



*Agenda Items*  
*Meeting*  
*of the*  
*Board of Regents*

**August 16, 2018**



**MEETING OF THE BOARD OF REGENTS  
THE TEXAS A&M UNIVERSITY SYSTEM  
August 16, 2018  
College Station, Texas**

**1. COMMITTEE ON FINANCE**

- 1.1 Approval of New and Increased Fees at Texas A&M University and Texas A&M University-Corpus Christi, A&M System
- 1.2 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
- 1.3 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 2019, A&M System

**3. COMMITTEE ON BUILDINGS AND PHYSICAL PLANT**

- 3.1 Approval of System Capital Plan for FY 2019 – FY 2023, A&M System
- 3.2 Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the Storm Water System Improvements Project, Texas A&M University, College Station, Texas (Project No. 02-3220), A&M System
- 3.3 Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the Farm Repair and Modernization Project, Tarleton State University, Stephenville, Texas (Project No. 04-3259), A&M System
- 3.4 Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the Campus Electrical Systems Improvements Project, Texas A&M University, College Station, Texas (Project No. 02-2016), 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.*

Informational Report

Report of System Construction Projects Authorized by the Board

4. **COMMITTEE ON ACADEMIC AND STUDENT AFFAIRS**

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

- 5.1 Adoption of a Resolution Honoring Dr. Ray M. Keck, III as President of Texas A&M University-Commerce and Bestowing the Title of President Emeritus
- 5.2 Adoption of a Resolution Honoring Gary F. Sera for His Outstanding Dedication and Service as Agency Director of the Texas A&M Engineering Extension Service
- 5.3 Adoption of a Resolution Recognizing Officials of The Texas A&M University System for Their Contributions to the Successful Bid for the Management and Operation of Los Alamos National Laboratory

**Executive Session Items**

- 5.4 \*Authorization to Proceed with Litigation Against Jeff Banks for Breach of Employment Contract, A&M System
- 5.5 \*Adoption of a Resolution Authorizing Initiation of Litigation Seeking Reformation of Right of Way Easements (Water Pipeline) or, If Necessary, Authority to Initiate an Action to Condemn the Easements Necessary to Replace Two Domestic Water Lines Across Land in the T. McKinney Survey, A-33, Brazos County, Texas, A&M System
- 5.6 Appointment of Vice Chancellor for Engineering and National Laboratories, A&M System
- 5.7 Appointment of Deputy Chancellor and Chief Financial Officer, A&M System
- 5.8 \*Appointment of President of Texas A&M University-Commerce, A&M System
- 5.9 \*Appointment of Interim Agency Director for the Texas A&M Engineering Extension Service, A&M System
- 5.10 \*Naming of Sole Finalist for the Position of Director of Texas A&M AgriLife Research, A&M System

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- 5.11 Withdrawn
- 5.12 \*Authorization to Ground Lease 30 Acres of Land, More or Less, on the RELIS Campus for Development of a Data Center, A&M System
- 5.13 \*Authorization to Ground Lease 25 Acres of Land, More or Less, for Construction of an Intergenerational Living Facility and Early Childhood Development Center, A&M System
- 5.14 \*Authorization for The Texas A&M University System to Take All Actions Necessary for: (1) Continuing Participation in the Operational Governance and Oversight of the Management and Operation of Triad National Security, LLC, as the Prime Contractor for the Los Alamos National Laboratory M&O Contract; and (2) Providing Administrative Services During the Transition Period and Thereafter, A&M System

## **6. CONSENT AGENDA ITEMS**

### The Texas A&M University System/Board of Regents

- 6.1 Approval of Minutes
- 6.2 Granting of the Title of Emeritus, August 2018
- 6.3 Granting of Faculty Development Leave for FY 2019, Texas A&M University-Commerce
- 6.4 Confirmation of Appointment and Commissioning of Peace Officers
- 6.5 Approval of Revisions to System Policy 02.08, System Expansion
- 6.6 Approval of Revisions to System Policy 34.07, Emergency Management
- 6.7 Approval of List of Authorized Signers for Revolving Fund Bank Accounts for System Members

### Prairie View A&M University

- 6.8 Approval of Academic Tenure, August 2018

Tarleton State University

- 6.9 Approval of Academic Tenure, August 2018
- 6.10 \*Naming of Library/Student Commons at Tarleton State University  
Fort Worth Building 1

Texas A&M University

- 6.11 Approval of Academic Tenure, August 2018
- 6.12 Approval of a New Master of Science Degree Program with a Major in Engineering Technology, and Authorization to Request Approval from the Texas Higher Education Coordinating Board
- 6.13 Approval of a New Bachelor of Science with a Major in Architectural Engineering Degree Program, and Authorization to Request Approval from the Texas Higher Education Coordinating Board
- 6.14 Approval for Dr. Mustafa Akbulut, a System Employee, to Serve as an Officer, Member of the Board of Directors and Employee of Incendium Technologies, Inc., an Entity that has Executed an Agreement to License Technology Owned by The Texas A&M University System
- 6.15 Approval for Dr. Sebastian Hoyos, a System Employee, to Serve as an Officer, Member of the Board of Directors and Employee of Lasync Technologies, Inc., an Entity that Proposes to License Technology from The Texas A&M University System
- 6.16 Approval for Dr. Roozbeh Jafari, a System Employee, to Serve as an Officer, Member of the Board of Directors and Employee of Spectrobeat, LLC, an Entity that Proposes to License Technology from The Texas A&M University System
- 6.17 Authorization for the President to Annually Negotiate and Execute an Agreement(s) and Other Related Documents in Connection with Providing U.S. Coast Guard-Required Training to the License Option Cadets of the Texas A&M Maritime Academy
- 6.18 \*Authorization for the President to Negotiate and Execute an Agreement and Other Related Documents in Connection with the Development and Presentation of Financial Programs for BP America Production Company
- 6.19 \*Authorization for the President to Negotiate and Execute an Agreement and Other Related Documents in Connection with the Development and Presentation of Leadership Programs for Halliburton Energy Services, Inc.

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- 6.20 \*Authorization for the President to Negotiate and Execute an Agreement and Other Related Documents in Connection with the Funding, Support, and Collaborative Oversight for a Partner Program by College Advising Corps
- 6.21 \*Authorization for the President to Negotiate and Execute an Agreement and Other Related Documents in Connection with Electronic Journal Subscriptions with Sage Publications, Inc. and The Greater Western Library Alliance
- 6.22 \*Authorization for the President to Negotiate and Execute an Agreement and Other Related Documents in Connection with Electronic Journal Subscriptions with John Wiley & Sons, Inc. and The Greater Western Library Alliance
- 6.23 \*Authorization for the President to Negotiate and Execute an Agreement and Other Related Documents in Connection with Electronic Journal Subscriptions with Informa UK Limited (Trading as Taylor & Francis)
- 6.24 \*Authorization for the President to Negotiate and Execute an Agreement and Other Related Documents in Connection with the Development and Administration of Domestic and Study Abroad Programs with Passports Inc./Passports Educational Group Travel
- 6.25 \*Authorization for the President to Negotiate and Execute an Agreement and Other Related Documents in Connection with the Development and Administration of Study Abroad Programs with Casa Verde Research Center Sociedad Anonima
- 6.26 \*Authorization for the President to Negotiate and Execute a Services Agreement and Other Related Documents in Connection with the Operations and Management of the Soltis Center for Research & Education with Casa Verde Research Center, Sociedad Anonima
- 6.27 \*Authorization for the President to Negotiate and Execute an Agreement and Other Related Documents between Texas A&M University Health Science Center and the California Department of State Hospitals
- 6.28 \*Authorization for the President to Negotiate and Execute Agreements and Other Related Documents for Specialized Medical Educational Services between Texas A&M University Health Science Center and Baylor Scott & White Health
- 6.29 \*Naming of a Conference Room and Classroom in the Wehner Building
- 6.30 \*Naming of Spaces in the College of Veterinary Medicine & Biomedical Sciences Small Animal Hospital and the Veterinary & Biomedical Education Complex
- 6.31 \*Naming of Presentation Room in Langford Architecture Complex, Building A

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- 6.32 \*Namings of Areas within The Gardens and a Laboratory within the Horticulture/Forestry Building
- 6.33 \*Naming of the Department of Mechanical Engineering within the College of Engineering
- 6.34 \*Naming of Academic Facilities and Spaces within the Zachry Engineering Education Complex
- 6.35 \*Naming of the Leadership Program within the College of Engineering
- 6.36 \*Authorization to Establish Two Quasi-Endowments
- 6.37 \*Authorization for the President to Negotiate and Execute New Employment Contracts for Two Assistant Men's Basketball Coaches and the Head Women's Golf Coach

#### Texas A&M University-Central Texas

- 6.38 Approval of a New Bachelor of Science in Mechanical Engineering Technology Degree Program, and Authorization to Request Approval from the Texas Higher Education Coordinating Board
- 6.39 Approval of a New Master of Science in Homeland Security Degree Program, and Authorization to Request Approval from the Texas Higher Education Coordinating Board

#### Texas A&M University-Commerce

- 6.40 Approval of Academic Tenure, August 2018
- 6.41 \*Naming of Classroom 125 in the Charles J. Austin Engineering & Technology/Agricultural Sciences Building

#### Texas A&M University-Corpus Christi

- 6.42 \*Naming of the Engineering Building
- 6.43 \*Authorization for the President to Negotiate and Execute Amended and Restated Employment Contracts with the Associate Head Coach and Assistant Coach for Men's Basketball

Texas A&M University-Kingsville

- 6.44 Approval of a New Bachelor of Science Degree Program with a Major in Computer Engineering, and Authorization to Request Approval from the Texas Higher Education Coordinating Board
- 6.45 Approval of a New Master of Science Degree Program with a Major in Software Engineering, and Authorization to Request Approval from the Texas Higher Education Coordinating Board
- 6.46 \*Authorization to Establish Quasi-Endowments
- 6.47 Adoption of a Resolution Honoring the Beach Volleyball Team
- 6.48 Adoption of a Resolution Honoring the Men's Track and Field Team
- 6.49 \*Authorization for the President to Negotiate and Execute New Employment Contacts for the Head Football Coach and Head Indoor and Beach Volleyball Coach

Texas A&M University-San Antonio

- 6.50 Approval of Academic Tenure, August 2018
- 6.51 \*Establishment and Naming of the Institute for Emerging Leaders

West Texas A&M University

- 6.52 Granting of Faculty Development Leave for FY 2019
- 6.53 Adoption of a Resolution Honoring the Women's Basketball Team
- 6.54 Adoption of a Resolution Honoring the Women's Track & Field Team
- 6.55 Adoption of a Resolution Honoring the Men's Baseball Team
- 6.56 Adoption of a Resolution Honoring the Men's Basketball Team
- 6.57 Adoption of a Resolution Honoring the Athletic Department
- 6.58 \*Naming of Various Rooms, Spaces, and a Building

Texas A&M AgriLife Extension Service

- 6.59 \*Naming of Texas A&M AgriLife Extension Service South Campus

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Texas A&M Engineering Extension Service

- 6.60 Authorization to Execute FY 2018 Non-research Grants, Cooperative Agreements and Contracts, and Any Amendments, Modifications or Extensions to Pre-FY 2018 Non-research Grants, Cooperative Agreements and Contracts for the Same Programs

Texas A&M Forest Service

- 6.61 Authorization to Execute FY 2018 Federal Non-research Grant Agreements, and Any Amendments, Modifications or Extensions to Pre-FY 2018 Non-research Grant Agreements for the Same Grant Programs

Texas A&M Veterinary Medical Diagnostic Laboratory

- 6.62 \*Naming the Texas A&M Veterinary Medical Diagnostic Laboratory-Canyon

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
RELLIS .....	Respect, Excellence, Leadership, Loyalty, Integrity and Selfless Service
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/Texas A&M Investment Management Company
WTAMU.....	West Texas A&M University

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**AGENDA ITEM BRIEFING**

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

**Subject:** Approval of New and Increased Fees at Texas A&M University and Texas A&M University-Corpus Christi

**Proposed Board Action:**

Approve the proposed new and increased fees at Texas A&M University and Texas A&M University-Corpus Christi to be effective with the fall 2019 and fall 2020 semesters.

**Background Information:**

The Texas Education Code provides guidance on all student tuition, fees and charges allowable for collection by institutions of higher education. Many of the authorized tuition and fees require approval from the Board of Regents (Board) prior to implementation.

**Texas A&M University proposes the following new and increased fees:**

1. Student Recreational Sports Center Fee – an increase from \$106/semester to \$145/semester

With this additional fee increase, Recreational Sports would secure funding to provide two new satellite Rec Sports facilities on main campus.

The Texas Education Code section 54.539 – *Recreational Sports Fee* requires approval by a student vote to increase the fee by 10 percent or more of the total fee last approved by student vote. A student vote was held on February 22 and 23, 2018, with a majority of the students approving the increase.

If approved by the Board, this increase would take effect with the fall 2020 semester.

The increase to the Student Recreational Sports Center Fee will only impact new undergraduate students enrolling as freshmen for the first time and students who selected the one-year tuition and fee plan. This proposed increase will not impact any currently enrolled students who are on a guaranteed tuition and fee plan.

2. New ENMed Program Fee under the College of Medicine and College of Engineering

This is a new program combining the strengths of the Texas A&M College of Medicine, the Texas A&M College of Engineering and Houston Methodist Hospital to develop physicians as innovators and leaders in medicine and biomedical research who will contribute to the transformation of medicine and healthcare in Texas and beyond.

3. New Executive Masters of Science & Engineering Systems Management Executive Program Fee

This is a new executive level program to be offered in Houston to practicing engineers seeking an advanced engineering degree, but who are not willing or able to leave their current employment position for full-time graduate training. The proposed fee will pay all costs associated with the program.

**Texas A&M University-Corpus Christi proposes the following new fee:**

1. New Program Fee for Non-Resident students enrolled in the online Master of Business Administration program offered by the College of Business

This is a new program fee that will allow the Online MBA program to be competitive in the online market and will expand enrollment to former Texas residents and others wishing to access the University's AACSB accredited program. Increased enrollment through expansion to the national market will allow the university to attract acclaimed faculty and high-performing students.

**A&M System Funding or Other Financial Implications:**

See attached documentation.

Agenda Item No.

**THE TEXAS A&M UNIVERSITY SYSTEM**

Office of the Executive Vice Chancellor and Chief Financial Officer  
June 21, 2018

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

Subject: Approval of New and Increased Fees at Texas A&M University and Texas A&M  
University-Corpus Christi

I recommend adoption of the following minute order:

**“A student vote has been held in accordance with the Texas Education Code.**

**The request for new and increased fees by Texas A&M University and Texas A&M University-Corpus Christi, as shown on the attached exhibit, is approved to be effective with the fall 2019 semester or as shown on the exhibit.”**

Respectfully submitted,

Billy Hamilton  
Executive Vice Chancellor and  
Chief Financial Officer

**Approval Recommended:**

**Approved for Legal Sufficiency:**

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John Sharp  
Chancellor

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Ray Bonilla  
General Counsel

**THE TEXAS A&M UNIVERSITY SYSTEM**  
Summary of Proposed Fee Changes

<u>PAGE</u>	<u>FEE DESCRIPTION</u>	<u>BASIS</u>	<u>CURRENT</u>	<u>INCREASE</u>	<u>PROPOSED</u>
<b>TEXAS A&amp;M UNIVERSITY</b>					
1.1	ENMed Program Fee Effective Fall 2019	STUDENT	New		\$10,000.00
1.3	Executive Masters of Science & Engineering Systems Management Effective Fall 2019	SCH	New		\$1,100.00
1.5	Recreational Sports Center Fee Fall and Spring	SEM	\$106.00	\$39.00	\$145.00
	Summer Effective Fall 2020	SEM	\$53.00	\$19.50	\$72.50
<b>TEXAS A&amp;M UNIVERSITY - CORPUS CHRISTI</b>					
1.8	Non-Resident Online MBA Program Fee Effective Fall 2019	SCH	New		\$198.24

SCH - Semester Credit Hour  
SEM - Semester

Request for New Student Fee  
**TEXAS A&M UNIVERSITY**  
College of Medicine & College of Engineering  
ENMed Program Fee

I. Programmatic justification and proposed use of the new fee

We are proposing a \$10,000 per year program fee for ENMed, along with the authority to combine tuition and fees for the MD program and tuition and fees for the engineering component hours into a single set of tuition and fees for ENMed. The vision of TAMU College of Medicine (COM) is to develop physicians who will be innovators and leaders in medicine and biomedical research and who will contribute to the transformation of medicine and healthcare in Texas and beyond. One key effort to realize this vision is our proposal for the ENMed track. ENMed will combine the strengths of the TAMU COM with our nationally recognized partners including the TAMU College of Engineering (COE) and the Houston Methodist Hospital (HMH). The mission of the ENMed track is to train a new type of physician, a “physicianeer”. These individuals will be skilled in the science and practice of medicine and have the knowledge, skills and experience in engineering to develop new therapies, devices, algorithms, and diagnostic or treatment processes that lead to major advances in patient care. The ENMed program requires a new small group-teaching model. The small groups of 8-10 students will require three teaching faculty per group – one basic science, one clinical, and one engineering. This program fee will cover the added cost of additional teaching faculty that cross between the College of Medicine and the College of Engineering. The program will be taught in Houston at the College of Medicine’s educational facilities in the Houston Methodist Hospital, the Alkek building, and eventually in the ENMed building once renovations are complete.

II. Public hearing and/or student referendum requirements

No public hearing or student referendum is required for this fee.

III. Budget impact if fee request is not approved

It is paramount to have the ENMed Program Fee approved in order to meet the goals and objectives developed for the ENMed program. Fee revenue will compliment state funding generated through the formula. Formula funding for traditional medical students has decreased by 28% since 2006. The decline combined with a requirement for increasing the intensity of the curriculum and the incumbent student support is the basis for the requested fee. The fee is needed in order to ensure the success as a premier first of its kind medicine/engineering program.

IV. Justification for ending balance

No significant ending balances are anticipated at the end of the fiscal year.

V. Additional information





Request for New Student Fee  
**TEXAS A&M UNIVERSITY**  
Department of Industrial and Systems Engineering  
Executive Masters of Science & Engineering Systems Management  
Executive Program Fee

I. Programmatic justification and proposed use of the new fee

A market study by the Hanover Group indicates very favorable market conditions in Houston for an executive offering of the currently existing degree, Masters of Science in Engineering Management Systems. While this degree is currently offered by the Department of Industrial and Systems Engineering at Texas A&M in College Station, there is a considerable audience that is not being reached: practicing engineers seeking an advanced engineering degree who are not willing to leave their positions for full time graduate training. The executive offering has the additional advantage of significant face-to-face time with faculty and other students in the cohort. This supports engagement and professional network building opportunities that are not possible with purely distance offerings.

The proposed fee will be used to pay for the costs of the program. These costs will include renting the venue, paying faculty and support staff, marketing, and other expenses.

II. Public hearing and/or student referendum requirements

During the fall of 2018 and spring of 2019, we plan on holding information and listening sessions with working engineers (potential students) and managers at selected industries in the greater Houston area. Our intention is to provide information on the degree and planned delivery mechanism and to get feedback from potential students and their employers on needs and preferences regarding all aspects of the program. We have a list of industries in the Houston area that we will engage (we regularly work with many of these industries through our undergraduate senior design program). Further, we have already informally interviewed several working engineers in Dallas who obtained masters degrees through a similar program at SMU, offered in the Dallas area. These engineers emphasized the need for a strong student cohort, the importance of face to face interaction with faculty and other students, and reasonable program workload with timely degree completion.

III. Budget impact if fee request is not approved

If the fee is not approved, the program will not be offered.

IV. Justification for ending balance

All revenues will be invested in the land-grant mission of the Department of Industrial and Systems Engineering.

V. Additional information

Request for New Student Fee  
**TEXAS A&M UNIVERSITY**  
 Executive Masters of Science & Engineering Systems Management  
 Executive Program Fee

Proposed Fee:       \$1,100.00   for Fall and Spring  
                                                         for Summer  
 Basis:                      sch      (sch, sem, student, etc.)

Number of Students Affected:                  50       
 Projected Student Enrollment:                50       
 Projected Semester Credit Hours:         30 per student  

	FY 2020 Budget
BEGINNING BALANCE	0
Revenues	
Fees*	825,000
Interest	0
Total Revenues	825,000
Expenses	
Salaries & Wages	445,000
Departmental Operations	260,000
Total Expenses	705,000
Increase/Decrease in Balance (Revenues less Expenses)	120,000
ENDING BALANCE	120,000

\* Revenues based on a first year class size of 25 students. Program is expected to grow to 50 students.

Request for Increased Student Fee  
**TEXAS A&M UNIVERSITY**  
Recreational Sports Fee

I. Programmatic justification and proposed use of the increased fee

Recreational Sports, based on surveys and feedback from the student body, believes that recreational opportunities should be more accessible to students. This fee increase, will secure funding to provide two new satellite Rec Sports facilities on the main campus.

II. Public hearing and/or student referendum requirements

On February 22 & 23, 2018, the student body of Texas A&M University voted in favor of raising their Rec Sports Fee from \$106 to \$145 for the purpose of building two new Rec Sports Facilities. After the votes were calculated, the following results were published.

"Vote Rec" Student Opinion Poll

1 Vote Per Person

14,828 Eligible Ballots

Tabulation:

9,723 65.57% **Yes**

5,105 34.43% **No**

The increased Rec Sports Fee will not be charged until Fall 2020, the same semester that the first Rec Sports satellite facility is expected to open near the Engineering Education Complex.

III. Budget impact if fee request is not approved

If this fee request is not approved, the Recreational Sports will not be able to afford to build the additional recreational facilities the students need. Currently, the Rec Sports Center is extremely overcrowded at peak times of the day. Because of the overcrowding, many students choose not to recreate. In addition, along with the growth of the student body, the physical campus itself has grown and is spreading out geographically. Consequently, students are physically located at a growing distance from the site of the current Student Rec Center. The additional recreational facilities would be closer in proximity to the Corps of Cadets and Southside residence halls as well as to the Engineering Education Complex.

If the fee increase is not approved, there will not be a proportionate increase in non-student memberships and guest passes which could generate over \$250,000 annually. In addition, Recreational Sports will not have the ability to realize any generated revenue through locker sales, guest passes or any convenience items such as goggles, gloves, balls, or accessories.

IV. Justification for ending balance

Current ending balances meet the reserve requirements for auxiliary operations set by the university. Any excess reserves will be used for meeting debt service requirements as well as meeting the renewal & modification needs for Rec Sports facilities.

## V. Additional information

Current Rec Sports Fee legislation requires that that Recreational Sports charge equal to or more to non-student users. Therefore, Rec Sports would implement a price increase for faculty/staff memberships, continuing student memberships and most likely the daily guest pass price. This ensures that the burden of the increased costs of debt payments and operating expenses will be shared both by the student body as well as faculty/staff and non-student users of Rec Sports facilities.

Request for Increased Student Fee  
**TEXAS A&M UNIVERSITY**  
Recreational Sports Fee

**LEGISLATIVE/INTERNAL MAXIMUM:**

Current Fee: \$106.00  
\$53.00  
Proposed Fee: \$145.00  
\$72.50  
Basis: semester

Current: \$175.00 for Fall and Spring  
\$87.50 for Summer

Number of Students Affected: 124,993  
Current Semester Credit Hours:                       
Projected Semester Credit Hours:                     

	FY 2020 Budget	FY 2021 Budget WITHOUT Increase	Proposed Increase	FY 2021 Budget WITH Increase
BEGINNING BALANCE - Actual	6,146,678	5,042,786	5,042,786	5,042,786
Revenues				
Fees	13,150,577	13,249,258	1,875,900	15,125,158
Generated Revenues	3,398,734	3,415,728	1,100,000	4,515,728
Total Revenues	16,549,311	16,664,986	2,975,900	19,640,886
Expenses				
Salaries & Wages	5,061,270	5,162,495	140,000	5,302,495
Fringe Benefits	821,576	833,900	44,800	878,700
Departmental Operations	5,565,550	5,593,377	450,000	6,043,377
Maintenance/Equipment	1,574,942	1,574,942	125,000	1,699,942
Equipment	100,964	100,964	10,000	110,964
Renewal & Modifications	850,000	850,000	100,000	950,000
** Debt Payment	3,678,901	3,676,329	2,851,826	6,528,155
Total Expenses	17,653,203	17,792,007	3,721,626	21,513,633
Increase/Decrease in Balance				
Revenues less Expenses	(1,103,892)	(1,127,021)	(745,726)	(1,872,747)
ENDING BALANCE	5,042,786	3,915,765		3,170,039

Request for New Student Fee  
**TEXAS A&M UNIVERSITY CORPUS CHRISTI**  
Non-Resident Online MBA Program Fee

I. Programmatic justification and proposed use of the new fee:

The Texas A&M University – Corpus Christi College of Business offers an online Masters of Business Administration Program. Current students in this program are charged at the resident and non-resident rates approved by the Board. However, as online programs become more competitive, our peers are offering non-residents students the equivalent tuition and fees to the resident rate. The implementation of TAMUCC's Non-Resident Online MBA Program Fee will allow us to become competitive in the online market and will expand enrollment to former Texas residents and others wishing to access the University's AACSB accredited program. The funding generated from the fee will be used to cover the cost of instruction and overhead.

II. Student input and/or notification

The Non-Resident Online MBA program fee will be charged to all non-resident students in the online MBA program beginning Fall 2019. The program fee will be part of the information provided to all applicants to the program.

III. Budget impact if fee request is not approved.

If the fee is not approved, TAMUCC College of Business will not be able to offer competitive pricing to non-resident students and thus enrollment in this program could plateau. Our peers are providing these competitive rates to their non-resident students leading to nation-wide name recognition thus attracting acclaimed faculty and high-performing graduate students. Without this fee TAMUCC's College of Business will be placed at a disadvantage.

IV. Justification for ending balance.

No ending balance is anticipated as all revenue generated within the fiscal year will be utilized for the enhancement of the education environment for those graduate students paying the program fee.

V. Additional information.

The Texas Administrative code states that institutions can not submit for formula funding for distance education courses taken by non-resident students who are located out-of-state or out-of-country, courses in out-of-state or out-of-country programs taken by any student, or self-supporting courses.

Mandatory fees and differential tuition will continue to be charged to these students, however, the University Services Fee will be revised to match the resident rate.

In future years, the Non-Resident Online MBA program fee will increase at the board approved HEPI rate to ensure non-residents are not being charged less than resident students enrolled in the same program.

Request for New Student Fee  
**TEXAS A&M UNIVERSITY - CORPUS CHRISTI**  
 Non-Resident Online MBA Program Fee

Proposed Fee:     \$198.24      
 Basis:     sch     (sch, sem, student, etc.)

Number of Students Affected:                       
 Projected Student Enrollment:         85          
 Projected Semester Credit Hours:       1,020      

	FY 2020 Budget
BEGINNING BALANCE	0
Revenues	
Fees	202,205
Differential Tuition	7,650
Mandatory Fees	196,860
Total Revenues	406,715
Expenses	
Salaries & Wages	243,000
Fringe Benefits	65,610
Departmental Operations	85,280
Maintenance/Equipment	12,825
Total Expenses	406,715
Increase/Decrease in Balance (Revenues less Expenses)	(0)
ENDING BALANCE	(0)

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 \$391 million (including issuance costs) will be for the period from September 1, 2018 to August 31, 2019.

Bonds will be issued only for those projects approved by the Board of Regents and are estimated at \$110 million. Previously issued bonds which are candidates for refunding total approximately \$279 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 22, 2018

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:**

**Approved for Legal Sufficiency:**

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John Sharp  
Chancellor

---

Ray Bonilla  
General Counsel

---

Billy Hamilton  
Executive Vice Chancellor and  
Chief Financial Officer

**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 \$391 MILLION, PLEDGING REVENUES FOR THE PAYMENT THEREOF, AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**

Adopted August 16, 2018

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**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 \$391 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 \$391 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 \$391 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 Section 4(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 Winstead PC, 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, which authorizes the issuance from time to time of the Board’s Permanent University Fund Commercial Paper Notes to be outstanding at any one time in the maximum principal amount of \$125,000,000.

“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) through (d) of this Section 15, 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 17, 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 Section 17(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 Section 17(a), 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 Section 17(a) 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 Section 18(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 Section 18(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 Section 18(a) 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) Advance Refunding. The Board covenants to refrain from using the proceeds of any Series of Bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of Section 149(d) of the Code (relating to advance refunding).

(k) 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 Section 20(c) below, 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 cause a notice of sale and bidding instructions (including an official bid form) to be prepared 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 Section 20(b) above 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, 2019. 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, 2019, 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>
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[(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.

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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 \$665 million (including issuance costs) will be effective for the period from September 1, 2018 to August 31, 2019.

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 \$371 million.

Previously issued outstanding bonds which are candidates for refunding total approximately \$290 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, higher education fund, energy savings contracts, and indirect costs.

Agenda Item No.

**THE TEXAS A&M UNIVERSITY SYSTEM**

Office of Treasury Services

June 25, 2018

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 20 , 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:**

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John Sharp  
Chancellor

**Approved for Legal Sufficiency:**

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Ray Bonilla  
General Counsel

---

Billy Hamilton  
Executive Vice Chancellor and  
Chief Financial Officer

TWENTY-NINTH 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 \$665 MILLION, AND APPROVING  
AND AUTHORIZING INSTRUMENTS AND PROCEDURES  
RELATING THERETO

Adopted August 16, 2018

TWENTY-NINTH 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 \$665 MILLION, AND APPROVING  
AND AUTHORIZING INSTRUMENTS AND PROCEDURES  
RELATING THERETO

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TWENTY-NINTH 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 \$665 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-Eighth 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-Ninth Supplement to the Master Resolution (the “Twenty-Ninth 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-Ninth 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-Ninth Supplement, the terms used in this Twenty-Ninth 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-Ninth Supplement attached hereto and made a part hereof.

(b) Construction of Terms. If appropriate in the context of this Twenty-Ninth 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 \$665 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-Ninth 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-Ninth 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, 2019 (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 Twenty-Ninth Supplement, 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, provisions, 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 June 1, 2060, (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-Ninth 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-Ninth Supplement and shall be filed in the minutes of the Board as a part of this Twenty-Ninth 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-Ninth 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-Ninth 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-Ninth 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-Ninth 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 Twenty-Ninth Supplement.

(f) Transfer, Exchange, or Replacement. Each Bond issued and delivered pursuant to this Twenty-Ninth 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-Ninth 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-Ninth Supplement shall constitute one of the Bonds for all purposes of this Twenty-Ninth 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-Ninth Supplement there shall be printed an Authentication Certificate, in the form set forth in Exhibit B to this Twenty-Ninth 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-Ninth 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-Ninth 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-Ninth 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-Ninth Supplement, and a certified copy of this Twenty-Ninth 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-Ninth 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-Ninth 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-Ninth 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-Ninth 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-Ninth 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-Ninth Supplement. Whenever a successor securities depository has been appointed pursuant to this paragraph, the terms DTC and DTC Participant as used in this Twenty-Ninth Supplement shall refer to such successor securities depository and its participants, respectively.

(j) Payments to Cede & Co. Notwithstanding any other provision of this Twenty-Ninth 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 amount called of each maturity, 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-Ninth 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-Ninth 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-Ninth 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-Ninth 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-Ninth Supplement equally and proportionately with any and all other Bonds duly issued under this Twenty-Ninth 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-Ninth Supplement for Bonds issued in exchange and replacement for other Bonds.

## **Section 11. AMENDMENT OF SUPPLEMENT.**

(a) Amendments Without Consent. This Twenty-Ninth 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-Ninth 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-Ninth Supplement;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Twenty-Ninth 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-Ninth 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-Ninth 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-Ninth Supplement, the owners of Outstanding Bonds aggregating fifty-one percent (51%) 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-Ninth 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-Ninth 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-Ninth 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 fifty-one percent (51%) 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-Ninth Supplement pursuant to the provisions of this Section, this Twenty-Ninth 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-Ninth 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 (6) 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 fifty-one percent (51%) 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.**

The Board covenants that it will monitor and control the receipt, investment, expenditure and use of all gross proceeds of the Tax-Exempt Bonds (including all property the acquisition, construction or improvement of which is to be financed directly or indirectly with the proceeds of the Tax-Exempt Bonds) and take or omit to take such other and further actions as may be required by Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code") and all applicable temporary, proposed and final regulations (the "Regulations") to cause interest on the Tax-Exempt Bonds to be and remain excludable from the gross income, as defined in Section 61 of the Code, of the owners of the Tax-Exempt Bonds for federal income tax purposes. Without limiting the generality of the foregoing, the Board shall comply with each of the following covenants:

(a) The Board will use all of the proceeds of the Tax-Exempt Bonds to (i) provide funds for the purposes described in Section 2 hereof, which will be owned and operated by the Board and (ii) to pay the costs of issuing the Tax-Exempt Bonds. The Board will not use any portion of the proceeds of the Tax-Exempt Bonds to pay the principal of or interest or redemption premium on, any other obligation of the Board or a related person.

(b) The Board will not directly or indirectly take any action, or omit to take any action, which action or omission would cause the Tax-Exempt Bonds to constitute “private activity bonds” within the meaning of Section 141(a) of the Code.

(c) Principal of and interest on the Tax-Exempt Bonds will be paid solely from Pledged Revenues collected by the Board and investment earnings on such collections.

(d) Based upon all facts and estimates now known or reasonably expected to be in existence on the date the Tax-Exempt Bonds are delivered, the Board reasonably expects that the proceeds of the Tax-Exempt Bonds will not be used in a manner that would cause the Tax-Exempt Bonds or any portion thereof to be an “arbitrage bond” within the meaning of Section 148 of the Code.

(e) At all times while the Tax-Exempt Bonds are outstanding, the Board will identify and properly account for all amounts constituting gross proceeds of the Tax-Exempt Bonds in accordance with the Regulations. The Board will monitor the yield on the investments of the proceeds of the Tax-Exempt Bonds and, to the extent required by the Code and the Regulations, will restrict the yield on such investments to a yield which is not materially higher than the yield on the Tax-Exempt Bonds. To the extent necessary to prevent the Tax-Exempt Bonds from constituting “arbitrage bonds,” the Board will make such payments as are necessary to cause the yield on all yield restricted nonpurpose investments allocable to the Tax-Exempt Bonds to be less than the yield that is materially higher than the yield on the Tax-Exempt Bonds.

(f) The Board will not take any action or knowingly omit to take any action that, if taken or omitted, would cause the Tax-Exempt Bonds to be treated as “federally guaranteed” obligations for purposes of Section 149(b) of the Code.

(g) The Board represents that not more than fifty percent (50%) of the proceeds of the Tax-Exempt Bonds will be invested in nonpurpose investments (as defined in Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield for four years or more within the meaning of Section 149(g)(3)(A)(ii) of the Code, and the Board reasonably expects that at least eighty-five percent (85%) of the spendable proceeds of the Tax-Exempt Bonds will be used to carry out the governmental purpose of the Tax-Exempt Bonds within the three-year period beginning on the date of issue of the Tax-Exempt Bonds.

(h) 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 Tax-Exempt Bonds, if any, be rebated to the federal government. Specifically, the Board will (i) maintain records regarding the receipt, investment, and expenditure of the gross proceeds of the Tax-Exempt Bonds as may be required to calculate such excess arbitrage profits separately from records of amounts on deposit in the funds and accounts of the Board allocable to other obligations of the Board or moneys which do not represent gross proceeds of any obligations of the Board and retain such records for at least six years after the day on which the last outstanding Bond is discharged, (ii) account for all gross proceeds under a reasonable, consistently applied method of accounting, not employed as an artifice or device to avoid in whole or in part, the requirements of Section 148 of the Code, including any specified method of accounting required by applicable Regulations to be used for all or a portion of any gross proceeds, (iii) calculate, at

such times as are required by applicable Regulations, the amount of excess arbitrage profits, if any, earned from the investment of the gross proceeds of the Tax-Exempt Bonds and (iv) timely pay, as required by applicable Regulations, all amounts required to be rebated to the federal government. In addition, the Board will exercise reasonable diligence to assure that no errors are made in the calculations required by the preceding sentence and, if such an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter, including payment to the federal government of any delinquent amounts owed to it, interest thereon and any penalty.

(i) The Board will not directly or 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 Tax-Exempt Bonds 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 such arrangement had been at arm's length and had the yield on the Tax-Exempt Bonds not been relevant to either party.

(j) The Board will timely file or cause to be filed with the Secretary of the Treasury of the United States the information required by Section 149(e) of the Code with respect to the Tax-Exempt Bonds on such form and in such place as the Secretary may prescribe.

(k) The Board will not issue or use the Tax-Exempt Bonds as part of an “abusive arbitrage device” (as defined in Section 1.148-10(a) of the Regulations). Without limiting the foregoing, the Tax-Exempt Bonds are not and will not be a part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code and the Regulations, by (i) enabling the Board to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, or (ii) increasing the burden on the market for tax-exempt obligations.

(l) Proper officers of the Board charged with the responsibility for issuing the Tax-Exempt Bonds are hereby directed to make, execute and deliver certifications as to facts, estimates or circumstances in existence as of the date of issuance of the Tax-Exempt Bonds and stating whether there are facts, estimates or circumstances that would materially change the Board's expectations. On or after the date of issuance of the Tax-Exempt Bonds, the Board will take such actions as are necessary and appropriate to assure the continuous accuracy of the representations contained in such certificates.

(m) The covenants and representations made or required by this Section are for the benefit of the Bond holders and any subsequent Bond holder, and may be relied upon by the Bond holders and any subsequent Bond holder and bond counsel to the Board.

In complying with the foregoing covenants, the Board may rely upon an unqualified opinion issued to the Board by nationally recognized bond counsel that any action by the Board or reliance upon any interpretation of the Code or Regulations contained in such opinion will not cause interest on the Tax-Exempt Bonds to be includable in gross income for federal income tax purposes under existing law.



Notwithstanding any other provision of this Twenty-Ninth Supplement, the Board's representations and obligations under the covenants and provisions of this Section shall survive the defeasance and discharge of the Tax-Exempt Bonds for as long as such matters are relevant to the exclusion of interest on the Tax-Exempt Bonds from the gross income of the owners for federal income tax purposes.

### **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 (6) 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 (6) 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.

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.

(b) 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 (10) 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 or 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.

(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 Section 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 Twenty-Ninth Supplement of any Bond calls and defeasance that cause the Bonds to no longer be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Section, 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 Section shall constitute a breach of or default under this Twenty-Ninth Supplement for purposes of any other provision of this Twenty-Ninth Supplement.

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 Section 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 Section, 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 Twenty-Ninth Supplement 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 Section, it shall include with any amended financial information or operating data next provided in accordance with this Section 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-NINTH 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-Ninth 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-Ninth Supplement by the Board and the covenants and agreements set forth in this Twenty-Ninth 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-Ninth 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-Ninth 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-NINTH 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-Ninth 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-Ninth Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Twenty-Ninth 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-Ninth Supplement is hereby adopted and made a part of this Twenty-Ninth 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 paying agent/registrar for the Refunded Bonds or 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-Ninth 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-Ninth 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-Ninth 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 property, facilities and 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-Ninth Supplement, the Award Certificate, the Blanket Letter of Representation with DTC regarding the Book-Entry-Only System (the “Representation Letter”), the Bonds, the sale and delivery of the Bonds and fixing all details in connection therewith, and the refunding of the Refunded Obligations. 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-Ninth Supplement, any amendments to the above named documents, and any technical amendments to this Twenty-Ninth 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 Twenty-Ninth Supplement 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-Ninth 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-Ninth 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-Ninth 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 in anticipation of or 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-Ninth Supplemental Resolution was adopted, and that this Twenty-Ninth 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.

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## **EXHIBIT A**

### **DEFINITIONS**

As used in this Twenty-Ninth 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-Ninth 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 Orrick, Herrington & Sutcliffe LLP, or such other nationally-recognized firm designated by the Board as Bond Counsel for purposes of this Twenty-Ninth 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-Ninth 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-Ninth Supplement.

The term “Compounding Dates” means Compounding Dates as defined in Section 4 of this Twenty-Ninth 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, the Chief Investment Officer and Treasurer, or an officer who has assumed the duties of any of the foregoing named officers, 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-Ninth 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-Ninth 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-Ninth Supplement” means this Supplemental Resolution authorizing the Bonds.

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**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 [\_\_\_\_\_], 2018 (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 [\_\_\_\_\_, 2018 (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 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 \_\_\_\_\_

Redemption Date

Principal Amount

\*\*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 45<sup>th</sup> 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>
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(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>Amounts</u>	<u>Years of</u> <u>Stated Maturities</u>	<u>Interest</u> <u>Rates</u>
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(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 -- Custodian
TEN ENT --	as tenants by the entireties	(Cust) (Minor)
JT TEN --	as joint tenants with rights of survivorship and not as tenants in common	under Uniform Gifts to 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.

Agenda Item No. 2.1

**BOARD OF REGENTS  
THE TEXAS A&M UNIVERSITY SYSTEM  
July 19, 2018**

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

Subject: Approval of System Internal Audit Plan for Fiscal Year 2019

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 2019, a copy of which is attached to the official minutes.”**

Respectfully submitted,

Clifton L. Thomas  
Chairman, Committee on Audit

**Approved for Legal Sufficiency:**

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Ray Bonilla  
General Counsel



**THE TEXAS A&M  
UNIVERSITY SYSTEM**

## **System Internal Audit Department**

**Fiscal Year 2019 Audit Plan**



## **System Internal Audit Department Fiscal Year 2019 Audit Plan**

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### **Planned Audits for Fiscal Year 2019**

#### **SYSTEMWIDE AUDITS**

Business Operations - Crops  
Export Controls Outside of Brazos County

#### **A&M SYSTEM OFFICES**

Facilities Planning and Construction

#### **TEXAS A&M UNIVERSITY**

College of Architecture – Information Technology  
Division of Marketing and Communications – Information Technology  
Division of Student Affairs – Information Technology  
University Libraries – Information Technology  
Corps of Cadets  
Department of Student Activities  
Human Subjects Research  
Student Receivables  
University Police Department  
Veterinary Medical Teaching Hospital – Financial Management Services  
Texas A&M University at Galveston - University Police Department

#### **PRAIRIE VIEW A&M UNIVERSITY**

Athletics  
Financial Management Services  
University Police Department

#### **TARLETON STATE UNIVERSITY**

Financial Management Services  
Research Administration  
University Police Department

#### **TEXAS A&M INTERNATIONAL UNIVERSITY**

Athletics  
University Police Department

#### **TEXAS A&M UNIVERSITY – CENTRAL TEXAS**

University Police Department



**System Internal Audit Department  
Fiscal Year 2019 Audit Plan**

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**TEXAS A&M UNIVERSITY – COMMERCE**

Athletics  
Student Financial Aid  
University Police Department

**TEXAS A&M UNIVERSITY – CORPUS CHRISTI**

Student Financial Aid

**TEXAS A&M UNIVERSITY – KINGSVILLE**

Student Financial Aid  
Information Technology  
University Police Department

**TEXAS A&M UNIVERSITY – SAN ANTONIO**

Financial Management Services  
University Police Department

**TEXAS A&M UNIVERSITY – TEXARKANA**

University Police Department

**WEST TEXAS A&M UNIVERSITY**

University Police Department

**TEXAS A&M AGRILIFE EXTENSION SERVICE**

Health and Safety

**TEXAS A&M AGRILIFE RESEARCH**

Health and Safety

**TEXAS A&M TRANSPORTATION INSTITUTE**

Financial Management Services



## **System Internal Audit Department Fiscal Year 2019 Audit Plan**

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The purpose of the audit plan is to outline audits and other activities the System Internal Audit Department will conduct during fiscal year 2019. 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 systemwide 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. This process includes consideration of the governance, risk management, and control processes that provide reasonable assurance that:

- Risks relating to the achievement of the system's strategic objectives are appropriately identified and managed.
- The actions of the system's officers, directors, employees, and contractors are in compliance with the system's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the system.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and protected adequately.

**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 2019 – FY 2023

**Proposed Board Action:**

Approve the System Capital Plan for FY 2019 – FY 2023.

**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 \$3.8 billion system capital plan includes \$2.8 billion of previously approved projects that are either in design or construction. After cumulative expenditures of \$1.3 billion through May 2018, the remaining balance to be expended on approved projects is \$1.5 billion. The system capital plan also includes \$1.1 billion in proposed future projects including \$598.2 million of RFS debt projects, \$84.4 million of PUF debt projects, and \$411.8 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 2019, 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 2019 – FY 2023 will constitute approval for initiation of the proposed projects indicated to start in FY 2019 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 2019 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 2019 minor construction, rehabilitation/renovation, and equipment/software procurement projects including the appropriation of PUF and RFS debt proceeds where indicated.

FY 2019 proposed projects total \$282.9 million and include \$172.9 million of RFS debt projects, \$41.9 million of PUF debt projects, and \$68.1 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.



Agenda Item No.  
Agenda Item Briefing

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 2019 – FY 2023 will authorize the appropriation of up to 10 percent of the planning amounts for FY 2019 proposed projects for pre-construction activities. As presented, requested appropriations for proposed FY 2019 projects would total up to \$28.3 million. In addition, the board's approval authorizes appropriation of PUF and RFS funds for the completion of FY 2019 minor construction, rehabilitation/renovation, equipment/software procurement, and other projects to be administered by the institutions or System Facilities Planning and Construction.

**THE TEXAS A&M UNIVERSITY SYSTEM**  
**FACILITIES PLANNING AND CONSTRUCTION**  
Office of the Executive Vice Chancellor and Chief Financial Officer  
June 27, 2018

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

Subject: Approval of System Capital Plan for FY 2019 – FY 2023

I recommend adoption of the following minute order:

**“The system capital plan for FY 2019 – FY 2023, as shown in the attached exhibit is approved and authorization to appropriate up to 10 percent of the planning amount indicated for all FY 2019 proposed projects is granted. In addition, the appropriation of PUF and RFS funding is approved for FY 2019 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 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:**

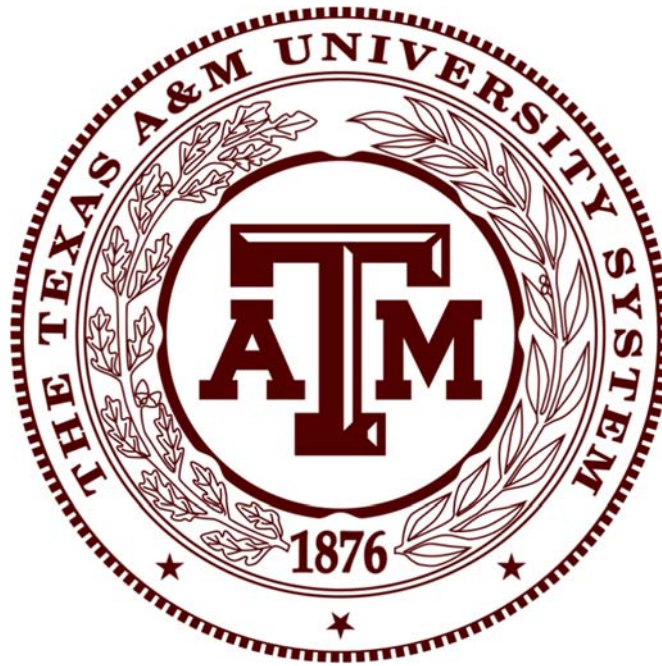
**Approved for Legal Sufficiency:**

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John Sharp  
Chancellor

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Ray Bonilla  
General Counsel



**FY 2019 – FY 2023  
Capital Plan  
August 2018**

## **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 \$3.8 billion System Capital Plan includes \$2.8 billion of previously approved projects that are either in design or under construction and \$1.1 billion in proposed future projects. After cumulative expenditures through May 2018 of \$1.3 billion, the remaining balance to be expended on approved projects is \$1.5 billion. Included in the proposed future projects are \$598.2 million of Revenue Financing System debt projects, \$84.4 million of Permanent University Fund debt projects, and \$411.8 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 2019 proposed projects total \$282.9 million and include \$172.9 million of RFS debt projects, \$41.9 million of PUF debt projects, and \$68.1 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"><b>THE TEXAS A&amp;M UNIVERSITY SYSTEM</b></p> <p align="center"><b>CAPITAL PLAN</b></p> <p align="center"><b>FY 2019 - FY 2023</b></p>
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<b>System Member</b>	<b>Previously Approved Projects</b>	<b>Proposed Projects</b>	<b>Total Project Planning Amounts</b>
Texas A&M University	1,078,985,098	616,954,817	1,695,939,915
Texas A&M University at Galveston	56,430,000	12,000,000	68,430,000
Texas A&M Health Science Center	294,554,485	40,718,000	335,272,485
Prairie View A&M University	56,710,685	-	56,710,685
Tarleton State University	173,883,878	32,400,000	206,283,878
Texas A&M University - Corpus Christi	129,207,026	-	129,207,026
Texas A&M International University	82,277,563	-	82,277,563
Texas A&M University - Kingsville	97,774,474	85,500,000	183,274,474
West Texas A&M University	154,756,244	75,050,000	229,806,244
Texas A&M University - Texarkana	32,000,000	-	32,000,000
Texas A&M University - Commerce	54,000,000	7,000,000	61,000,000
Texas A&M University - Central Texas	44,860,405	-	44,860,405
Texas A&M University - San Antonio	92,302,588	7,410,520	99,713,108
Texas A&M AgriLife Research	39,695,859	15,000,000	54,695,859
Texas A&M AgriLife Extension Service	1,667,000	-	1,667,000
Texas A&M Forest Service	283,000	-	283,000
Texas A&M Veterinary Medical Diagnostic Laboratory	15,600,000	-	15,600,000
Texas A&M Engineering Experiment Station	94,936,000	66,506,000	161,442,000
Texas A&M Engineering Extension Service	15,950,000	85,895,000	101,845,000
Texas A&M Transportation Institute	72,000,000	-	72,000,000
System Offices	58,513,000	5,000,000	63,513,000
RELLIS	107,604,000	45,000,000	152,604,000
	<u>2,753,991,305</u>	<u>1,094,434,337</u>	<u>3,848,425,642</u>

<p align="center"><b>THE TEXAS A&amp;M UNIVERSITY SYSTEM</b></p> <p align="center"><b>CAPITAL PLAN</b></p> <p align="center"><b>FY 2019 - FY 2023</b></p>
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<b>System Member</b>	<b>Total Project Planning Amounts</b>	<b>Cumulative Prior Years Expenditures to 5/31/2018</b>	<b>Remaining Planning Amounts</b>
Texas A&M University	1,695,939,915	562,130,510	1,133,809,405
Texas A&M University at Galveston	68,430,000	40,585,027	27,844,973
Texas A&M Health Science Center	335,272,485	79,352,568	255,919,917
Prairie View A&M University	56,710,685	22,329,702	34,380,983
Tarleton State University	206,283,878	58,923,350	147,360,528
Texas A&M University - Corpus Christi	129,207,026	50,612,797	78,594,229
Texas A&M International University	82,277,563	31,762,471	50,515,092
Texas A&M University - Kingsville	183,274,474	28,521,162	154,753,312
West Texas A&M University	229,806,244	54,077,608	175,728,636
Texas A&M University - Texarkana	32,000,000	15,418,815	16,581,185
Texas A&M University - Commerce	61,000,000	17,542,431	43,457,569
Texas A&M University - Central Texas	44,860,405	26,804,272	18,056,133
Texas A&M University - San Antonio	99,713,108	40,179,533	59,533,575
Texas A&M AgriLife Research	54,695,859	26,150,693	28,545,166
Texas A&M AgriLife Extension Service	1,667,000	441,088	1,225,912
Texas A&M Forest Service	283,000	-	283,000
Texas A&M Veterinary Medical Diagnostic Laboratory	15,600,000	-	15,600,000
Texas A&M Engineering Experiment Station	161,442,000	73,084,165	88,357,835
Texas A&M Engineering Extension Service	101,845,000	1,044,681	100,800,319
Texas A&M Transportation Institute	72,000,000	33,988,826	38,011,174
System Offices	63,513,000	44,493,076	19,019,924
RELLIS	152,604,000	49,434,984	103,169,016
	<u>3,848,425,642</u>	<u>1,256,877,759</u>	<u>2,591,547,883</u>

<p align="center"><b>THE TEXAS A&amp;M UNIVERSITY SYSTEM</b></p> <p align="center"><b>CAPITAL PLAN</b></p> <p align="center"><b>PROPOSED PROJECTS - FISCAL YEAR 2019</b></p>
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System Member	Planning Amounts	Resource Allocation		
		PUF Debt Proceeds	RFS Debt Proceeds	Other
Texas A&M University	79,316,810		52,705,660	26,611,150
Texas A&M University at Galveston	12,000,000		12,000,000	
Texas A&M Health Science Center	40,718,000		24,718,000	16,000,000
Prairie View A&M University	-			
Tarleton State University	18,400,000	5,400,000	10,000,000	3,000,000
Texas A&M University - Corpus Christi	-			
Texas A&M International University	-			
Texas A&M University - Kingsville	9,000,000		9,000,000	
West Texas A&M University	3,500,000		3,500,000	
Texas A&M University - Texarkana	-			
Texas A&M University - Commerce	-			
Texas A&M University - Central Texas	-			
Texas A&M University - San Antonio	7,410,520	5,000,000	1,600,000	810,520
Texas A&M AgriLife Research	15,000,000	15,000,000		
Texas A&M AgriLife Extension Service	-			
Texas A&M Forest Service	-			
Texas A&M Veterinary Medical Diagnostic Laboratory	-			
Texas A&M Engineering Experiment Station	18,640,000		2,500,000	16,140,000
Texas A&M Engineering Extension Service	56,895,000		56,895,000	
Texas A&M Transportation Institute	-			
System Offices	5,000,000	2,500,000		2,500,000
RELLIS	17,000,000	14,000,000		3,000,000
	<u>282,880,330</u>	<u>41,900,000</u>	<u>172,918,660</u>	<u>68,061,670</u>

THE TEXAS A&M UNIVERSITY SYSTEM  
Capital Plan

Funding Codes

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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 2019 - FY 2023 CAPITAL PLAN**  
**SUMMARY INFORMATION**

Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources			Cumulative Expenditures Prior Years to 5/31/18
				PUF Debt Proceeds	RFS Debt Proceeds	Other	
APPROVED PROJECTS							
2-3155		* Engineering Education Complex	228,660,000	90,500,000	129,010,000 b,o,y	9,150,000 b,o,y	177,890,232
2-3162		Completion of Corps Dorm Renovation	149,000,000		146,000,000 h	3,000,000 b	144,289,662
2-3164		Chemistry Building '72 Wing 1st and 2nd Floor Renovation	12,894,125			12,894,125 a,g,o	12,677,763
2-3170		Human Clinical Research Facility	13,950,000			13,950,000 a,g,y	13,708,838
2-3177		West Campus Support Building	17,100,000		17,100,000 h		15,852,970
2-3183		Aggie Softball Stadium	28,640,000		23,804,453 b,v	4,835,547 b	22,086,259
2-3184		Aggie Track & Field Stadium	39,800,000		35,836,299 b,v	3,963,701 b	21,044,631
2-3193		Joint Library Facility Module 2	4,024,256			4,024,256 a,g	3,977,289
2-3205		Biocontainment Research Facility	86,000,000	11,000,000	75,000,000 T		35,097,582
2-3208		** Agriculture Building #5	49,000,000	24,100,000	17,200,000 g,y,o	7,700,000 s,g,o	9,774,112
2-3211		Music Activities Center	42,750,000		9,016,250 b	33,733,750 a,b,x	10,664,404
2-3212		McAllen Multipurpose Academic Building	40,000,000	30,000,000		10,000,000 o	27,684,888
2-3216		Penberthy Rec Fields Relocation	9,984,263		800,000 p	9,184,263 b	9,814,083
2-3220		Storm Water System Improvements	11,430,000		11,430,000 u		869,060
2-3235		Student Services Building	42,629,000		38,629,000 s	4,000,000 s	3,864,681
2-3236		21st Century Classroom Building	85,000,000	70,000,000		15,000,000 o	3,394,985
2-3254		Polo Garage	56,867,296		56,867,296 p		-
2-3266		Veterinary Education, Research & Outreach Center	22,000,000	22,000,000			-
		Domestic Water System Improvements	9,562,250		9,562,250 u		705,138
		Electrical System Improvements	8,940,000		8,940,000 u		626,888
		HVAC Replacement Clements Hall	7,123,200		7,123,200 h		1,126,562
		HVAC Replacement Haas Hall	8,195,041		8,195,041 h		-
		HVAC Replacement Hobby Hall	6,932,400		6,932,400 h		665,050
		HVAC Replacement McFadden Hall	7,614,216		7,614,216 h		-
		HVAC Replacement Rudder Hall	6,830,500		6,830,500 h		4,994,195
		Thermal System Improvements	9,665,875		9,665,875 u		4,230,351
		Combined Heat and Power System Maintenance	5,307,500			5,307,500 u	133,000
		Equine Complex Phase II Initiative	6,841,401			6,841,401 g,o	507,086
		Reimagine the Libraries Phase 3	7,300,000			7,300,000 b,s	6,395,298
		TVMDL Renovation	5,000,000			5,000,000 g	330,374
		Physical Plant Projects/Equipment/Other	49,943,775	43,943,775	6,000,000		29,725,129
		Total Construction/Acquisitions in Progress	1,078,985,098	291,543,775	631,556,780	155,884,543	562,130,510

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

\*\* \$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.

**TEXAS A&M UNIVERSITY**  
**FY 2019 - FY 2023 CAPITAL PLAN**  
**SUMMARY INFORMATION**

Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources			Cumulative Expenditures Prior Years to 5/31/18
				PUF Debt Proceeds	RFS Debt Proceeds	Other	
PROPOSED PROJECTS							
	2019	*** Polo Garage (addition)	21,500,000		21,500,000	r,p	
	2019	72 Wing Chemistry Ground Floor	4,900,000				4,900,000 g
	2019	Swimming and Diving Expansion	7,000,000				7,000,000 b
	2019	Mosher Hall Interior Finishes Renovation	7,224,400				7,224,400 h
	2019	Heldenfels 2nd Floor Renovation	7,486,750				7,486,750 g
	2019	Utility Plant Control Upgrade	7,500,000		7,500,000	u	
	2019	Building Automation Systems (BAS) Upgrade	9,750,000		9,750,000	u	
	2019	HVAC Replacement Aston Hall	13,955,660		13,955,660	h	
	2020	Aerothermochemistry Lab, Expansion of Wind Tunnel Building	5,000,000				5,000,000 a,o
	2020	Gilchrist Renovation	4,000,000				4,000,000 g
	2020	Nagel Hall Renovation	6,100,000				6,100,000 g
	2020	South Campus Recreation Center	35,062,500		35,062,500	r	
	2020	The Gardens at Texas A&M University: Phase II	33,500,203				33,500,203 b
	2020	Aggie Park	10,000,000				10,000,000 b
	2020	Aggie Park Pavilion	5,000,000				5,000,000 b
	2020	HVAC Replacement Appelt Hall	8,165,848		8,165,848	h	
	2020	HVAC Replacement Lechner	7,994,926		7,994,926	h	
	2020	HVAC Replacement Wells Hall	6,932,400		6,932,400	h	
	2020	Peterson Building Renovation	11,500,000		11,500,000	g,o	
	2020	Law School Clinic and Garage	31,000,000				31,000,000 b
	2020	Allen Building Renovation	4,200,000				4,200,000 b,g
	2020	Indoor Tennis Facility	30,000,000				30,000,000 b
	2020	Instructional Laboratory & Innovative Learning Building (ILSQ)	85,000,000		50,000,000	g	35,000,000 o
	2020	West Campus Dining Facility	15,000,000				15,000,000 o
	2020	HVAC Replacement Dunn Hall	15,194,130		15,194,130	h	
	2021	Aggie Band Residence Hall	58,288,000		58,288,000	h	
	2021	Mosher Hall Renovation	39,200,000		19,700,000	h	19,500,000 b
	2021	Southside Innovation Center	41,500,000		21,500,000	h	20,000,000 b
	2021	Law School Building	85,000,000				85,000,000 b
		Total Proposed Construction/Acquisitions	616,954,817	-	287,043,464		329,911,353
TOTAL CAPITAL PLAN			1,695,939,915	291,543,775	918,600,244		485,795,896
							562,130,510

\*\*\* Subject to Board approval of rec sports fee increase from \$106 to \$145 per student per semester.

Unfunded Capital Needs:

2020	Vivarium Addition to LARR	20,000,000
2021	Heldenfels 2nd Floor Renovation - Biology	6,200,000

**TEXAS A&M UNIVERSITY at GALVESTON**  
**FY 2019 - FY 2023 CAPITAL PLAN**  
**SUMMARY INFORMATION**

Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources			Cumulative Expenditures Prior Years to 5/31/18
				PUF Debt Proceeds	RFS Debt Proceeds	Other	
APPROVED PROJECTS							
10-3197		Academic Building Complex Phase II and Infrastructure	56,430,000		56,430,000 T,p		40,585,027
		Total Construction/Acquisitions in Progress	56,430,000	-	56,430,000	-	40,585,027
PROPOSED PROJECTS							
		Physical Plant Projects/Equipment/Other	12,000,000		12,000,000 h		-
		Total Proposed Construction/Acquisitions	12,000,000	-	12,000,000	-	-
TOTAL CAPITAL PLAN			68,430,000	-	68,430,000	-	40,585,027

Unfunded Capital Needs:

2019	The ISLE, Infrastructure, and Central Plant	58,349,500
2019	New Engineering Teaching/Research Building	35,000,000
2019	Renovation of Old Library for New Student Center	8,358,366
2019	Land Acquisition	15,000,000
2020	Recreation Sports Facility Expansion and Athletic Fields	38,741,027
2020	Building Condition Assessment Upgrades	42,627,428
2020	Corps Walk	614,937

**TEXAS A&M HEALTH SCIENCE CENTER**  
**FY 2019 - FY 2023 CAPITAL PLAN**  
**SUMMARY INFORMATION**

Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources			Cumulative Expenditures Prior Years to 5/31/18
				PUF Debt Proceeds	RFS Debt Proceeds	Other	
APPROVED PROJECTS							
23-3202		Dentistry Clinical Education Facility - Dallas	127,500,000	5,000,000	109,500,000 T,g,o	13,000,000 b,g	22,024,855
23-3203		Medical Research and Education Building 2	103,800,000	31,800,000	72,000,000 T		50,187,294
23-3258		En/Health Building Renovation	45,000,000	44,091,480	908,520 a		-
		Physical Plant Projects/Equipment/Other	18,254,485	18,254,485			7,140,419
		Total Construction/Acquisitions in Progress	294,554,485	99,145,965	182,408,520	13,000,000	79,352,568
PROPOSED PROJECTS							
	2019	En/Health Building Renovation (addition)	40,718,000		24,718,000 a	16,000,000 o	
		Total Construction/Acquisitions	40,718,000	-	24,718,000	16,000,000	-
TOTAL CAPITAL PLAN			335,272,485	99,145,965	207,126,520	29,000,000	79,352,568

Unfunded Capital Needs:

2022	Multi-Institutional Translational Research Campus	157,750,000
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**PRAIRIE VIEW A&M UNIVERSITY**  
**FY 2019 - FY 2023 CAPITAL PLAN**  
**SUMMARY INFORMATION**

Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources			Cumulative Expenditures Prior Years to 5/31/18
				PUF Debt Proceeds	RFS Debt Proceeds	Other	
APPROVED PROJECTS							
5-3198		Fabrication Center	17,158,000	2,158,000	14,500,000 T	500,000 g	14,926,084
5-3204		Capital Improvements	22,232,000		14,132,000 T	8,100,000 a,g	3,290,538
		Agriculture Comprehensive Facility	5,844,688			5,844,688 c,g	26,558.00
		Physical Plant Projects/Equipment/Other	11,475,997	11,475,997			4,086,522
		Total Construction/Acquisitions in Progress	56,710,685	13,633,997	28,632,000	14,444,688	22,329,702
TOTAL CAPITAL PLAN			56,710,685	13,633,997	28,632,000	14,444,688	22,329,702

Unfunded Capital Needs:

2019	Integrated Food Security Research Center Renovation	3,500,000
2019	Student Services Building	10,000,000
2019	Engineering Classroom and Research Building	60,000,000
2020	Texas Center for Precision Regenerative Medicine Renovation	3,800,000
2020	Multipurpose Educational and Event Facility	48,000,000
2022	Expanded Utility Plant	18,000,000

**TARLETON STATE UNIVERSITY**  
**FY 2019 - FY 2023 CAPITAL PLAN**  
**SUMMARY INFORMATION**

Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources			Cumulative Expenditures Prior Years to 5/31/18
				PUF Debt Proceeds	RFS Debt Proceeds	Other	
APPROVED PROJECTS							
4-3176		Memorial Football Stadium Renovation and Expansion	27,055,000		27,055,000	x,o,b	8,292,491
4-3187		Utility and Infrastructure Improvements	25,750,000	20,000,000	5,000,000	s 750,000 x	21,536,822
4-3191		Southwest Metroplex Building	40,800,000	1,200,000	39,600,000	T	6,219,881
4-3195		Applied Sciences Building	54,000,000		54,000,000	T	14,726,503
4-3259		Farm Repair and Modernization	10,000,000			10,000,000 n	-
		Physical Plant Projects/Equipment/Other	16,278,878	16,278,878			8,147,653
		Total Construction/Acquisitions in Progress	173,883,878	37,478,878	125,655,000	10,750,000	58,923,350
PROPOSED PROJECTS							
	2019	Farm Repair & Modernization (addition)	900,000	900,000			
	2019	Aquatics Center	10,000,000		10,000,000	s	
	2020	College of Business/Hydrology Renovation	6,000,000	6,000,000			
	2020	Parking Lots	5,000,000		5,000,000	p	
		Physical Plant Projects/Equipment/Other	10,500,000	4,500,000		6,000,000	
		Total Proposed Construction/Acquisitions	32,400,000	11,400,000	15,000,000	6,000,000	-
TOTAL CAPITAL PLAN			206,283,878	48,878,878	140,655,000	16,750,000	58,923,350

Unfunded Capital Needs:

2020	Engineering Technology Renovation	8,000,000
2020	Fort Worth Building #2/Physical Plant/Infrastructure	70,000,000
2020	OA Grant Renovation	5,000,000
2020	Dining Services Expansion	15,000,000
2020	Demolition of Bender and Ferguson Halls	4,400,000
2021	Applied Sciences Building 2: Agriculture	72,000,000
2021	Land Acquisitions	1,200,000
2021	Rodeo Arena/Recruiting Space	10,000,000
2021	Recreation Center Expansion	20,000,000
2021	College of Health Sciences Expansion	15,000,000
2022	Wisdom Gym Renovation	11,000,000
2022	Convocation and Event Center	72,000,000
2022	Land Acquisitions	1,200,000
2022	Joe Autry Building Expansion and Renovation	25,000,000
2022	Family Housing	15,000,000
2023	Thompson Student Center Expansion	30,000,000

**TEXAS A&M UNIVERSITY - CORPUS CHRISTI**  
**FY 2019 - FY 2023 CAPITAL PLAN**  
**SUMMARY INFORMATION**

Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources		Cumulative Expenditures Prior Years to 5/31/18
				RFS Debt Proceeds	Other	
APPROVED PROJECTS						
15-3188		Life Sciences Research and Engineering Building - Ph I	60,600,000	60,600,000	T,w	40,368,531
		Parking Garage - Island Campus	39,000,000	39,000,000	g,o,p	-
		Physical Plant Projects/Equipment/Other	29,607,026	27,407,026	2,200,000	10,244,266
		Total Construction/Acquisitions in Progress	129,207,026	127,007,026	2,200,000	50,612,797
TOTAL CAPITAL PLAN			129,207,026	127,007,026	2,200,000	50,612,797

Unfunded Capital Needs:

2020	Arts and Media Building	65,000,000
2020	Basketball Facility	30,000,000
2020	Center for Sciences Renovation	3,200,000
2021	Learning Resources - Library	70,000,000
2021	New Academic Building	45,000,000
2022	NRC Renovations	3,500,000
2022	Health Center	25,500,000
2022	Student Aquatics Center	45,000,000
2023	Athletice Complex	30,000,000
2023	Pedestrian Pathway	30,000,000
2023	Central Plant Chiller Replacement (#2 & #3)	1,800,000
2023	Convocation Center	101,250,000
2023	Parking Garage	40,000,000
2025	Life Sciences Research and Engineering Complex - Ph II	65,000,000

<p align="center"><b>TEXAS A&amp;M INTERNATIONAL UNIVERSITY</b>  <b>FY 2019 - FY 2023 CAPITAL PLAN</b>  <b>SUMMARY INFORMATION</b></p>
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Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources		Cumulative Expenditures Prior Years to 5/31/18
				RFS Debt Proceeds	Other	
APPROVED PROJECTS						
16-3206		Addition of Instructional and Support Spaces	72,500,000	55,200,000	T	31,762,471
		ESCO Utility Project	9,777,563	9,056,000	g,o	-
		Total Construction/Acquisitions in Progress	82,277,563	64,256,000	u	31,762,471
TOTAL CAPITAL PLAN			82,277,563	64,256,000		31,762,471

Unfunded Capital Needs:

2021	Addition to Fine and Performing Arts	10,000,000
2021	Student Classroom and Events Center	75,000,000
2023	WHTC Large Classroom Addition	5,000,000
2023	Renovation of Kinesiology Convocation Building	28,000,000



**TEXAS A&M UNIVERSITY - KINGSVILLE**  
**FY 2019 - FY 2023 CAPITAL PLAN**  
**SUMMARY INFORMATION**

Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources		Cumulative Expenditures Prior Years to 5/31/18
				RFS Debt Proceeds	Other	
APPROVED PROJECTS						
17-3207		Education Complex	61,548,770	60,000,000	T	17,712,214
17-3225		Administrative Services Building	16,553,075	16,553,075	w	870,271
		Eckhardt Hall Renovation	9,000,000	9,000,000	w	-
		Physical Plant Projects/Equipment/Other	10,672,629	10,365,000		9,938,677
		Total Construction/Acquisitions in Progress	97,774,474	95,918,075		28,521,162
PROPOSED PROJECTS						
	2019	Bellamah Music Building Renovation/Repurpose	9,000,000	9,000,000	w	
	2020	Utility Improvement	9,500,000	9,500,000	w	
	2020	Lewis Hall Renovation	9,000,000	9,000,000	w	
	2022	Business Admin Building Renovation	8,000,000	8,000,000	w	
	2023	Parking Garage Structure	20,000,000	20,000,000	p	
	2023	Athletic Multi-use Building	30,000,000	30,000,000	b,s	
		Total Proposed Construction/Acquisitions	85,500,000	85,500,000		-
TOTAL CAPITAL PLAN			183,274,474	181,418,075		28,521,162

Unfunded Capital Needs:

2020	Nierman Hall Renovation	9,000,000
2023	Drama/Art Building Renovation	7,000,000
2023	Health & Rec Renovation	12,000,000
2023	Hill Hall Renovation	7,000,000
2023	Howe Ag Building Renovation	7,000,000
2023	NCAA Soccer Field and Locker Rooms	7,000,000
2023	Technology Learning Center	47,000,000
2023	STEM & Health Professions Building	112,000,000

**WEST TEXAS A&M UNIVERSITY**  
**FY 2019 - FY 2023 CAPITAL PLAN**  
**SUMMARY INFORMATION**

Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources		Cumulative Expenditures Prior Years to 5/31/18
				RFS Debt Proceeds	Other	
APPROVED PROJECTS						
18-3199		Agricultural Sciences Complex	49,036,000	49,036,000	T,b,o	35,393,932
18-3226		Football Stadium	38,800,000	37,000,000	s,v	624,297
18-3227		Renovate Jarrett Hall Phase II	14,330,000	14,330,000	h	5,575,105
18-3234		Energy Consumption Reduction Project	15,130,500	14,735,000	u	-
18-3250		Amarillo Center Renovation Phase II	18,200,000	18,200,000	T,w,o	10,165,233
		Physical Plant Projects/Equipment/Other	19,259,744			2,319,041
		Total Construction/Acquisitions in Progress	154,756,244	133,301,000	19,259,744 21,455,244	54,077,608
PROPOSED PROJECTS						
2020		Amarillo Center Phase III	5,000,000	5,000,000	g,w	
2020		Cousins Hall Renovation	8,750,000	8,750,000	h	
2020		Bain Center Phase II	6,200,000	6,200,000	b,g	
2021		New UPD/Lock Shop/Fire Safety Facility	5,000,000	5,000,000	g,w	
2022		Underclassmen Residence Hall - Phase III	35,000,000	35,000,000	h	
		Physical Plant Projects/Equipment/Other	15,100,000	3,500,000		
		Total Proposed Construction/Acquisitions	75,050,000	63,450,000	11,600,000 11,600,000	-
TOTAL CAPITAL PLAN			229,806,244	196,751,000	33,055,244	54,077,608
Unfunded Capital Needs:						
2019		Utility Plant	5,500,000			
2020		Education Building	20,000,000			
2020		Nursing and Health Building	20,000,000			
2021		Mary Moody Northen Hall Upgrades	4,250,000			
2021		Harrington Fine Arts Center Upgrades	7,250,000			
2021		Virgil Henson Activities Center Upgrades	7,250,000			
2021		Panhandle Plains Historical Museum Upgrades	8,250,000			
2021		Old Main Upgrades	2,900,000			
2021		JBK Student Center Upgrades	730,000			
2021		Cornette Library Upgrades	4,000,000			
2021		East Dining Hall Upgrades	1,880,000			
2021		Visitor Center	20,000,000			
2022		Jones Hall Renovation	5,850,000			
2023		Shirley Hall Renovation	5,250,000			
2023		Learning Commons	21,500,000			
2023		New Physical Plant	8,000,000			
2023		25th Street Enhancement & Loading Dock	12,000,000			
2023		Central Supply and Warehouse	4,000,000			

**TEXAS A&M UNIVERSITY - TEXARKANA**  
**FY 2019 - FY 2023 CAPITAL PLAN**  
**SUMMARY INFORMATION**

Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources		Cumulative Expenditures Prior Years to 5/31/18
				RFS Debt Proceeds	Other	
APPROVED PROJECTS						
22-3200		Academic and Student Services Building	32,000,000	32,000,000 T		15,418,815
		Total Construction/Acquisitions in Progress	32,000,000	32,000,000	-	15,418,815
TOTAL CAPITAL PLAN			32,000,000	32,000,000	-	15,418,815

Unfunded Capital Needs:		
2021	College of Business, Engineering and Technology Building	46,000,000

**TEXAS A&M UNIVERSITY - COMMERCE**  
**FY 2019 - FY 2023 CAPITAL PLAN**  
**SUMMARY INFORMATION**

Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources		Cumulative Expenditures Prior Years to 5/31/18
				RFS Debt Proceeds	Other	
APPROVED PROJECTS						
21-3186		Nursing and Health Sciences Building	54,000,000	48,000,000 T	6,000,000 w	17,542,431
		Total Construction/Acquisitions in Progress	54,000,000	48,000,000	6,000,000	17,542,431
PROPOSED PROJECTS						
	2020	Morris Rec Center Expansion	7,000,000	7,000,000 r		
		Total Proposed Construction/Acquisitions	7,000,000	7,000,000	-	-
TOTAL CAPITAL PLAN			61,000,000	55,000,000	6,000,000	17,542,431

Unfunded Capital Needs:

2020	Ag Multipurpose Education & Training Center	55,000,000
2020	New University Police Department building	4,000,000
2021	Renovate Berry Hall	10,000,000
2021	Multi-Purpose Event Center	35,000,000
2022	Renovate Memorial Stadium	7,000,000
2022	Engineering Building	70,000,000
2022	Rayburn Student Center Expansion	17,500,000
2023	Parking Garage	20,000,000

**TEXAS A&M UNIVERSITY - CENTRAL TEXAS**  
**FY 2019 - FY 2023 CAPITAL PLAN**  
**SUMMARY INFORMATION**

Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources			Cumulative Expenditures Prior Years to 5/31/18
				PUF Debt Proceeds	RFS Debt Proceeds	Other	
APPROVED PROJECTS							
24-3194		Multipurpose Building 3	36,000,000		36,000,000	T	25,278,184
		Physical Plant Projects/Equipment/Other	8,860,405	7,120,405	1,500,000	240,000	1,526,088
		Total Construction/Acquisitions in Progress	44,860,405	7,120,405	37,500,000	240,000	26,804,272
TOTAL CAPITAL PLAN			44,860,405	7,120,405	37,500,000	240,000	26,804,272

Unfunded Capital Needs:		
2020	Central Utility Plant	25,000,000
2020	Multipurpose Building 4	60,000,000

**TEXAS A&M UNIVERSITY - SAN ANTONIO**  
**FY 2019 - FY 2023 CAPITAL PLAN**  
**SUMMARY INFORMATION**

Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources			Cumulative Expenditures Prior Years to 5/31/18
				PUF Debt Proceeds	RFS Debt Proceeds	Other	
APPROVED PROJECTS							
25-3158		Science and Technology Building	63,000,000		63,000,000	T	37,211,828
25-3255		Academic and Administration Building - Phase I	25,000,000	25,000,000			-
		Physical Plant Projects/Equipment/Other	4,302,588	802,588	3,500,000		2,967,705
		Total Construction/Acquisitions in Progress	92,302,588	25,802,588	66,500,000	-	40,179,533
PROPOSED PROJECTS							
	2019	Academic & Admin Building - Phase I (addition)	5,000,000	5,000,000			
		Physical Plant Projects/Equipment/Other	2,410,520		1,600,000	810,520	
		Total Proposed Construction/Acquisitions	7,410,520	5,000,000	1,600,000	810,520	-
TOTAL CAPITAL PLAN			99,713,108	30,802,588	68,100,000	810,520	40,179,533

Unfunded Capital Needs:		
2020	Academic and Administration Building - Phase II	53,000,000
2022	Classroom Building	54,500,000

**TEXAS A&M AGRILIFE RESEARCH**  
**FY 2019 - FY 2023 CAPITAL PLAN**  
**SUMMARY INFORMATION**

Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources			Cumulative Expenditures Prior Years to 5/31/18
				PUF Debt Proceeds	RFS Debt Proceeds	Other	
APPROVED PROJECTS							
06-3192		Dallas AgriLife Center	34,000,000			34,000,000	22,345,847
		Physical Plant Projects/Equipment/Other	5,695,859	5,695,859			3,804,846
		Total Construction/Acquisitions in Progress	39,695,859	5,695,859	-	34,000,000	26,150,693
PROPOSED PROJECTS							
		FY19 PUF Allocation	15,000,000	15,000,000			
		Total Proposed Construction/Acquisitions	15,000,000	15,000,000	-	-	-
TOTAL CAPITAL PLAN			54,695,859	20,695,859	-	34,000,000	26,150,693

<p align="center"><b>TEXAS A&amp;M AGRILIFE EXTENSION SERVICE</b>  <b>FY 2019 - FY 2023 CAPITAL PLAN</b>  <b>SUMMARY INFORMATION</b></p>
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Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources			Cumulative Expenditures Prior Years to 5/31/18
				PUF Debt Proceeds	RFS Debt Proceeds	Other	
APPROVED PROJECTS							
		Physical Plant Projects/Equipment/Other	1,667,000	1,667,000		441,088	
		Total Construction/Acquisitions in Progress	1,667,000	1,667,000	-	441,088	
TOTAL CAPITAL PLAN			1,667,000	1,667,000	-	441,088	



<p><b>TEXAS A&amp;M FOREST SERVICE</b>  <b>FY 2019 - FY 2023 CAPITAL PLAN</b>  <b>SUMMARY INFORMATION</b></p>
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Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources			Cumulative Expenditures Prior Years to 5/31/18
				PUF Debt Proceeds	RFS Debt Proceeds	Other	
APPROVED PROJECTS							
		Physical Plant Projects/Equipment/Other	283,000	283,000		-	
		Total Construction/Acquisitions in Progress	283,000	283,000	-	-	
TOTAL CAPITAL PLAN			283,000	283,000	-	-	

Unfunded Capital Needs:		
2019	Agency Facilities (new construction, renovations, improvements, furnishings)	17,180,000

<p align="center"><b>TEXAS A&amp;M VETERINARY MEDICAL DIAGNOSTIC LABORATORY</b>  <b>FY 2019 - FY 2023 CAPITAL PLAN</b>  <b>SUMMARY INFORMATION</b></p>
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Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources		Cumulative Expenditures Prior Years to 5/31/18
				RFS Debt Proceeds	Other	
APPROVED PROJECTS						
20-3256		TVMDL - Canyon Facility	15,600,000	15,600,000	n	-
		Total Construction/Acquisitions in Progress	15,600,000	15,600,000	-	-
TOTAL CAPITAL PLAN			15,600,000	15,600,000	-	-

**TEXAS A&M ENGINEERING EXPERIMENT STATION**  
**FY 2019 - FY 2023 CAPITAL PLAN**  
**SUMMARY INFORMATION**

Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources			Cumulative Expenditures Prior Years to 5/31/18
				PUF Debt Proceeds	RFS Debt Proceeds	Other	
APPROVED PROJECTS							
28-3196		Center for Infrastructure Renewal	80,851,000		80,851,000	n	73,084,165
	*	Health Technologies Building Renovation	6,500,000		6,500,000	y	-
		Physical Plant Projects/Equipment/Other	7,585,000	4,950,000	2,635,000		-
		Total Construction/Acquisitions in Progress	94,936,000	4,950,000	89,986,000	-	73,084,165
PROPOSED PROJECTS							
2019		Rowlett Industrial Distribution Building	18,640,000		2,500,000	o	16,140,000
2020		TEES Industry Lab	15,000,000	7,000,000			8,000,000
2020		TEES Headquarters Building	15,000,000	1,500,000	13,500,000	y	a,b
2020		Industrial Distribution Building #2	17,866,000				17,866,000
		Total Proposed Construction/Acquisitions	66,506,000	8,500,000	16,000,000		42,006,000
TOTAL CAPITAL PLAN			161,442,000	13,450,000	105,986,000		42,006,000
							73,084,165

\* Funding may be replaced in whole or in part with PUF if available.

**TEXAS A&M ENGINEERING EXTENSION SERVICE**  
**FY 2019 - FY 2023 CAPITAL PLAN**  
**SUMMARY INFORMATION**

Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources			Cumulative Expenditures Prior Years to 5/31/18
				PUF Debt Proceeds	RFS Debt Proceeds	Other	
APPROVED PROJECTS							
09-3257		Water Wastewater Treatment System Expansion	11,000,000		11,000,000 e		-
		Physical Plant Projects/Equipment/Other	4,950,000	1,000,000	3,950,000		1,044,681
		Total Construction/Acquisitions in Progress	15,950,000	1,000,000	14,950,000	-	1,044,681
PROPOSED PROJECTS							
	2019	Fire Station/Classroom/Office - Brayton Firefield	56,895,000		56,895,000 e		
	2020	RELLIS - TEEX Training Complex	7,000,000		7,000,000 e		
	2020	New Building at H.B. Zachry Training Center	22,000,000		22,000,000 e		
		Total Proposed Construction/Acquisitions	85,895,000	-	85,895,000	-	-
TOTAL CAPITAL PLAN			101,845,000	1,000,000	100,845,000	-	1,044,681

<p align="center"><b>TEXAS A&amp;M TRANSPORTATION INSTITUTE</b>  <b>FY 2019 - FY 2023 CAPITAL PLAN</b>  <b>SUMMARY INFORMATION</b></p>
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Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources			Cumulative Expenditures Prior Years to 5/31/18
				PUF Debt Proceeds	RFS Debt Proceeds	Other	
APPROVED PROJECTS							
12-3224		* TTI Headquarters	70,000,000	56,400,000	13,600,000	o,y	33,314,365
		Physical Plant Projects/Equipment/Other	2,000,000	2,000,000			674,461
		Total Construction/Acquisitions in Progress	72,000,000	58,400,000	13,600,000	-	33,988,826
TOTAL CAPITAL PLAN			72,000,000	58,400,000	13,600,000	-	33,988,826

\* \$8 million of RFS debt will be funded by TEES.

**SYSTEM OFFICES**  
**FY 2019 - FY 2023 CAPITAL PLAN**  
**SUMMARY INFORMATION**

Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources			Cumulative Expenditures Prior Years to 5/31/18
				PUF Debt Proceeds	RFS Debt Proceeds	Other	
APPROVED PROJECTS							
		Human Capital Management Software Purchase	53,507,000	53,507,000			44,378,701
		Reed House Renovation	1,000,000	1,000,000			-
		Physical Plant Projects/Equipment/Other	4,006,000	4,006,000	-	-	114,375
		Total Construction/Acquisitions in Progress	58,513,000	58,513,000	-	-	44,493,076
PROPOSED PROJECTS							
	2019	Financial System Pre-Implementation	5,000,000	2,500,000		2,500,000 a,o	
		Total Proposed Construction/Acquisitions	5,000,000	2,500,000	-	2,500,000	-
TOTAL CAPITAL PLAN			63,513,000	61,013,000	-	2,500,000.00	44,493,076

Unfunded Capital Needs:		
2019	Financial Management System Replacement	100,000,000

**RELLIS**  
**FY 2019 - FY 2023 CAPITAL PLAN**  
**SUMMARY INFORMATION**

Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources			Cumulative Expenditures Prior Years to 5/31/18
				PUF Debt Proceeds	RFS Debt Proceeds	Other	
APPROVED PROJECTS							
01-3228		RELLIS Campus Infrastructure	55,675,000		55,675,000	a,o	41,428,536
01-3233		RELLIS Academic Complex - Phase I	42,000,000	42,000,000			4,495,051
	*	RELLIS Phase I Parking Lot	6,729,000		6,729,000	p	318,476
		Physical Plant Projects/Equipment/Other	3,200,000		3,200,000		3,192,921
		Total Construction/Acquisitions in Progress	107,604,000	42,000,000	65,604,000	-	49,434,984
PROPOSED PROJECTS							
	2019	RELLIS Workforce Training Facility	15,000,000	12,000,000		3,000,000	o
	2020	RELLIS Academic Complex - Phase II	28,000,000	28,000,000			
		Physical Plant Projects/Equipment/Other	2,000,000	2,000,000	-	-	
		Total Proposed Construction/Acquisitions	45,000,000	42,000,000	-	3,000,000	-
TOTAL CAPITAL PLAN			152,604,000	84,000,000	65,604,000	3,000,000	49,434,984

\* \$6.729 million of RFS debt will be funded by TAMU.

## 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 Storm Water System Improvements Project, Texas A&M University, College Station, Texas (Project No. 02-3220)

### Background and Prior Actions:

The Storm Water System Improvements Project was included as an approved project on the FY 2018 – FY 2022 A&M System Capital Plan approved by the Board at the August 2017 meeting.

### Proposed Board Action:

- (1) Approve the project scope and budget.
- (2) Appropriate \$10,287,000 for construction services and related project costs. \$1,143,000 has been previously appropriated.
- (3) Approve construction of the Storm Water System Improvements 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>\$11,430,000</u>	\$887,525	Utility Revenue
Total Project Funds	<u>\$11,430,000</u>		

### Project Justification:

The primary scope of this project is to provide regional storm water detention and to correct known damage from storm water erosion along White Creek and the outfall of the Texas A&M Waste Water Treatment Plant (WWTP) at the Brazos River to mitigate the impact of erosion, prevent further erosion, and protect university infrastructure.

### Scope:

This project scope includes the following:

#### Task 1A, 1B, and 1C

- Installation of three detention ponds on West Campus (White Creek #1A & #1B, and Research Park Detention #1C)

#### Task 2

- Installation of White Creek #3 Detention Pond (White Creek flood plain including several branches between FM 2818 and Brayton Fire Training School)

#### Task 3A, 3B, and 3C

- Bore under railroad and increase storm sewer size from Wellborn Rd to junction box north of the West Campus Garage



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- Construct new box culvert storm sewer from Wellborn to current outfall at Penberthy and then to White Creek Detention Basin #1

Task 4

- Stabilize WWTP effluent outfall at the Brazos River
- Install soldier pile retaining wall on private property to stop erosion of WWTP effluent line (alternate), subject to negotiation with private land owner.

Task 5

- Stabilize banks of White Creek at the George Bush Presidential Library

\* Task 6

- Protect HDPE sanitary sewer force main mounted to bridge over White Creek just downstream of FM 2818 by removing pipe from bridge and burying it below creek bed

Task 7

- Repair and protect stream bank and pipe supports for 24" sanitary sewer line crossing White Creek between the Reed House and FM 2818

Task 8 and 9

- Protect stream banks near the Poultry Center
- Repair foundations for sanitary crossing of White Creek near the Poultry Center

Task 10

- Protect stream bank at second sanitary sewer crossing just upstream of Brayton Fire Training School

Task 11

- Protect propane tanks at Brayton Fire Training School

Task 12

- Improve conveyance along White Creek on West Campus at areas not specifically identified. A potential task was to stabilize the bank near a TEEX parking lot at an area of possible erosion along a sharp bend in the creek. Upon site inspection, the bank below the parking lot did not show signs of active erosion, and vegetation had stabilized the bank. It was determined that this task was not required at this time.

Task 13

- Repair foundation of slope armoring at White Creek bridge to Disaster City

Task 14

- Repair slope protection on White Creek bend beside White Creek Road to the WWTP

Tasks 15-17

- Repair erosion pad below bridge to WWTP
- Prevent erosion behind bank armor on the east bank abutment (bridge on White Creek Road to WWTP)
- Remove large debris from piers below bridge to WWTP

Construction on this project is scheduled to start in October 2018, with substantial completion scheduled for March 2020. The total project budget is \$11,430,000.

**Other Major Fiscal Impacts:**

None.

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\* Task 6 was previously completed by Texas A&M and is not a part of this project's scope.

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**THE TEXAS A&M UNIVERSITY SYSTEM**  
**FACILITIES PLANNING AND CONSTRUCTION**  
Office of the Executive Vice Chancellor and Chief Financial Officer  
July 2, 2018

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 Storm Water System Improvements Project, Texas A&M University, College Station, Texas (Project No. 02-3220)

I recommend adoption of the following minute order:

**“The project scope along with a project budget of \$11,430,000 for the Storm Water System Improvements Project is approved.**

**The amount of \$10,287,000 is appropriated from Account No. 01-083540 Revenue Financing System Debt Proceeds (Utility Revenue), for construction services and related project costs.**

**The Storm Water System 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**

Agenda Item No.  
July 2, 2018

**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:**

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John Sharp  
Chancellor

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Ray Bonilla  
General Counsel

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Michael K. Young, President  
Texas A&M University

<b>STORM WATER SYSTEM IMPROVEMENTS</b> <b>TEXAS A&amp;M UNIVERSITY</b> <b>PROJECT NO. 02-3220</b>	<b>PROJECT BUDGET</b>
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1. Amount Available for Construction Contract .....	\$ 9,719,200
2. Architectural/Engineering Fees .....	\$ 1,109,783
3. Physical Plant/Facility Services .....	\$ 10,000
4. Construction Materials Testing .....	\$ 97,200
5. FP&C Project Management and Inspection Fees .....	\$ 295,100
6. Owner's Contingency .....	\$ 193,917
7. Miscellaneous .....	\$ 4,800
8. TOTAL ESTIMATED COST OF PROJECT .....	<u>\$11,430,000</u>

**STORM WATER SYSTEM IMPROVEMENTS**  
**TEXAS A&M UNIVERSITY**  
**PROJECT NO. 02-3220**

**PROJECT SCHEDULE**

1. BOR Approval of Capital Plan ..... September 2, 2016
2. Issue A/E RFQ ..... September 16, 2016
3. Receive A/E RFQ Responses.....October 14, 2016
4. Shortlist A/E Firms .....October 27, 2016
5. Interview A/E Shortlist .....November 4, 2016
6. A/E Ranked Order Approved by Chancellor .....November 21, 2016
7. Execute A/E Agreement ..... January 18, 2017
8. A/E Design Kickoff ..... February 2, 2017
9. Complete Schematic Design ..... May 26, 2017
10. Complete Design Development .....July 26, 2017
11. Complete Construction Documents ..... February 16, 2018
12. Advertise for Competitive Sealed Proposals ..... May 21, 2018
13. Receive CSP..... June 27, 2018
14. CSP Evaluation .....July 6, 2018
15. Chancellor Approval of Ranked Order .....July 31, 2018
16. BOR Approval for Construction ..... August 16, 2018
17. Submit THECB Application ..... September 2018
18. Begin Construction .....October 2018
19. Substantial Completion..... March 2020

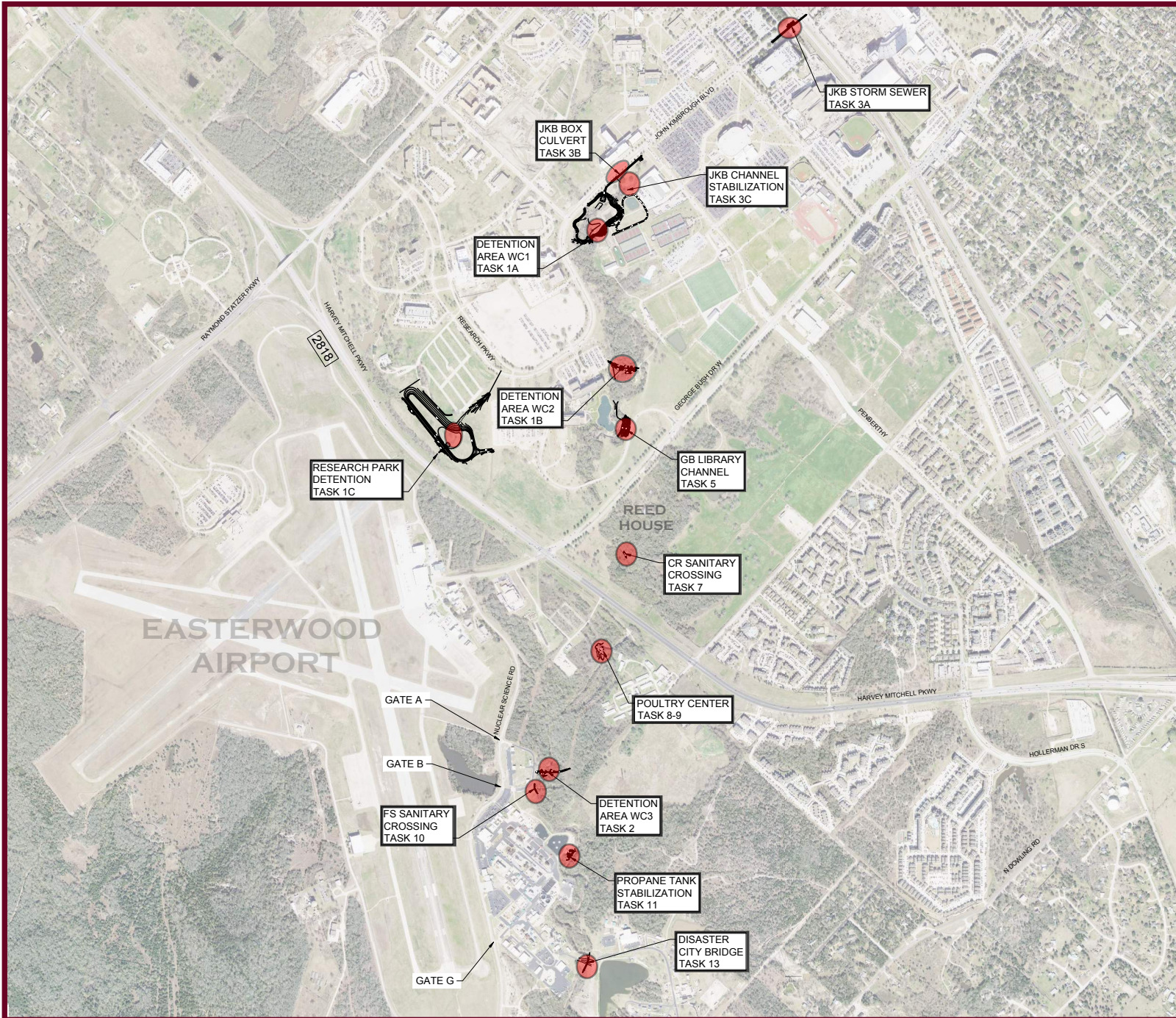
**TEXAS A&M UNIVERSITY  
REVENUE FINANCING SYSTEM  
2-3220 Storm Water System Improvements  
Utility Revenue**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
BONDS	11,545,000.00				
YEAR 1	11,175,000.00	370,000.00	519,525.00	889,525.00	1,022,953.75
YEAR 2	10,790,000.00	385,000.00	502,875.00	887,875.00	1,021,056.25
YEAR 3	10,390,000.00	400,000.00	485,550.00	885,550.00	1,018,382.50
YEAR 4	9,970,000.00	420,000.00	467,550.00	887,550.00	1,020,682.50
YEAR 5	9,530,000.00	440,000.00	448,650.00	888,650.00	1,021,947.50
YEAR 6	9,070,000.00	460,000.00	428,850.00	888,850.00	1,022,177.50
YEAR 7	8,590,000.00	480,000.00	408,150.00	888,150.00	1,021,372.50
YEAR 8	8,090,000.00	500,000.00	386,550.00	886,550.00	1,019,532.50
YEAR 9	7,565,000.00	525,000.00	364,050.00	889,050.00	1,022,407.50
YEAR 10	7,020,000.00	545,000.00	340,425.00	885,425.00	1,018,238.75
YEAR 11	6,450,000.00	570,000.00	315,900.00	885,900.00	1,018,785.00
YEAR 12	5,855,000.00	595,000.00	290,250.00	885,250.00	1,018,037.50
YEAR 13	5,230,000.00	625,000.00	263,475.00	888,475.00	1,021,746.25
YEAR 14	4,580,000.00	650,000.00	235,350.00	885,350.00	1,018,152.50
YEAR 15	3,900,000.00	680,000.00	206,100.00	886,100.00	1,019,015.00
YEAR 16	3,190,000.00	710,000.00	175,500.00	885,500.00	1,018,325.00
YEAR 17	2,445,000.00	745,000.00	143,550.00	888,550.00	1,021,832.50
YEAR 18	1,665,000.00	780,000.00	110,025.00	890,025.00	1,023,528.75
YEAR 19	850,000.00	815,000.00	74,925.00	889,925.00	1,023,413.75
YEAR 20	-	850,000.00	38,250.00	888,250.00	1,021,487.50
		<u>\$ 11,545,000.00</u>	<u>\$ 6,205,500.00</u>	<u>\$ 17,750,500.00</u>	<u>\$ 20,413,075.00</u>

Estimated issuance costs and rounding of \$115,000 are included in this schedule.  
Long-term rates are assumed to be 4.50%. Rates are subject to market change.  
Prepared by the Office of the Treasurer - Treasury Services 6/1/18

**Rates are subject to market change. Amounts are preliminary estimates that will be revised at the time bonds are issued.**





TEXAS A&M  
UNIVERSITY®

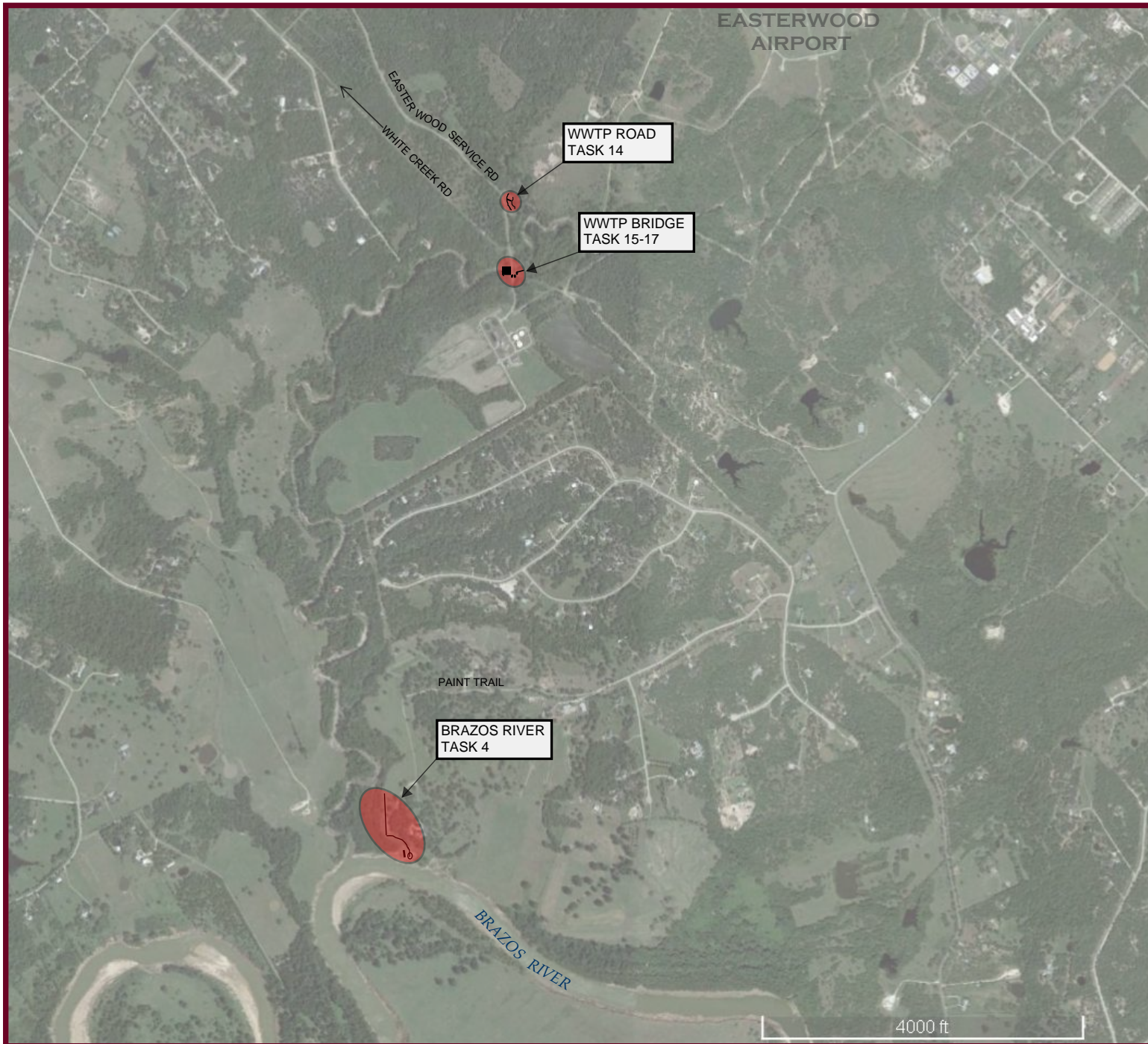
## STORM WATER SYSTEM IMPROVEMENTS

PROJECT NO.  
02-3220



Office of Facilities Planning & Construction  
THE TEXAS A&M UNIVERSITY SYSTEM





## STORM WATER SYSTEM IMPROVEMENTS

PROJECT NO.  
02-3220



Office of Facilities Planning & Construction  
THE TEXAS A&M UNIVERSITY SYSTEM



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 Farm Repair and Modernization Project, Tarleton State University, Stephenville, Texas (Project No. 04-3259)

**Background and Prior Actions:**

The Farm Repair and Modernization Project was included on the FY 2018 – FY 2022 A&M System Capital Plan approved by the Board at the August 2017 meeting.

**Proposed Board Action:**

- (1) Approve the project scope and budget.
- (2) Appropriate \$9,900,000 for construction services and related project costs. \$1,000,000 has been previously appropriated.
- (3) Approve construction of the Farm Repair and Modernization 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>
Cash (Economic Stabilization Fund)	\$10,000,000	N/A	N/A
Permanent University Fund Debt Proceeds*	<u>\$900,000</u>	\$69,890	Available University Fund
Total Project Funds	<u>\$10,900,000</u>		

\*Tarleton will revert \$900,000 of its FY2018 PUF Equipment Allocation so that it can be appropriated to this project.

The 85<sup>th</sup> Texas Legislature appropriated to the Trusteed Programs within the Office of the Governor \$110,000,000 in Economic Stabilization funds in fiscal year 2018 in Strategy A.1.1 Disaster Funds to provide grants-in-aid in case of disasters, in accordance with Government Code, Chapter 418. Included in this amount is \$10,000,000 in Economic Stabilization Funds transferred to Tarleton in fiscal year 2018 for disaster recovery.

The Office of Facilities, Planning, and Construction (FP&C) at The Texas A&M University System (A&M System) manages all construction projects \$10 million dollars and over. In order

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Agenda Item Briefing

to meet this requirement, Tarleton will transfer the \$10,000,000 of Economic Stabilization Funds to the A&M System to allow FP&C to plan and construct this project.

**Project Justification:**

The following summarizes the overall justification for the construction of a new, multipurpose facility at the Tarleton Agricultural Center (Ag Center). The original concept developed in the 2017 Ag Center Master Plan envisioned two separate lab facilities, yet early development of the Program of Requirements found significant cost savings by combining these two lab buildings into one lab building with a separate, but adjacent, animal arena and greenhouse.

- On March 8, 2016, severe storms and several EF-1 tornados passed through Erath County causing damage to nearly a dozen facilities at the Ag Center, prompting a need for repair, upgrade, and replacement of many facilities.
- The university currently lacks adequate teaching and lab spaces for a number of programs and courses taught within the College of Agricultural and Environmental Sciences. This includes, but is not limited to, labs taught in open arenas without appropriate instructional space or conditions, shared labs between other colleges, and inadequate prep and storage space.
- The university anticipates continued student enrollment growth in the College of Agricultural and Environmental Sciences and needs appropriate space to accommodate both current and future coursework.

Goals:

- Create a modern facility to provide hands-on learning experience for students within the College of Agricultural and Environmental Sciences.
- Create a flexible facility within the lab environments, a covered outdoor area, and a greenhouse, to help accommodate shifting needs throughout the semester within individual courses, programs, and across the college, as identified in the 2017 Ag Center Master Plan.
- Support faculty with appropriate prep and research space, allowing them to be better equipped to create the proper student learning experience.
- Create a facility that serves as an interface with the community and prospective students, and appropriately represents the high-quality programs within the College of Agricultural and Environmental Sciences at Tarleton.

**Scope:**

Through the use of this facility, Tarleton seeks to meet a number of long-identified needs within the College of Agricultural and Environmental Sciences. The facility will be constructed to the northwest of the recently completed Agricultural Field Machinery and Fabrication Center along College Farm Road. This project can be broken down into three main components that are intended to be built closely adjacent to one another.

### Laboratory Building

The new 20,085 square foot facility will provide:

- Six teaching labs/learning environments for programs in Genetics, Animal Nutrition, Anatomy & Physiology, Soil Science, Horticulture, and Entomology.
- Two lab prep spaces:
  - Animal Sciences
  - Plant Sciences
- A small space for the sale of goods produced at the Ag Center by students, which may include meats, prepared foods, fresh fruit and vegetables, and ornamental plants.

### Covered Outdoor Animal Area

This facility will be a large, open-sided barn constructed with direct access into and out of the lab building, and will house a large area for flexible working and sorting for cattle, goats, and sheep. It will be a facility where students can work with animals, observe, and receive instruction. This space will also include teaching arenas for class activity and specialty areas for birthing.

### Greenhouse Planting

The greenhouse will provide space for research, teaching, and production. It will be built in close proximity to the laboratory building and will have access to a small covered outdoor prep area, demonstration gardens and test plots, and a forage garden.

Construction on this project is scheduled to start in August 2018, with substantial completion scheduled for May 2019. The total project budget is \$10,900,000.

### **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  
July 24, 2018

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 Farm Repair and Modernization Project, Tarleton State University, Stephenville, Texas (Project No. 04-3259)

I recommend adoption of the following minute order:

**“The project scope along with a project budget of \$10,900,000 for the Farm Repair and Modernization Project is approved.**

**The amount of \$9,000,000 is appropriated from Account No. 01-081041 Economic Stabilization Fund, and the amount of \$900,000 is appropriated from Account No. 01-084243 Permanent University Fund Debt Proceeds (AUF), for construction services and related project costs.**

**The Farm Repair and Modernization 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).”**

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

<b>FARM REPAIR AND MODERNIZATION</b> <b>TARLETON STATE UNIVERSITY</b> <b>PROJECT NO. 04-3259</b>	<b>PROJECT BUDGET</b>
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1. Amount Available for Construction Contract .....	\$ 8,297,000
2. Architectural/Engineering Fees .....	\$ 812,900
3. Physical Plant/Facility Services .....	\$ 10,000
4. Data / CIS .....	\$ 100,000
5. Program of Requirements.....	\$ 71,300
6. Owner Supplied Insurance .....	\$ 200,000
7. Testing and Air Balancing.....	\$ 108,000
8. Construction Materials Testing .....	\$ 50,000
9. Envelope Testing .....	\$ 20,000
10. A/V Equipment.....	\$ 188,500
11. Moveable Equipment .....	\$ 200,000
12. Moveable Furnishings .....	\$ 31,000
13. FP&C Project Management and Inspection Fees.....	\$ 289,009
14. Owner's Contingency .....	\$ 422,791
15. Miscellaneous .....	<u>\$ 99,500</u>
16. TOTAL ESTIMATED COST OF PROJECT .....	<u>\$10,900,000</u>

1. BOR Approval of Capital Plan ..... August 23, 2017
2. Issue A/E RFQ ..... February 1, 2018
3. Issue CMAR RFP ..... February 6, 2018
4. Receive A/E RFQ Responses..... February 27, 2018
5. Shortlist A/E Firms ..... March 6, 2018
6. Receive CMAR RFP Responses ..... March 6, 2018
7. Interview A/E Shortlist ..... March 20, 2018
8. Shortlist CMAR Firms ..... March 21, 2018
9. A/E Ranked Order Approved by Chancellor ..... March 29, 2018
10. Interview CMAR Shortlist..... April 3, 2018
11. CMAR Ranked Order Approved by Chancellor..... April 9, 2018
12. A/E Design Kickoff ..... April 16, 2018
13. Complete Schematic Design ..... May 29, 2018
14. Execute A/E Agreement ..... May 30, 2018
15. Execute CMAR Agreement ..... June 11, 2018
16. Receive GMP from CMAR ..... June 28, 2018
17. BOR Approval for Construction..... August 16, 2018
18. Begin Construction ..... August 31, 2018
19. Submit THECB Application ..... September 12, 2018
20. Complete Construction Documents ..... November 27, 2018
21. Substantial Completion..... May 2019
22. Owner Occupancy..... July 2019

**TARLETON STATE UNIVERSITY  
PERMANENT UNIVERSITY FUND  
04-3259 Farm Repair and Modernization  
Available University Fund**

<b>Dates</b>	<b>Outstanding Principal</b>	<b>Principal Amount</b>	<b>Interest Amount</b>	<b>Annual Total</b>
BONDS	910,000.00			
YEAR 1	880,000.00	30,000.00	40,950.00	70,950.00
YEAR 2	850,000.00	30,000.00	39,600.00	69,600.00
YEAR 3	820,000.00	30,000.00	38,250.00	68,250.00
YEAR 4	785,000.00	35,000.00	36,900.00	71,900.00
YEAR 5	750,000.00	35,000.00	35,325.00	70,325.00
YEAR 6	715,000.00	35,000.00	33,750.00	68,750.00
YEAR 7	675,000.00	40,000.00	32,175.00	72,175.00
YEAR 8	635,000.00	40,000.00	30,375.00	70,375.00
YEAR 9	595,000.00	40,000.00	28,575.00	68,575.00
YEAR 10	550,000.00	45,000.00	26,775.00	71,775.00
YEAR 11	505,000.00	45,000.00	24,750.00	69,750.00
YEAR 12	460,000.00	45,000.00	22,725.00	67,725.00
YEAR 13	410,000.00	50,000.00	20,700.00	70,700.00
YEAR 14	360,000.00	50,000.00	18,450.00	68,450.00
YEAR 15	305,000.00	55,000.00	16,200.00	71,200.00
YEAR 16	250,000.00	55,000.00	13,725.00	68,725.00
YEAR 17	190,000.00	60,000.00	11,250.00	71,250.00
YEAR 18	130,000.00	60,000.00	8,550.00	68,550.00
YEAR 19	65,000.00	65,000.00	5,850.00	70,850.00
YEAR 20	-	65,000.00	2,925.00	67,925.00
		<u>\$ 910,000.00</u>	<u>\$ 487,800.00</u>	<u>\$ 1,397,800.00</u>

Estimated rounding and issuance costs of \$10,000 are included in this schedule.  
Long-term rates are assumed to be 4.50%. Rates are subject to market change.  
Prepared by the Office of the Treasurer - Treasury Services 7/23/18

**Rates are subject to market change. Amounts are preliminary estimates that will be revised at the time bonds are issued.**



## FARM REPAIR AND MODERNIZATION

Tarleton State University

Project No. 04-3259



Agenda Item No.

**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 Electrical Systems Improvements Project, Texas A&M University, College Station, Texas (Project No. 02-2016)

**Background and Prior Actions:**

The Campus Electrical Systems Improvements Project was included as an approved project on the A&M System FY 2017-FY 2021 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 \$8,049,750 for construction services and related project costs; \$894,000 has been previously appropriated.
- (3) Approve construction of the Campus Electrical Systems Improvements 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>\$8,943,750</u>	\$694,458	Utility Revenue
Total Project Funds	<u>\$8,943,750</u>		

**Project Justification:**

This project will improve the electrical distribution system by replacing/upgrading existing feeders and equipment and installing new equipment and systems for better distribution, greater reliability, and improved safety.

**Scope:**

The project will replace undersized and aging equipment at the Agronomy Road Substation, replace aging feeders, and convert several pole-mounted feeders to underground service for improved reliability. Access platforms and ladders will be installed at emergency generator locations to improve access safety. Switchgear and distribution switches will be replaced to

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Agenda Item Briefing

remediate short circuit current exceedances and upgrade equipment at the end of useful life. Other improvements include improving power manhole vault pumping systems, improving relay coordination, and upgrading campus electrical monitoring and modeling to ensure high reliability and support the latest improvements. Maps showing the location of major elements of the project are included as an attachment.

Construction on this project is scheduled to start in September 2018 with substantial completion scheduled for August 2020. The total project budget is \$8,943,750.

**Other Major Fiscal Impacts:**

None.

Agenda Item No.

**TEXAS A&M UNIVERSITY**

Office of the President

June 22, 2018

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 Electrical Systems Improvements Project, Texas A&M University, College Station, Texas (Project No. 02-2016)

I recommend adoption of the following minute order:

**“The project scope along with a project budget of \$8,943,750 for the Campus Electrical Systems Improvements Project is approved.**

**The amount of \$8,049,750 is appropriated from Account No. 01-083540, Revenue Financing System Debt Proceeds (Utility Revenue), for construction services and related project costs.**

**The Campus Electrical 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**

Agenda Item No.  
June 22, 2018

**the Participants, on whose behalf the debt is issued, possess the financial capacity to satisfy their Direct Obligations.”**

Respectfully submitted,

Michael K. Young  
President

**Approval Recommended:**

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John Sharp  
Chancellor

**Approved for Legal Sufficiency:**

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Ray Bonilla  
General Counsel

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Billy Hamilton  
Executive Vice Chancellor and  
Chief Financial Officer

<b>CAMPUS ELECTRICAL SYSTEMS IMPROVEMENTS</b> <b>TEXAS A&amp;M UNIVERSITY</b> <b>PROJECT NO. 02-2016</b>	<b>PROJECT BUDGET</b>
--	-----------------------

1.	Amount Available for Construction Contract.....	\$7,519,291
2.	Owner Contingencies .....	\$447,000
3.	A/E Fees .....	\$753,865
4.	Project Management .....	<u>\$223,594</u>
5.	TOTAL ESTIMATED COST OF PROJECT.....	<u><u>\$8,943,750</u></u>

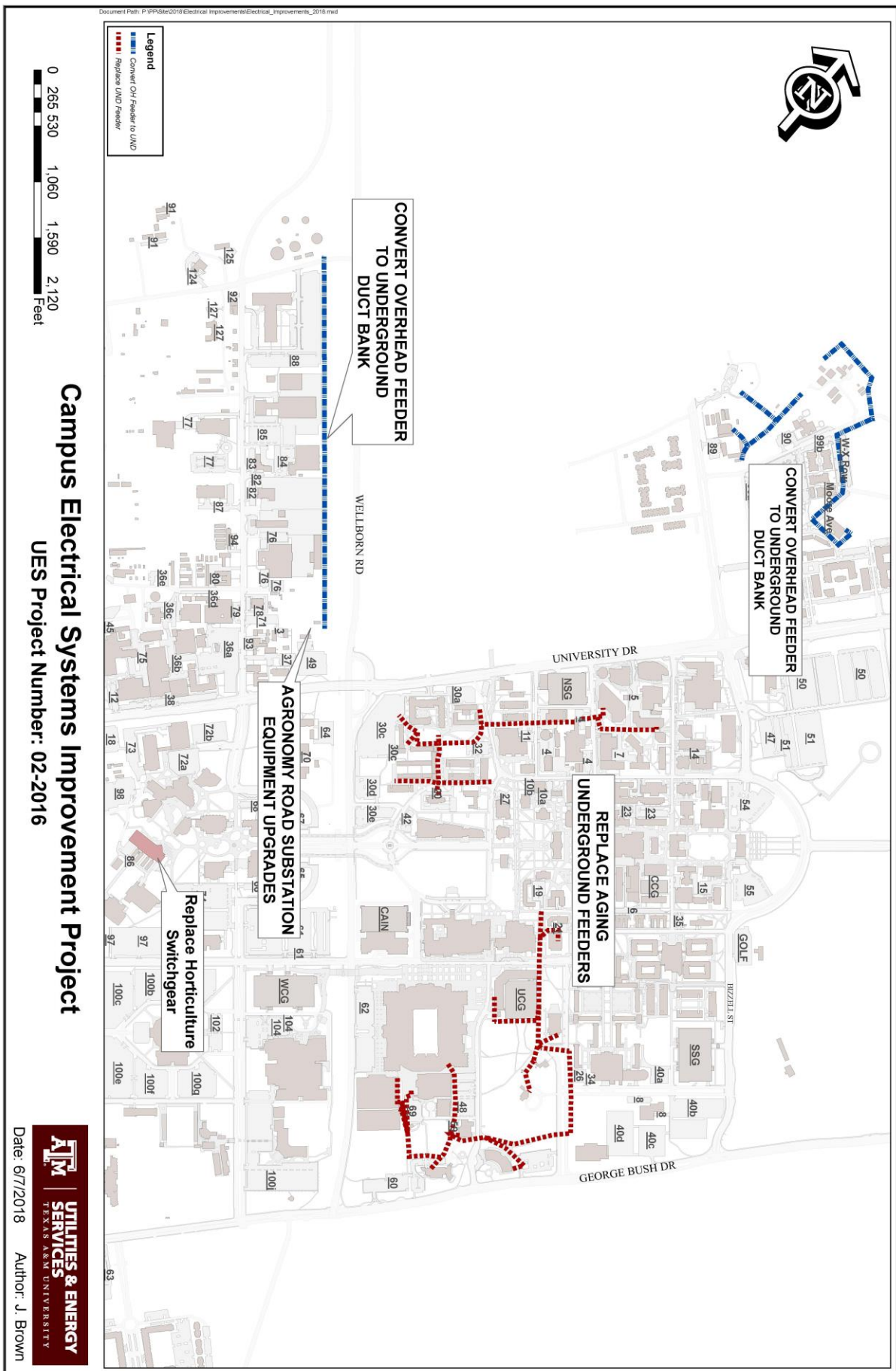
1. Issue A/E RFQ ..... November 8, 2016
2. RFQ Due ..... November 29, 2016
3. Execute A/E Agreement ..... May 14, 2017
4. Project Kickoff ..... May 19, 2017
5. 100% SD Review ..... July 21, 2017
6. 100% DD Review ..... January 16, 2017
7. 100% CD Review ..... May 18, 2018
8. Complete Construction Documents ..... June 18, 2018
9. Advertise for Competitive Sealed Proposals (CSP)..... June 21, 2018
10. Receive CSP's..... August 8, 2018
11. Complete CSP Evaluation..... August 10, 2018
12. Board of Regents Approval for Construction ..... August 16, 2018
13. Notice to Proceed with Construction ..... September 3, 2018
14. Substantial Completion ..... August 31, 2020

**TEXAS A&M UNIVERSITY  
REVENUE FINANCING SYSTEM  
Campus Electrical Systems Improvements  
Utility Revenue**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
BONDS	9,035,000.00				
YEAR 1	8,745,000.00	290,000.00	406,575.00	696,575.00	801,061.25
YEAR 2	8,445,000.00	300,000.00	393,525.00	693,525.00	797,553.75
YEAR 3	8,130,000.00	315,000.00	380,025.00	695,025.00	799,278.75
YEAR 4	7,800,000.00	330,000.00	365,850.00	695,850.00	800,227.50
YEAR 5	7,455,000.00	345,000.00	351,000.00	696,000.00	800,400.00
YEAR 6	7,095,000.00	360,000.00	335,475.00	695,475.00	799,796.25
YEAR 7	6,720,000.00	375,000.00	319,275.00	694,275.00	798,416.25
YEAR 8	6,330,000.00	390,000.00	302,400.00	692,400.00	796,260.00
YEAR 9	5,920,000.00	410,000.00	284,850.00	694,850.00	799,077.50
YEAR 10	5,490,000.00	430,000.00	266,400.00	696,400.00	800,860.00
YEAR 11	5,045,000.00	445,000.00	247,050.00	692,050.00	795,857.50
YEAR 12	4,580,000.00	465,000.00	227,025.00	692,025.00	795,828.75
YEAR 13	4,090,000.00	490,000.00	206,100.00	696,100.00	800,515.00
YEAR 14	3,580,000.00	510,000.00	184,050.00	694,050.00	798,157.50
YEAR 15	3,045,000.00	535,000.00	161,100.00	696,100.00	800,515.00
YEAR 16	2,490,000.00	555,000.00	137,025.00	692,025.00	795,828.75
YEAR 17	1,910,000.00	580,000.00	112,050.00	692,050.00	795,857.50
YEAR 18	1,300,000.00	610,000.00	85,950.00	695,950.00	800,342.50
YEAR 19	665,000.00	635,000.00	58,500.00	693,500.00	797,525.00
YEAR 20	-	665,000.00	29,925.00	694,925.00	799,163.75
		<u>\$ 9,035,000.00</u>	<u>\$ 4,854,150.00</u>	<u>\$ 13,889,150.00</u>	<u>\$ 15,972,522.50</u>

Estimated issuance costs and rounding of \$91,250 are included in this schedule.  
Long-term rates are assumed to be 4.50%. Rates are subject to market change.  
Prepared by the Office of the Treasurer - Treasury Services 6/8/18

**Rates are subject to market change. Amounts are preliminary estimates that will be revised at the time bonds are issued.**





# Construction Project Status Report

Effective 07/26/2018

Projects in Programming / Planning:	14 Projects	\$	395,463,500
Projects in Design:	8 Projects	\$	267,540,956
Projects in Bidding:	1 Projects	\$	11,430,000
Projects in Construction:	34 Projects	\$	1,834,076,769
<b>Combined Total:</b>	<b>57 Projects</b>	<b>\$</b>	<b>2,508,511,225</b>

## PROJECTS TO BE AUTHORIZED BY THE BOARD OF REGENTS

### Projects in Programming / Planning:

#### Bryan, TX

28-3252	Industrial Distribution Building #2	\$	17,866,000
01-3273	RELLIS Academic Complex - Phase II	\$	28,000,000
01-3270	RELLIS Workforce Training Facility	\$	15,000,000
28-3230	Rowlett Industrial Distribution Building	\$	18,640,000
28-3232	TEES Headquarters Building	\$	15,000,000
28-3231	TEES Industry Lab	\$	15,000,000

#### College Station, TX

09-3269	Fire Station-Classroom-Office Facility - Brayton Fire Field	\$	56,895,000
02-3267	South Campus Recreation Center	\$	35,062,500
02-3274	Swimming & Diving Expansion	\$	7,000,000
02-3272	Instructional Laboratory & Innovative Learning Building (ILSQ)	\$	85,000,000

#### Corpus Christi, TX

15-3179	Parking Garage - Island Campus	\$	39,000,000
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#### Ft. Worth, TX

02-3271	Law School Clinic & Garage	\$	31,000,000
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#### San Antonio, TX

09-TBD	New Building at H.B. Zachry Training Center	\$	22,000,000
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#### Stephenville, TX

04-3264	Aquatics Center	\$	10,000,000
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<b>Total of Projects in Programming / Planning</b>		<b>\$</b>	<b>395,463,500</b>
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## Projects in Design:

### Canyon, TX

02-3266	Texas A&M Veterinary Education, Research & Outreach Center	\$	22,000,000
20-3256	Texas Veterinary Medical Diagnostic Laboratory - Canyon	\$	15,600,000

### College Station, TX

02-3238	HVAC Replacement Aston Hall	\$	13,955,660
02-3254	Polo Garage	\$	78,367,296
09-3257	Water Wastewater Treatment System Expansion	\$	11,000,000

### Houston, TX

23-3258	En/Health Building Renovation	\$	85,718,000
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### San Antonio, TX

25-3255	Academic and Administration Building - Phase I	\$	30,000,000
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### Stephenville, TX

04-3259	Farm Repair & Modernization	\$	10,900,000
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<b>Total of Projects in Design</b>		<b>\$</b>	<b>267,540,956</b>
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## Projects in Bidding:

### College Station, TX

02-3220	Storm Water System Improvements	\$	11,430,000
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<b>Total of Projects in Bidding</b>		<b>\$</b>	<b>11,430,000</b>
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## Projects in Construction:

### Amarillo, TX

<b>18-3250</b>	<b>Amarillo Center Renovation - Phase II</b>	<b>\$</b>	<b>18,200,000</b>
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Wiley Hicks Jr., Inc.

Status: Behind Schedule

Substantial Completion Date: 08/01/2018  
Construction Work Completed: 80%

### Bryan, TX

<b>23-3203</b>	<b>Medical Research &amp; Education Building 2</b>	<b>\$</b>	<b>103,800,000</b>
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J. T. Vaughn Construction, LLC

Status: On Schedule

Substantial Completion Date: 03/13/2019  
Construction Work Completed: 69%

<b>01-3233</b>	<b>RELLIS Academic Complex - Phase I</b>	\$	42,000,000
	Hensel Phelps Construction, Inc.		
Status:	On Schedule	Substantial Completion Date:	06/07/2019
		Construction Work Completed:	17%
<b>01-3228</b>	<b>RELLIS Campus Infrastructure</b>	\$	55,675,000
	J. T. Vaughn Construction, LLC		
Status:	On Schedule	Substantial Completion Date:	12/17/2018
		Construction Work Completed:	87%
<b>12-3224</b>	<b>TTI Headquarters</b>	\$	70,000,000
	Bartlett Cocke General Contractors		
Status:	On Schedule	Substantial Completion Date:	01/18/2019
		Construction Work Completed:	69%

#### Canyon, TX

<b>18-3199</b>	<b>Agricultural Sciences Complex</b>	\$	49,036,000
	Western Builders		
Status:	On Schedule	Substantial Completion Date:	07/25/2018
		Construction Work Completed:	91%
<b>18-3226</b>	<b>Football Stadium</b>	\$	38,800,000
	Western Builders		
Status:	Just Starting	Substantial Completion Date:	06/28/2019
		Construction Work Completed:	1%
<b>18-3227</b>	<b>Renovate Jarrett Hall Phase II</b>	\$	14,330,000
	Western Builders		
Status:	On Schedule	Substantial Completion Date:	10/31/2018
		Construction Work Completed:	66%

#### College Station, TX

<b>02-3236</b>	<b>21st Century Classroom Building</b>	\$	85,000,000
	J. T. Vaughn Construction, LLC		
Status:	Just Starting	Substantial Completion Date:	05/29/2020
		Construction Work Completed:	1%
<b>02-3183</b>	<b>Aggie Softball Stadium</b>	\$	28,640,000
	Austin Commercial, LP		
Status:	On Schedule	Substantial Completion Date:	08/15/2018
		Construction Work Completed:	90%
<b>02-3184</b>	<b>Aggie Track &amp; Field Stadium</b>	\$	39,800,000
	Austin Commercial, LP		
Status:	On Schedule	Substantial Completion Date:	10/24/2018
		Construction Work Completed:	80%
<b>02-3208</b>	<b>Agriculture Building #5</b>	\$	49,000,000
	SpawGlass Construction, Inc.		
Status:	On Schedule	Substantial Completion Date:	05/07/2019
		Construction Work Completed:	30%

<b>02-3205</b>	<b>Biocontainment Research Facility</b>	\$	86,000,000
	J. T. Vaughn Construction, LLC		
Status:	On Schedule	Substantial Completion Date:	05/29/2019
		Construction Work Completed:	50%
<b>02-3155</b>	<b>Engineering Education Complex</b>	\$	228,660,000
	J. T. Vaughn Construction, LLC		
Status:	On Schedule	Substantial Completion Date:	09/06/2018
		Construction Work Completed:	93%
<b>02-3211</b>	<b>Music Activities Center</b>	\$	42,750,000
	SpawGlass Construction, Inc.		
Status:	On Schedule	Substantial Completion Date:	06/11/2019
		Construction Work Completed:	31%
<b>02-3235</b>	<b>Student Services Building</b>	\$	40,141,969
	J. T. Vaughn Construction, LLC		
Status:	On Schedule	Substantial Completion Date:	09/09/2019
		Construction Work Completed:	9%
<b>02-3177</b>	<b>West Campus Support Building</b>	\$	17,100,000
	Sedalco, Inc.		
Status:	Substantially Complete	Substantial Completion Date:	05/09/2018
		Construction Work Completed:	99.9%

#### Commerce, TX

<b>21-3186</b>	<b>Nursing &amp; Health Sciences Building</b>	\$	54,000,000
	BE&K Building Group		
Status:	On Schedule	Substantial Completion Date:	12/01/2018
		Construction Work Completed:	50%

#### Corpus Christi, TX

<b>15-3188</b>	<b>Life Sciences Research &amp; Engineering Building - Ph I</b>	\$	60,600,000
	Fulton Construction Corp./Coastcon Corp. JV		
Status:	On Schedule	Substantial Completion Date:	08/24/2018
		Construction Work Completed:	93%

#### Dallas, TX

<b>06-3192</b>	<b>Dallas AgriLife Center</b>	\$	34,000,000
	Sedalco, Inc.		
Status:	On Schedule	Substantial Completion Date:	11/19/2018
		Construction Work Completed:	82%
<b>23-3202</b>	<b>Dentistry Clinical Education Facility</b>	\$	127,500,000
	J. T. Vaughn Construction, LLC		
Status:	On Schedule	Substantial Completion Date:	11/15/2019
		Construction Work Completed:	25%

**Ft. Worth, TX**

<b>04-3191</b>	<b>Southwest Metroplex Building</b>	\$	40,800,000
Holder Construction Group, LLC			
Status:	On Schedule	Substantial Completion Date:	05/10/2019
		Construction Work Completed:	31%

**Galveston, TX**

<b>10-3197</b>	<b>Academic Building Complex Phase II &amp; Infrastructure</b>	\$	56,430,000
J. T. Vaughn Construction, LLC			
Status:	Substantially Complete	Substantial Completion Date:	07/09/2018
		Construction Work Completed:	95%

**Killeen, TX**

<b>24-3194</b>	<b>Multipurpose Building 3</b>	\$	36,000,000
Austin Commercial, LP			
Status:	On Schedule	Substantial Completion Date:	08/31/2018
		Construction Work Completed:	90%

**Kingsville, TX**

<b>17-3207</b>	<b>Education Complex</b>	\$	61,548,770
SpawGlass Construction, Inc.			
Status:	On Schedule	Substantial Completion Date:	06/17/2019
		Construction Work Completed:	44%

**Laredo, TX**

<b>16-3206</b>	<b>Addition of Instructional and Support Spaces</b>	\$	74,925,000
Bartlett Cocke General Contractors			
Status:	On Schedule	Substantial Completion Date:	03/08/2019
		Construction Work Completed:	65%

**McAllen, TX**

<b>02-3212</b>	<b>McAllen Multipurpose Academic Facility</b>	\$	40,001,000
BE&K Building Group			
Status:	Substantially Complete	Substantial Completion Date:	07/11/2018
		Construction Work Completed:	98%

**Prairie View, TX**

<b>05-3204</b>	<b>Capital Improvements</b>	\$	22,232,000
Flintco, LLC			
Status:	On Schedule	Substantial Completion Date:	05/02/2019
		Construction Work Completed:	30%
<b>05-3251</b>	<b>Energy Consumption Reduction Project - PVAMU</b>	\$	15,302,030
Ameresco			
Status:	On Schedule	Substantial Completion Date:	12/24/2018
		Construction Work Completed:	61%

**San Antonio, TX**

<b>25-3158</b>	<b>Science and Technology Building</b>	\$	63,000,000
SpawGlass Construction, Inc.			
Status:	On Schedule	Substantial Completion Date:	01/20/2019
		Construction Work Completed:	74%

**Stephenville, TX**

<b>04-3195</b>	<b>Applied Sciences Building</b>	\$	54,000,000
BE&K Building Group			
Status:	On Schedule	Substantial Completion Date:	01/14/2019
		Construction Work Completed:	39%
<b>04-3176</b>	<b>Memorial Stadium Renovation and Expansion</b>	\$	27,055,000
Sedalco, Inc.			
Status:	On Schedule	Substantial Completion Date:	10/27/2018
		Construction Work Completed:	45%
<b>04-3187</b>	<b>Utility and Infrastructure Improvements</b>	\$	25,750,000
Imperial Construction, Inc.			
Status:	Substantially Complete	Substantial Completion Date:	06/19/2018
		Construction Work Completed:	99.5%

**Texarkana, TX**

<b>22-3200</b>	<b>Academic &amp; Student Services Building</b>	\$	32,000,000
HOAR Construction			
Status:	On Schedule	Substantial Completion Date:	11/21/2018
		Construction Work Completed:	60%
<b>Total of Projects in Construction</b>		<b>\$</b>	<b>1,834,076,769</b>

**Private Development:****Bryan, TX**

01-3248	Blinn at RELLIS	\$	32,400,000
01-3262	Generators at RELLIS	\$	1,600,000

**College Station, TX**

02-3165	Century Square	\$	200,000,000
02-3247	TAMU Hotel and Conference Center	\$	134,160,000

**Commerce, TX**

21-3218	TAMU Commerce Freshman Housing	\$	30,000,000
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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
<b>Total of Private Development Projects</b>		<b>\$</b>	<b>484,650,746</b>

**THE TEXAS A&M UNIVERSITY SYSTEM**

Office of the Chancellor

June 7, 2018

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

Subject: Adoption of a Resolution Honoring Dr. Ray M. Keck, III as President of Texas A&M University-Commerce and Bestowing the Title of President Emeritus

I respectfully request the Board of Regents' approval of the following resolution honoring Dr. Ray M. Keck, III as President of Texas A&M University-Commerce.

“WHEREAS, Dr. Keck earned his A.B. degree in Romance Languages and Literature in 1969 and his Ph.D. in Romance Languages and Literature in 1978, both from Princeton University; and

WHEREAS, Dr. Keck began his 28-year career in higher education in 1979 as assistant professor of Spanish and Assistant to the President at Laredo State University (now Texas A&M International University) where he served for four years, taught secondary education in Virginia for 10 years before returning to Texas A&M International University in 1994 as professor of Spanish and chair of the Department of Language, Literature and Arts, in 1999 he was named Provost and Vice President for Academic Affairs at Texas A&M International University, and in 2001 was appointed President and served for 15 years; and

WHEREAS, Dr. Keck became the twelfth President of Texas A&M University-Commerce on November 10, 2016, after serving as Interim President since June 1, 2016; and

WHEREAS, Dr. Keck has published a variety of articles, essays, and a book and has made numerous presentations related to higher education and his academic discipline; and

WHEREAS, Dr. Keck is a noted scholar of J.S. Bach and has studied and played the organ since his undergraduate days, and has held posts as director of church music for parishes in New Jersey, Connecticut, Massachusetts, Virginia and Texas; and

WHEREAS, Dr. Keck advanced the expansion of the academic program at Texas A&M University-Commerce, which included the establishment of the College of Agricultural Sciences and Natural Resources, and new degree programs in electrical engineering and business analytics; and

WHEREAS, Dr. Keck led the university to launch a new first-year TRAC (Transforming Relationships & Academic Connections), revitalizing the freshman year experience, including signature courses taught by senior faculty for all freshman students; and

WHEREAS, during Dr. Keck's tenure, the university received the 2016 Star Award from the Texas Higher Education Coordinating Board for its Texas Affordable Baccalaureate (TAB) Program in Organizational Leadership (the state's first SACSCOC-approved competency-based baccalaureate degree offered by a public university); and

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June 7, 2018

WHEREAS, the university is expanding its TAB program by adding a Bachelor of Science Degree in Criminal Justice as a hybrid competency-based online program for certified first responders, military personnel, and adult learners with criminal justice employment experience; and

WHEREAS, as President, Dr. Keck oversaw the construction of a new residence hall at Texas A&M University-Commerce which opened in fall 2017 and a state-of-the art Nursing and Health Science Center scheduled for occupancy in spring 2019; and

WHEREAS, during Dr. Keck's presidency, Texas A&M University-Commerce Lion student athletes garnered six Lone Star Conference Championships, had 17 NCAA Championship appearances, boasted four individual National Championships, and claimed the 2017 NCAA Division II Football National Championship; 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 Dr. Ray M. Keck, III to Texas A&M University-Commerce 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 Texas A&M University-Commerce, with all the rights and privileges pertaining thereto, upon Dr. Ray M. Keck III; 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. Keck and to the Archives of Texas A&M University-Commerce as a permanent mark of this Board's appreciation and gratitude to him for a job well done.

ADOPTED, this 16<sup>th</sup> day of August 2018."

Respectfully submitted,

John Sharp  
Chancellor

**Approval Recommended:**

**Approved for Legal Sufficiency:**

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Billy Hamilton  
Executive Vice Chancellor and  
Chief Financial Officer

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Ray Bonilla  
General Counsel



Agenda Item No.

**THE TEXAS A&M UNIVERSITY SYSTEM**  
Office of the Vice Chancellor and Dean of Engineering  
June 6, 2018

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

Subject: Adoption of a Resolution Honoring Gary F. Sera for His Outstanding Dedication and Service as Agency Director of the Texas A&M Engineering Extension Service

I respectfully request the Board of Regents' approval of the following resolution honoring Mr. Gary F. Sera's service to the Texas A&M Engineering Extension Service and The Texas A&M University System upon his upcoming retirement.

"WHEREAS, Gary Sera has faithfully served The Texas A&M University System for 30 years – from September 5, 1988 through August 31, 2018 – most recently as the seventh agency director of the Texas A&M Engineering Extension Service (TEEX), which is widely known as the largest and finest organization for emergency preparedness, response and recovery training in the United States; and a highly reputable training and professional development resource for public and private entities in the areas of fire, law enforcement, infrastructure, incident management, safety, workforce development, cyber security, emergency medical services and forensics; and

WHEREAS, Mr. Sera received a bachelor's degree in mathematics from California State University and a master's degree in industrial engineering from the University of Arizona; and

WHEREAS, Mr. Sera began his TEEX career as an assistant program manager in 1988, and undertook increased leadership responsibilities throughout the years, serving as a program coordinator, regional coordinator, assistant program manager, program manager, division head, interim agency director and agency director since 2008; and

WHEREAS, with his extensive experience in manufacturing technology commercialization, technical assistance, and technology transfer with a focus on economic development, Mr. Sera served as the Chairman of the Executive Council, Texas Manufacturing Assistance Center working collaboratively with the U.S. Department of Commerce to serve manufacturers in the state of Texas; and

WHEREAS, Mr. Sera served as Director of the Mid Continent Technology Transfer Center, a NASA sponsored center focused on the delivery of technology commercialization services in a 12 State Region, and he developed a Graduate Assistance Program that leveraged MBA students from the Mays Business School at Texas A&M University to perform work with NASA, the U.S. Department of Commerce and the private sector; and

WHEREAS, during his tenure as TEEX's agency director, from 2008 to 2018, the agency's annual gross revenue grew by 24% from \$81 million to \$100 million and equity by 50% from \$65 million to \$97.5 million. During this tremendous growth of services provided and enhancing facilities, the

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June 6, 2018

agency director leveraged financial opportunities which moved the agency's Composite Financial Index (CFI) from 0.36 to 6.21 which provided financial sustainability well beyond the minimum target of 3.0; and

WHEREAS, during the same time period, TEEX served a total of two million training participants, totaling 30.6 million contact hours; and

WHEREAS, during his leadership, TEEX's training facilities across the state of Texas expanded from 317,500 square feet in 2008 to 506,905 square feet in 2017; and

WHEREAS, Mr. Sera has overseen the development and expansion of current TEEX facilities, including the RELLIS campus facilities enhancements for Police Academy Training including Wiatt Physical Skills facility and Training Track, a 300 meter rifle range, a rifle pavilion, and a driving skills skid pad; and

WHEREAS, the Brayton Fire Field was expanded to include the Henry D. Smith Building Complex, an Emergency Operations Training Center, a Rescue Training Building, a Bunker Gear Drying Building, a Self-Contained Breathing Apparatus Building, an EMS lab, a Structural Burn Building, an environmentally friendly water wastewater treatment system, White Creek Bridge, and numerous training props such as derailed railway cars and canine rescue training; and

WHEREAS, TEEX purchased the Gateway Building as a permanent home for Texas Task- Force 1, providing a staging area for first responders and warehouse storage of critical rescue equipment. The first responders' cache has been expanded to enhance safety and capacity of rescues. The TEEX Galveston facility was renovated to enhance the marine training provided by TEEX. With the enlarged contract for Texas manufacturing, TEEX opened a training office in Houston by leasing a facility in the energy sector to serve this industry; and

WHEREAS, Mr. Sera articulated and championed a vision of strategic planning, strategic business development, training diversification and partnerships and oversaw the creation of an overarching stretch goal of serving 300,000 training, exercise and technical assistance participants by the year 2030. His vision included engaging and leveraging 'TEEXans' at all levels, positions and disciplines as key contributors; and

WHEREAS, during his tenure as agency director, Mr. Sera began a comprehensive employee focused improvement and staff development program to include health and wellness, a reimbursable tuition assistance program, a staff development training program and an executives, supervisors and managers leadership training program with coaching and mentoring components that provide a roadmap and succession plan for TEEX's future; and

WHEREAS, Mr. Sera's collaborative initiatives with other A&M System members include 28 articulation agreements with several other universities and colleges with the intent of providing the highest value to the workforce; and

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WHEREAS, under Mr. Sera's leadership, TEEX has been recognized and sought after by foreign countries including Qatar, Abu Dhabi, and China and organizations to provide technical assistance and training; and

WHEREAS, Mr. Gary Sera has dedicated 30 years – a significant portion of his professional life – toward advancing the national and international reputation of TEEX and The Texas A&M University System, where he is well-respected among his peers; now, therefore, be it

RESOLVED, that we, the members of the Board of Regents of The Texas A&M University System, gratefully acknowledge the dedication and service of Mr. Gary Sera to TEEX and The Texas A&M University System and offer our heartiest congratulations on his retirement 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 Mr. Sera and to the Archives of Texas A&M University as an expression of appreciation and respect for Mr. Gary F. Sera.

ADOPTED, this 16th day of August 2018.”

Respectfully submitted,

M. Katherine Banks  
Vice Chancellor and Dean of Engineering

**Approval Recommended:**

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John Sharp  
Chancellor

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Billy Hamilton  
Executive Vice Chancellor and  
Chief Financial Officer

**Approved for Legal Sufficiency:**

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Ray Bonilla  
General Counsel

**THE TEXAS A&M UNIVERSITY SYSTEM**

Office of the Chancellor

July 13, 2018

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

Subject: Adoption of a Resolution Recognizing Officials of The Texas A&M University System for Their Contributions to the Successful Bid for the Management and Operation of Los Alamos National Laboratory

The Office of the Chancellor respectfully submits the following resolution to the Board of Regents honoring the regents, employees and faculty of The Texas A&M University System and its members who made significant contributions to the successful bid for the management and operation of Los Alamos National Laboratory.

WHEREAS, Los Alamos National Laboratory, located in northern New Mexico, is the nation's premier laboratory devoted to nuclear security. Owned by the U.S. Department of Energy, the 38 square mile facility was home to the Manhattan Project which greatly assisted the United States and its allies in successfully ending World War II. Today, with more than 11,000 employees and an annual operating budget exceeding \$2.5B, Los Alamos has become home to a workforce of nuclear engineers, physicists and other highly trained professionals dedicated to many of the most compelling technical and scientific issues of the nuclear era. This world-class science and technology center has been managed by the University of California for most of the last 75 years; and

WHEREAS, Vice Chancellor Katherine Banks, recognizing in late 2016 that the Department of Energy was likely to hold a competition for the contract to manage Los Alamos, led a small team of Texas A&M System personnel with significant experience in the nuclear security labs to explore team options with prospective partners. The team included Dr. Marvin Adams, a faculty member in nuclear engineering with extensive experience with the nuclear weapons complex and research of nuclear security issues; Dr. Diane Hurtado, an aerospace engineer in the Texas A&M University Office of Government Relations with significant work experience at the sister Sandia National Laboratory, and Assistant Vice Chancellor Scott Sudduth in the Office of the Chancellor with a decade of experience in the management and operations of Los Alamos from previous service with the University of California; and

WHEREAS, Regent Anthony G. Buzbee provided board oversight and review of this complex proposal and its impact on the mission of the A&M System; advised Dr. Banks on key terms and conditions important to the A&M System during the teaming negotiations; and will serve on the Triad National Security LLC Board of Governors to further represent the interests and commitments of the A&M System; and

WHEREAS, Dr. Banks engaged in discussions with many prospective partners before concluding that teaming with the Battelle Memorial Institute, a nonprofit research and development company from Columbus, Ohio, and the University of California brought together complementary strengths and experience critical to the successful management of the Los Alamos National Laboratory. Hence, Triad National Security LLC was established in late fall 2017; and

WHEREAS, Dr. Banks, Dr. Adams, Dr. Hurtado and Mr. Sudduth represented the institutional interests of The Texas A&M University System in the team proposal center and contributed significantly to identifying key personnel and winning strategies for the Triad management team; and

WHEREAS, on June 08, 2018, the National Nuclear Security Administration announced the selection of Triad National Security LLC to manage and operate Los Alamos National Laboratory, effective November 1, 2018; and

WHEREAS, this decision recognizes the outstanding experience of the Texas A&M University College of Engineering, and the expertise of the Texas A&M Engineering Experiment Station and the Texas A&M Engineering Extension Service, and the commitment of The Texas A&M University System to public service in the national interest; now, therefore, be it

RESOLVED, that we, the members of the Board of Regents of The Texas A&M University System, wish to publicly honor Regent Anthony G. Buzbee, Vice Chancellor Katherine Banks, Dr. Marvin Adams, Dr. Diane Hurtado, and Assistant Vice Chancellor Scott Sudduth for their outstanding professionalism, commitment, and exemplary service to the state of Texas and our campus communities; 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 and be presented to the Chief Executive Officers of the respective institutions for appropriate display.

ADOPTED, this 16<sup>th</sup> day of August 2018.”

Respectfully submitted,

John Sharp  
Chancellor

**Approval Recommended:**

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Billy Hamilton  
Executive Vice Chancellor and  
Chief Financial Officer

**Approved for Legal Sufficiency:**

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Ray Bonilla  
General Counsel

Agenda Item No.

**AGENDA ITEM BRIEFING**

**Submitted by:** John Sharp, Chancellor  
The Texas A&M University System

**Subject:** Appointment of Vice Chancellor for Engineering and National Laboratories, The Texas A&M University System

**Proposed Board Action:**

Appoint Dr. Margaret K. Banks as Vice Chancellor for Engineering and National Laboratories of The Texas A&M University System, effective immediately.

**Background Information:**

This agenda item seeks to appoint Dr. Margaret K. Banks as Vice Chancellor for Engineering and National Laboratories of The Texas A&M University System, effective immediately. Dr. Banks has served as the A&M System's Vice Chancellor for Engineering since 2012. This title change will clearly define Dr. Banks' role as the point person for the A&M System's management of Los Alamos, our Pantex connection, and other future engagements between the A&M System and national laboratories.

System Policy *01.03, Appointing Power and Terms and Conditions of Employment*, states that the Board of Regents shall appoint vice chancellors.

**A&M System Funding or Other Financial Implications:**

None.

Agenda Item No.

**THE TEXAS A&M UNIVERSITY SYSTEM**

Office of the Chancellor

June 13, 2018

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

Subject: Appointment of Vice Chancellor for Engineering and National Laboratories, The Texas  
A&M University System

I recommend adoption of the following minute order:

**“Dr. Margaret K. Banks is hereby appointed Vice Chancellor for  
Engineering and National Laboratories of The Texas A&M University  
System, effective immediately.”**

Respectfully submitted,

John Sharp  
Chancellor

**Approval Recommended:**

**Approved for Legal Sufficiency:**

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Billy Hamilton  
Executive Vice Chancellor and  
Chief Financial Officer

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Ray Bonilla  
General Counsel

Agenda Item No.

**AGENDA ITEM BRIEFING**

**Submitted by:** John Sharp, Chancellor  
The Texas A&M University System

**Subject:** Appointment of Deputy Chancellor and Chief Financial Officer, The Texas A&M University System

**Proposed Board Action:**

Appoint Mr. Billy Hamilton as Deputy Chancellor and Chief Financial Officer of The Texas A&M University System, effective immediately.

**Background Information:**

This agenda item seeks to appoint Mr. Billy Hamilton as Deputy Chancellor and Chief Financial Officer of The Texas A&M University System, effective immediately. Mr. Hamilton has served as the System's Executive Vice Chancellor and Chief Financial Officer since 2013. System Policy *01.03, Appointing Power and Terms and Conditions of Employment*, states that the Board of Regents shall appoint deputy chancellors.

**A&M System Funding or Other Financial Implications:**

None.



Agenda Item No.

**THE TEXAS A&M UNIVERSITY SYSTEM**

Office of the Chancellor

May 29, 2018

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

Subject: Appointment of Deputy Chancellor and Chief Financial Officer, The Texas A&M University System

I recommend adoption of the following minute order:

**“Mr. Billy Hamilton is hereby appointed Deputy Chancellor and Chief Financial Officer of The Texas A&M University System, effective immediately.”**

Respectfully submitted,

John Sharp  
Chancellor

**Approved for Legal Sufficiency:**

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Ray Bonilla  
General Counsel

**\*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.**