriate \$24,000,000 for construction services and related project costs. \$2,400,000 has been previously appropriated.
- (3) Approve construction of the Memorial Football Stadium Renovation and Expansion Project at Tarleton State University (Tarleton).

Funding/Budget Amount:

<u>Funding Source</u>	<u>Budget Amount</u>	<u>Average Estimated Annual Debt Service</u>	<u>Debt Service Source</u>
Revenue Financing System Debt Proceeds	\$24,000,000 *	\$1,761,030	Dining Contract
Revenue Financing System Debt Proceeds	<u>\$ 2,400,000</u> **	\$644,250	Gifts
Total Project Funds	<u>\$26,400,000</u>		

* Interest Income, University Services Fee and Athletic Fee will be used for debt service if there is a shortfall in the dining contract revenue.

** For the RFS debt to be repaid with Gifts, the backup source of repayment is University Services Fees, which will also be used to pay interest. This portion of the RFS debt will be financed through commercial paper, and will be repaid or replaced with gift funds as received. An individual donor has pledged \$2.4 million in gifts over a four-year period ending December 2020. No gifts are on hand. A Memorandum of Agreement has been executed by Tarleton and the A&M System memorializing the agreement for the backup source of repayment by Tarleton if the gift funds are not received.

Project Justification:

The Memorial Stadium serves both Tarleton and Stephenville ISD football programs. The existing Memorial Stadium and adjacent Physical Education (P.E.) Facility are not adequately serving the university, its students, staff, faculty, or the community of Stephenville. Both facilities lack modern amenities and are too small to host events or accommodate changing user needs of the football program. A few highlights that demonstrate the need for an improved facility include:

- Meeting the demand of football fans for an improved game day experience, including hospitality amenities and premium seating.
- A rise in demand for seating capacity, due to the growing popularity of both college and high school football across Texas, especially in the Stephenville community.
- Enhancing the spectator experience for Tarleton and Stephenville ISD fans by providing expanded and improved seating on the west side so that home team spectators do not face the sun during afternoon games.
- An increased demand for state-of-the-art technology and adequate space to support press box functionality, including audio visual set up, television and radio broadcasting, and post-game interviews.
- Providing adequate ticketing, merchandise, and concession spaces in order to manage demand, create shorter lines, and potentially increase revenue.
- Improving and expanding locker rooms to better accommodate the Tarleton football team, visiting teams, and, under an additional identified program option, high school teams as well.

Scope:

The scope for this project is organized into two components:

- 1) Construction of the new west side grandstand including a two-story press box/suites tower that will increase stadium capacity from 6,719 seats to 9,069 seats
- 2) Renovations to the P.E. Facility (as bid alternate) and other improvements to the stadium

The first component is the larger of the two in terms of scope, scale and budget, while the second component represents a collection of smaller necessary improvements.

The new west side grandstand is the primary driver of this program. This portion of the project will enable the university to increase stadium capacity to 9,069, add premium seating options, provide game day and non-game day hospitality amenities, improve game day functionality, enhance media/press spaces, maintain security, and provide a new visiting team locker room separate from the existing P.E. Facility. To make way for the new west side of the stadium, the existing west side bleachers, concession/restroom building, and ticket booth will be demolished.

Agenda Item No.
Agenda Item Briefing

Several highlights include:

- The stadium's west side will be completely new
- Approximately 66,300 gross square feet (GSF) in new construction (exterior space)
- Approximately 31,300 GSF in new construction (interior space)
- Additional Seating: A total of 5,394 new seats will be built. The existing west grandstands set for demolition currently have 3,044 bench seats. Therefore, this project will provide a net addition of 2,350 seats for a total stadium capacity of 9,069 seats.
 - Lower Bowl General (benches) = 3,832 and Premium (chairs) = 790
 - Upper Bowl (all chairs/premium) = 576
 - Club (all chairs/premium) = 107
 - Suites (all chairs/premium) = 89
- New space for media and game day operations (press box)
- Stadium club hospitality space (including buffet food service)
- Six private suites (one for the university president, five typical suites)
- Additional space for merchandise sales
- New box office for ticket sales
- Renovated Texans Football Locker Room
- New visitor's locker room (to be located underneath the grandstand)
- New entrance plaza

Construction on this project is scheduled to start in September 2017, with substantial completion scheduled for September 2018. The total project budget is \$26,400,000.

Other Major Fiscal Impacts:

None.

Agenda Item No.

THE TEXAS A&M UNIVERSITY SYSTEM
FACILITIES PLANNING AND CONSTRUCTION
Office of the Executive Vice Chancellor and Chief Financial Officer
June 23, 2017

Members, Board of Regents
The Texas A&M University System

Subject: Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the Memorial Football Stadium Renovation and Expansion Project, Tarleton State University, Stephenville, Texas (Project No. 04-3176)

I recommend adoption of the following minute order:

“The project scope along with a project budget of \$26,400,000 for the Memorial Football Stadium Renovation and Expansion Project is approved.

The amount of \$21,600,000 is appropriated from Account No. 01-083536 Revenue Financing System Debt Proceeds (Auxiliary Enterprise Funds/Other), and the amount of \$2,400,000 is appropriated from Account No. 01-083536 Revenue Financing System Debt Proceeds (Gifts), for construction services and related project costs.

The Memorial Football Stadium Renovation and Expansion Project, Tarleton State University, Stephenville, Texas, is approved for construction.

The Board of Regents of The Texas A&M University System (Board) reasonably expects to incur debt in one or more obligations for this project, and all or a portion of the proceeds received from the sale of such obligations is reasonably expected to be used to reimburse the account(s) for amounts previously appropriated and/or expended from such account(s).

As required by Section 5(a) of the Master Resolution of the Revenue Financing System, the Board hereby determines that it will have sufficient funds to meet the financial obligations of The Texas A&M University System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System and that

the Participants, on whose behalf the debt is issued, possess the financial capacity to satisfy their Direct Obligations.”

Respectfully submitted,

Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

Approval Recommended:

Approved for Legal Sufficiency:

John Sharp
Chancellor

Ray Bonilla
General Counsel

F. Dominic Dottavio, Ph.D., President
Tarleton State University

MEMORIAL FOOTBALL STADIUM RENOVATION AND EXPANSION TARLETON STATE UNIVERSITY PROJECT NO. 04-3176	PROJECT BUDGET
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1. Amount Available for Construction Contract	\$21,272,000
2. Architectural/Engineering Fees	\$ 1,803,000
3. Physical Plant/Facility Services	\$ 35,000
4. Data / CIS	\$ 216,000
5. Telecommunications	\$ 50,000
6. Security.....	\$ 134,000
7. Testing and Air Balancing.....	\$ 135,000
8. Construction Materials Testing	\$ 169,000
9. A/V Equipment.....	\$ 138,000
10. Moveable Furnishings	\$ 135,000
11. FP&C Project Management and Inspection Fees.....	\$ 682,000
12. Owner's Contingency	\$ 967,000
13. Miscellaneous	<u>\$ 664,000</u>
14. TOTAL ESTIMATED COST OF PROJECT	<u>\$26,400,000</u>

MEMORIAL FOOTBALL STADIUM RENOVATION AND EXPANSION TARLETON STATE UNIVERSITY PROJECT NO. 04-3176	PROJECT SCHEDULE
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1. BOR Approval of Capital Plan September 4, 2015
2. Issue A/E RFQ January 12, 2016
3. Receive A/E RFQ Responses..... February 3, 2016
4. Shortlist A/E Firms February 8, 2016
5. Interview A/E Shortlist February 23, 2016
6. A/E Ranked Order Approved by Chancellor March 24, 2016
7. Execute A/E Agreement May 24, 2016
8. A/E Design Kickoff May 31, 2016
9. Complete Schematic Design July 28, 2016
10. Complete Design Development February 21, 2017
11. Complete Construction Documents February 28, 2017
12. Advertise for Competitive Sealed Proposals June 22, 2017
13. Receive CSP..... July 20, 2017
14. CSP Evaluation July 21, 2017
15. Chancellor Approval of Ranked Order July 31, 2017
16. BOR Approval for Construction August 23, 2017
17. Begin Construction September 2017
18. Substantial Completion..... September 2018
19. Owner Occupancy..... September 2018

**TARLETON STATE UNIVERSITY
REVENUE FINANCING SYSTEM
04-3176 Memorial Football Stadium Renovation and Expansion
Dining Contract**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
BONDS	24,240,000.00				
YEAR 1	23,935,000.00	305,000.00	1,454,400.00	1,759,400.00	2,023,310.00
YEAR 2	23,610,000.00	325,000.00	1,436,100.00	1,761,100.00	2,025,265.00
YEAR 3	23,265,000.00	345,000.00	1,416,600.00	1,761,600.00	2,025,840.00
YEAR 4	22,900,000.00	365,000.00	1,395,900.00	1,760,900.00	2,025,035.00
YEAR 5	22,515,000.00	385,000.00	1,374,000.00	1,759,000.00	2,022,850.00
YEAR 6	22,105,000.00	410,000.00	1,350,900.00	1,760,900.00	2,025,035.00
YEAR 7	21,670,000.00	435,000.00	1,326,300.00	1,761,300.00	2,025,495.00
YEAR 8	21,210,000.00	460,000.00	1,300,200.00	1,760,200.00	2,024,230.00
YEAR 9	20,720,000.00	490,000.00	1,272,600.00	1,762,600.00	2,026,990.00
YEAR 10	20,200,000.00	520,000.00	1,243,200.00	1,763,200.00	2,027,680.00
YEAR 11	19,650,000.00	550,000.00	1,212,000.00	1,762,000.00	2,026,300.00
YEAR 12	19,070,000.00	580,000.00	1,179,000.00	1,759,000.00	2,022,850.00
YEAR 13	18,455,000.00	615,000.00	1,144,200.00	1,759,200.00	2,023,080.00
YEAR 14	17,800,000.00	655,000.00	1,107,300.00	1,762,300.00	2,026,645.00
YEAR 15	17,105,000.00	695,000.00	1,068,000.00	1,763,000.00	2,027,450.00
YEAR 16	16,370,000.00	735,000.00	1,026,300.00	1,761,300.00	2,025,495.00
YEAR 17	15,590,000.00	780,000.00	982,200.00	1,762,200.00	2,026,530.00
YEAR 18	14,765,000.00	825,000.00	935,400.00	1,760,400.00	2,024,460.00
YEAR 19	13,890,000.00	875,000.00	885,900.00	1,760,900.00	2,025,035.00
YEAR 20	12,960,000.00	930,000.00	833,400.00	1,763,400.00	2,027,910.00
YEAR 21	11,975,000.00	985,000.00	777,600.00	1,762,600.00	2,026,990.00
YEAR 22	10,930,000.00	1,045,000.00	718,500.00	1,763,500.00	2,028,025.00
YEAR 23	9,825,000.00	1,105,000.00	655,800.00	1,760,800.00	2,024,920.00
YEAR 24	8,655,000.00	1,170,000.00	589,500.00	1,759,500.00	2,023,425.00
YEAR 25	7,415,000.00	1,240,000.00	519,300.00	1,759,300.00	2,023,195.00
YEAR 26	6,100,000.00	1,315,000.00	444,900.00	1,759,900.00	2,023,885.00
YEAR 27	4,705,000.00	1,395,000.00	366,000.00	1,761,000.00	2,025,150.00
YEAR 28	3,225,000.00	1,480,000.00	282,300.00	1,762,300.00	2,026,645.00
YEAR 29	1,660,000.00	1,565,000.00	193,500.00	1,758,500.00	2,022,275.00
YEAR 30	-	1,660,000.00	99,600.00	1,759,600.00	2,023,540.00
		<u>\$ 24,240,000.00</u>	<u>\$ 28,590,900.00</u>	<u>\$ 52,830,900.00</u>	<u>\$ 60,755,535.00</u>

Estimated issuance costs and rounding of \$240,000 are included in this schedule.
Long-term rates are assumed to be 6.00%. Rates are subject to market change.
Backup Sources of Repayment: Interest Income, University Services Fee and Athletic Fee
Prepared by the Office of the Treasurer - Treasury Services 6/01/17

Rates are subject to market change. Amounts are preliminary estimates that will be revised at the time bonds are issued.

**TARLETON STATE UNIVERSITY
REVENUE FINANCING SYSTEM
04-3176 Memorial Football Stadium Renovation and Expansion
Gifts**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
Coml Paper	2,400,000.00				
FY18	2,400,000.00	-	60,000.00	60,000.00	69,000.00
FY19	1,800,000.00	600,000.00	72,000.00	672,000.00	772,800.00
FY20	1,200,000.00	600,000.00	63,000.00	663,000.00	762,450.00
FY21	600,000.00	600,000.00	42,000.00	642,000.00	738,300.00
FY22	-	600,000.00	21,000.00	621,000.00	714,150.00
		<u>\$ 2,400,000.00</u>	<u>\$ 258,000.00</u>	<u>\$ 2,658,000.00</u>	<u>\$ 3,056,700.00</u>

Short-term rates are assumed to be 2.5% in FY18, 3.0% in FY19, and 3.5% in FY20-FY21. Rates are subject to market change.
Assuming this portion of the funding for the project will remain in commercial paper until paid off in five years.
Prepared by the Office of the Treasurer - Treasury Services 6/01/17

The backup source of repayment is University Services Fees, which will also be used to pay interest.
An individual donor has pledged \$2.4 million in gifts over a four-year period ending December 2020.

Rates are variable and subject to market change.



Memorial Football Stadium Renovation and Expansion

Tarleton State University

Project No. 04-3176

AGENDA ITEM BRIEFING

Submitted by: Michael K. Young, President
Texas A&M University

Subject: Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the HVAC Replacement at Clements Hall Project, Texas A&M University, College Station, Texas (SSC Project No. 2016-01444)

Background and Prior Actions:

The HVAC Replacement at Clements Hall Project was included as an approved project on the FY 2017 – FY 2021 A&M System Capital Plan approved by the Board at the September 2016 meeting.

Proposed Board Action:

- (1) Approve the project scope and budget.
- (2) Appropriate \$7,123,200 for construction services and related project costs and revert previous appropriations to the source account.
- (3) Approve construction of the HVAC Replacement at Clements Hall Project at Texas A&M University (Texas A&M).

Funding/Budget Amount:

<u>Funding Source</u>	<u>Budget Amount</u>	<u>Average Estimated Annual Debt Service</u>	<u>Debt Service Source</u>
Revenue Financing System Debt Proceeds	<u>\$7,123,200</u>	\$536,345	Housing Revenue
Total Project Funds	<u>\$7,123,200</u>		

Project Justification:

Originally constructed in 1981, Clements Hall is a four-story concrete structure consisting of 128 modular rooms/spaces (the majority being dorm rooms). Total square footage is approximately 62,156 gross square feet (GSF). Each room is conditioned by an individual Fan Coil Unit (FCU) served by a four-pipe Chilled Water (CHW) and Heating Water (HW) piping distribution system. Each room has a pneumatic thermostat and fan speed control switch (Hi/Med/Lo/Off). Corridors are conditioned by floor-mounted FCUs as well as two Outside Air Units (OAU) units located on the roof with a duct chase located adjacent to the stairwells on both ends of each floor.

Agenda Item No.
Agenda Item Briefing

Outside Air (OA) is served to the corridor and introduced to each room via door undercut using bathroom exhaust to draw. OA short circuits from the corridor to the bathroom without mixing in the room space. Stairwells are not currently conditioned. OA intake louvers are located in the areaway near grade and ducted in crawl space to ventilate crawlspace via two fans.

The Heating Ventilation Air Conditioning (HVAC) system has reached the end of its useful life and is in need of replacement. Existing electrical switchgear is also beyond its useful life and will be replaced on this project. Gear is fusible type with spare parts not available for use on this project.

Scope:

This project will replace all FCUs with new four-pipe FCUs with HW coils in the re-heat position. Each room will have a thermostat and humidistat to implement a humidity control strategy at the room level. A fan speed controller will be provided in each room to allow for student control of the FCU. Corridor floor-mounted FCUs will be replaced. Conditioned OA will be provided via a new roof-mounted air handler with integral Energy Recovery Unit (ERU). Existing exhaust fans will be removed. New exhaust ductwork will be manifolded on the roof and routed to the ERU to capture energy currently being exhausted. New OA and exhaust duct risers will be installed to introduce conditioned fresh air into each room. A new FCU will be provided to serve the stairwells.

General construction shall consist of the removal and replacement of existing ceilings to facilitate mechanical work. A bid alternate for one new roof hatch for safer roof access as well as an alternate for two new floor hatches to be located in each stairwell will be issued to provide access for replacement of and repair of crawl space exhaust fans.

Construction on this project is scheduled to start in December 2017 with substantial completion scheduled for July 2018. The total project budget is \$7,123,200.

Other Major Fiscal Impacts:

None.

Agenda Item No.

TEXAS A&M UNIVERSITY

Office of the President

June 30, 2017

Members, Board of Regents
The Texas A&M University System

Subject: Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the HVAC Replacement at Clements Hall Project, Texas A&M University, College Station, Texas (SSC Project No. 2016-01444)

I recommend adoption of the following minute order:

“The project scope along with a project budget of \$7,123,200 for the HVAC Replacement at Clements Hall Project is approved.

The amount of \$7,123,200 is appropriated from Account No. 01-083540, Revenue Financing System Debt Proceeds (Housing Revenue), for construction services and related project costs. The amount of \$672,000 is reverted to Account No. 02-030062 Residence Life.

The HVAC Replacement at Clements Hall Project, Texas A&M University, College Station, Texas, is approved for construction.

The Board of Regents of The Texas A&M University System (Board) reasonably expects to incur debt in one or more obligations for this project, and all or a portion of the proceeds received from the sale of such obligations is reasonably expected to be used to reimburse the account(s) for amounts previously appropriated and/or expended from such account(s).

As required by Section 5(a) of the Master Resolution of the Revenue Financing System, the Board hereby determines that it will have sufficient funds to meet the financial obligations of The Texas A&M University System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System and that

the Participants, on whose behalf the debt is issued, possess the financial capacity to satisfy their Direct Obligations.”

Respectfully submitted,

Michael K. Young, President
Texas A&M University

Approval Recommended:

John Sharp
Chancellor

Approved for Legal Sufficiency:

Ray Bonilla
General Counsel

Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

**HVAC REPLACEMENT AT CLEMENTS HALL
TEXAS A&M UNIVERSITY
SSC PROJECT NO. 2016-01444**

PROJECT BUDGET

1.	Amount Available for Construction Contract.....	\$5,740,800
2.	Owner's Contingency	574,080
3.	Architectural/Engineering Fees	459,840
4.	SSC Project Management Fees	204,998
5.	SSC/Physical Plant Services	15,500
6.	Energy System Testing & Balancing	43,056
7.	Other Project Costs	<u>84,926</u>
8.	TOTAL ESTIMATED COST OF PROJECT.....	<u>\$7,123,200</u>

HVAC REPLACEMENT AT CLEMENTS HALL
TEXAS A&M UNIVERSITY
SSC PROJECT NO. 2016-01444

PROJECT SCHEDULE

1. BOR Approval to Include in Capital Plan September 1, 2016
2. Issue A/E RFQ March 14, 2017
3. Receive A/E RFQ Responses..... April 4, 2017
4. Interview A/E Shortlist April 5, 2017
5. Design Kick-Off Meeting April 2017
6. Execute AE Agreement May 2017
7. Complete Schematic Design June 2017
8. Complete Design Development July 2017
9. Complete Construction Documents July 2017
10. Advertise for Competitive Sealed Proposals (CSP) July 2017
11. Receive CSPs August 2017
12. CSP Evaluation August 2017
13. BOR Approval for Construction August 23, 2017
14. Execute CSP Agreement August 2017
15. Begin Construction December 2017
16. Substantial Completion July 31, 2018
17. Owner Occupancy August 2018

**TEXAS A&M UNIVERSITY
REVENUE FINANCING SYSTEM
HVAC Replacement Clements Hall
Housing Revenue**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
BONDS	7,195,000.00				
YEAR 1	7,055,000.00	140,000.00	395,725.00	535,725.00	616,083.75
YEAR 2	6,905,000.00	150,000.00	388,025.00	538,025.00	618,728.75
YEAR 3	6,750,000.00	155,000.00	379,775.00	534,775.00	614,991.25
YEAR 4	6,585,000.00	165,000.00	371,250.00	536,250.00	616,687.50
YEAR 5	6,410,000.00	175,000.00	362,175.00	537,175.00	617,751.25
YEAR 6	6,225,000.00	185,000.00	352,550.00	537,550.00	618,182.50
YEAR 7	6,030,000.00	195,000.00	342,375.00	537,375.00	617,981.25
YEAR 8	5,825,000.00	205,000.00	331,650.00	536,650.00	617,147.50
YEAR 9	5,610,000.00	215,000.00	320,375.00	535,375.00	615,681.25
YEAR 10	5,380,000.00	230,000.00	308,550.00	538,550.00	619,332.50
YEAR 11	5,140,000.00	240,000.00	295,900.00	535,900.00	616,285.00
YEAR 12	4,885,000.00	255,000.00	282,700.00	537,700.00	618,355.00
YEAR 13	4,620,000.00	265,000.00	268,675.00	533,675.00	613,726.25
YEAR 14	4,340,000.00	280,000.00	254,100.00	534,100.00	614,215.00
YEAR 15	4,045,000.00	295,000.00	238,700.00	533,700.00	613,755.00
YEAR 16	3,730,000.00	315,000.00	222,475.00	537,475.00	618,096.25
YEAR 17	3,400,000.00	330,000.00	205,150.00	535,150.00	615,422.50
YEAR 18	3,050,000.00	350,000.00	187,000.00	537,000.00	617,550.00
YEAR 19	2,680,000.00	370,000.00	167,750.00	537,750.00	618,412.50
YEAR 20	2,290,000.00	390,000.00	147,400.00	537,400.00	618,010.00
YEAR 21	1,880,000.00	410,000.00	125,950.00	535,950.00	616,342.50
YEAR 22	1,445,000.00	435,000.00	103,400.00	538,400.00	619,160.00
YEAR 23	990,000.00	455,000.00	79,475.00	534,475.00	614,646.25
YEAR 24	510,000.00	480,000.00	54,450.00	534,450.00	614,617.50
YEAR 25	-	510,000.00	28,050.00	538,050.00	618,757.50
		<u>\$ 7,195,000.00</u>	<u>\$ 6,213,625.00</u>	<u>\$ 13,408,625.00</u>	<u>\$ 15,419,918.75</u>

Estimated issuance costs and rounding of \$71,800 are included in this schedule.
Long-term rates are assumed to be 5.50%. Rates are subject to market change.
Prepared by the Office of the Treasurer - Treasury Services 6/6/17

Rates are subject to market change. Amounts are preliminary estimates that will be revised at the time bonds are issued.



HVAC Replacement at Clements Hall

Texas A&M University

SSC Project No. 2016-01444

AGENDA ITEM BRIEFING

Submitted by: Michael K. Young, President
Texas A&M University

Subject: Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the HVAC Replacement at Hobby Hall Project, Texas A&M University, College Station, Texas (SSC Project No. 2016-01445)

Background and Prior Actions:

The HVAC Replacement at Hobby Hall Project was included as an approved project on the FY 2017 – FY 2021 A&M System Capital Plan approved by the Board at the September 2016 meeting.

Proposed Board Action:

- (1) Approve the project scope and budget.
- (2) Appropriate \$6,932,400 for construction services and related project costs and revert previous appropriations to the source account.
- (3) Approve construction of the HVAC Replacement at Hobby Hall Project at Texas A&M University (Texas A&M).

Funding/Budget Amount:

<u>Funding Source</u>	<u>Budget Amount</u>	<u>Average Estimated Annual Debt Service</u>	<u>Debt Service Source</u>
Revenue Financing System Debt Proceeds	<u>\$6,932,400</u>	\$522,343	Housing Revenue
Total Project Funds	<u>\$6,932,400</u>		

Project Justification:

Originally constructed in 1980, Hobby Hall is a four-story concrete structure consisting of 128 modular rooms/spaces (the majority being dorm rooms). Total square footage is approximately 62,156 gross square feet (GSF). Each room is conditioned by an individual Fan Coil Unit (FCU) served by a four-pipe Chilled Water and Heating Water (HW) piping distribution system. Each room has a pneumatic thermostat and fan speed control switch (Hi/Med/Lo/Off). Corridors are conditioned by floor-mounted FCUs as well as two Outside Air Units (OAU) located on the roof with a duct chase located adjacent to the stairwells on both ends of each floor.

Agenda Item No.
Agenda Item Briefing

Outside air (OA) is served to the corridor and introduced to each room via door undercut using bathroom exhaust to draw. OA short circuits from the corridor to the bathroom without mixing in the room space. Stairwells are not currently conditioned. OA intake louvers are located in the areaway near grade and ducted in crawl space to ventilate crawl space via two fans.

The Heating Ventilation Air Conditioning (HVAC) system has reached the end of its useful life and is in need of replacement. Existing electrical switchgear is also beyond its useful life and will be replaced on this project. Gear is fusible type with spare parts not available for use on this project.

Scope:

This project will replace all FCUs with new four-pipe FCUs with HW coils in the re-heat position. Each room will have a thermostat and humidistat to implement a humidity control strategy at the room level. A fan speed controller will be provided in each room to allow for student control of the FCU. Corridor floor-mounted FCUs will be replaced. Conditioned OA will be provided via a new roof-mounted air handler with integral Energy Recovery Unit (ERU). Existing exhaust fans will be removed. New exhaust ductwork will be manifolded on the roof and routed to the ERU to capture energy currently being exhausted. New OA and exhaust duct risers will be installed to introduce conditioned fresh air into each room. A new FCU will be provided to serve the stairwells.

General construction shall consist of the removal and replacement of existing ceilings to facilitate mechanical work. A bid alternate for one new roof hatch for safer roof access as well as an alternate for two new floor hatches to be located in each stairwell will be issued to provide access for replacement of and repair of crawl space exhaust fans.

Construction on this project is scheduled to start in December 2017 with substantial completion scheduled for July 2018. The total project budget is \$6,932,400.

Other Major Fiscal Impacts:

None.

Agenda Item No.

TEXAS A&M UNIVERSITY

Office of the President

June 30, 2017

Members, Board of Regents
The Texas A&M University System

Subject: Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the HVAC Replacement at Hobby Hall Project, Texas A&M University, College Station, Texas (SSC Project No. 2016-01445)

I recommend adoption of the following minute order:

“The project scope along with a project budget of \$6,932,400 for the HVAC Replacement at Hobby Hall Project is approved.

The amount of \$6,932,400 is appropriated from Account No. 01-083540, Revenue Financing System Debt Proceeds (Housing Revenue), for construction services and related project costs. The amount of \$654,000 is reverted to Account No. 02-030062 Residence Life.

The HVAC Replacement at Hobby Hall Project, Texas A&M University, College Station, Texas, is approved for construction.

The Board of Regents of The Texas A&M University System (Board) reasonably expects to incur debt in one or more obligations for this project, and all or a portion of the proceeds received from the sale of such obligations is reasonably expected to be used to reimburse the account(s) for amounts previously appropriated and/or expended from such account(s).

As required by Section 5(a) of the Master Resolution of the Revenue Financing System, the Board hereby determines that it will have sufficient funds to meet the financial obligations of The Texas A&M University System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System and that

the Participants, on whose behalf the debt is issued, possess the financial capacity to satisfy their Direct Obligations.”

Respectfully submitted,

Michael K. Young, President
Texas A&M University

Approval Recommended:

John Sharp
Chancellor

Approved for Legal Sufficiency:

Ray Bonilla
General Counsel

Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

HVAC REPLACEMENT AT HOBBY HALL
TEXAS A&M UNIVERSITY
SSC PROJECT NO. 2016-01445

PROJECT BUDGET

1.	Amount Available for Construction Contract.....	\$5,550,000
2.	Owner's Contingency	555,000
3.	Architectural/Engineering Fees	444,000
4.	SSC Project Management Fees	198,183
5.	SSC/Physical Plant Services	15,500
6.	Energy System Testing & Balancing	41,625
7.	Other Project Costs	<u>\$ 128,092</u>
8.	TOTAL ESTIMATED COST OF PROJECT.....	<u>\$6,932,400</u>

HVAC REPLACEMENT AT HOBBY HALL
TEXAS A&M UNIVERSITY
SSC PROJECT NO. 2016-01445

PROJECT SCHEDULE

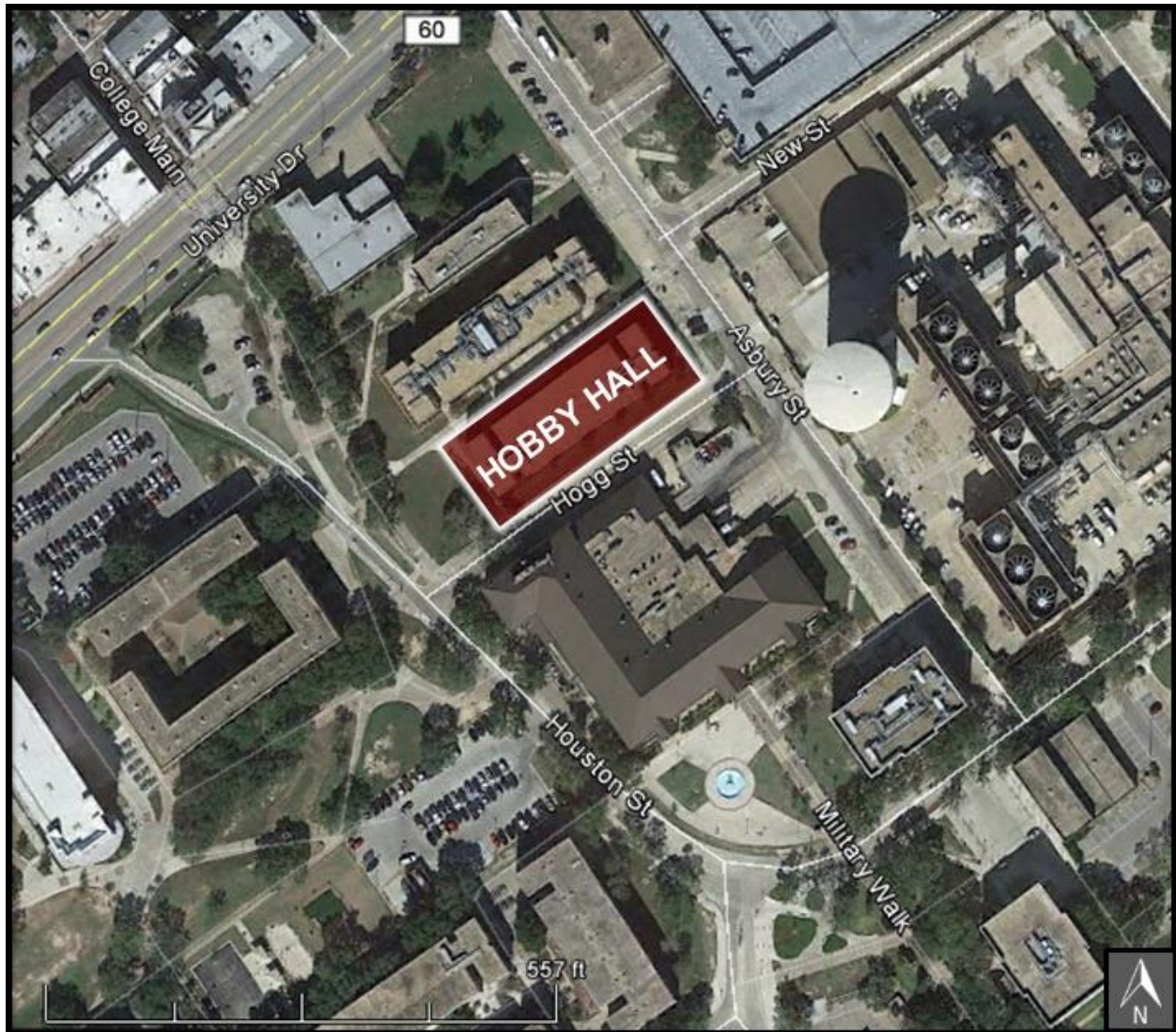
1. BOR Approval to Include in Capital Plan September 1, 2016
2. Issue A/E RFQ March 14, 2017
3. Receive A/E RFQ Responses..... April 4, 2017
4. Interview A/E Shortlist April 5, 2017
5. Design Kick-Off Meeting April 2017
6. Execute AE Agreement May 2017
7. Complete Schematic Design June 2017
8. Complete Design Development July 2017
9. Complete Construction Documents July 2017
10. Advertise for Competitive Sealed Proposals (CSP) July 2017
11. Receive CSPs August 2017
12. CSP Evaluation August 2017
13. BOR Approval for Construction August 23, 2017
14. Execute CSP Agreement August 2017
15. Begin Construction December 2017
16. Substantial Completion July 31, 2018
17. Owner Occupancy August 2018

**TEXAS A&M UNIVERSITY
REVENUE FINANCING SYSTEM
HVAC Replacement Hobby Hall
Housing Revenue**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
BONDS	7,005,000.00				
YEAR 1	6,870,000.00	135,000.00	385,275.00	520,275.00	598,316.25
YEAR 2	6,725,000.00	145,000.00	377,850.00	522,850.00	601,277.50
YEAR 3	6,575,000.00	150,000.00	369,875.00	519,875.00	597,856.25
YEAR 4	6,415,000.00	160,000.00	361,625.00	521,625.00	599,868.75
YEAR 5	6,245,000.00	170,000.00	352,825.00	522,825.00	601,248.75
YEAR 6	6,065,000.00	180,000.00	343,475.00	523,475.00	601,996.25
YEAR 7	5,875,000.00	190,000.00	333,575.00	523,575.00	602,111.25
YEAR 8	5,675,000.00	200,000.00	323,125.00	523,125.00	601,593.75
YEAR 9	5,465,000.00	210,000.00	312,125.00	522,125.00	600,443.75
YEAR 10	5,245,000.00	220,000.00	300,575.00	520,575.00	598,661.25
YEAR 11	5,010,000.00	235,000.00	288,475.00	523,475.00	601,996.25
YEAR 12	4,765,000.00	245,000.00	275,550.00	520,550.00	598,632.50
YEAR 13	4,505,000.00	260,000.00	262,075.00	522,075.00	600,386.25
YEAR 14	4,230,000.00	275,000.00	247,775.00	522,775.00	601,191.25
YEAR 15	3,940,000.00	290,000.00	232,650.00	522,650.00	601,047.50
YEAR 16	3,635,000.00	305,000.00	216,700.00	521,700.00	599,955.00
YEAR 17	3,310,000.00	325,000.00	199,925.00	524,925.00	603,663.75
YEAR 18	2,970,000.00	340,000.00	182,050.00	522,050.00	600,357.50
YEAR 19	2,610,000.00	360,000.00	163,350.00	523,350.00	601,852.50
YEAR 20	2,230,000.00	380,000.00	143,550.00	523,550.00	602,082.50
YEAR 21	1,830,000.00	400,000.00	122,650.00	522,650.00	601,047.50
YEAR 22	1,410,000.00	420,000.00	100,650.00	520,650.00	598,747.50
YEAR 23	965,000.00	445,000.00	77,550.00	522,550.00	600,932.50
YEAR 24	495,000.00	470,000.00	53,075.00	523,075.00	601,536.25
YEAR 25	-	495,000.00	27,225.00	522,225.00	600,558.75
		<u>\$ 7,005,000.00</u>	<u>\$ 6,053,575.00</u>	<u>\$ 13,058,575.00</u>	<u>\$ 15,017,361.25</u>

Estimated issuance costs and rounding of \$72,600 are included in this schedule.
Long-term rates are assumed to be 5.50%. Rates are subject to market change.
Prepared by the Office of the Treasurer - Treasury Services 6/6/17

Rates are subject to market change. Amounts are preliminary estimates that will be revised at the time bonds are issued.



HVAC Replacement at Hobby Hall

Texas A&M University

SSC Project No. 2016-01445

AGENDA ITEM BRIEFING

Submitted by: Michael K. Young, President
Texas A&M University

Subject: Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the Campus Thermal Systems Improvements Project, Texas A&M University, College Station, Texas (Project No. 1-2016)

Background and Prior Actions:

The Campus Thermal Systems Improvements Project was included as an approved project on the FY 2017 —FY 2021 A&M System Capital Plan approved by the Board of Regents at the September 2016 meeting.

Proposed Board Action:

- (1) Approve the project scope and budget.
- (2) Appropriate \$8,698,875 for construction services and related project costs; \$967,000 has been previously appropriated.
- (3) Approve construction of the Campus Thermal Systems Improvements Project at Texas A&M University (Texas A&M).

Funding/Budget Amount:

<u>Funding Source</u>	<u>Budget Amount</u>	Average Estimated Annual <u>Debt Service</u>	Debt Service <u>Source</u>
Revenue Financing System Debt Proceeds	<u>\$9,665,875</u>	\$783,600	Utility Revenue
Total Project Funds	<u>\$9,665,875</u>		

Project Justification:

This project will improve the chilled water and heating hot water distribution systems by replacing existing lines that are at the end of their useful life and installing new lines for better distribution. Expansion tank and air/dirt separator upgrades will be implemented at utility plants to improve thermal loop performance and reliability.

Agenda Item No.
Agenda Item Briefing

Scope:

The project will replace existing thermal (Chilled Water and Heating Hot Water) lines on the campus that are at the end of their useful life as well as installing new thermal lines to provide better distribution. New thermal expansion tanks will be installed at Satellite Utility Plant (SUP) No. 1 and SUP No. 3. New air/dirt separators will be installed at the Central Utility Plant, SUP No. 1 and SUP No. 2 to improve thermal loop performance and reliability.

Construction on this project is scheduled to start in September 2017 with substantial completion scheduled for August 2018. The total project budget is \$9,665,875.

Other Major Fiscal Impacts:

None.

Agenda Item No.

TEXAS A&M UNIVERSITY

Office of the President

June 30, 2017

Members, Board of Regents
The Texas A&M University System

Subject: Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the Campus Thermal Systems Improvements Project, Texas A&M University, College Station, Texas (Project No. 01-2016)

I recommend adoption of the following minute order:

“The project scope along with a project budget of \$9,665,875 for the Campus Thermal Systems Improvements Project is approved.

The amount of \$8,698,875 is appropriated from Account No. 01-083540, Revenue Financing System Debt Proceeds (Utility Revenue), construction services and related project costs.

The Campus Thermal Systems Improvements Project, Texas A&M University, College Station, Texas, is approved for construction.

The Board of Regents of The Texas A&M University System (Board) reasonably expects to incur debt in one or more obligations for this project, and all or a portion of the proceeds received from the sale of such obligations is reasonably expected to be used to reimburse the account(s) for amounts previously appropriated and/or expended from such account(s).

As required by Section 5(a) of the Master Resolution of the Revenue Financing System, the Board hereby determines that it will have sufficient funds to meet the financial obligations of The Texas A&M University System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System and that

the Participants, on whose behalf the debt is issued, possess the financial capacity to satisfy their Direct Obligations.”

Respectfully submitted,

Michael K. Young, President
President

Approval Recommended:

John Sharp
Chancellor

Approved for Legal Sufficiency:

Ray Bonilla
General Counsel

Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

CAMPUS THERMAL SYSTEMS IMPROVEMENTS	PROJECT BUDGET
TEXAS A&M UNIVERSITY	
PROJECT NO. 01-2016	

1.	Amount Available for Construction Contract.....	\$8,024,825
2.	Owner Contingencies	\$433,675
3.	A/E Fees	\$962,375
4.	Project Management	\$215,000
5.	SSC/Physical Plant Services	\$25,000
6.	Testing	\$5,000
7.	TOTAL ESTIMATED COST OF PROJECT.....	<u>\$9,665,875</u>

1. Complete Construction DocumentsJune 21, 2017
2. Advertise for Competitive Sealed Proposals (CSP).....June 28, 2017
3. Receive CSP's.....August 2, 2017
4. Complete CSP Evaluation.....August 9, 2017
5. Board of Regents Approval for ConstructionAugust 23, 2017
6. Notice to Proceed with ConstructionSeptember 1, 2017
7. Substantial Completion/Start UpAugust 31, 2018

**TEXAS A&M UNIVERSITY
REVENUE FINANCING SYSTEM
Campus Thermal Systems Improvements
Utility Revenue**

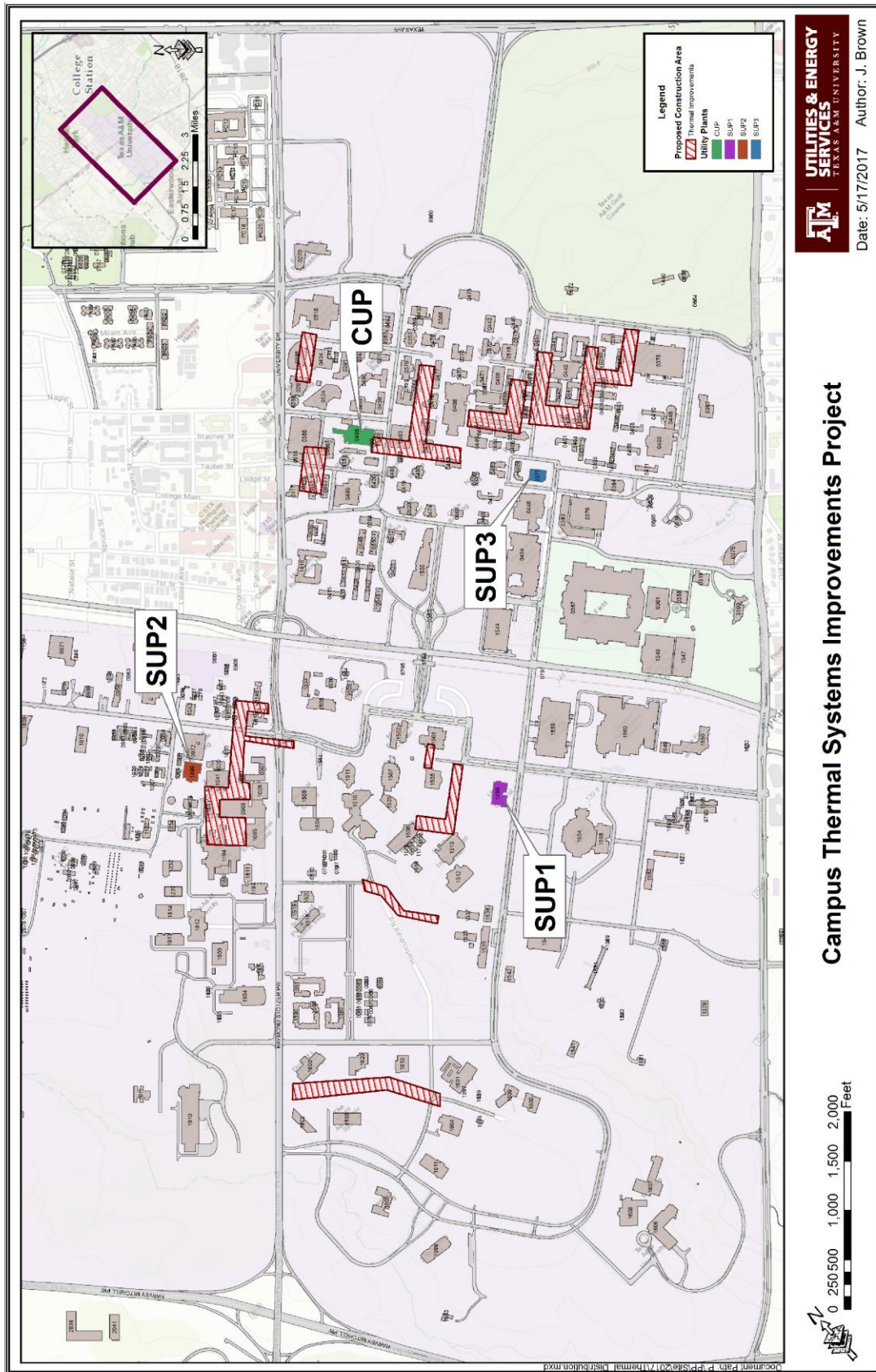
Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
BONDS	9,765,000.00				
YEAR 1	9,470,000.00	295,000.00	488,250.00	783,250.00	900,737.50
YEAR 2	9,160,000.00	310,000.00	473,500.00	783,500.00	901,025.00
YEAR 3	8,835,000.00	325,000.00	458,000.00	783,000.00	900,450.00
YEAR 4	8,495,000.00	340,000.00	441,750.00	781,750.00	899,012.50
YEAR 5	8,135,000.00	360,000.00	424,750.00	784,750.00	902,462.50
YEAR 6	7,755,000.00	380,000.00	406,750.00	786,750.00	904,762.50
YEAR 7	7,360,000.00	395,000.00	387,750.00	782,750.00	900,162.50
YEAR 8	6,945,000.00	415,000.00	368,000.00	783,000.00	900,450.00
YEAR 9	6,510,000.00	435,000.00	347,250.00	782,250.00	899,587.50
YEAR 10	6,050,000.00	460,000.00	325,500.00	785,500.00	903,325.00
YEAR 11	5,570,000.00	480,000.00	302,500.00	782,500.00	899,875.00
YEAR 12	5,065,000.00	505,000.00	278,500.00	783,500.00	901,025.00
YEAR 13	4,535,000.00	530,000.00	253,250.00	783,250.00	900,737.50
YEAR 14	3,980,000.00	555,000.00	226,750.00	781,750.00	899,012.50
YEAR 15	3,395,000.00	585,000.00	199,000.00	784,000.00	901,600.00
YEAR 16	2,780,000.00	615,000.00	169,750.00	784,750.00	902,462.50
YEAR 17	2,135,000.00	645,000.00	139,000.00	784,000.00	901,600.00
YEAR 18	1,455,000.00	680,000.00	106,750.00	786,750.00	904,762.50
YEAR 19	745,000.00	710,000.00	72,750.00	782,750.00	900,162.50
YEAR 20	-	745,000.00	37,250.00	782,250.00	899,587.50
		<u>\$ 9,765,000.00</u>	<u>\$ 5,907,000.00</u>	<u>\$ 15,672,000.00</u>	<u>\$ 18,022,800.00</u>

Estimated issuance costs and rounding of \$99,125 are included in this schedule.

Long-term rates are assumed to be 5.00%. Rates are subject to market change.

Prepared by the Office of the Treasurer - Treasury Services 6/6/17

Rates are subject to market change. Amounts are preliminary estimates that will be revised at the time bonds are issued.



Campus Thermal Systems Improvements Project

Campus Thermal System Improvements

Construction Project Status Report

Effective 08/08/2017

Projects in Programming / Planning:	15 Projects	\$	432,786,216
Projects in Design:	11 Projects	\$	383,117,105
Projects in Bidding:	1 Projects	\$	26,400,000
Projects in Construction:	38 Projects	\$	1,974,699,785
Combined Total:	65 Projects	\$	2,817,003,106

PROJECTS TO BE AUTHORIZED BY THE BOARD OF REGENTS

Projects in Programming / Planning:

Bryan, TX

28-3252	Industrial Distribution Building #2	\$	18,000,000
28-3229	Mary K O'Connor Process Safety Center	\$	21,000,000
09-3244	RELLIS - TEEX HQ & Training	\$	7,000,000
01-3245	RELLIS Master Plan	\$	474,920
28-3230	Rowlett Industrial Distribution Center	\$	20,600,000
28-3232	TEES Headquarters Building	\$	15,000,000
28-3231	TEES Industry Lab	\$	10,000,000

Canyon, TX

20-3256	Texas Veterinary Medical Diagnostic Laboratory - Canyon	\$	15,000,000
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College Station, TX

02-3237	Aggie Band Residence Hall	\$	57,844,000
02-3254	Polo Garage	\$	56,867,296
02-3221	Research Personnel Building	\$	48,000,000

Ft. Worth, TX

02-3243	Law School Building	\$	85,000,000
TBD	Law School Clinic Garage	\$	31,000,000

San Antonio, TX

25-3255	Academic and Administration Building Ph I	\$	25,000,000
09-3249	Training & Support Facility	\$	22,000,000

Total of Projects in Programming / Planning		\$	432,786,216
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Projects in Design:

Bryan, TX

01-3233	Gateway Education Center	\$	42,000,000
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Canyon, TX

18-3226	Football & Soccer-Track Stadiums	\$	32,500,000
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College Station, TX

02-3236	21st Century Classroom Building	\$	74,000,000
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02-3208	Agriculture Building #5	\$	49,000,000
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02-3211	Music Activities Center	\$	42,500,000
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02-3220	Storm Water System Improvements	\$	11,430,000
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02-3235	Student Services Building	\$	40,000,000
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Ft. Worth, TX

04-3191	Southwest Metroplex Building	\$	39,600,000
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Kingsville, TX

17-3225	Administrative Services Building	\$	16,553,075
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Prairie View, TX

05-3204	Capital Improvements	\$	20,232,000
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05-3251	Energy Consumption Reduction Project - PVAMU	\$	15,302,030
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Total of Projects in Design		\$	383,117,105
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Projects in Bidding:

Stephenville, TX

04-3176	Memorial Stadium Renovation and Expansion	\$	26,400,000
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Total of Projects in Bidding		\$	26,400,000
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Projects in Construction:

Bryan, TX

28-3196	Center for Infrastructure Renewal	\$	80,851,000
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Bartlett Cocke General Contractors

Status: On Schedule

Substantial Completion Date:

01/17/2018

Construction Work Completed:

56%

02-3193	Joint Library Facility Module 2	\$	5,000,000
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Bartlett Cocke General Contractors

Status: Warranty

Substantial Completion Date:

09/01/2017

Construction Work Completed:

100%

23-3203	Medical Research & Education Building 2	\$	103,800,000
	J. T. Vaughn Construction, LLC		
Status:	On Schedule	Substantial Completion Date:	03/04/2019
		Construction Work Completed:	7%
01-3228	RELLIS Campus Infrastructure	\$	53,175,000
	J. T. Vaughn Construction, LLC		
Status:	On Schedule	Substantial Completion Date:	11/15/2018
		Construction Work Completed:	19%
12-3224	TTI Headquarters	\$	70,000,000
	Bartlett Cocke General Contractors		
Status:	On Schedule	Substantial Completion Date:	12/20/2018
		Construction Work Completed:	9%

Canyon, TX

18-3199	Agricultural Sciences Complex	\$	49,036,000
	Western Builders		
Status:	On Schedule	Substantial Completion Date:	07/25/2018
		Construction Work Completed:	32%
18-3227	Renovate Jarrett Hall Phase II	\$	14,330,000
	Western Builders		
Status:	Just Starting	Substantial Completion Date:	07/31/2018
		Construction Work Completed:	1%

College Station, TX

02-3183	Aggie Softball Stadium	\$	28,640,000
	Austin Commercial, LP		
Status:	Just Starting	Substantial Completion Date:	04/06/2018
		Construction Work Completed:	1%
02-3184	Aggie Track & Field Stadium	\$	39,800,000
	Austin Commercial, LP		
Status:	Just Starting	Substantial Completion Date:	05/16/2018
		Construction Work Completed:	0%
06-3175	Agriculture and Life Sciences Building No 4	\$	28,500,000
	Skanska USA Building, Inc.		
Status:	Warranty	Substantial Completion Date:	02/24/2017
		Construction Work Completed:	100%
02-3205	Biocontainment Research Facility (BRF)	\$	86,000,000
	J. T. Vaughn Construction, LLC		
Status:	On Schedule	Substantial Completion Date:	02/28/2019
		Construction Work Completed:	7%
02-3164	Chemistry Bldg 72 Wing 1st & 2nd Floor Renovation	\$	12,894,125
	SpawGlass Construction, Inc.		
Status:	On Schedule	Substantial Completion Date:	06/27/2017
		Construction Work Completed:	99%

02-3156	Commons Building Renovations and Additions	\$	49,850,000
	K-W Construction, Inc.		
Status:	On Schedule	Substantial Completion Date:	06/30/2017
		Construction Work Completed:	99%
02-3162	Completion of Corps Dorm Renovation	\$	149,000,000
	SpawGlass Construction, Inc.		
Status:	Building Occupied	Substantial Completion Date:	06/30/2017
		Construction Work Completed:	98%
02-3155	Engineering Education Complex	\$	224,669,000
	J. T. Vaughn Construction, LLC		
Status:	On Schedule	Substantial Completion Date:	05/29/2018
		Construction Work Completed:	72%
02-3170	Human Clinical Research Center	\$	13,950,000
	Skanska USA Building, Inc.		
Status:	Warranty	Substantial Completion Date:	01/16/2017
		Construction Work Completed:	100%
02-3213	HVAC Replacement Mosher Hall	\$	15,028,100
	MLN Company		
Status:	On Schedule	Substantial Completion Date:	08/05/2017
		Construction Work Completed:	99%
02-3216	Penberthy Rec Fields Relocation	\$	9,984,263
	Austin Commercial, LP		
Status:	Substantially Complete	Substantial Completion Date:	04/30/2017
		Construction Work Completed:	100%
02-3210	Renovate the Commissary Building	\$	33,155,000
	Evolve Infrastructure Solutions		
Status:	Substantially Complete	Substantial Completion Date:	07/26/2017
		Construction Work Completed:	99%
02-3143	Student Recreation Center Addition	\$	54,990,000
	Satterfield and Pontikes Construction, Inc.		
Status:	Warranty	Substantial Completion Date:	01/16/2017
		Construction Work Completed:	100%
20-3160	Texas A&M Veterinary Medical Diagnostic Laboratory	\$	53,600,000
	J. T. Vaughn Construction, LLC		
Status:	Substantially Complete	Substantial Completion Date:	12/23/2016
		Construction Work Completed:	100%
02-3177	West Campus Support Building	\$	17,000,000
	Sedalco, Inc.		
Status:	On Schedule	Substantial Completion Date:	12/28/2017
		Construction Work Completed:	47%

Commerce, TX

21-3186	Nursing & Health Sciences Building	\$	54,000,000
	BE&K Building Group		
Status:	On Schedule	Substantial Completion Date:	11/30/2018
		Construction Work Completed:	10%

Corpus Christi, TX

15-3188	Life Sciences Research & Engineering Complex-Ph I	\$	60,000,000
	Fulton Construction Corp./Coastcon Corp. JV		
Status:	On Schedule	Substantial Completion Date:	08/24/2018
		Construction Work Completed:	26%

Dallas, TX

06-3192	Dallas AgriLife Center	\$	34,000,000
	Sedalco, Inc.		
Status:	Behind Schedule	Substantial Completion Date:	10/31/2018
		Construction Work Completed:	11%
23-3202	Dentistry Clinical Education Facility	\$	127,500,000
	J. T. Vaughn Construction, LLC		
Status:	Just Starting	Substantial Completion Date:	07/31/2019
		Construction Work Completed:	1%

Galveston, TX

10-3180	Academic Building Complex	\$	47,950,000
	Linbeck		
Status:	Substantially Complete	Substantial Completion Date:	07/26/2017
		Construction Work Completed:	99%
10-3197	Academic Building Complex Phase II & Infrastructure	\$	56,280,000
	J. T. Vaughn Construction, LLC		
Status:	On Schedule	Substantial Completion Date:	06/13/2018
		Construction Work Completed:	29%

Killeen, TX

24-3194	Multipurpose Building 3	\$	36,000,000
	Austin Commercial, LP		
Status:	On Schedule	Substantial Completion Date:	07/23/2018
		Construction Work Completed:	20%

Kingsville, TX

17-3207	Education Complex	\$	60,950,320
	SpawGlass Construction, Inc.		
Status:	Just Starting	Substantial Completion Date:	04/08/2019
		Construction Work Completed:	3%

Laredo, TX

16-3206	Addition of Instructional & Support Space	\$	71,000,000
Bartlett Cocke General Contractors			
Status:	On Schedule	Substantial Completion Date:	03/08/2019
		Construction Work Completed:	18%

McAllen, TX

02-3212	McAllen Multipurpose Academic Facility	\$	40,000,000
BE&K Building Group			
Status:	Behind Schedule	Substantial Completion Date:	05/21/2018
		Construction Work Completed:	19%

Prairie View, TX

05-3198	Fabrication Center	\$	17,158,000
SpawGlass Construction, Inc.			
Status:	On Schedule	Substantial Completion Date:	01/15/2018
		Construction Work Completed:	32%

San Antonio, TX

25-3158	Science and Technology Building	\$	63,000,000
SpawGlass Construction, Inc.			
Status:	On Schedule	Substantial Completion Date:	06/29/2018
		Construction Work Completed:	100%

Stephenville, TX

04-3195	Applied Science Building	\$	54,000,000
BE&K Building Group			
Status:	On Schedule	Substantial Completion Date:	09/29/2018
		Construction Work Completed:	4%
04-3187	Utility and Infrastructure Improvements	\$	25,750,000
Imperial Construction, Inc.			
Status:	On Schedule	Substantial Completion Date:	12/01/2017
		Construction Work Completed:	44%

Texarkana, TX

22-3200	Academic & Student Services Building	\$	32,000,000
HOAR Construction			
Status:	Just Starting	Substantial Completion Date:	11/20/2018
		Construction Work Completed:	1%
22-2997	Multipurpose Library Building & Central Plant-Phase II	\$	1,858,977
Alessi Keyes Construction			
Status:	Substantially Complete	Substantial Completion Date:	04/12/2017
		Construction Work Completed:	100%

Total of Projects in Construction	\$	1,974,699,785
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Private Development:

Bryan, TX

01-3248	Blinn at RELLIS	\$	32,400,000
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College Station, TX

02-3165	Century Square	\$	200,000,000
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02-3246	New FBO & Hangar for Astin Aviation	\$	9,500,000
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02-3189	Park West Development	\$	361,100,000
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02-3247	TAMU Hotel and Conference Center	\$	134,160,000
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Commerce, TX

21-3218	TAMU Commerce Freshman Housing	\$	30,000,000
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Corpus Christi, TX

15-3215	Momentum Village Phase II	\$	46,329,000
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Prairie View, TX

05-3214	PVAMU Phase 8 Student Housing	\$	26,917,133
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San Antonio, TX

25-3219	TAMU-San Antonio Housing	\$	23,504,356
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Stephenville, TX

04-3190	Tarleton 2016 Residence Hall	\$	76,790,746
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Texarkana, TX

22-3217	Student Recreation Center at TAMU-T	\$	9,700,000
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Total of Private Development Projects		\$	950,401,235
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AGENDA ITEM BRIEFING

Submitted by: John Sharp, Chancellor
The Texas A&M University System

Subject: Establishment of the Texas A&M RELLIS Gateway Education Center

Proposed Board Action:

Establish the Texas A&M RELLIS Gateway Education Center within The Texas A&M University System.

Background Information:

In September 2015, the 2,000-acre tract known as the Texas A&M University Riverside Campus was transferred to The Texas A&M University System. The campus will become a premier, high-tech research, technology development, and education center, and will be called the RELLIS Campus. RELLIS is an acronym of the Texas Aggies' core values of respect, excellence, leadership, loyalty, integrity and selfless service.

In the context of the offerings that are available to students, RELLIS is a 21st century polytechnic campus. Polytechnic campuses provide career-focused education in the arts, social and behavioral sciences, engineering, education, and the sciences.

The mission of RELLIS is to provide multi-disciplinary and multi-institutional teaching, research, and service collaboration committed to blending industry expertise and innovative research on a premier state-of-the-art campus supporting the needs of Texas and the global community.

By focusing on collaboration beyond institutional affiliation, RELLIS will serve as the model for the future of higher education by redefining relationships between higher education institutions and that of business and industry to cultivate unparalleled opportunities for life-changing and industry-shaping innovations.

A&M System Funding or Other Financial Implications:

The Gateway Education Center Project was included as an approved project on the FY 2017 – FY 2021 A&M System Capital Plan approved by the Board at the September 2016 meeting.

Agenda Item No.

THE TEXAS A&M UNIVERSITY SYSTEM

Office of the Chancellor

July 5, 2017

Member, Board of Regents
The Texas A&M University System

Subject: Establishment of the Texas A&M RELLIS Gateway Education Center

I recommend adoption of the following minute order:

“The Texas A&M RELLIS Gateway Education Center is hereby established as an organizational unit within The Texas A&M University System.”

Respectfully Submitted,

John Sharp
Chancellor

Approval Recommended:

John Sharp
Chancellor

Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

James R. Hallmark, Ph.D.
Vice Chancellor for Academic Affairs

Approved for Legal Sufficiency:

Ray Bonilla
General Counsel

**Procedures for Establishing a Multi-Institution Teaching Center (MITC)
Or A University System Center (USC)**

**Proposal for The Texas A&M RELLIS Gateway Education Center
To be Approved as a University System Center**

Administrative Information—Part Two

Coordinating Board Rules Chapter 5, Section 5.76(i): The Commissioner shall establish policies concerning how a location receives designation as a specific type of off-campus educational unit and how to expand educational activities

1. Proposed name of the MITC/USC:

Texas A&M RELLIS Gateway Education Center

2. Physical location and address, including ZIP code, of the site:

3100 Highway 47, Bryan, TX 77807

3. Institution or institutions that will offer instruction at the site:

Institutions and agencies within The Texas A&M University System and Blinn College

4. Describe financial arrangements that will support the Center:

As of this writing, the details of the financial model are still being finalized. The costs that are incurred by the System at RELLIS, as indicated on Figure 1, are the student services that are provided, administration and operation, facility maintenance and upgrade, grounds upkeep, security, and utilities. Significant effort is being invested to contain the cost of operation so that offering a degree program is revenue positive to the institution, and is at least revenue neutral to the System.

The institutions offering the degree and enrolling students receive all semester credit hour revenue as RELLIS is not authorized to confer degrees or collect tuition and fees, nor is such authority being requested.

As students enrolled at multiple institutions will be studying at RELLIS, and because students will be taking courses from multiple institutions concurrently, a RELLIS designated tuition rate consistent across all institutions is being considered for students studying at RELLIS. Such a designated tuition rate, when approved by the Board of Regents, is anticipated to place the total cost of tuition and fees paid by a student studying at RELLIS in a 120-hour degree program at about the median of the same degree program wholly completed on the home campus.

Because the lower division coursework is being offered by Blinn College, with a lower tuition rate structure than the four-year institutions, the designated tuition rate can be higher than the home campus and still have the total degree cost not exceed the median of the System institutions.

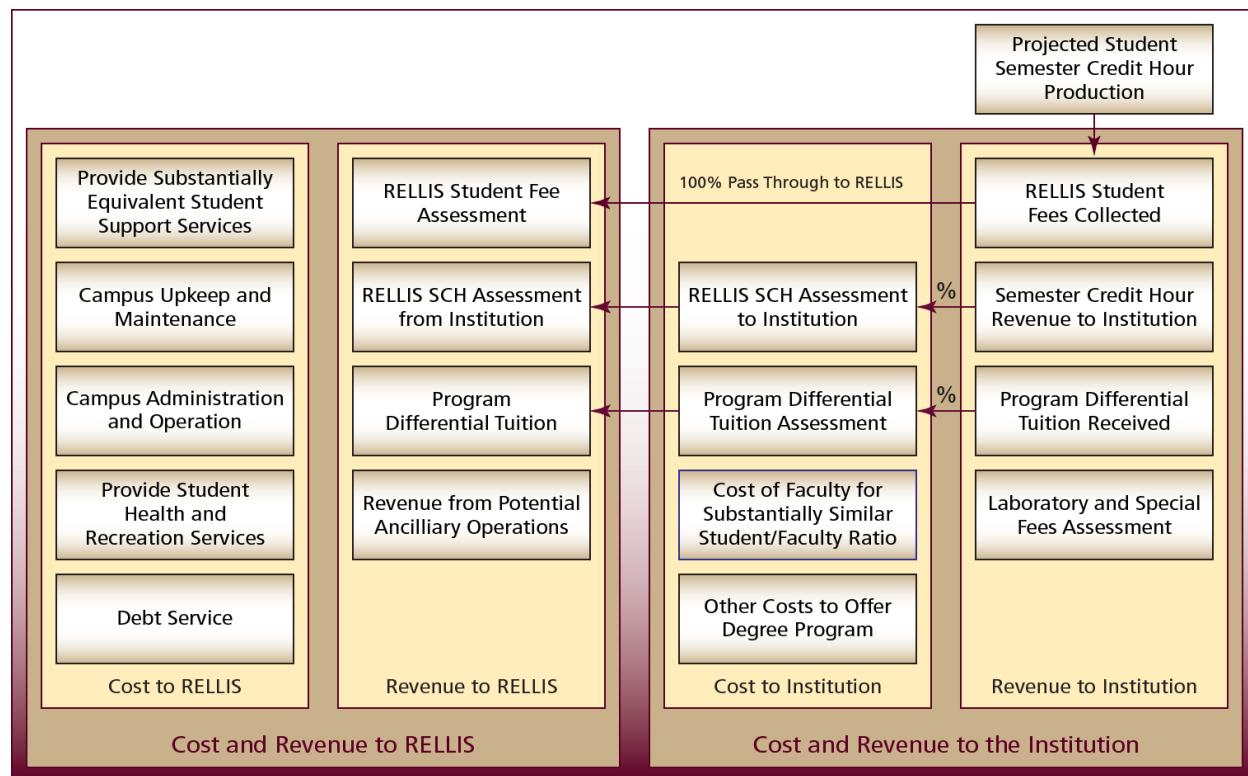


Figure 1: Proposed Revenue Stream for RELLIS Academic Programs

The other revenue stream is the University Services Fee. This fee is used to provide campus wide services supporting the academic mission, as is a similarly named fee on most campuses. Services provided to students, such as medical clinic access and recreation sports, are paid from this fee. Again, this fee is paid to the institution that offers the course in which the student is enrolled. One hundred percent of the University Services Fees collected will be sent to RELLIS as all those services are provided by RELLIS.

Each institution offering a degree at RELLIS will be assessed a portion of the semester credit hour tuition revenue it receives to pay for the System provided services and cost incurred at RELLIS to enable the academic programs to be offered. At present, the only costs that the institutions are expected to incur are the faculty salary and benefits for offering the degree program. The details of the arrangement and the split of the semester credit hour revenue is still being developed. The end goal is that the System costs are recovered and the program offered is revenue positive to the home campus.

5. Provide information on the anticipated headcount and full-time student equivalent enrollment for the first five years of operation

The projected enrollments for the first five years for the anticipated program offerings are presented in Table 1. These projections are believed to be conservative.

Table 1: Projected enrollments in anticipated programs for the first five years

Institution and Proposed Program	Projected Enrollments				
	Year 1	Year 2	Year 3	Year 4	Year 5
Texas A&M International University Bachelor of Business Administration, majoring in Information Systems and Data Analytics (BBA MIS)	25	49	56	64	74
	Jr: 25	Jr: 29	Jr: 33	Jr: 38	Jr: 44
		Sr: 20	Sr: 23	Sr: 26	Sr: 30
Texas A&M International University Bachelor of Applied Arts and Sciences, concentrating on Criminal Justice (BAAS CRIJ)	25	49	56	64	74
	Jr: 25	Jr: 29	Jr: 33	Jr: 38	Jr: 44
		Sr: 20	Sr: 23	Sr: 26	Sr: 30
Prairie View A&M University Baccalaureate Nursing Program (BSN)	20	39	45	52	59
	Jr: 20	Jr: 23	Jr: 26	Jr: 30	Jr: 35
		Sr: 16	Sr: 18	Sr: 21	Sr: 24
Prairie View A&M University Bachelor of Science in Criminal Justice (With Specialization in Criminalistics)	25	49	56	64	74
	Jr: 25	Jr: 29	Jr: 33	Jr: 38	Jr: 44
		Sr: 20	Sr: 23	Sr: 26	Sr: 30
Tarleton State University Civil Engineering		20	39	45	52
		Jr: 20	Jr: 23	Jr: 26	Jr: 30
			Sr: 16	Sr: 18	Sr: 21
Tarleton State University Computer Technology		25	49	56	64
		Jr: 25	Jr: 29	Jr: 33	Jr: 38
			Sr: 20	Sr: 23	Sr: 26
Tarleton State University Bachelor of Public Administration (BPA)	25	49	56	64	74
	Jr: 25	Jr: 29	Jr: 33	Jr: 38	Jr: 44
		Sr: 20	Sr: 23	Sr: 26	Sr: 30
Tarleton State University Bachelor's of Science in Criminal Justice	25	49	56	64	74
	Jr: 25	Jr: 29	Jr: 33	Jr: 38	Jr: 44
		Sr: 20	Sr: 23	Sr: 26	Sr: 30
Texas A&M University-Central Texas Master of Education in Curriculum and Instruction	15	29	34	39	44
	Jr: 15	Jr: 17	Jr: 20	Jr: 23	Jr: 26
		Sr: 12	Sr: 14	Sr: 16	Sr: 18
Texas A&M University-Corpus Christi Business Administration	25	49	56	64	74
	Jr: 25	Jr: 29	Jr: 33	Jr: 38	Jr: 44
		Sr: 20	Sr: 23	Sr: 26	Sr: 30
Texas A&M University-Corpus Christi Engineering Technology		25	49	56	64
		Jr: 25	Jr: 29	Jr: 33	Jr: 38
			Sr: 20	Sr: 23	Sr: 26
Texas A&M University-Texarkana Biology	20	39	45	52	59
	Jr: 20	Jr: 23	Jr: 26	Jr: 30	Jr: 35
		Sr: 16	Sr: 18	Sr: 21	Sr: 24
	205	470	596	686	788
	Jr: 205	Jr: 306	Jr: 352	Jr: 404	Jr: 465
	Sr: 0	Sr: 164	Sr: 245	Sr: 281	Sr: 323

There are several assumptions inherent in these projections. First, the number of students enrolled in a degree program during the first year the program is offered was assumed to be 25 students or the projection from the offering institution, whichever was the lower. Second, a 15 percent annual growth rate for the first five years was assumed. Lastly, the retention from junior to senior year was assumed to be 80 percent.

Appropriate notifications complying with rules of the Coordinating Board will occur prior to offering a degree program. These notifications will be consolidated into a single package and sent forward from the System.

6. Describe facility arrangements:

The Texas A&M System Gateway Education Complex to be constructed on the Texas A&M RELLIS Campus will be located on the Education Campus shown on Figure 2. The Education Complex is on the System capital plan and the design/build contract has been selected. Blinn College is currently building its RELLIS Education Building on this site and is in close proximity to the Texas A&M Gateway Complex and the training campus for workforce development. The proximity of the components will provide for synergies that will enhance the educational opportunities for the students.

The educational and administrative spaces to be included in the building are presented in Table 2 through Table 4. The complex will contain 112,460 gross square feet of space (67,476 square feet assignable). The Gateway Education Complex will be built in two phases. The second phase will not commence until the enrollment projections are validated. Phase 1 will contain 41,037 square feet of assignable space and Phase 2 will contain 26,439 square feet of assignable space.

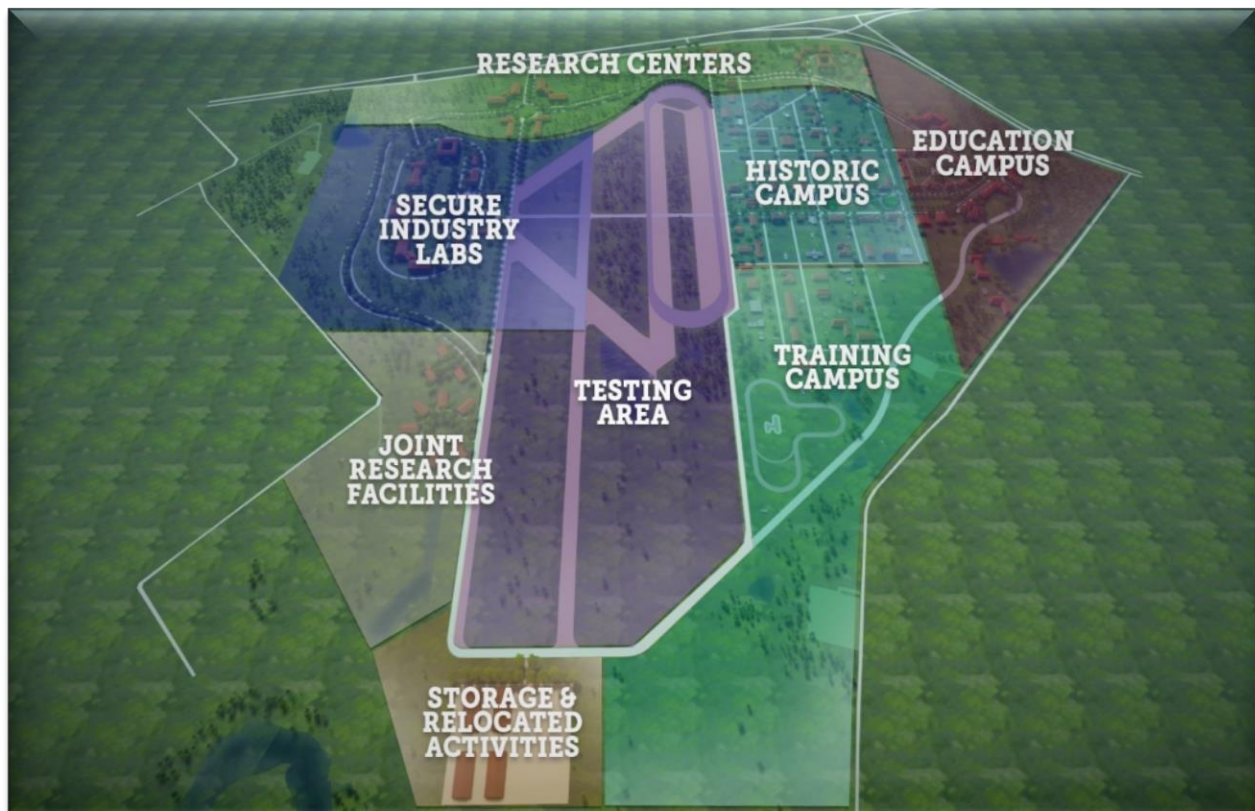


Figure 2: Anticipated utilization of the Texas A&M RELLIS Campus

Upon completion of both phases, the Complex can accommodate 2,500 upper division students. Included in the allocated spaces are provisions for all of the student support services that are necessary. These spaces include an advising area so that students have a single point of contact for academic advising.

The architectural style for construction of the Gateway Complex is as shown in Figure 3. The building shown in the figure is the Center for Infrastructure Renewal, which is currently under construction.

Table 2: Faculty and administrative office spaces

Space	Occup	Total No. and Size	Subtotal (sf)	Area				
				Total (sf)	#	Phase 1a	#	Phase 1b
<u>Faculty Offices</u>				10,700				
Fulltime Tenure Track Office	1	95 @ 100 Sq.Ft.	9,500		40	4,000	55	5,500
Faculty Copy/Breakrooms	8	4 @ 100 Sq.Ft.	400		2	200	2	200
Faculty Conference Rooms	8	4 @ 200 Sq.Ft.	800		2	400	2	400
<u>RELLIS Administration</u>				1,482				
Director's Office	1	1 @ 200 Sq.Ft.	200		1	200		0
Director's Admin Asst.	1	1 @ 100 Sq.Ft.	100		1	100		0
Professional Offices	1	2 @ 100 Sq.Ft.	200		2	200		0
Work/breakroom	0	1 @ 100 Sq.Ft.	100		1	100		0
Conference Room	15	1 @ 375 Sq.Ft.	375		1	375		0
Storage Room	0	1 @ 100 Sq.Ft.	100		1	100		0
Reception / Waiting	5	1 @ 160 Sq.Ft.	160		1	160		0
Internal Circulation			247			247		0
<u>One-Stop Shop</u>				2,219				
Director	1	1 @ 140 Sq.Ft.	140		1	140		0
Professional Offices	1	6 @ 100 Sq.Ft.	600		3	300	3	300
Admin/paraprofessional offices	1	4 @ 64 Sq.Ft.	256		2	128	2	128
Work/breakroom	0	1 @ 100 Sq.Ft.	100		1	100		0
Conference Room	15	1 @ 375 Sq.Ft.	375		1	375		0
Storage Room	0	1 @ 100 Sq.Ft.	100		1	100		0
Service Desk	2	1 @ 128 Sq.Ft.	128		1	128		0
Waiting Area	6	1 @ 150 Sq.Ft.	150		1	150		0
Internal Circulation			370			284		86
<u>Information Technology Spaces</u>				900				
Staff Offices	1	1 @ 100 Sq.Ft.	100		1	100		0
Staff Workstations	2	3 @ 200 Sq.Ft.	600		2	400	1	200
Server Room	0	1 @ 100 Sq.Ft.	100		1	100		0
Storage	0	1 @ 100 Sq.Ft.	100		1	100		0

Table 3: Teaching spaces

Space	Occup	Total No. and Size	Subtotal (sf)	Area				
				Total (sf)	#	Phase 1a	#	Phase 1b
<u>General Use Classrooms</u>				16,025				
Small Lecture Classroom	35	8 @ 850 Sq.Ft.	6,800		6	5,100	2	1,700
Medium Lecture Classroom	49	5 @ 1,050 Sq.Ft.	5,250		4	4,200	1	1,050
Medium Lecture Hall	76	1 @ 1,325 Sq.Ft.	1,325			0	1	1,325
Large Lecture Hall	151	1 @ 2,650 Sq.Ft.	2,650		0	0	1	2,650
<u>Laboratories + Support</u>				9,500				
Biology Lab	25	2 @ 1,100 Sq.Ft.	2,200		2	2,200		0
Electronics Laboratory	25	1 @ 1,000 Sq.Ft.	1,000			0	1	1,000
Computer Technology Lab	25	1 @ 1,000 Sq.Ft.	1,000			0	1	1,000
Materials Laboratory	25	1 @ 1,200 Sq.Ft.	1,200			0	1	1,200
Fluids/Thermodynamics Lab	25	1 @ 1,200 Sq.Ft.	1,200			0	1	1,200
General Purpose Lab	25	2 @ 1,200 Sq.Ft.	2,400			0	2	2,400
Lab Prep Rooms	0	1 @ 500 Sq.Ft.	500		1	500		0
General Purpose Lab Storage	0	0 @ 300 Sq.Ft.	0			0		0
<u>Allied Health Labs + Support</u>				16,350				
Low Fidelity Simulation Labs	13	3 @ 2,200 Sq.Ft.	6,600		3	6,600		0
High Fidelity Simulation Lab	13	1 @ 1,000 Sq.Ft.	1,000		1	1,000		0
PT/OT Lab	13	1 @ 2,650 Sq.Ft.	2,650		1	2,650		0
E.M.T. Lab	13	0 @ 2,300 Sq.Ft.	0			0		0
Med/Surgery Simulation Lab	16	1 @ 525 Sq.Ft.	525		1	525		0
Med/Surgery Sim Lab Support	0	1 @ 250 Sq.Ft.	250		1	250		0
Simulation Control Room	14	1 @ 600 Sq.Ft.	600		1	600		0
Multipurpose Room	25	1 @ 650 Sq.Ft.	650		1	650		0
Med/Surgery Storage	0	1 @ 250 Sq.Ft.	250		1	250		0
Radiology Simulation Lab	16	1 @ 1,650 Sq.Ft.	1,650		1	1,650		0
Open Lab	0	0 @ 450 Sq.Ft.	0			0		0
Apartment/Home Lab	3	1 @ 250 Sq.Ft.	250		1	250		0
Virtual I.V. Lab	4	1 @ 100 Sq.Ft.	100		1	100		0
PharmTech Lab	25	1 @ 0 Sq.Ft.	0		1	0		0
C.N.A. Lab	25	1 @ 0 Sq.Ft.	0		1	0		0
Phlebotomy Lab	25	1 @ 750 Sq.Ft.	750		1	750		0
Mannequin Cleaning Room	0	1 @ 100 Sq.Ft.	100		1	100		0
Laundry/linen Storage	0	1 @ 275 Sq.Ft.	275		1	275		0
Gowning Room	60	1 @ 450 Sq.Ft.	450		1	450		0
Bulk Storage	0	1 @ 250 Sq.Ft.	250		1	250		0

Table 4: General and miscellaneous spaces

Space	Occup	Total No. and Size	Area				
			Subtotal (sf)	Total (sf)	# Phase 1a	# Phase 1b	
<u>Study Areas:</u>				2,850			
Group Study/Team Areas	12	7 @ 150 Sq.Ft.	1,050		4	600	3 450
Large Study Rooms	10	3 @ 200 Sq.Ft.	600			0	3 600
Small Study Rooms	4	6 @ 100 Sq.Ft.	600			0	6 600
Study/Computer Carrels	1	40 @ 15 Sq.Ft.	600		30	450	10 150
<u>Food Service Spaces:</u>				4,250			
Culinary Kitchen Suite	17	1 @ 1,300 Sq.Ft.	1,300			0	1 1,300
Coffee Kiosk	0	1 @ 200 Sq.Ft.	200		1	200	0
Seating	100	1 @ 1,800 Sq.Ft.	1,800			0	1 1,800
Restaurant Deli	0	1 @ 800 Sq.Ft.	800			0	1 800
Vending Areas	0	3 @ 50 Sq.Ft.	150		2	100	1 50
<u>General Building Support:</u>				3,200			
Lobby	0	1 @ 2,000 Sq.Ft.	2,000		1	2,000	0
General Storage	0	8 @ 150 Sq.Ft.	1,200		4	600	4 600



Figure 3: Architectural style of buildings on the RELLIS Campus

7. Outline of the administrative structure, if more than one institution is participating:

The administrative structure being implemented for the academic programs at RELLIS is presented in Figure 4. The director is responsible for the overall operation of the Gateway Education Center. In this capacity, that individual coordinates the offering of education and training programs, but is not responsible for the programs. Program responsibility remains with the faculty and the institution offering the program as was previously discussed.

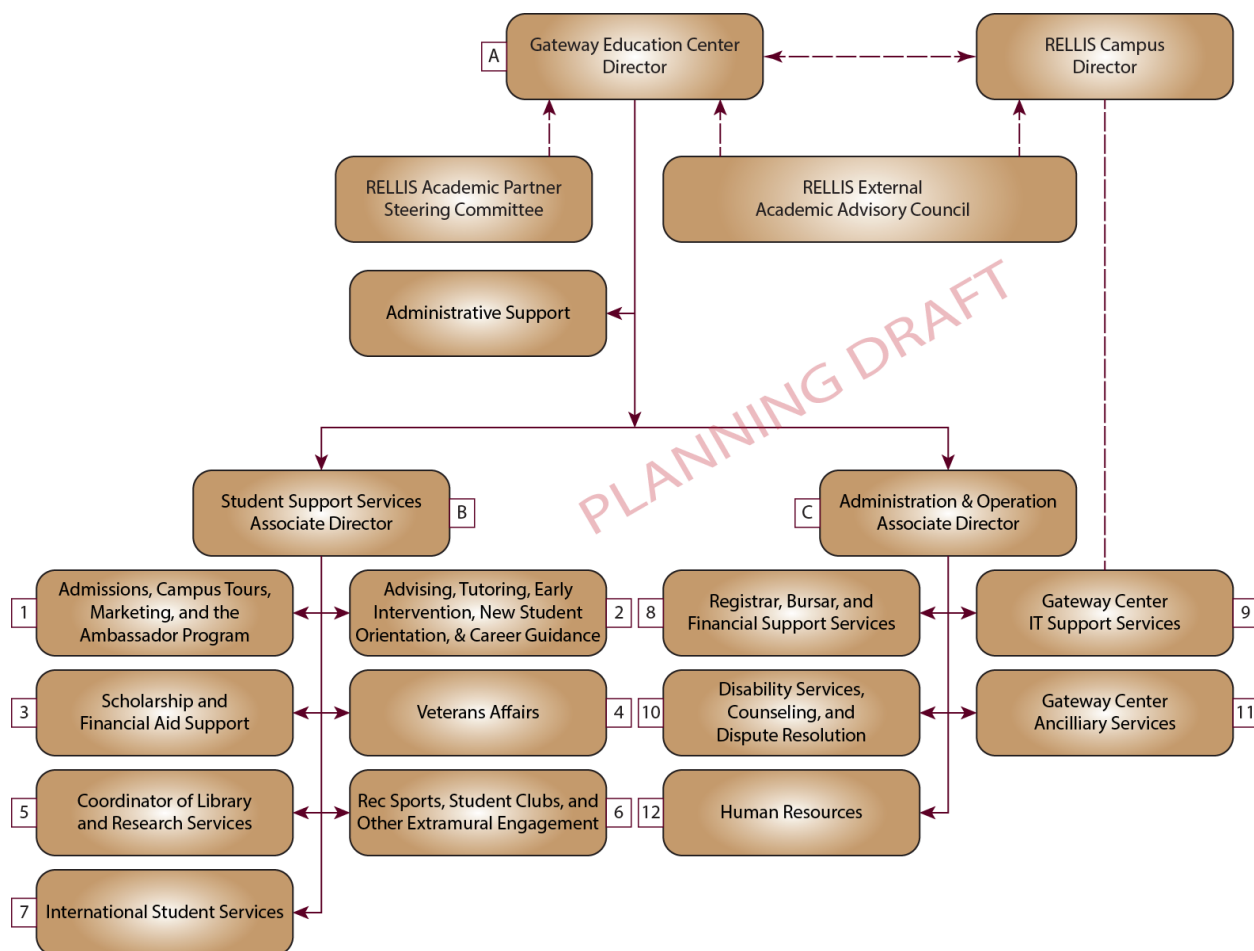


Figure 4: Academic Administrative and Support Structure

Many of the functional areas reporting to the Director are related to student services and are discussed in Section 11 of this proposal. Supporting the Director in decision-making are two committees: the RELLIS Academic Partner Steering Committee and the RELLIS External Academic Advisory Council. These committees are discussed in Section 8 of this proposal regarding academic oversight.

8. Describe the proposed academic oversight of the MITC/USC

Important to note is that the Texas A&M RELLIS Campus is not intended to be a university campus or a branch academic campus authorized to offer degrees. Approval is requested for the Texas A&M Gateway Education Center to be a University System Center at which multiple

institutions within The Texas A&M University System and Blinn College will offer selective degree certificate programs in collaboration with each other.

Consistent with SACSCOC Policy 3.4.10, the faculty at the institution awarding the specific academic credential, regardless of level, are responsible for the content of the degree program and assessment of that program. For all programs, that responsibility will continue to reside with the institution and faculty offering the program.

Supporting decision-making at the Gateway Education Center are two committees: The Academic Partner Steering Committee and the External Academic Advisory Council. The Academic Partner Steering Committee is composed of a representative from each of the System's academic institutions, the state agencies within the System that have an education mission, and from each of the vice chancellor offices that have an academic mission. The individuals serving on the academic steering committee are appointed to that committee by the respective institution.



In the long-term the Academic Partner Steering Committee has two primary charges. First, it is charged with evaluating training and degree programs that partner institutions and agencies have proposed to be offered at RELLIS and determining whether the program would be offered at RELLIS. Second, it is charged with looking for training and education opportunities that support workforce development in the broadest sense.

In the short-term the academic steering committee is charged with identifying the services that need to be provided at RELLIS and the level of service, with developing criteria for evaluating programs proposed to be offered, and reviewing the financial model for the Texas A&M RELLIS Gateway Education Center.

The second committee supporting the work at the Gateway Education Center is the External Academic Advisory Committee. This committee is composed of external stakeholders of the education and training activities at the education center. It serves and promotes the interests of The Texas A&M University System at RELLIS to offer academic and training programs relevant to the public and private sector needs of the State of Texas and the regions served by the partner institutions and agencies.

Members of the private and public sector in the eight-county region surrounding Brazos County and the state senate district in which the A&M System institutions are located were asked to submit nominations for individuals to serve on the committee. The nominations were reviewed to ensure that there was appropriate regional representation and that the major constituencies were represented.

The RELLIS External Academic Advisory Council was charged by Chancellor Sharp to provide advice and recommendations to the Director of Special Academic Initiatives regarding:

-  Programs of study necessary to support the education and training needs of Texas and the eight-county region looking ten years into the future;
-  Opportunities for applied research and development collaboration between the System universities and regional industry; and

- ✚ Sources of philanthropic support for the academic initiatives at RELLIS, and the students studying there.

9. Provide analysis of local need for programs and list programs each participating institution will offer:

Two studies have been conducted to establish the need for programs and student interests in pursuing a degree. One was a survey of student interests conducted by Hannover Research. The second was an assessment of employer needs conducted by Parthenon-EY, Ernst & Young, LLP. A summary of the results of those assessments is presented below. The programs proposed to be offered at RELLIS, or solicited to be offered at RELLIS, will be evaluated, in part, through the lens of these two studies.

Student Interest Assessment

Hanover Research designed, administered, and analyzed a survey on behalf of The Texas A&M University System and Blinn College to inform discussions about which programs to offer at the multi-institutional RELLIS campus under development in Bryan, Texas. Topics addressed in the survey include:

- ✚ Student interest in different degree types and fields
- ✚ Student interest in various occupational fields, including those identified as in-demand occupations or where training gaps exist
- ✚ Students' motivations for enrolling at Blinn College
- ✚ Respondents' academic and career aspirations
- ✚ The appeal of earning an associate's degree and a bachelor's degree on the same campus

A total of 686 responses were received. Of those respondents, 54 percent were first-generation students, 61 percent were female, and 74 percent were between 18 and 22 years of age.

The more significant findings of this study are:

- ✚ Location and the opportunity to transfer to Texas A&M University are two of the main reasons that students enroll at Blinn College. These factors could also be strong selling points of a multi-institutional campus in Bryan, Texas. Many respondents who are Blinn College students did not initially apply to Texas A&M University prior to attending Blinn, but at least half cite the opportunity to transfer to Texas A&M (68%) and location (54%) as motivating factors for enrolling at Blinn. Total out-of-pocket cost (33%) and the ease of the admission and enrollment/registration processes (28%) are also notable reasons that students enroll at Blinn.
- ✚ There is substantial interest in a campus where students could earn an associate's degree and a bachelor's degree at a single location. Almost three-quarters of respondents (73%) would be interested in attending a campus where they could receive both degrees in one location, and an additional 20 percent are not sure or would need more information. Just 7 percent would not be interested.
- ✚ A bachelor's degree is the most popular credential among respondents. Nearly two thirds of respondents (64%) hope to earn a bachelor's degree. A minority aim to complete an associate's degree (16%), a short-term certificate (1%), short-term job training (1%), or some other credential (14%).

- ✚ Respondents' top academic fields of interest—healthcare (30% of respondents are very or extremely interested) and business (29%) align with occupational fields of greatest interest. Engineering (17%) and education (17%), which have clear links to associated occupations, are also of interest. However, fields such as psychology (22%), biology (20%), and liberal arts/general studies (18%), which are associated with less distinct career paths, also rank among fields with the most student interest.
- ✚ Future employment prospects are more important than above-average wages, although both are important to respondents. When asked to rate how important it was that respondents' academic or training program of choice be associated with above average projected employment growth in the future and above-average wages, more respondents rated “above-average projected employment growth in the future” as very or extremely important than those rating “above-average wages” (79% vs. 67%).
- ✚ Pursuing a degree within The Texas A&M University System (62%) and completing a degree program (46%) are the top long-term educational goals among students completing the survey. Just 5 percent of the respondents would like to obtain a certificate and enter the workforce without a degree, and 25 percent plan to pursue a degree outside of the Texas A&M System.

The academic fields of study and the occupational interests of the respondents, respectively, are shown in the following two figures.

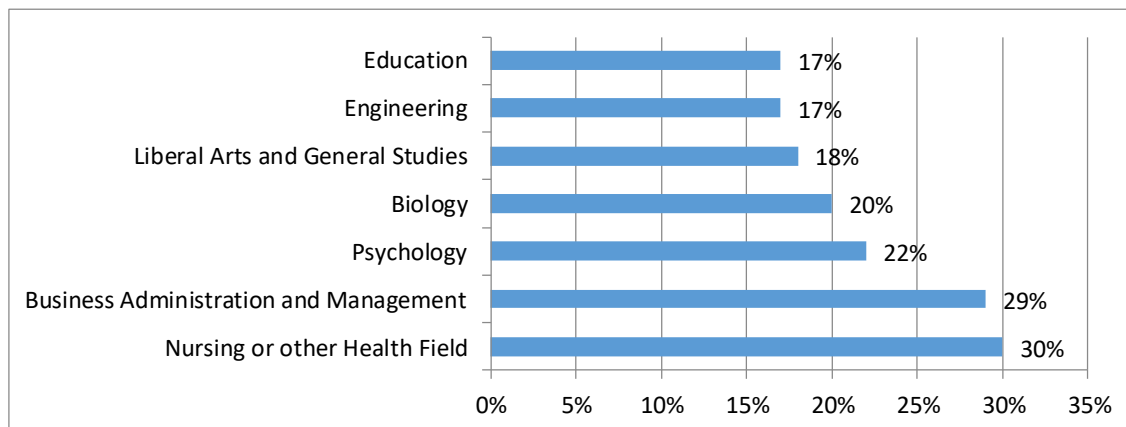


Figure 5: Expressed field of study interests of students surveyed

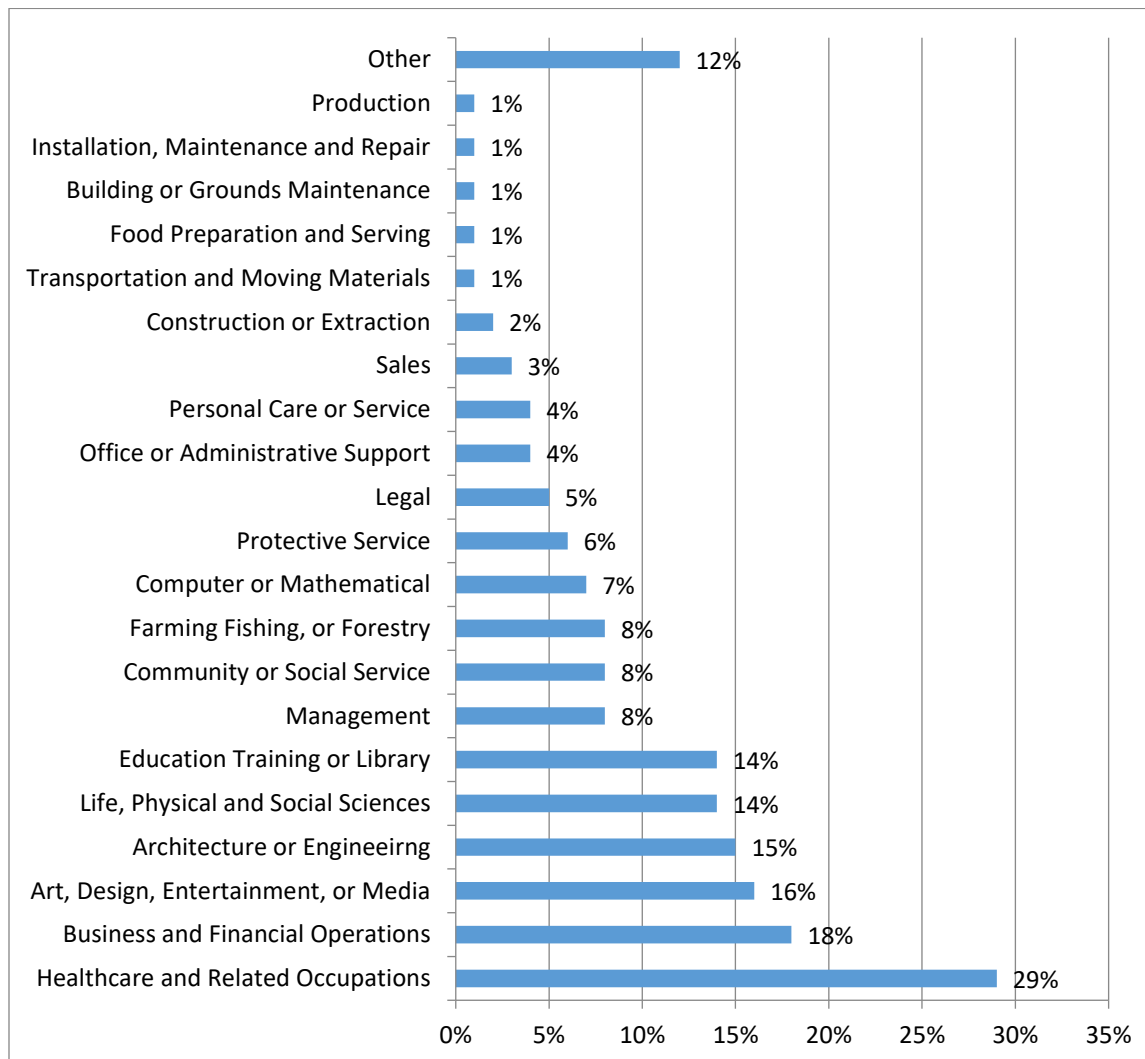


Figure 6: Expressed occupational interests of students surveyed

Workforce Needs Assessment

The Texas A&M University System and Blinn College engaged the Parthenon-EY practice of Ernst & Young, LLP to develop an assessment of the workforce needs in the eight-county region, centered on Brazos County. The report assesses the nature of current and future potential labor demand as well as key skill gaps in the region from the perspective of employers, with a specific focus on those gaps that could be remediated through post-secondary workforce training, certifications, or degrees. The report also provides a high-level summary of recruiting methods used by regional employers to attract workers, as well as an indication of regional wages by occupation to Texas and to major cities like Dallas, Austin, San Antonio and Houston.

The assessment was based on three types of analyses:

- ✚ Interviews: with a sample of medium and large employers across the eight-county region and across sectors, as well as with several key academic, workforce development, and regional business community stakeholders
- ✚ An online survey: for employers with 10+ employees in the eight counties region
- ✚ Secondary research analysis: An assessment of the interviews and survey results in the context of existing key workforce research, data, and reports

The assessment was not intended to make specific recommendations about potential programmatic offerings or seek to articulate the full landscape of existing academic and training offerings. Rather, the information resulting from the study was intended to help inform the A&M System in the decision-making process regarding program offerings, the scope of the offerings, and delivery methods. The aim is for these offerings to provide regional industry with employees having the needed skill sets, ultimately fueling Brazos Valley's continued economic growth and development.

Key findings resulting from this assessment are:

✚ Employment environment:

- Workforce growth of 6-7 percent over the next 3-5 years is expected by over 90 percent of the organizations surveyed;
- The workforce is smaller than other Texas cities, but appears similarly diversified across industries, except for higher education, which may result in fewer individuals to train in a specific skill set;
- Adjusted for cost-of-living, median salaries are slightly lower than other Texas cities; and
- Wages for jobs requiring more education up through an associate's degree are not necessarily higher than wages for jobs requiring less education and training.

✚ Employment Opportunities:

- Highest volume and growth assessed as being in jobs that are largely lower skilled, and while there appears to be sufficient applicants, they often lack basic and soft skills, as well as practical skills;
- Filling mid- to high-skill jobs as well as mid-career positions is challenging;
- High need of jobs requiring a post-secondary education are in the areas of nursing; maintenance and installation workers; K-12 teachers with emphasis on speech pathology, special education, and bilingual teachers; equipment operators and construction workers; commercial drivers; and cooks;

✚ Many employers surveyed are concerned that local schools and higher education institutions are not producing enough graduates, and the graduates do not have practical knowledge of business and service to the customer; and

✚ Respondents indicated recruiting methods may not be as effective as they could be.

Several potential opportunities were noted in the report to The Texas A&M University System and Blinn College. Those opportunities to be considered by RELLIS are:

✚ Short-Term

- Education, healthcare, retail trade, accommodation and food services, and construction represent potential opportunities for near-term impact
- Many employers indicated they would be willing to hire individuals going through the RELLIS programs if the correct skill set is being developed; and
- A well-rounded maintenance technician training program is lacking and could be pursued.

✚ Long Term

- Coordination across all levels of education to improve soft skills and hard skills development;

- Industry and professional certification programs in the growth areas

10. Provide information on community college transfer and articulation agreements:

The model for RELLIS academic offerings is presented in Figure 7. At the core of the academic model are an associate's, baccalaureate, and post baccalaureate degree programs. Supporting the core are the workforce skills training and certificate programs. All programs will be readily available to students at a single location. Further, RELLIS can serve as a focal point for continuing professional development. This education and training model offers significant benefit to the student and fully supports the objectives of 60x30TX.

The students will be enrolled at the System institution for the upper division coursework or at Blinn College for the lower division coursework, but the students will study at RELLIS. Accountability for the academic programs offered resides with the institution and faculty offering the degree.

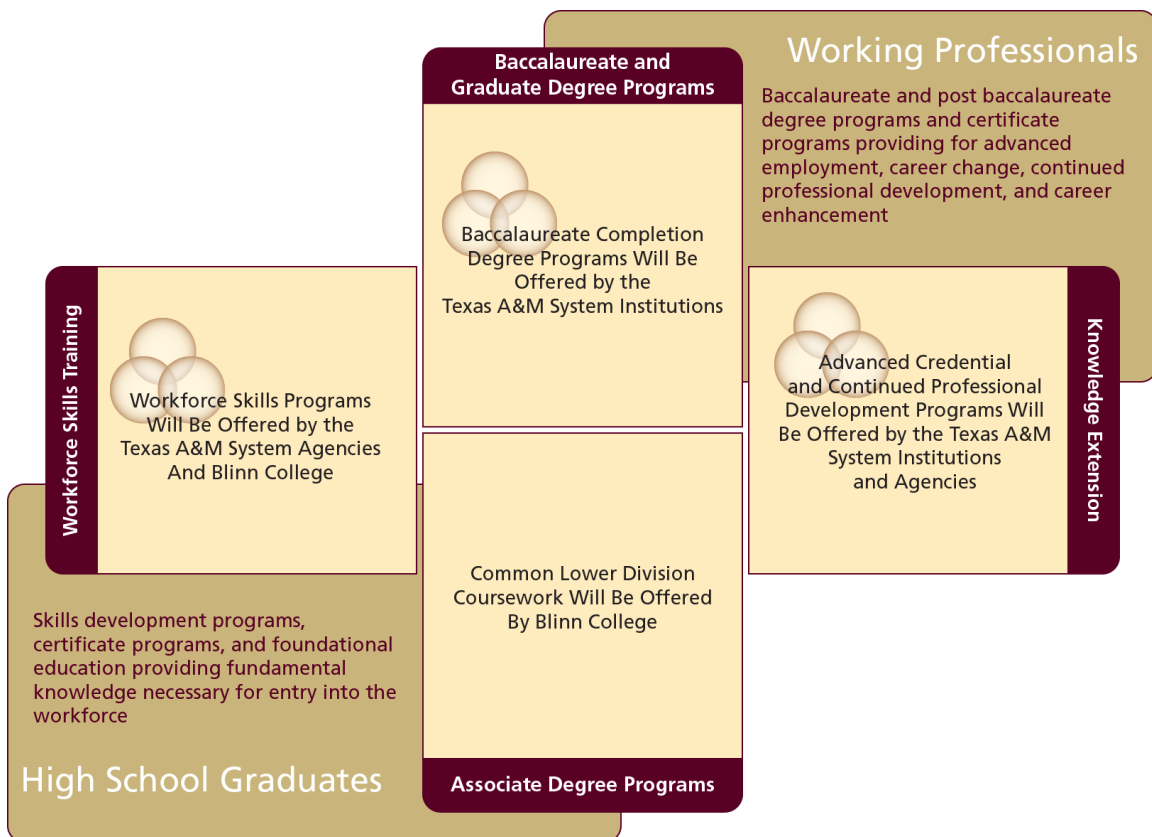


Figure 7: The RELLIS Academic Model

This model is rooted in collaboration among all the partner higher education institutions regarding course offerings and degrees earned, including the potential for minors, and certificate programs. Another significant component of the collaboration is the sharing of courses among degree programs, and the minimization (and hopefully eradication) of duplication among institutions. When a student pursues one of the degree programs offered at RELLIS, he or she will build their program of study from all the options available at RELLIS as indicated in Figure 8. Inherent in Figure 8 is the ability to combine credentials from multiple sources, and the ability to enter and exit the pathway at different points depending upon career objectives.



Figure 8: Development of a Student's Degree Plan

At the heart of the academic collaboration are the Statewide Voluntary Transfer Compacts to which the institutions anticipated to offer degree programs have signed, and the courses that have been similarly aligned by the Texas Higher Education Coordinating Board. The partner academic institutions agree to accept these courses for transfer credit and to apply those courses to the respective degree programs as appropriate. Blinn College is a participating partner in those transfer compacts. These transfer compacts mitigate the need for individual articulation agreements for those programs. Articulation agreements for other programs will be established, as necessary, when the programs begin to be offered at RELLIS.

11. Describe how student services will be delivered:

The administrative structure being implemented for the academic programs at RELLIS was presented in Figure 4. A means to contain the cost of operation to the greatest extent possible, which reduces the cost to the student, is to establish "back-office" services that are shared and supported by all academic partners rather than necessitating that each institution establishes its own.

As cost is a significant factor in the success of the academic program offerings, the level of student support and administrative services at RELLIS is important. Sufficient services will be provided at RELLIS to facilitate student needs and ensure retention, but duplicating support that can be more readily provided by the home campus is unnecessary.

A task committee was formed to identify staffing needs in three key areas: Enrollment Management, Student Success, and Student Affairs. The task committee conducted a survey of regional academic institutions with less than 15,000 students to arrive at benchmark numbers for these services. From this data, the task committee compiled a recommendation for the number of individuals needed based on a range of enrollments looking at the first three years and the next three years. The task committee's recommendation is presented in Table 5.

Table 5: Benchmark FTE per 100 students for Support Services

Category	Years 1-3				Years 4-6			
	n	Enrollments			n	Enrollments		
		2,500	3,000	3,500		4,000	4,500	5,000
Enrollment Management								
a Admissions	5	0.20	0.17	0.14	9	0.23	0.20	0.18
b Registrar	5	0.20	0.17	0.14	8	0.20	0.18	0.16
c Financial Aid	6	0.24	0.20	0.17	10	0.25	0.22	0.20
d Bursar	4	0.16	0.13	0.11	6	0.15	0.13	0.12
Total	20	0.80	0.67	0.57	33	0.83	0.73	0.66
Student Success								
e Advising	8	0.32	0.27	0.23	13	0.33	0.29	0.26
f Tutoring/Supplemental Instruction	3	0.12	0.10	0.09	3	0.08	0.07	0.06
g Testing	1	0.04	0.03	0.03	1	0.03	0.02	0.02
h Career	2	0.08	0.07	0.06	5	0.13	0.11	0.10
i Disability	1	0.04	0.03	0.03	1	0.03	0.02	0.02
j TRIO	1	0.04	0.03	0.03	2	0.05	0.04	0.04
Total	16	0.64	0.53	0.46	25	0.63	0.56	0.50
Student Affairs								
k Student Affairs (Discipline, . . .)	2	0.08	0.07	0.06	2	0.05	0.04	0.04
l Student Clubs and Organizations	2	0.08	0.07	0.06	2	0.05	0.04	0.04
m Recreation Sports	1	0.04	0.03	0.03	2	0.05	0.04	0.04
n Student Orientation/Transfer	0	0.00	0.00	0.00	2	0.05	0.04	0.04
o International Students	1	0.04	0.03	0.03	2	0.05	0.04	0.04
p Veteran's Services	1	0.04	0.03	0.03	1	0.03	0.02	0.02
q Study Abroad	0	0.00	0.00	0.00	1	0.03	0.02	0.02
Total	7	0.28	0.23	0.20	12	0.30	0.27	0.24
Grand Total	43	1.72	1.43	1.23	70	1.75	1.56	1.40

12. Provide information on access to library resources:

Today, university libraries across the nation are reducing the number of physical holdings that are available to students and relying on electronic holdings. This trend likely is being driven by two dominant considerations. The first is the cost of retaining physical holdings. The second is the manner in which students search for references today and the need to support students in off-campus programs.

Each of the institutions that will offer an academic program at RELLIS has already received authorization to offer those programs. A part of the authorization to offer a program includes verification that sufficient library resources are available. Those library resources are available to students regardless of where they study.

Further, the library at Texas A&M University will be available for students. Students can study in this library and will be able to coordinate interlibrary loans if a physical holding is needed.

13. Would the MITC/USC be interested in possible placement on the Coordinating Board's Supply/Demand Pathway? Yes ☐ No ☒

Signature Page

1. Adequacy of Funding – The chief executive officer shall sign the following statement:

I certify that the institution has adequate funds to complete the administrative change and to support any new or reorganized academic unit(s). Furthermore, the change will not reduce the effectiveness or quality of existing programs, departments, schools or colleges.

Chief Executive Officer

Date

2. Board of Regents Approval – A member of the Board of Regents or designee shall sign the following statement:

On behalf of the Board of Regents, I certify that the Board of Regents has approved the administrative unit.

Board of Regents (or Designee)

Date

Agenda Item No.

AGENDA ITEM BRIEFING

Submitted by: Michael K. Young, President
Texas A&M University

Subject: Establishment of the Center for Grand Strategy

Proposed Board Action:

Establish the Center for Grand Strategy (CGS) in The Bush School of Government and Public Service at Texas A&M University (Texas A&M).

Background Information:

The CGS will play a leading role in shaping the emerging “great debate” about U.S. grand strategy by serving as an intellectual hub for the critical reexamination of current U.S. grand strategy. The CGS will foster, examine and disseminate innovative, theoretically and empirically based U.S. grand strategic options that would directly promote the security of the United States.

By doing so, Texas A&M’s CGS will fill a gap by: promoting new thinking about U.S. grand strategy; leveling the playing field between primacy’s advocates and its critics; promoting and disseminating innovative research that takes a fresh look at America’s grand strategic choices; and engaging in “bridging the gap” programs that will foster dialogue between grand strategic innovators and the policy world. By promoting a robust debate about U.S. grand strategic choices, the CGS will fill an important need and help inform both current and future administrations’ thoughts on grand strategy.

A&M System Funding or Other Financial Implications:

A proposal for \$12.1 million has been submitted to the Charles Koch Foundation for start-up funding and support for the CGS for a five-year period. The sustaining support for CGS will be from external grants, primarily from private foundations and individual donors.

Agenda Item No.

TEXAS A&M UNIVERSITY

Office of the President

May 24, 2017

Member, Board of Regents
The Texas A&M University System

Subject: Establishment of the Center for Grand Strategy

I recommend adoption of the following minute order:

“The Center for Grand Strategy is hereby established as an organizational unit of Texas A&M University within The Bush School of Government and Public Service.”

Respectfully Submitted,

Michael K. Young
President

Approval Recommended:

John Sharp
Chancellor

Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

James R. Hallmark, Ph.D.
Vice Chancellor for Academic Affairs

Approved for Legal Sufficiency:

Ray Bonilla
General Counsel

**Texas A&M University
Center for Grand Strategy**

EXECUTIVE SUMMARY

1. Rationale for the Creation of the Center

When thinking about grand strategy, there is an understandable tendency to focus on material factors like military and economic power rather than on ideational factors. It must be remembered, however, that the emerging great debate on America's future grand strategic alternatives is foremostly a contest of ideas. The Center for Grand Strategy (CGS) will be dedicated to stimulating scholarship and discussion about U.S. grand strategy. The program will also identify and train a cadre of scholars, policy analysts, and public servants who will become grand strategic innovators and spearhead a continuing examination of when and where the U.S. will need to make strategic readjustments in the coming decades.

2. General Description of the Center and its Mission and Goals

The programs of the CGS will be developed to accomplish these five objectives:

- Provide an intellectual magnet for policy-oriented research on U.S. grand strategy by supporting the research of its core, affiliated, and visiting scholars.
- Foster cutting edge research on U.S. grand strategy and the respective arguments for primacy and for strategic adjustment.
- Train a new generation of both scholars and public servants to be grand strategy innovators. To facilitate this objective, CGS will establish a robust program for both pre-doctoral and post-doctoral fellows.
- Bridge the gap between the community of security studies scholars and policymakers by facilitating intellectual exchanges between them.
- Undertake a robust outreach program to disseminate alternative concepts from leading grand strategy scholars both to policymakers and to the wider foreign policy establishment. To facilitate these objectives, the CGS will hold conferences and workshops on a regular basis in both College Station and Washington, D. C. that will bring together security scholars and policymakers.

3. Potential Faculty Associated with the Center

The CGS will be a collaborative enterprise anchored by The Bush School of Government and Public Service (the Bush School), the Department of International Affairs, and the College of Liberal Arts, Department of History. As a multi-disciplinary program, the CGS will actively seek opportunities to interact with other academic disciplines across campus. During the start-up phase, the program will seek to enlist current Texas A&M University (Texas A&M) scholars in areas of relevant expertise to advance its mission. The list that follows is just a starting point, but is intended to highlight the fact that there is clearly enough resident expertise at Texas A&M with which to successfully launch CGS programs and activities.

Department of International Affairs, Bush School:

- Christopher Layne, University Distinguished Professor of International Affairs (Great Power Politics, U.S. Grand Strategy)
- F. Gregory Gause, Department Head of International Affairs and Professor (Middle East/Persian Gulf)
- Andrew Ross, Professor and Director of the Certificate in National Security Affairs (U.S. National Security Policy)
- Jasen Castillo, Associate Professor (Military Power, Nuclear Weapons and Deterrence)
- Mohammad Tabaar, Assistant Professor (Middle East)
- Erin Snider, Assistant Professor (Middle East)
- William Norris, Associate Professor (China, Role of Economic Statecraft in Chinese Grand Strategy)
- Gabriela Thornton, Instructional Associate Professor (Europe, Transatlantic Security Relations, Role of the European Union)
- John Schuessler, Associate Professor (Security Studies, U.S. Foreign Policy)
- Josh Shiffrin, Assistant Professor (International Politics, U.S. Foreign Policy)

Department of History, College of Liberal Arts:

- Elizabeth Cobbs, Professor and Melbern G. Glasscock Chair in American History (American Foreign Relations)
- Brian Linn, Professor (Military History)
- Adam Seipp, Professor (European Military History, World War I)
- Jason Parker, Associate Professor (American Foreign Policy)

Department of Political Science, College of Liberal Arts:

- Matthew Fuhrmann, Professor (International Relations, International Security)

4. Potential Activities

- The first goal of the CGS is to support original research on grand strategy by affiliated faculty, resulting in path-breaking books and articles that advance the state of knowledge in the field. Philanthropic support will enable course buyouts, summer stipends, research travel, and the hiring of graduate assistants. An External Advisory Council will review proposals submitted for research support from affiliated faculty and make recommendations to the center director, Senior Scholar, and dean or his/her designee for funding. The core purpose of the research funds is to produce scholarship that informs and broadens the debate on U.S. grand strategy.
- Core Seminar in Grand Strategy: Inspired by the Yale Grand Strategy Seminar, the Core Seminar will be a two semester course that introduces students to the theory, history, and practice of grand strategy, and their applicability to the analysis of contemporary grand strategic issues in international politics. In addition to weekly seminar meetings, prominent grand strategy experts will be invited to speak to the Core Seminar.
- Speakers' Series: The speakers' series will bring the leading participants in the grand strategy debate to College Station. The series will target a broad audience – campus wide and external constituencies. Invited speakers will be leading scholars, current and former policymakers, and policy analysts from leading think tanks.

- **Annual Conference on Grand Strategy:** The CGS will hold one major conference each academic year to bring together leading scholars and policy analysts to discuss an important current topic affecting American grand strategy. Conference venues will alternate between College Station and Washington, D.C. Scholars, journalists and policymakers will be invited to attend the conferences. Each conference will have a publishable deliverable: either an edited volume published by a leading university press, or a special issue in a leading peer-reviewed journal that publishes policy-relevant scholarship (*International Security*, *Security Studies*). The annual conference program will seek to shape the scholarly and policy debates about U.S. grand strategy by introducing innovative analytical approaches to important grand strategic issues.

5. Impact on Education and Training of Students

- **Post-Doctoral Fellow in Grand Strategy:** Post-doctoral fellowships will help newly-credentialed Ph.D.s develop a portfolio of research productivity that is critical to their academic careers. Research support will enable the fellows to transform their dissertations into book manuscripts and to spin off their research into articles for leading peer-review journals such as *International Security* and *Security Studies* and important policy journals such as *Foreign Affairs* and the *National Interest*, and op-ed articles for influential newspapers. The fellowship stipend will be set at a competitive level to attract recent Ph.D.s engaged in the study of some novel aspect of grand strategy. The center will also provide a pool of research funding for post-doctoral fellows. There will be up to two two-year appointments per year.
- **Pre-Doctoral Fellowship in Grand Strategy:** Pre-doctoral fellowships will support doctoral students engaged in the study of some novel aspect of grand strategy. The fellowship stipend will be set at a competitive level to attract the highest quality talent available. Pre-doctoral fellows will also have a dedicated pool of research funding. There will be up to four one-year appointments per year.
- **Core Seminar in Grand Strategy:** To attract top students to the Core Seminar, first-year students will receive a \$4,000 stipend. Second-year students will receive a \$6,000 stipend. Students will be encouraged to apply to serve as research assistants to the core faculty of the CGS and support its ongoing initiatives such as the conferences and workshops. The Core Seminar and availability of a competitive stipend will have a positive effect on the caliber of the Bush School's applicant pool.
- **Speakers' Series:** For the CGS and Bush School faculty, the opportunity to interact with leading scholars, current and former policymakers, and policy analysts from leading think tanks is an important means of intellectual engagement. For students, a speakers program will offer an opportunity to hear leading scholars and policymakers in the field of grand strategy present their ideas.

6. Resource Requirements Including Potential Sources of Revenue

A proposal for funding has been sent to the Charles Koch Foundation to establish the CGS for \$12.1 million. The core elements and cost listed in the proposal include:

- **CGS Administration:** \$5,052,124 over five years
 - Director, Senior Scholar, and Administrative Staff
 - Graduate Research Assistants
 - CGS Website Development

- Undesignated Overhead/Program Contingency
- Scholarship/Research: \$3,500,000 over five years
 - Funds to support original research of grand strategy by affiliated faculty
 - Requested \$250K in year 1 and grows to \$1M by year 4
- Talent Development: \$3,293,129 over five years
 - Post Doctor Fellowships in Grand Strategy (Two per year)
 - Pre-Doctoral Fellowships in Grand Strategy (Up to 4 per year)
- Dissemination: \$1,002,051 over five years
 - Annual Conference on Grand Strategy (Venue alternates between College Station and Washington, D.C.)
 - Target of Opportunity Workshops (Up to two each year on “target of opportunity” topics)
 - Annual Book Prize (CGS will make annual award for Best Book on Grand Strategy)
- Student Impact: \$515,000 over five years
 - Core Seminar in Grand Strategy – Two semester course that introduces students to theory, history and practice of grand strategy
 - Speakers’ Series – Series will bring leading participants in the grand strategy debate to College Station
- Operations and Maintenance Expenses: \$589,661 over five years
 - Computers/Office Supplies
 - Communication and Utilities
 - Printing
 - Travel
 - Rental/Lease

7. Sources and Future Expectations of Financial Support

Once the CGS is fully established, fully engaged in the national and international debate on grand strategy, able to support and manage a broader set of activities, and having the impact envisioned, it is anticipated that there are additional potential activities that will provide opportunity for future collaboration with the Charles Koch Foundation, as well as other Foundations and individual donors who have an abiding interest in the national imperative of a comprehensive, affordable, and executable grand strategy. These potential activities include:

- Seminar “41” – Seminars that prepare mid-career individuals who may be assigned to the National Security Council Staff, National Intelligence Council, The State Department and other Departments, Services and Agencies.
- Texas A&M Grand Strategy Institute – Visiting Scholars program modeled after the highly successful Texas Institute for Advanced Study.
- Texas A&M Grand Strategy Colloquia – A three day meeting for policy makers from the U.S. government, prominent grand strategy scholars and members of the CGS affiliated faculty.

- Teaching Grand Strategy Workshop – Texas workshop will bring together scholars from a cross section of universities interested in teaching grand strategy and a group of established grand strategy educators.

8. Governance and Advisory Structure

The CGS will report directly to the dean of the Bush School at Texas A&M. It will be led by a director with relevant academic and/or foreign policy/defense policy credentials that are consistent with the program’s aspirational vision of national relevance within the grand strategy community. The director will be supported by a senior scholar, administrative assistant and program coordinator.

An External Advisory Council (Council) will be formed to support the work of the CGS. The purpose of the Council is to assist in prioritizing areas of research and providing periodic expert counsel to the center’s leadership and affiliated faculty. The Council will be composed of scholars and practitioners with an expertise in grand strategy.

The CGS will operate in accordance with existing Texas A&M, Bush School Department of International Affairs, and College of Liberal Arts Department of History’ academic policies and procedures.

CGS Administration:

- Director – Reports to Dean of the Bush School
- Senior Scholar and Director of Research – Reports to the Director
- Administrative Assistant to the Director– Reports to the Director
- Program Coordinator – Reports to Senior Scholar and Director of Research; Budget/Administrative support for research proposals and funds distribution
- Graduate Research Assistants (2) – Support to Director, Senior Scholar and affiliated faculty
- CGS Website Development Fund -- Managed by Director
- Undesignated Overhead/Program Contingency Fund – Managed by Director

9. Mechanisms for Periodic Review

The CGS will be reviewed every three years in accordance with System Policy [11.02, *Creation of Centers and Institutes*](http://policies.tamus.edu/11-02.pdf) (<http://policies.tamus.edu/11-02.pdf>), Texas A&M SAP *11.02.99.M0.01, Centers and Institutes* (<http://rules-saps.tamu.edu/PDFs/11.02.99.M0.01.pdf>), and guidelines established by the Division of Research at Texas A&M (Standard Administrative Procedure 11.02.99.M0.01). Reviewers will make recommendations to the dean of the Bush School who will provide a copy and make a recommendation to the Vice President for Research regarding the future of the CGS.

THE TEXAS A&M UNIVERSITY SYSTEM

Office of the Chancellor

July 5, 2017

Members, Board of Regents
The Texas A&M University System

Subject: Adoption of a Resolution Honoring George C. Wright as President of Prairie View A&M University and Bestowing the Title of President Emeritus

I respectfully request the Board of Regents' approval of the following resolution honoring George C. Wright as President of Prairie View A&M University.

“WHEREAS, Dr. George C. Wright earned his Bachelor of Arts degree in history in 1972 and his Master of Arts degree in history in 1974, both from the University of Kentucky, his Ph.D. in history in 1977 from Duke University, and received an honorary doctorate degree from the University of Kentucky in 2004; and

WHEREAS, Dr. Wright's extensive career in higher education began as an assistant professor at the University of Kentucky in 1977, which he followed with several faculty and administrative positions with increasing responsibilities at the University of Texas at Austin, Duke University, and the University of Texas at Arlington, where he served as executive vice president for academic affairs and provost; and

WHEREAS, Dr. Wright is a noted scholar of history and the author of multiple books, as well as numerous articles, chapters, and essays; and

WHEREAS, Dr. Wright became the seventh President of Prairie View A&M University on August 15, 2003; and

WHEREAS, Dr. Wright oversaw the construction boom at Prairie View A&M University, including cutting-edge facilities such as the new School of Architecture building, the new Electrical Engineering Building, the College of Nursing's facility located in the Texas Medical Center in Houston, and the Don K. Clark Building, which houses the College of Juvenile Justice & Psychology and the Texas Crime Prevention Center; and

WHEREAS, during Dr. Wright's presidency, the university established new doctorate degree programs in education, engineering, nursing practice, juvenile justice; and he was instrumental in establishing the university's Honors College, its Confucius Institute, and its degree programs at the Northwest Houston Center; and

WHEREAS, while serving as president, in addition to his administrative and scholarly work, Dr. Wright taught a 300-student lecture course in American History, which was the largest class on campus; and

WHEREAS, under Dr. Wright's leadership, enrollment at Prairie View A&M University climbed to a historic high of nearly 9,000 students; and

Agenda Item No.
July 5, 2017

WHEREAS, the university was a finalist for multiple Historically Black Colleges and Universities (HBCU) awards, including HBCU of the Year, during his tenure; and

WHEREAS, Dr. Wright helped bring to fruition the dream of the university's first state-of-the-art football stadium and athletic complex, which hosted its first home game on September 4, 2016; and

WHEREAS, Dr. Wright has a long track record of engagement and participation in volunteer and scholarly organizations in his local and academic communities; now, therefore, be it

RESOLVED, that the Board of Regents of The Texas A&M University System desires to express its appreciation for the outstanding leadership shown by George C. Wright to Prairie View A&M University and The Texas A&M University System; and, be it, further

RESOLVED, that in honor of his service to The Texas A&M University System, we bestow the title of President Emeritus of Prairie View A&M University, with all the rights and privileges pertaining thereto, upon George C. Wright; and, be it, further

RESOLVED, this resolution be included in the minutes, and copies thereof, signed by the Chairman of the Board of Regents of The Texas A&M University System, be presented to Dr. George C. Wright and to the Archives of Prairie View A&M University as a permanent mark of this Board's appreciation and gratitude to him for a job well done.

ADOPTED, this 23rd day of August 2017."

Respectfully submitted,

John Sharp
Chancellor

Approval Recommended:

Approved for Legal Sufficiency:

Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

Ray Bonilla
General Counsel

Agenda Item No.

TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY

Office of the Director

May 17, 2017

Members, Board of Regents
The Texas A&M University System

Subject: Adoption of Resolution Celebrating the 50th Anniversary of the Establishment of the Texas A&M Veterinary Medical Diagnostic Laboratory

I respectfully request the Board of Regents' approval of the following resolution celebrating the 50th Anniversary of the Texas A&M Veterinary Medical Diagnostic Laboratory.

“WHEREAS, Texas A&M Veterinary Medical Diagnostic Laboratory (TVMDL) was created in 1967 by the 60th Legislature as a separate state agency under the administration of The Texas A&M University System, with a mission to serve and protect the livestock industries of Texas with excellence in veterinary diagnostic services; and

WHEREAS, TVMDL's College Station laboratory and agency headquarters opened in 1969, its second full service laboratory was opened in Amarillo in 1975 and in 1991 the 72nd Legislature transferred the Salmonella Pullorum-Typhoid Program to TVMDL and granted administrative responsibilities to TVMDL for the existing poultry diagnostic laboratories in Center and Gonzales; and

WHEREAS, TVMDL knows that the outcome of every diagnostic test conducted could impact someone's livelihood, affect a pet's health, or alter the economic stability of a global industry; and

WHEREAS, for the next 50 years and into the future, TVMDL will remain dedicated to protecting animal and human health, but will also commit itself to developing new diagnostic tools, incorporating state-of-the-art technology, increasing efficiency, and continuing to provide clients with professional expertise; now, therefore, be it

RESOLVED, that we, the members of the Board of Regents of The Texas A&M University System, in honor of the 50th Anniversary of the establishment of the Texas A&M Veterinary Medical Diagnostic Laboratory, extend our heartiest congratulations to TVMDL employees, both past and present, for their leadership and dedication; and, be it, further

RESOLVED, that this resolution be included in the minutes, and copies thereof be signed by the Chairman of the Board of Regents of The Texas A&M University System, and be presented to the Vice Chancellor and Dean of Agriculture and Life Sciences and the Director of the Texas A&M Veterinary Medical Diagnostic Laboratory, and to the Archives of Texas A&M University as a permanent tribute to the accomplishments, longstanding traditions, impact and historical legacy of the Texas A&M Veterinary Medical Diagnostic Laboratory.

Agenda Item No.
May 17, 2017

ADOPTED, this 23rd day of August 2017.”

Respectfully submitted,

Bruce L. Akey
Director

Approval Recommended:

John Sharp
Chancellor

Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

Mark A. Hussey
Vice Chancellor and Dean
Agriculture and Life Sciences

Approved for Legal Sufficiency:

Ray Bonilla
General Counsel

AGENDA ITEM BRIEFING

Submitted by: Ray Bonilla, General Counsel
The Texas A&M University System

Subject: Approval of Revisions to System Policy 07.03, *Conflicts of Interest, Dual Office Holding and Political Activities*

Proposed Board Action:

Approve revisions to System Policy 07.03, *Conflicts of Interest, Dual Office Holding and Political Activities*.

Background Information:

This policy is proposed for revision to address several recent legislative changes to state ethics and contracting laws, and to also clarify the system administrators subject to the policy's conflicts of interest contracting prohibition. Below is a summary of the proposed substantive revisions.

- **Section 1.5.** This section currently reflects the contracting prohibition enacted in 2015 through S.B. 20 applicable to vendors in which CEOs and certain other administrators (and their close family members) have a one percent ownership interest or greater. The proposed revisions extend the prohibition to cover all system and member senior administrators (and their close family members). The following system employees are added to the contracting prohibition: chief financial officer, vice chancellor, chief auditor, and chief compliance officer. Likewise, the following member employees are added to the contracting prohibition: provost, CFO, vice president, dean, deputy and associate agency director, and chief compliance officer. The policy's listing of close family members covered by the contracting prohibition is proposed to be moved to an appendix.
- A new **Section 1.5.3** is proposed to require the employees listed in Section 1.5 to annually submit to the Office of General Counsel a completed Financial Interest Disclosure and Certification Form. OGC is required to coordinate with the System Office of Budgets and Accounting to ensure system and member compliance with the contracting prohibition. This revision will incorporate into the policy the disclosure process used in calendar year 2017 for the employees currently listed in Section 1.5.
- **Section 1.6.** This former provision is recommended to be added back to the policy to implement the university regents' conflicts of interest statute found in Section 51.923 of the Education Code, as amended by the recent 2017 legislative regular session. This provision was deleted from policy after the Legislature passed S.B. 20 in 2015 to add a broadly-applicable conflicts provision to the Government Code. The Attorney General opined that the 2015 Government Code provision applied to regents rather than the existing Education Code provision.

The Legislature recently resolved this issue by enacting S.B. 533, which provided in relevant part that the Education Code provision governs board member conflicts of interest rather than

Agenda Item No.
Agenda Item Briefing

the Government Code provision. Also, S.B. 533 amended the Education Code provision to lower the threshold of a “substantial interest” from a 10 percent ownership interest by a board member in a business entity or 10 percent of the board member’s gross income to one percent. A board member with a “substantial interest” under this statute is required to announce the conflict and refrain from voting on a contract with the entity. The proposed Section 1.6, applicable to contracts presented to the Board of Regents, reinstates language consistent with the Education Code provision and incorporates the change from ten percent to one percent.

- **Section 1.9.** The renumbered Section 1.9 is proposed for revision to clarify the time period for which a member employee is required to disclose any potential conflict of interest in a contractor or bidder. The clarified time period was also enacted in S.B. 533 (discussed above). The proposed revision reads as follows: The disclosure obligation created by this section applies at all times during the following time periods: the procurement process, from the initial requests for bids for the purchase of goods or services from a private vendor until the completed final delivery of the goods or services; or the term of a contract with a private vendor.

A&M System Funding or Other Financial Implications:

None.

Agenda Item No.

THE TEXAS A&M UNIVERSITY SYSTEM

Office of General Counsel

August 4, 2017

Members, Board of Regents
The Texas A&M University System

Subject: Approval of Revisions to System Policy *07.03, Conflicts of Interest, Dual Office Holding and Political Activities*

I recommend adoption of the following minute order:

“The revisions to System Policy *07.03, Conflicts of Interest, Dual Office Holding and Political Activities*, as shown in the attached exhibit, are approved, effective immediately.”

Respectfully submitted,

Ray Bonilla
General Counsel

Approval Recommended:

John Sharp
Chancellor

Approved for Legal Sufficiency:

Ray Bonilla
General Counsel

Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

07.03 Conflicts of Interest, Dual Office Holding and Political Activities



~~Revised November 12, 2015 (MO 219-2015)~~

~~Revised August 23, 2017 (MO -2017)~~

Next Scheduled Review: ~~August 23, 2022~~ ~~November 12, 2020~~

Click to view [Revision History](#).

Policy Statement

There are many statutory requirements the members of the Board of Regents (board) and employees of The Texas A&M University System (system) must follow to ensure no conflicts of interest exist while they carry out their public duties. Such requirements include filings with the Texas Ethics Commission and rules surrounding the holding of public and private office.

Reason for Policy

This policy lists the statutory requirements for filings with the Texas Ethics Commission, gives board members and employees direction on when they may and may not hold public and private office and provides guidance on their participation in the political process as it relates to their position within the system.

Definitions

[Click to view Definitions.](#)

Procedures and Responsibilities

1. CONFLICTS OF INTEREST

- 1.1 Board members, the chancellor and member chief executive officers (CEOs) are required by state law to file a financial statement with the Texas Ethics Commission annually. Forms prescribed by the commission shall be utilized. With the exception of board members, a copy of such forms shall be filed in the Office of the Board of Regents.
- 1.2 Deputy chancellors, vice chancellors, the chief auditor, the general counsel, the system ethics and compliance officer, other members of the chancellor's executive committee, vice presidents and all employees who exercise discretion with regard to the investment of funds under the control of the system, shall file annually with their respective member

CEOs an *Annual Financial Disclosure Report* disclosing detailed information regarding themselves, their spouses and their dependent children.

The *Annual Financial Disclosure Form* is maintained by the Office of General Counsel ([OGC](#)) and is available online (see **Related Statutes** section).

- 1.3 Any outside employment of the chancellor, including serving on the board of directors of a corporation, shall be approved in advance by the chairman of the board or the chairman's designee.
- 1.4 As state officers, board members, the chancellor, presidents and agency directors are required to disclose any legal or equitable interest in property that is to be acquired with public funds. Such disclosure shall be made by filing an affidavit containing specific information as required by Tex. Gov't Code § 553.002. The affidavit must be filed with the county clerk of the county in which the individual resides and the county clerk of each county in which the property is located. Such filing must be completed within 10 days before the date on which the property is to be acquired by purchase or condemnation.

1.5 Certain Contracts Prohibited

The system and its members are prohibited from entering into a contract for the purchase of goods or services ~~under Tex. Educ. Code § 51.9335~~ with a private vendor ~~with-if~~ ~~whom~~ any of the following employees or their close family members ~~have~~s a financial interest in the vendor:

(a) the following system employees or those employees having job duties equivalent to the listed employees:

- chancellor;
- chief financial officer;
- vice chancellor;
- chief auditor;
- ~~the system~~ general counsel;
- chief compliance officer; or
- chief procurement officer or director;

(b) the following member employees or those employees having job duties equivalent to the listed employees:

- ~~or a member~~ CEO;
- provost;
- chief financial officer;
- vice president;
- dean;
- deputy or associate agency director;
- chief compliance officer; ~~or the system~~ or
- ~~(a) • a member chief procurement officer or procurement director; ~~or~~~~

~~(b)(c)~~ In this section, “close family member” means any person related to an employee ~~described by~~listed in Subsections 1.5(a) ~~or (b)~~, within the second degree of affinity (marriage) or consanguinity (blood). See Appendix for a listing of these relatives.

The employees listed in ~~s~~Sections 1.5(a) and (b) shall promptly disclose to the system general counsel and to their supervisor the existence of a financial interest with a private vendor that may prohibit the system or the respective ~~system~~ member from entering into a contract with the vendor.

1.5.1 ~~Relatives within the second degree by affinity and consanguinity:~~

~~(a) A person is related to an employee within the second degree of affinity if such person is an employee’s spouse, spouse’s child, spouse’s mother or father, spouse’s brother or sister, spouse’s grandparent, spouse’s grandchild, child’s spouse, parent’s spouse, brother or sister’s spouse, grandparent’s spouse or grandchild’s spouse; and~~

~~(b) A person is related to an employee within the second degree of consanguinity if the person is an employee’s parent, child, brother, sister, grandchild or grandparent.~~

~~(c) For purposes of this section, an adopted child is treated as the natural child of the adoptive parents.~~

~~1.5.2~~ An employee ~~described by~~listed in ~~Subs~~Sections 1.5(a) ~~or 1.5(b)~~ has a financial interest in a private vendor if the employee or the employee’s close family member:

(a) owns or controls, directly or indirectly, an ownership interest of at least one percent in the private vendor, including the right to share in profits, proceeds, or capital gains; or

(b) could reasonably foresee that a contract with the private vendor could result in a financial benefit to the employee.

~~1.5.23~~ A financial interest prohibited by this section does not include a retirement plan, a blind trust, insurance coverage, or an ownership interest of less than one percent in a corporation.

1.5.3 Disclosure Requirement. No later than the end of January each year, the employees listed in Sections 1.5(a) and 1.5(b) shall file with OGC a completed *Financial Interest Disclosure and Certification Form*. OGC will coordinate with the System Office of Budgets and Accounting to ensure system and member compliance with the contracting prohibition.

1.6 Board of Regents’ Consideration of Contracts

For contracts presented to the board of regents, a member is permitted to enter into a contract or other transaction with a business entity in which a board member has an interest if the interest is not a substantial interest or, if the interest is a substantial interest,

the board member discloses that interest in a meeting held in compliance with the Open Meetings Act (Chapter 551, Government Code) and refrains from voting on the contract or transaction. Any such contract or transaction presented to the board must be approved by an affirmative majority of the board members voting on the contract or transaction.

1.6.1 For purposes of this section, a board member has a substantial interest in a business entity if:

- (a) the board member owns one percent or more of the voting stock or shares of the business entity, or owns either one percent or more or \$15,000 or more of the fair market value of the business entity;
- (b) funds received by the board member from the business entity exceed one percent of his or her gross income for the previous year;
- (c) the board member is an officer of the business entity or a member of the governing board of the business entity; or
- (d) the board member's parent, child, spouse or spouse's child has an interest in the business entity as described by Section 1.6.1(a), (b) or (c).

1.6.2 The board is not precluded from entering into a contract or other transaction with a nonprofit corporation merely because a board member also serves as a member, director, officer or employee of the nonprofit corporation.

1.7 Employees are prohibited from having a direct or indirect financial or other interest, engaging in a business transaction or professional activity, or incurring any obligation that is in substantial conflict with the proper discharge of the employee's official duties and responsibilities.

1.87 As soon as possible after becoming aware of any potential conflict of interest, a board member shall disclose such fact and any other relevant information to the general counsel. In such an event, the general counsel shall review the potential conflict and issue an opinion.

1.98 Any member employee who exercises discretion or makes decisions regarding the award of a bid or contract with a private vendor shall promptly disclose to the member CEO or designee on the *Potential Conflict of Interest Disclosure Form* any potential conflict of interest that is known by the employee with respect to any contract with a private vendor or bid for the purchase of goods or services from a private vendor by the member. The disclosure obligation created by this section applies at all times during the following time periods: the procurement process, from the initial requests for bids for the purchase of goods or services from a private vendor until the completed final delivery of the goods or services; or the term of a contract with a private vendor. A "potential conflict of interest" under this section means an interest, financial or otherwise, that could potentially conflict with the conscientious performance of an employee's official duties and responsibilities, including interests that could create the appearance of impropriety.

1.109 System Policy 07.01, *Ethics*, provides additional guidance on conflicts of interests that board members and employees must avoid.

2. DUAL OFFICE HOLDING

2.1 Non-elective State or Federal Office

2.1.1 Board members and employees may hold non-elective offices with boards, commissions and other state and federal entities provided that the holding of such office (a) is of benefit to the state of Texas or is required by state or federal law, and (b) is not in conflict with the board member's or employee's position within the system. In the case of employees, such appointments must be approved by the member CEO.

2.1.2 Prior to the chancellor or a member CEO accepting an invitation to serve in an additional non-elective office, the board must determine that the appointment meets the two requirements stated above. The board must also make an official record of any compensation to be received by the chancellor or member CEO from such appointment, including salary, bonus, per diem or other types of compensation.

2.2 Employees may hold other positions of employment with agencies, boards, commissions or other entities of government as long as the holding of such positions is consistent with the prohibitions against dual office holding in the Texas Constitution. Consulting arrangements with federal, state or local governmental agencies of a detached and independent advisory nature are not considered to be appointments with such agencies.

3. POLITICAL ACTIVITIES

3.1 Restrictions on Members, Board Members and Employees

3.1.1 A member may not use any money under its control, including appropriated money, to finance or otherwise support the candidacy of a person for an office in the legislative, executive or judicial branch of state government or of the government of the United States. This prohibition extends to the direct or indirect employment of a person to perform an action described by this subsection.

3.1.2 A board member or employee may not use a state-owned or leased vehicle for a purpose described by ~~Subs~~Section 3.1.1.

3.1.3 A member may not use appropriated money to attempt to influence the passage or defeat of a legislative measure. This subsection does not prohibit a board member or employee from using state resources to provide public information or to provide information responsive to a request.

3.1.4 Board members and employees shall not use their official authority or influence, or permit the use of a program administered by the system to interfere with or affect the result of an election or nomination of a candidate or to achieve any other political purpose.

3.1.5 Board members and employees shall not coerce, attempt to coerce, command, restrict, attempt to restrict, or prevent the payment, loan or contribution of anything of value to a person or political organization for a political purpose.

- 3.1.6 An employee who violates ~~Subs~~Sections 3.1.4 or 3.1.5 is subject to immediate termination of employment. A member may not use appropriated money to compensate a board member or employee who violates any of the previous ~~sub~~sections of this section.
- 3.2 As employees and public officers of the state of Texas, board members and employees have the rights of freedom of association and political participation guaranteed by the state and federal constitutions, except as provided by Section 3.1. Board members and employees shall be allowed sufficient time off to vote in public elections without a deduction from pay or from accrued leave time.
- 3.3 Employees as Candidates and Officeholders
- 3.3.1 Employees may run for election and serve as members of the governing bodies of school districts, cities, towns or other local governmental districts. A county is not an “other local governmental district” for purposes of this section. No campaign activities may be conducted during official business hours unless the employee has requested and received permission to use leave time for such purpose. Any employee elected to such a position may not receive any salary for serving as a member of such governing bodies, except that a faculty member of system academic institutions may receive compensation for serving as a member of a water district created under Article XVI, Section 59 or Article III, Section 52 of the state constitution.
- 3.3.2 If an employee wishes to announce as a candidate and seek election to a county, state, or federal office, such employee may not conduct campaign activities during official business hours unless the employee has requested and received permission to use leave time for such purpose. The employee shall not use any system resource for campaign purposes.
- 3.3.3 A member is authorized to adopt a procedure requiring an employee to resign from system employment before announcing as a candidate and seeking election to any office that would, in the judgment of the member, create a potential or actual conflict of interest with the individual’s current position of employment. Prior to adoption, this procedure shall be submitted to the Office of General Counsel for legal sufficiency review. Two examples of such conflicts of interest include: (a) an office that funds any portion of the salary of the employee’s position of system employment; or (b) an office that would give the employee supervisory authority over his or her supervisor (or a higher-ranking member employee in the individual’s “chain of command”). This ~~sub~~section is based on the system’s important interest in the integrity of its institutions and agencies and in the integrity, efficiency, loyalty and nonpartisanship of its employees.
- 3.3.4 Federal law may prohibit an employee whose salary is paid completely by federal funds from becoming a candidate for elective office. An employee should contact their member human resources office if the employee has questions about the application of this prohibition.

- 3.4 Board members and employees may make personal contributions to candidates for office and political organizations with the exception that employees may not contribute personal services, money or goods of value to a speaker candidate for use in the campaign for speaker of the Texas House of Representatives.

Related Statutes, Policies, or Requirements

[Annual Financial Disclosure Form \(See Section 1.2\)](#)

[Financial Interest Disclosure and Certification Form \(See Section 1.5.3\)](#)

[Potential Conflict of Interest Disclosure Form \(See Section 1.9\)](#)

[5 United States Code § 1502\(a\)\(3\)](#)

[Texas Constitution, Art. XVI, § 40](#)

[Tex. Educ. Code § 51.923](#)

[Tex. Gov't Code Ch. 302, *Speaker of the House of Representatives*](#)

[Tex. Gov't Code Ch. 553, *Public Disclosure*](#)

[Tex. Gov't Code Ch. 556, *Political Activities by Certain Public Entities and Individuals*](#)

[Tex. Gov't Code Ch. 572, *Personal Financial Disclosure, Standards of Conduct, and Conflict of Interest*](#)

[Tex. Gov't Code Ch. 574, *Dual Office Holding*](#)

[Tex. Gov't Code § 2261.252](#)

[System Policy 07.01, *Ethics*](#)

[System Policy 07.04, *Benefits, Gifts and Honoraria*](#)

[System Policy 31.01, *Compensation*](#)

[System Regulation 07.03.01, *Political Campaign Events on Property Under the Control of The Texas A&M University System*](#)

[System Policy 31.05, *External Employment and Expert Witness*](#)

[System Policy 33.03, *Nepotism*](#)

Definitions

~~Public funds~~—includes only funds collected by or through a government.

~~System resource~~—an item or tool provided by the system for purposes of satisfying normal business activities, including but not limited to internet access, e-mail addresses, facsimiles, telephone and personal computing services, procurement and credit cards, and all other organizational assets, including cash.

Appendix

Degrees of Relationship Listing

Member Rule Requirements

A rule is not required to supplement this policy.

Contact Office

System Office of General Counsel
(979) 458-6120

Degrees of Relationship Listing

Relatives by Affinity (Marriage)

The following persons are relatives of an employee within the second degree by affinity:

- Spouse
- Spouse's child
- Spouse's parent
- Spouse's sibling
- Spouse's grandparent
- Spouse's grandchild
- Child's spouse
- Parent's spouse
- Sibling's spouse
- Grandparent's spouse
- Grandchild's spouse

Relatives by Consanguinity (Blood)

The following persons are relatives of an employee within the second degree of consanguinity:

- Parent
- Child
- Sibling
- Grandparent
- Grandchild

For purposes of this policy, an adopted child is treated as the natural child of the adoptive parents.

07.03 Conflicts of Interest, Dual Office Holding and Political Activities



Revised [August 23, 2017](#) (MO -2017)
Next Scheduled Review: August 23, 2022
Click to view [Revision History](#).

Policy Statement

There are many statutory requirements the members of the Board of Regents (board) and employees of The Texas A&M University System (system) must follow to ensure no conflicts of interest exist while they carry out their public duties. Such requirements include filings with the Texas Ethics Commission and rules surrounding the holding of public and private office.

Reason for Policy

This policy lists the statutory requirements for filings with the Texas Ethics Commission, gives board members and employees direction on when they may and may not hold public and private office and provides guidance on their participation in the political process as it relates to their position within the system.

Definitions

Click to view [Definitions](#).

Procedures and Responsibilities

1. CONFLICTS OF INTEREST

- 1.1 Board members, the chancellor and member chief executive officers (CEOs) are required by state law to file a financial statement with the Texas Ethics Commission annually. Forms prescribed by the commission shall be utilized. With the exception of board members, a copy of such forms shall be filed in the Office of the Board of Regents.
- 1.2 Deputy chancellors, vice chancellors, the chief auditor, the general counsel, the system ethics and compliance officer, other members of the chancellor's executive committee, vice presidents and all employees who exercise discretion with regard to the investment of funds under the control of the system, shall file annually with their respective member CEOs an *Annual Financial Disclosure Report* disclosing detailed information regarding themselves, their spouses and their dependent children.

The *Annual Financial Disclosure Form* is maintained by the Office of General Counsel (OGC) and is available online (see **Related Statutes** section).

- 1.3 Any outside employment of the chancellor, including serving on the board of directors of a corporation, shall be approved in advance by the chairman of the board or the chairman's designee.
- 1.4 As state officers, board members, the chancellor, presidents and agency directors are required to disclose any legal or equitable interest in property that is to be acquired with public funds. Such disclosure shall be made by filing an affidavit containing specific information as required by Tex. Gov't Code § 553.002. The affidavit must be filed with the county clerk of the county in which the individual resides and the county clerk of each county in which the property is located. Such filing must be completed within 10 days before the date on which the property is to be acquired by purchase or condemnation.

1.5 Certain Contracts Prohibited

The system and its members are prohibited from entering into a contract for the purchase of goods or services with a private vendor if any of the following employees or their close family members have a financial interest in the vendor:

- (a) the following system employees or those employees having job duties equivalent to the listed employees:
 - chancellor;
 - chief financial officer;
 - vice chancellor;
 - chief auditor;
 - general counsel;
 - chief compliance officer; or
 - chief procurement officer or director;
- (b) the following member employees or those employees having job duties equivalent to the listed employees:
 - CEO;
 - provost;
 - chief financial officer;
 - vice president;
 - dean;
 - deputy or associate agency director;
 - chief compliance officer; or
 - chief procurement officer or procurement director;
- (c) In this section, “close family member” means any person related to an employee listed in Sections 1.5(a) or (b), within the second degree of affinity (marriage) or consanguinity (blood). See Appendix for a listing of these relatives.

The employees listed in Sections 1.5(a) and (b) shall promptly disclose to the system general counsel and to their supervisor the existence of a financial interest with a private vendor that may prohibit the system or the respective member from entering into a contract with the vendor.

1.5.1 An employee listed in Sections 1.5(a) or 1.5(b) has a financial interest in a private vendor if the employee or the employee's close family member:

- (a) owns or controls, directly or indirectly, an ownership interest of at least one percent in the private vendor, including the right to share in profits, proceeds, or capital gains; or
- (b) could reasonably foresee that a contract with the private vendor could result in a financial benefit to the employee.

1.5.2 A financial interest prohibited by this section does not include a retirement plan, a blind trust, insurance coverage, or an ownership interest of less than one percent in a corporation.

1.5.3 Disclosure Requirement. No later than the end of January each year, the employees listed in Sections 1.5(a) and 1.5(b) shall file with OGC a completed *Financial Interest Disclosure and Certification Form*. OGC will coordinate with the System Office of Budgets and Accounting to ensure system and member compliance with the contracting prohibition.

1.6 Board of Regents' Consideration of Contracts

For contracts presented to the board of regents, a member is permitted to enter into a contract or other transaction with a business entity in which a board member has an interest if the interest is not a substantial interest or, if the interest is a substantial interest, the board member discloses that interest in a meeting held in compliance with the Open Meetings Act (Chapter 551, Government Code) and refrains from voting on the contract or transaction. Any such contract or transaction presented to the board must be approved by an affirmative majority of the board members voting on the contract or transaction.

1.6.1 For purposes of this section, a board member has a substantial interest in a business entity if:

- (a) the board member owns one percent or more of the voting stock or shares of the business entity, or owns either one percent or more or \$15,000 or more of the fair market value of the business entity;
- (b) funds received by the board member from the business entity exceed one percent of his or her gross income for the previous year;
- (c) the board member is an officer of the business entity or a member of the governing board of the business entity; or
- (d) the board member's parent, child, spouse or spouse's child has an interest in the business entity as described by Section 1.6.1(a), (b) or (c).

- 1.6.2 The board is not precluded from entering into a contract or other transaction with a nonprofit corporation merely because a board member also serves as a member, director, officer or employee of the nonprofit corporation.
- 1.7 Employees are prohibited from having a direct or indirect financial or other interest, engaging in a business transaction or professional activity, or incurring any obligation that is in substantial conflict with the proper discharge of the employee's official duties and responsibilities.
- 1.8 As soon as possible after becoming aware of any potential conflict of interest, a board member shall disclose such fact and any other relevant information to the general counsel. In such an event, the general counsel shall review the potential conflict and issue an opinion.
- 1.9 Any member employee who exercises discretion or makes decisions regarding the award of a bid or contract with a private vendor shall promptly disclose to the member CEO or designee on the *Potential Conflict of Interest Disclosure Form* any potential conflict of interest that is known by the employee with respect to any contract with a private vendor or bid for the purchase of goods or services from a private vendor by the member. The disclosure obligation created by this section applies at all times during the following time periods: the procurement process, from the initial requests for bids for the purchase of goods or services from a private vendor until the completed final delivery of the goods or services; or the term of a contract with a private vendor. A "potential conflict of interest" under this section means an interest, financial or otherwise, that could potentially conflict with the conscientious performance of an employee's official duties and responsibilities, including interests that could create the appearance of impropriety.
- 1.10 System Policy 07.01, *Ethics*, provides additional guidance on conflicts of interest that board members and employees must avoid.

2. DUAL OFFICE HOLDING

2.1 Non-elective State or Federal Office

- 2.1.1 Board members and employees may hold non-elective offices with boards, commissions and other state and federal entities provided that the holding of such office (a) is of benefit to the state of Texas or is required by state or federal law, and (b) is not in conflict with the board member's or employee's position within the system. In the case of employees, such appointments must be approved by the member CEO.
- 2.1.2 Prior to the chancellor or a member CEO accepting an invitation to serve in an additional non-elective office, the board must determine that the appointment meets the two requirements stated above. The board must also make an official record of any compensation to be received by the chancellor or member CEO from such appointment, including salary, bonus, per diem or other types of compensation.
- 2.2 Employees may hold other positions of employment with agencies, boards, commissions or other entities of government as long as the holding of such positions is consistent with

the prohibitions against dual office holding in the Texas Constitution. Consulting arrangements with federal, state or local governmental agencies of a detached and independent advisory nature are not considered to be appointments with such agencies.

3. POLITICAL ACTIVITIES

3.1 Restrictions on Members, Board Members and Employees

3.1.1 A member may not use any money under its control, including appropriated money, to finance or otherwise support the candidacy of a person for an office in the legislative, executive or judicial branch of state government or of the government of the United States. This prohibition extends to the direct or indirect employment of a person to perform an action described by this section.

3.1.2 A board member or employee may not use a state-owned or leased vehicle for a purpose described by Section 3.1.1.

3.1.3 A member may not use appropriated money to attempt to influence the passage or defeat of a legislative measure. This section does not prohibit a board member or employee from using state resources to provide public information or to provide information responsive to a request.

3.1.4 Board members and employees shall not use their official authority or influence, or permit the use of a program administered by the system to interfere with or affect the result of an election or nomination of a candidate or to achieve any other political purpose.

3.1.5 Board members and employees shall not coerce, attempt to coerce, command, restrict, attempt to restrict, or prevent the payment, loan or contribution of anything of value to a person or political organization for a political purpose.

3.1.6 An employee who violates Sections 3.1.4 or 3.1.5 is subject to immediate termination of employment. A member may not use appropriated money to compensate a board member or employee who violates any of the previous sections of this section.

3.2 As employees and public officers of the state of Texas, board members and employees have the rights of freedom of association and political participation guaranteed by the state and federal constitutions, except as provided by Section 3.1. Board members and employees shall be allowed sufficient time off to vote in public elections without a deduction from pay or from accrued leave time.

3.3 Employees as Candidates and Officeholders

3.3.1 Employees may run for election and serve as members of the governing bodies of school districts, cities, towns or other local governmental districts. A county is not an "other local governmental district" for purposes of this section. No campaign activities may be conducted during official business hours unless the employee has requested and received permission to use leave time for such purpose. Any employee elected to such a position may not receive any salary for

serving as a member of such governing bodies, except that a faculty member of system academic institutions may receive compensation for serving as a member of a water district created under Article XVI, Section 59 or Article III, Section 52 of the state constitution.

- 3.3.2 If an employee wishes to announce as a candidate and seek election to a county, state, or federal office, such employee may not conduct campaign activities during official business hours unless the employee has requested and received permission to use leave time for such purpose. The employee shall not use any system resource for campaign purposes.
- 3.3.3 A member is authorized to adopt a procedure requiring an employee to resign from system employment before announcing as a candidate and seeking election to any office that would, in the judgment of the member, create a potential or actual conflict of interest with the individual's current position of employment. Prior to adoption, this procedure shall be submitted to the Office of General Counsel for legal sufficiency review. Two examples of such conflicts of interest include: (a) an office that funds any portion of the salary of the employee's position of system employment; or (b) an office that would give the employee supervisory authority over his or her supervisor (or a higher-ranking member employee in the individual's "chain of command"). This section is based on the system's important interest in the integrity of its institutions and agencies and in the integrity, efficiency, loyalty and nonpartisanship of its employees.
- 3.3.4 Federal law may prohibit an employee whose salary is paid completely by federal funds from becoming a candidate for elective office. An employee should contact their member human resources office if the employee has questions about the application of this prohibition.
- 3.4 Board members and employees may make personal contributions to candidates for office and political organizations with the exception that employees may not contribute personal services, money or goods of value to a speaker candidate for use in the campaign for speaker of the Texas House of Representatives.

Related Statutes, Policies, or Requirements

[Annual Financial Disclosure Form \(See Section 1.2\)](#)

[Financial Interest Disclosure and Certification Form \(See Section 1.5.3\)](#)

[Potential Conflict of Interest Disclosure Form \(See Section 1.9\)](#)

[5 United States Code § 1502\(a\)\(3\)](#)

[Texas Constitution, Art. XVI, § 40](#)

[Tex. Educ. Code § 51.923](#)

[Tex. Gov't Code Ch. 302, *Speaker of the House of Representatives*](#)

[Tex. Gov't Code Ch. 553, *Public Disclosure*](#)

[Tex. Gov't Code Ch. 556, *Political Activities by Certain Public Entities and Individuals*](#)

[Tex. Gov't Code Ch. 572, *Personal Financial Disclosure, Standards of Conduct, and Conflict of Interest*](#)

[Tex. Gov't Code Ch. 574, *Dual Office Holding*](#)

[Tex. Gov't Code § 2261.252](#)

[System Policy 07.01, *Ethics*](#)

[System Policy 07.04, *Benefits, Gifts and Honoraria*](#)

[System Policy 31.01, *Compensation*](#)

[System Regulation 07.03.01, *Political Campaign Events on Property Under the Control of The Texas A&M University System*](#)

[System Policy 31.05, *External Employment and Expert Witness*](#)

[System Policy 33.03, *Nepotism*](#)

Appendix

[Degrees of Relationship Listing](#)

Member Rule Requirements

A rule is not required to supplement this policy.

Contact Office

System Office of General Counsel
(979) 458-6120

AGENDA ITEM BRIEFING

Submitted by: Ray Bonilla, General Counsel
The Texas A&M University System

Subject: Approval of Revisions to System Policy 33.03, *Nepotism*

Proposed Board Action:

Approve revisions to System Policy 33.03, *Nepotism*.

Background Information:

This policy is recommended for revision to clarify two issues regarding the employment and supervision of relatives. Below is a summary of the proposed substantive revisions.

- **Section 1**'s listing of relatives covered by the state nepotism statute is proposed to be moved to an appendix.
- **Section 4**, relating to the employment and supervision of a system employee's relative, is proposed for revision to clarify the relatives covered by the policy and the requirements applicable to each situation.
- **Section 4.1** is proposed for revision to make the relatives covered in Section 4 (applicable to System employees) consistent with Sections 1 and 2 (applicable to regents). The proposed revisions also clarify that a member may employ relatives covered by the policy if each relative is supervised by an employee in a more senior administrative position than either relative. This restriction is an addition to the policy's current restriction that neither relative may have responsibility for the supervision of the other, or have authority over any term or condition of the other's employment, including salary or wages.
- **Section 4.3** is revised to provide that a member's employment of relatives listed by Section 4.1 requires the written authorization of the CEO. For an individual related to the CEO, the written authorization of the chancellor is required.

A&M System Funding or Other Financial Implications:

None.

Agenda Item No.

THE TEXAS A&M UNIVERSITY SYSTEM

Office of General Counsel

August 4, 2017

Members, Board of Regents
The Texas A&M University System

Subject: Approval of Revisions to System Policy *33.03, Nepotism*

I recommend adoption of the following minute order:

“The revisions to System Policy 33.03, *Nepotism*, as shown in the attached exhibit, are approved, effective immediately.”

Respectfully submitted,

Ray Bonilla
General Counsel

Approval Recommended:

Approved for Legal Sufficiency:

John Sharp
Chancellor

Ray Bonilla
General Counsel

Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

33.03 Nepotism

~~Reviewed January 27, 2017~~

~~Revised August 23, 2017 (MO -2017)~~

Next Scheduled Review: ~~August 23, 2022~~~~January 27, 2022~~

Click to view [Revision History](#).



Policy Statement

Public officials may not appoint, confirm the appointment of, or vote for the appointment or confirmation of the appointment of an individual to a position that is to be directly or indirectly compensated ~~from~~ public funds or fees of office if the individual is related to a member of the Board of Regents (board) of The Texas A&M University System (system). It is the policy of the system that employees who have authority to make or confirm appointments be held to this same standard.

Reason for Policy

This policy provides that public officials and employees who have authority to make or confirm appointments may not make or confirm the appointment of an individual if the individual is related to the official or employee.

Definitions

Click to view [Definitions](#).

Procedures and Responsibilities

1. According to state nepotism laws, a public official, including a member of the system board, may not appoint, confirm the appointment of, or vote for the appointment or confirmation of the appointment of an individual to a position that is to be directly or indirectly compensated from public funds if the individual is related to the board member within the third degree by consanguinity (blood) or the second degree by affinity (marriage). [See Appendix for a listing of these relatives.](#)

~~1.1 — The following persons are relatives of the board member within the third degree by consanguinity (blood):~~

- ~~● — Parent~~

- ~~Child~~
- ~~Brother~~
- ~~Sister~~
- ~~Grandparent~~
- ~~Grandchild~~
- ~~Great-grandparent~~
- ~~Great-grandchild~~
- ~~Aunt (sister of parent)~~
- ~~Uncle (brother of parent)~~
- ~~Nephew (son of brother or sister)~~
- ~~Niece (daughter of brother or sister)~~

~~1.2 The following persons are relatives of the board member within the second degree by affinity (marriage):~~

- ~~Spouse~~
- ~~Spouse's child~~
- ~~Spouse's mother or father~~
- ~~Spouse's brother or sister~~
- ~~Spouse's grandparent~~
- ~~Spouse's grandchild~~
- ~~Child's spouse~~
- ~~Parent's spouse~~
- ~~Brother or sister's spouse~~
- ~~Grandparent's spouse~~
- ~~Grandchild's spouse~~

~~1.3 For purposes of state nepotism laws, an adopted child is treated as the natural child of the adoptive parents.~~

2. The nepotism prohibition does not apply to an appointment, confirmation of an appointment, or vote for an appointment or confirmation of an appointment of an individual if the individual is employed in the position immediately before the appointment of the board member to whom the individual is related in a prohibited degree, and such prior employment is continuous for at least ~~thirty~~ (30) days. However, if the person related to a board member continues in such a position, the board member may not participate in any deliberation or voting on the appointment, reappointment, confirmation of the appointment or reappointment, employment, reemployment, change in status, compensation, or dismissal of the related individual if that action applies only to that individual and is not taken regarding a bona fide class or category of employees.
3. Although the definition of "public official" in state nepotism laws does not include employees of institutions of higher education, it is the policy of the system that employees who have authority to make or confirm appointments be held to the standard described in Section 1 of this policy.

4. SUPERVISION OF RELATIVES

- 4.1 ~~Departments or comparable administrative units~~A member may employ individuals who are related within the third degree by consanguinity or the second degree by affinity (see Appendix for a listing of these relatives) ~~as spouse, as parent-child, or as sibling~~ provided that:
- (a) neither relative has responsibility for direct or indirect supervision of the other, or authority over any term or condition of the other's employment, including salary or wages; and
 - (b) each relative is supervised by an employee in an administrative position at a higher, more senior level than either relative.
- 4.2 The conditions described in Section 4.1 apply to both initial appointment and continuation of employment.
- 4.3 ~~If either of the conditions~~A member's employment of relatives listed in Section 4.1 ~~exist~~ requires the written, employment may be authorized of by the chief executive officer (CEO) ~~of the system member involved.~~ If the individual to be employed is related to the CEO, the employment is not permitted unless authorized in writing by the chancellor.

Related Statutes, Policies, or Requirements

[Tex. Gov't Code Ch. 573](#)

Appendix

Degrees of Relationship Listing

Member Rule Requirements

A rule is not required to supplement this policy.

Contact Office

System Office of General Counsel
(979) 458-6120

Degrees of Relationship Listing

Relatives by Consanguinity (Blood)

The following persons are relatives of the board member or employee within the third degree by consanguinity:

- Parent
- Child
- Sibling
- Grandparent
- Grandchild
- Great-grandparent
- Great-grandchild
- Aunt (sister of parent)
- Uncle (brother of parent)
- Nephew (son of sibling)
- Niece (daughter of sibling)

For purposes of state nepotism laws, an adopted child is treated as the natural child of the adoptive parents.

Relatives by Affinity (Marriage)

The following persons are relatives of the board member or employee within the second degree by affinity (marriage):

- Spouse
- Spouse's child
- Spouse's parent
- Spouse's sibling
- Spouse's grandparent
- Spouse's grandchild
- Child's spouse
- Parent's spouse
- Sibling's spouse
- Grandparent's spouse
- Grandchild's spouse



33.03 Nepotism

Revised [August 23, 2017](#) (MO -2017)
Next Scheduled Review: August 23, 2022
Click to view [Revision History](#).

Policy Statement

Public officials may not appoint, confirm the appointment of, or vote for the appointment or confirmation of the appointment of an individual to a position that is to be directly or indirectly compensated from public funds or fees of office if the individual is related to a member of the Board of Regents (board) of The Texas A&M University System (system). It is the policy of the system that employees who have authority to make or confirm appointments be held to this same standard.

Reason for Policy

This policy provides that public officials and employees who have authority to make or confirm appointments may not make or confirm the appointment of an individual if the individual is related to the official or employee.

Definitions

Click to view [Definitions](#).

Procedures and Responsibilities

1. According to state nepotism laws, a public official, including a member of the system board, may not appoint, confirm the appointment of, or vote for the appointment or confirmation of the appointment of an individual to a position that is to be directly or indirectly compensated from public funds if the individual is related to the board member within the third degree by consanguinity (blood) or the second degree by affinity (marriage). See Appendix for a listing of these relatives.
2. The nepotism prohibition does not apply to an appointment, confirmation of an appointment, or vote for an appointment or confirmation of an appointment of an individual if the individual is employed in the position immediately before the appointment of the board member to whom the individual is related in a prohibited degree, and such prior employment is continuous for at least 30 days. However, if the person related to a board member continues in such a position,

the board member may not participate in any deliberation or voting on the appointment, reappointment, confirmation of the appointment or reappointment, employment, reemployment, change in status, compensation, or dismissal of the related individual if that action applies only to that individual and is not taken regarding a bona fide class or category of employees.

3. Although the definition of “public official” in state nepotism laws does not include employees of institutions of higher education, it is the policy of the system that employees who have authority to make or confirm appointments be held to the standard described in Section 1 of this policy.

4. SUPERVISION OF RELATIVES

4.1 A member may employ individuals who are related within the third degree by consanguinity or the second degree by affinity (see Appendix for a listing of these relatives) provided that:

- (a) neither relative has responsibility for direct or indirect supervision of the other, or authority over any term or condition of the other’s employment, including salary or wages; and
- (b) each relative is supervised by an employee in an administrative position at a higher, more senior level than either relative.

4.2 The conditions described in Section 4.1 apply to both initial appointment and continuation of employment.

4.3 A member’s employment of relatives listed in Section 4.1 requires the written authorization of the chief executive officer (CEO). If the individual to be employed is related to the CEO, the employment is not permitted unless authorized in writing by the chancellor.

Related Statutes, Policies, or Requirements

[Tex. Gov’t Code Ch. 573](#)

Appendix

[Degrees of Relationship Listing](#)

Member Rule Requirements

A rule is not required to supplement this policy.

Contact Office

System Office of General Counsel
(979) 458-6120

AGENDA ITEM BRIEFING

Submitted by: Billy Hamilton, Executive Vice Chancellor and Chief Financial Officer
The Texas A&M University System

Subject: Approval for System Employees to Serve in their Official Capacities as Members of the Governing Board and/or Officers of Prime Seeds, Inc., an Entity Formed for the Purpose of Development and Commercialization of Technology Owned by The Texas A&M University System

Proposed Board Action:

Approval for Jon Mogford, Ph.D., Vice Chancellor for Research, The Texas A&M University System (A&M System), Bob Avant, Director, Corporate Relations, Texas A&M AgriLife Research (AgriLife Research) and Brett Cornwell, Executive Director, Texas A&M Technology Commercialization (TTC), Texas A&M University (Texas A&M) to serve on behalf of the A&M System as members of the governing board, and/or as officers of Prime Seeds, Inc. an entity formed for the purpose of development and commercialization of technology owned by the A&M System.

Background Information:

Through collaborations between AgriLife Research and Cotton, Inc., a new company, Prime Seeds, Inc. was created. Prime Seeds, Inc. will commercialize conventional and transgenic cotton varieties licensed from the A&M System. It is contemplated that Prime Seeds, Inc. may engage AgriLife Research to help develop new varieties that will incorporate transgenic traits.

The A&M System, AgriLife Research and Texas A&M employees proposed as members of the governing board and/or as officers of Prime Seeds, Inc. have the requisite expertise and experience to manage and provide strategic direction for the company's development. Dr. Mogford works in close collaboration with the A&M System's 11 universities, seven state agencies, and health science center to facilitate the growth of research of all system members. While working for the Defense Advanced Research Projects Agency, he served as the Acting Director of the Defense Sciences Office (DSO). The DSO's research portfolio bridges the gap from fundamental science to applications by identifying and pursuing the most promising ideas within the science and engineering research communities and transforming these ideas into new DoD capabilities. Mr. Avant has more than 40 years of government and private sector experience in agriculture, environmental, energy, and consulting engineering areas. He oversees the \$100 million agricultural and life sciences research portfolio engaging with major corporate sponsors, and works with federal and state elected officials, other universities and A&M System entities, agricultural groups, and industry to expand sponsored research opportunities for AgriLife Research. Mr. Cornwell has over 20 years of experience in technology transfer and two years of experience with small companies as a sales and marketing manager. He has served as director on numerous start-up companies that are licensees of A&M System technology.

Pursuant to System Policy 17.01, *Intellectual Property Management and Commercialization*, Board of Regents approval is required for Dr. Mogford, Mr. Avant and Mr. Cornwell to serve in their official capacities as members of the governing board and/or officers of Prime Seeds, Inc.

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Agenda Item Briefing

They will not be compensated by Prime Seeds, Inc. because they are serving on behalf of the A&M System.

A&M System Funding or Other Financial Implications:

Cotton, Inc. and TTC will each invest \$50,000, a total of \$100,000 in Prime Seeds, Inc., in exchange for 50/50 ownership stakes in the company. TTC will cover the company formation costs which will be about \$2,500. AgriLife Research will reimburse TTC for A&M System's investment in Prime Seeds, Inc. and TTC will hold the equity for the benefit of AgriLife Research.

Agenda Item No.

THE TEXAS A&M UNIVERSITY SYSTEM
Office of the Executive Vice Chancellor and Chief Financial Officer
June 27, 2017

Members, Board of Regents
The Texas A&M University System

Subject: Approval for System Employees to Serve in their Official Capacities as Members of the Governing Board and/or Officers of Prime Seeds, Inc., an Entity Formed for the Purpose of Development and Commercialization of Technology Owned by The Texas A&M University System

I recommend adoption of the following minute order:

“The Board of Regents of The Texas A&M University System hereby approves for Jon Mogford, Ph.D., Vice Chancellor for Research, an A&M System employee, Bob Avant, Director, Corporate Relations, an AgriLife Research employee and Brett Cornwell, Executive Director, a Texas A&M University employee, to serve on behalf of The Texas A&M University System in their official capacities as members of the governing board and/or officers of Prime Seeds, Inc., an entity formed for the purpose of development and commercialization of technology owned by The Texas A&M University System.”

Respectfully submitted,

Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

Submission Recommended:

Michael K. Young
President, Texas A&M University

Submission Recommended:

Mark A. Hussey
Vice Chancellor and Dean
Agriculture and Life Sciences

Approval Recommended:

John Sharp
Chancellor

Approved for Legal Sufficiency:

Ray Bonilla
General Counsel

AGENDA ITEM BRIEFING

Submitted by: Michael K. Young, President
Texas A&M University

Subject: Approval for Dr. Kevin Burgess, a System Employee, to Serve as an Officer, Member of the Board of Directors and Employee of Small Molecule PPI Mimics, LLC, an Entity that Proposes to License Technology from The Texas A&M University System

Proposed Board Action:

Approval for Dr. Kevin Burgess, Professor of Chemistry at Texas A&M University (Texas A&M), to serve in his individual capacity as an officer, member of the board of directors and employee of Small Molecule PPI Mimics, LLC, a business entity that desires to enter into a license agreement with The Texas A&M University System (A&M System) for a technology developed by Dr. Burgess.

Background Information:

Dr. Burgess received his Ph.D. in Organometallic Chemistry from the University of Cambridge in 1983. He completed a postdoctoral fellowship at the University of Wisconsin in 1984. Dr. Burgess was a Junior Research Fellow at Girton College, Cambridge, from 1984-1987 and an Assistant Professor in the Department of Chemistry at Rice University from 1987-1992. In 1992, he joined the Texas A&M College of Science as an Associate Professor of Chemistry and now holds the endowed Rachel Chair in Chemistry, a position he has held since 2005. He has over 25 years of experience in the synthesis and design of small molecules that bind to proteins and has published extensively in this area. Dr. Burgess' current research interests center around mining techniques to find small molecules that interfere with protein-protein interactions (PPI), and small molecule designs to target specific cell types, particularly cancer cells, for diagnosis, imaging, and "smart" chemotherapy. In early 2012, Dr. Burgess formed Small Molecule PPI Mimics, LLC and has held the position of CEO since that time. Small Molecule PPI Mimics, LLC specializes in finding low-risk, low-cost alternatives to high-risk, high-cost screening to identify novel small molecules that perturb PPIs that may offer new or enhanced benefit over other pharmaceutical products in development and/or on the market. Small Molecule PPI Mimics, LLC has a specific interest in commercializing a technology recently developed by Dr. Burgess in his laboratory at Texas A&M which involves small molecule inhibitors of the LDLR-PCSK9 PPI and methods for using those small molecules for lowering cholesterol. He has data from small molecule compounds that show disruption of the PPI and ongoing cell studies to lend support toward these compounds being effective as an alternative method to lower cholesterol. Texas A&M Technology Commercialization (TTC) recently filed a provisional patent application to protect the A&M System's intellectual property rights in this technology. Small Molecule PPI Mimics, LLC is interested in entering into an exclusive license with the A&M System for this technology for the right to make, have made, sell, and to use licensed products for commercial purposes.

Pursuant to Texas Education Code §51.912 and System Policy 17.01, *Intellectual Property Management and Commercialization*, Board of Regents approval is required for Dr. Burgess to serve as an officer, member of the board of directors and employee of Small Molecule PPI Mimics,

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LLC. Any potential conflicts of interest will be evaluated under System Regulation *15.01.03, Financial Conflicts of Interest in Sponsored Research*. An approved conflict of interest plan with Texas A&M will be put in place upon Board of Regents approval of this request or upon signing of a sponsored research agreement, whichever occurs first.

A&M System Funding or Other Financial Implications:

None.

Agenda Item No.

TEXAS A&M UNIVERSITY

Office of the President

June 19, 2017

Members, Board of Regents
The Texas A&M University System

Subject: Approval for Dr. Kevin Burgess, a System Employee, to Serve as an Officer, Member of the Board of Directors and Employee of Small Molecule PPI Mimics, LLC, an Entity that Proposes to License Technology from The Texas A&M University System

I recommend adoption of the following minute order:

“The Board of Regents of The Texas A&M University System approves for Dr. Kevin Burgess, an employee of Texas A&M University, to serve in his individual capacity as an officer, member of the board of directors and employee of Small Molecule PPI Mimics, LLC, an entity that proposes to enter into an agreement to license technology from The Texas A&M University System relating to the research, development, licensing, or exploitation of intellectual property conceived, created, discovered, invented or developed by Dr. Burgess.”

Respectfully submitted,

Michael K. Young
President

Approval Recommended:

John Sharp
Chancellor

Approved for Legal Sufficiency:

Ray Bonilla
General Counsel

Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

***Certified by the general counsel or other appropriate attorney as confidential or information that may be withheld from public disclosure in accordance with Section 551.1281 and Chapter 552 of the Texas Government Code.**