MINUTES

OF THE

MEETING OF THE

BOARD OF REGENTS

OF

THE TEXAS A&M UNIVERSITY SYSTEM

HELD IN

COLLEGE STATION, TEXAS

January 22, 2009

(Approved March 26-27, 2009)
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CONVENE – THURSDAY, JANUARY 22, 2009

Mr. Bill Jones, Chairman, convened a regular meeting of the Board of Regents of The Texas A&M University System (TAMUS) at 11:44 a.m., Thursday, January 22, 2009, in the Board Meeting Room on the campus of Texas A&M University (TAMU), College Station, Texas. The following members of the Board were present:

Mr. Bill Jones, Chairman  
Mr. John D. White, Vice Chairman  
Dr. Richard A. Box  
Mr. Morris Foster  
Mr. Lupe Fraga  
Mr. Gene Stallings  
Ms. Ida Clement Steen  
Mr. Jim Wilson  
Mr. Anthony Cullins, Student Regent

The following member of the Board was not present when the meeting convened:

Mr. Erle Nye (joined meeting at 12:30 p.m.)

Mr. Jones announced that a quorum of the Board was present.

(Secretary’s Note: Dr. Richard A. Box was appointed by Governor Rick Perry, effective December 8, 2008, to serve as a Member of the Board of Regents of The Texas A&M University System. Dr. Box, of Austin, Texas, was attending his first Board meeting. He replaced Mr. J.L. Huffines of Dallas, Texas, who resigned effective December 6, 2008).

RECESS TO EXECUTIVE SESSION

Mr. Jones announced that the Board would recess to executive session to consider matters as provided in Chapter 551 of the Texas Government Code: Section 71 for consultation with system attorneys regarding legal matters or pending and/or contemplated litigation or settlement offers; Section 72 for deliberations regarding the purchase, exchange, lease or value of real property; Section 73 for deliberations regarding negotiated contracts for prospective gifts or donations; and Section 74 for deliberations regarding personnel matters relating to appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of an officer or employee, or to hear complaints or charges against an officer or employee (including Items 35 through 39).

Mr. Jones said in accordance with the law, no final action, decision, or vote with regard to any matter considered in the executive session would be made or taken.
RECONVENE IN OPEN SESSION AND RECESS

Mr. Jones reconvened the meeting in open session at 1:05 p.m. and announced that the Board had met in executive session from 11:45 a.m. until 1:05 p.m. and considered executive session agenda items and conferred with the Chancellor; several system and university administrators; and system attorneys on personnel, land and legal matters.

Mr. Jones recessed the meeting at 1:07 p.m. and announced that the Board would reconvene in Room 292 of the Memorial Student Center (MSC).

RECONVENE AND INVOCATION

Mr. Jones reconvened the meeting at 1:25 p.m., MSC, Room 292. He called on Ms. Amanda Turk, from Bryan, Texas, a senior at Texas A&M majoring in political science, who presented the invocation.

CHAIRMAN’S REMARKS

Mr. Jones introduced Dr. Richard A. Box, the newest member of the Board. He said that Dr. Box had received his bachelor’s degree from Texas A&M University in 1961 and a doctorate of dental science from the University of Texas Dental Branch in Houston in 1966. Dr. Box, a doctor of dental surgery, has his private practice in the Austin area. Mr. Jones said that Dr. Box is a member of the American and Texas Dental Associations and American and Texas Academies of General Dentistry. He was a member of the Capitol Area Boy Scouts Board of Directors, Texas A&M Lettermen’s Association, 173rd Airborne Brigade Association, and the National Guard Association of Texas. Mr. Jones said that Dr. Box will serve on the Committee on Finance, the Committee on Buildings and Physical Plant and is the Board’s special liaison for the 12th Man Foundation.

Dr. Box said that it was truly by happenstance that he was serving. He said that Mr. Huffines was a man who did a great deal for Texas A&M, the A&M System and the State of Texas. He loved Central Texas, and was a great American.

Dr. Box said that he was very humbled to be in the position. He said he knew he could not fill Mr. Huffines’ shoes, but he would do the best he could.

Mr. Jones announced that the Board would consider Item 29 (Adoption of a Resolution Honoring the Memory of J.L. Huffines) out of order. He said that there had been no requests for public testimony on this item.

Mr. Jones said every now and then you meet a man who has touched the lives of many, who loved his God, loved and served his country, loved and served his state and loved and served the fine institution known as Texas A&M. He said that Mr. Huffines’ name adorns buildings around the campus, scholarships upon which students have been educated and had
been a benefit to many who will never know who provided that benefit. Mr. Jones then read the resolution.

Mr. Nye moved adoption of the resolution. Mr. White seconded the motion. Mr. Jones announced that they had a motion and a second. Before the vote, he invited comments by members of the Board.

Mr. Nye said he had the privilege to know Mr. Huffines. He said a hole would be left in many communities, the A&M System and in many of their hearts. He said he was a special person of unique qualities that exemplifies what he believed was the best of Texas A&M.

Mr. Jones said he could safely say that there was not anyone on the Board, affiliated with the Board or that had ever come in contact with the Board while Mr. Huffines served, that did not enjoy working with him. He said everybody loved Mr. Huffines and Mr. Huffines loved everybody. Mr. Jones said his last statement to Mr. Huffines was during the Christmas holiday. He said in the conversation they were trying to set up a date that they could go to Dallas to honor him. At the end of the conversation, Mr. Huffines said “now Bill, if Texas A&M or the System needs anything you make sure you call me.” Mr. Jones said the beauty of that statement was that Mr. Huffines was not saying it just to be nice -- he meant it. He said Mr. Huffines left a shining example for them to follow and they were honored to have served with him.

Mr. Jones thanked Dr. Elsa Murano, President of TAMU; Lieutenant General John Van Alstyne, Commandant of the Corps of Cadets; members of the Corps of Cadets, General Joseph F. Weber, Vice President for Student Affairs; the Ross Volunteers; members of Texas Aggie Band; Singing Cadets; and the Texas A&M athletic department for honoring Mr. Huffines at his funeral and burial services.

Mr. Jones called for a vote on the adoption of the resolution. The Board took action as set forth below:

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MINUTE ORDER 001-2009 (AGENDA ITEM 29)

ADOPTION OF A RESOLUTION HONORING THE MEMORY OF
MR. J.L. HUFFINES,
BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM

On motion of Mr. Nye, seconded by Mr. White and by a unanimous vote, the following minute order was adopted:

Whereas, Mr. Huffines served with distinction as a member of the Board of Regents of The Texas A&M University System until December 2008, having been appointed by Governor Rick Perry in July 2007; and

Whereas, he was a member of the Texas A&M University Class of 1944, earning a Bachelor of Science degree in Economics and Accounting; and
Whereas, Mr. Huffines served his country in the United States Army in both World War II and the Korean War, achieving the rank of First Lieutenant; and

Whereas, for his valiant service, he received the American Campaign Medal, World War II Victory Medal, Army of Occupation Medal with Germany Clasp and the National Defense Medal; and

Whereas, he was highly generous in his gifts to his alma mater and shared his talents in support of the programs and activities of Texas A&M University; and

Whereas, Mr. Huffines’ long history of distinguished service to his alma mater and his many professional and personal accomplishments prompted the Board of Regents of The Texas A&M University System in June 2003, to name the Institute for Sports Medicine and Human Performance at Texas A&M University the Sydney and J.L. Huffines Institute for Sports Medicine and Human Performance; and

Whereas, his generous and strong support of Aggie sports prompted the Board of Regents of The Texas A&M University System in December 2008, to name the Cox-McFerrin Center for Aggie Basketball weight room at Texas A&M University the J.L. Huffines, Jr. ’44 Weight Room; and

Whereas, J.L. Huffines received the Texas A&M University Distinguished Alumnus Award and was inducted into the Corps of Cadets Corps Hall of Honor; and

Whereas, Mr. Huffines served as President of the 12th Man Foundation and was an Honorary Lifetime Member of the Texas A&M Lettermen’s Association; and

Whereas, he served on the Chancellor’s 21st Century Council of Advisors and the Evans Library Capital Campaign at Texas A&M University; and

Whereas, Mr. Huffines was a Trustee of the Medical School Foundation Board at the University of Texas Southwestern Medical Center and a former Board Member of the Department of Mental Health and Mental Retardation and a past Chairman of the Texas State Senior Colleges Board of Regents; and

Whereas, J.L. Huffines enjoyed a successful career in the auto dealership industry; and

Whereas, J.L. Huffines was a well-known business leader in Texas as reflected by the many honors he received including a Life Member Award from the Salesmanship Club of Dallas and the Jimmy Williams Distinguished Service Award from the Dallas A&M Club; and

Whereas, his legendary role as Chairman of the Huffines Auto Dealerships in the North Texas region earned him the Jack Smith Leadership Award from General Motors, Inc., as well as the 50 Year Dealer Award, Mark of Excellence Award and Legion of Leaders Award from Chevrolet, Inc.; and
Whereas, Mr. Huffines served on the Board and was a Life Member of the State Fair of Texas and past Chairman of the Cotton Bowl Athletic Association; and

Whereas, he was inducted into the Lewisville High School Hall of Fame; and

Whereas, J.L. Huffines received the Outstanding Citizen of the Year Award from the Greater Lewisville Chamber of Commerce; and

Whereas, Mr. Huffines served with distinction on the Board of Regents of The Texas A&M University System as a member of the Committee on Finance and the Committee on Buildings and Physical Plant; and

Whereas, Mr. Huffines also served as the Board’s Special Liaison for the 12th Man Foundation, Executive Committee of the Panhandle Plains Historical Museum and Presidential Search Committee for Texas A&M University-Texarkana; and

Whereas, The Texas A&M University System and the State of Texas acknowledge Mr. Huffines’ lifetime contributions to Texas higher education, Texas A&M University and The Texas A&M University System, and recognize that he touched the lives of many Texans; and

Whereas, J.L. Huffines’ contributions to this Board are incalculable and his friendship to all of us invaluable; now, therefore, be it

Resolved, that we, the members of the Board of Regents of The Texas A&M University System, express our deepest gratitude and respect for his distinguished service; and, be it, further

Resolved, that in honor of his esteemed service, the title of Regent Emeritus of the Board of Regents of The Texas A&M University System is hereby posthumously bestowed upon Mr. J.L. Huffines; and, be it, further

Resolved, that this resolution be spread upon the minutes, and copies thereof be signed by the Chairman of the Board of Regents of The Texas A&M University System, and be sent to Mr. J.L. Huffines’ family and to the Archives of The Texas A&M University System as a permanent mark of the respect of this Board for the life and work of the late J.L. Huffines, and as a token of this Board’s sympathy in his family’s great loss.

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Mr. Stallings said the 12th Man scholarship was started many years ago and at that time they gave 50 for $1,200 each. He said Mr. Huffines was one of the original 50. Mr. Stallings said Mr. Huffines had done extremely well, had been a great friend of Texas A&M, and would be greatly missed.

Mr. Jones acknowledged the members of the Huffines family who were present: Mrs. Sydney Huffines, Mr. and Mrs. Ray Huffines and their daughter Mollie Huffines.
Mr. Ray Huffines thanked the Board for the resolution and said he was honored and proud to be a member of the class of 1974. He said his daughter Mollie was a member of the class of 2011 and they loved Texas A&M.

Legislative Update

Mr. Jones said they are ready to start another legislative session. He said it is interesting times for those in higher education state-supported institutions as they wait anxiously to see how much money they will have over the next biennium. He said everyone had probably read about the economic conditions we are facing, not only in our country, but specifically our state. He said while the state of Texas appears to be more poised to address some of these issues than other states who are suffering billions of dollars in deficits, we have billions of dollars in excess or “rainy day” funds. He said it would be difficult to say what would happen during this session, but everyone should brace themselves for significant cutbacks, making sure needs are met and wants are put on hold for awhile. Mr. Jones said it would be a challenging time for everyone.

Mr. Jones said statistics published in various studies indicate where Texas falls in the educated population. He said if you look at some of the studies, you would find that Texas, in terms of a highly educated population, ranks consistently in the 40’s out of the 50 states. He said we have our work cut out for us to educate those who are coming through our system with reduced funds. He said he applauded those who had looked at their institutions internally to determine what they could do to educate more Texans, whether it is with long distance learning opportunities or other such opportunities that make higher education more affordable and accessible to more Texans. Mr. Jones said simply because we are going through tough economic times does not mean that we have to stop doing what we do. He said we have to figure out a way to get the job done despite economic times. Education of the mind should not be completely dependent upon the availability of funds.

Helicopter Tragedy at Texas A&M University

Mr. Jones spoke briefly about a recent crash of a helicopter on the campus of TAMU. He said on one hand it was fortunate that no current student was seriously injured, but at the same time, they know that there are families who are suffering tremendously from the loss they experienced including the families of Second Lieutenant Zachary Cook, a recent graduate of TAMU, and Sergeant Charles Mitts. Mr. Jones extended his sympathy to the families and the remaining crewmembers who were still hospitalized. He said he applauded the heroic actions of the individuals who assisted the victims.

CHANCELLOR’S REMARKS

Dr. Mike McKinney, Chancellor, said the appearance of the annual financial report was different. He said their intention was to produce the System’s strategic plan in a similar way in order to have some continuity in appearance and show there is a connection between the financial statements and their strategic plans. He said the financial report replaced two
publications—*My Future* and the fact book. Dr. McKinney said the publication would be a useful tool in recruiting for the System’s institutions.

Dr. McKinney said they have completed collection for the Teaching Excellence Awards at TAMU, Texas A&M University-Kingsville (TAMU-K) and Prairie View A&M University (PVAMU). He said they were waiting on the compilation of scores and that awards would hopefully be presented before the next meeting. Dr. McKinney said this is a pilot program and they will need to make changes. He said the plan is to have an award program at each institution. The award is based on teaching as evaluated by students.

Mr. Nye inquired how the program was being received by faculty. Dr. McKinney responded and said they have received criticism from people who did not volunteer for the program. Dr. McKinney said the first concern expressed was that he was getting input from the students and he was making all the decisions, which Dr. McKinney said was never the case. He said the fact the program is student-run, organized, calculated and the awards the teachers receive would come from the students lessened some of the criticism. He said they have been criticized as to whether the program is the most effective way to appraise teacher effectiveness.

Dr. McKinney said 300 faculty signed up at TAMU, 108 at PVAMU and 91 at TAMU-K. Mr. Nye asked what their arguments were. Dr. McKinney said some feel that it is a popularity contest. He said one headline read “Teachers Paid by Applause Meter.” Some say you miss a lot of the details on teaching if you only ask the students. He said he did not argue with this and felt they were right. He said they did not think that this was the way to do it – there should be more than one appraisal process -- one appraisal process should never be alone.

Mr. Nye asked if there were implications that they were tempting faculty members to be popular rather than effective. Dr. McKinney said he thought they would say two things. First, they would say that you have the potential for some faculty members to give good grades to get a vote. Second, they would say that students could not differentiate between a good teacher and an easy or nice teacher. Dr. McKinney said that his approach was that both statements were an insult to the faculty, that they would stoop to that point or an insult to the students that they cannot differentiate. Dr. McKinney said he was concentrating on doing what they set out to do, which is to get more money in the hands of good teachers and have the students be the ones to say who the good teachers are.

Mr. Jones asked if they have heard from any faculty who think it’s a good idea. Dr. McKinney responded in the affirmative noting that 300 have volunteered at TAMU and 100 at the other two locations. He said that it has been an interactive process and some faculty, even the opposition, are not as stringent as they were when they first started.

Mr. Jones inquired if the questions of the students at Texas A&M were the same questions at Prairie View and Kingsville. Dr. McKinney responded that they used the same questionnaire. He said when the students took the project over, they did a better job with it than we were going to do. He said the extra processes the students at TAMU added were helpful.
Mr. Fraga asked when they anticipated writing the first check. Dr. Frank Ashley, Vice Chancellor for Academic Affairs, responded February 1. Dr. McKinney said awards would go to the top 18 percent of the volunteers and the range of the checks would be from $2,500 to $10,000.

Update on Texas A&M University at Galveston

Dr. Bowen Loftin, Vice President and CEO of Texas A&M University at Galveston (TAMUG), said on September 24, 2008, he made two promises: they would graduate their fall students in Galveston in December and they would return for regular classes in January. He said they kept both promises and they have a record enrollment for the spring semester.

Dr. Loftin said the job was not done. They have issues regarding their waterfront and their small boats. He said they work with the Federal Emergency Management Agency (FEMA) daily. They are on track to complete recovery and with support from the Board and the Legislature this session, they would be in great shape in the fall.

Dr. Loftin thanked Dr. Murano and the Aggie family for providing a home during the fall semester. He said it was an extraordinary experience.

Mr. Nye asked if students were finding adequate housing. Dr. Loftin responded barely and that they were able to secure additional housing on the Island, which increases their capacity considerably. He said as far as he knew all students had found housing on the Island. Dr. Loftin said the sad thing is that it is more expensive, because of limited housing.

Enrollment Benchmarks at System Centers

Dr. McKinney reported that they have now nurtured and built enrollment benchmarks at system centers up to a point. He said Tarleton State University System Center-Central Texas has reached an enrollment of 1,150 fulltime student equivalents (FTEs), which is a sufficient number to become an independent university. He said they have begun transition, working with Dr. Dominic Dottavio, President of TSU, Central Texas, the Texas Higher Education Coordinating Board (THECB) and our finance people in laying out the path to independence. Dr. McKinney said not to mistake independence for self-sufficiency, as they still need help from the Legislature.

Texas A&M University-Kingsville System Center-San Antonio

Dr. Maria Hernandez Ferrier, Executive Director, began by expressing her appreciation for the tremendous support received by Texas A&M University Kingsville System Center-San Antonio (TAMUK-SA). She last they have 1,047 FTEs with a 1,662 head count.

Dr. McKinney said while they are on the road to independence, they would not receive Tuition Revenue Bonds (TRBs) until they reach 1,500 FTEs.
Mr. Nye asked if money was being put into scholarships. Dr. McKinney responded in the affirmative and said this was probably what pushed both centers. He said they had collected a lot of money for scholarships, worked closely with community colleges and that the communities of San Antonio, Killeen and Central Texas had set up foundations and collected funds.

Mr. Nye asked if they could speculate when they would reach 1,500 FTEs. Dr. McKinney said once they become independent they are able to count online hours. Currently these hours do not count for Killeen and he said he would be surprised if Central Texas did not hit its numbers by 2010. Dr. McKinney said since the San Antonio campus is growing so quickly, they might reach their rate by July.

Mr. White commented that it is currently constituted that they reach 1,500 FTEs to trigger the TRBs by January 1, 2010. Dr. McKinney said this meant that they would need to reach that number by the 20th day of the fall 2009 semester. He said they would work on this issue with the legislature, since no one else received a date on their TRBs. Mr. White said they believe they are making enough progress to make a compelling argument that with another year or two, it would not be a problem. Dr. McKinney said they would show how rapidly they have risen and how many have been enrolled.

Presidential Investitures

Dr. McKinney invited the Board to attend investiture ceremonies for Dr. Carlisle Rathburn, III, President of Texas A&M University-Texarkana (TAMU-T), on February 5, 2009; Dr. Dan Jones, President of Texas A&M University-Commerce (TAMU-C), on February 6, 2009; Dr. Steven Tallant, President of TAMU-K, on February 20, 2009; and Dr. Dominic Dottavio, TSU, on October 2, 2009.

Mr. Jones announced that the Board meeting could be viewed live via video streaming.

Dr. McKinney asked Ms. B. J. Crain, Associate Vice Chancellor for Budgets and Accounting, to present the next report.

A&M SYSTEM'S ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 2008

Ms. Crain introduced Ms. Sandy Brown, Comptroller, and Mr. Joe Dunn, Senior Manager of Tax Reporting and Payroll. She thanked them for doing a great job and said if not for their assistance, we would not be where we are today.

Ms. Crain mentioned two items that had significance on the presentation of her report and the results. She said we were required this year, for the first time by the Governmental Accounting Standards Board (GASB), to report the liability associated with Other Post Employment Benefits (OPEB). She said market conditions had a slight effect on our financial condition at the end of the year.

Ms. Crain said GASB 45 means that we had to accrue the liability for retiree health and life insurance benefits. She said the calculation not only includes retirees, but current employees...
as they enter into retirement. She said we have the flexibility to amortize liability of 30 years, which we have elected to do. Ms. Crain said one of assumptions they used was a discount rate of seven percent, based upon projected long-term earnings. She said this rate could make or break this calculation because there is about a $370 million swing for every point on the discount rate. She said they are thankful that we have the kind of historical record that we do in our earnings. The other assumption was the inflation rate of four percent based upon historical trends in relation to discount rate.

Mr. Nye asked if the calculations presumed they would continue the current plan. Ms. Crain responded that was correct. She said this means a $2 billion liability for the A&M System in the future. She said for Fiscal Year 2008, they recorded $140 million.

Ms. Crain said the change in the fair market value of investments is not the dollar amount of investments -- it is the annualized change. She said for Fiscal Years 2004-2007, there was a healthy growth in the value of our investments. In 2008, there was a five percent drop, which is consistent with the message that Mr. Greg Anderson, Associate Vice Chancellor and Treasurer, had presented over the last several months.

Ms. Crain said total assets as of August 31, 2008, were $6.1 billion, which is a three percent increase over 2007. She said as our cash and investments are decreasing, our buildings are going up and three percent was added to buildings and infrastructure. The cash concentration pool and system endowment fund went down one percent, but there was very little change in anything else.

Ms. Crain said when you look at the comparative balance sheet, cash investments increased overall one percent from 2007 to 2008. She said the 24 percent reduction that was shown in other assets was due to securities lending.

Ms. Crain said fixed assets and net of accumulated depreciation was $2.2 billion. Total assets were $4.4 billion and depreciable assets were $3.9 billion. She said we are about 56 percent depreciated on our campuses and facilities.

Ms. Crain said the trend on construction for Fiscal Years 2006 to 2008 was $150 million in 2006, $200 million in 2007, and slightly above $250 million in 2008.

Ms. Crain said overall liabilities showed a nine percent increase, which included OPEB of $140 million. She said we also issued $160 million in bonds this year authorized by the Board. Mr. Nye asked if the $140 million was the 30-year amortization of the large number. Ms. Crain responded that it was part of the $2 billion.

Ms. Crain said other obligations reflected the offset to the securities lending. She said we have a net asset loss of one percent, which says a lot about the stability of our system because we were able to record $140 million that we had never recorded before. She said if OPEB were taken out of the calculation, we would have shown a three percent growth in net assets.
Ms. Crain broke down the net asset number of $3.48 billion into three categories: invested in capital assets ($930 million), which is the equity we have in our plant and buildings capital; restricted ($160 million) is expendable dollars available for us to spend but we have to follow the donors’ wishes; and non-expendable or endowment funds. She said unrestricted ($1.8 billion) is what the System has available to spend. She explained that the unrestricted funds were about seven months worth of our annual operating expenditures, which she said was a pretty healthy balance. Ms. Crain said TAMU has the largest share of unrestricted funds, because they are the largest member. She said the System Offices have a large slice of the pie, but two-thirds of that number was related to permanent university funds debt. She said of the $1.8 billion in unrestricted net assets, we have reserved funds of $1.08 billion for accounts receivable, encumbrances and legal obligations that must be met. She said this leaves 20 percent of the unreserved net assets. She said $140 million is tied up in funds functioning as endowments and $570 million is available for allocation. Ms. Crain said when you look at the trend-line of net assets, what you would like to see is a positive growth. Obviously, the economic situation we now face has caused a slight drop.

Ms. Crain briefly discussed total sources of revenue for the A&M System. She said we have suffered reductions in income and investments. She said $3.1 billion was the same amount of sources we had in 2007. Ms. Crain said state appropriations increased approximately $100 million, contracts and grants reduced slightly, tuition and fees increased $60 million, and most of the other areas were constant percentage wise.

Ms. Crain explained our contracts and grants revenue and said that federal sources are the key to our bloodline. She said the figures included $91 million in financial aid. Ms. Crain pointed out that TAMU has the largest share of contracts and grants with $200 million, which includes the Research Foundation, AgriLife Research, Texas Engineering Experiment Station (TEES) and Texas Engineering Extension Service (TEEX).

Mr. Jones asked where we stand in terms of other systems on research. Ms. Crain responded that she would need to get back to him with that information. He said he recently read a 2006 comparison of TAMU with other universities. Mr. Nye asked if the publication showed TAMU in the top 10. Mr. Jones responded that TAMU was not listed in the top 10. Dr. McKinney said TAMU was ranked number 62. Mr. Jones said that nationally the top was Johns Hopkins with $1.4 billion in 2006. He said that at that time TAMU had $482 million. Dr. Murano said this information was correct and what they normally attempt to do in the comparison is look at a list of where they are with universities without medical schools. She said TAMU is among the top four in universities without medical schools. Ms. Crain said they recently turned in research expenditures to the THECB and the figures for the A&M System overall were roughly $600 million.

Ms. Crain said that Chairman Jones said it best when he commented that the legislative session was going to be very telling with respect to tuition. She said many decisions would be made, tuition was deregulated in 2003 and there has been talk of re-regulation.

Ms. Crain said that when you look at total operating expenses for the System, it is very heavy in personnel costs. She said there is an increase of nearly $350 million over last year.
reminded them that $140 million in OPEB is built into this figure and that 60 percent went to salary and benefits, which includes $86 million in new or increased salaries. Ms. Crain said they did preliminary looks at our workforce and saw that 40 percent of our workforce is age 50 and above. She said we need to start looking at that and planning. She said while bringing young, fresh employees into the system brings opportunities, we would be using institutional knowledge and experience over the next 10 to 15 years. Ms. Crain said scholarships represented four percent or $16 million of this line item. In the repairs and maintenance category, they had an increase of $16 million that is indicative of our aging facilities.

Ms. Crain summarized her report by saying that costs are rising, tuition is going up, and we have a record number of 109,000 students in the A&M System. She said they are doing many things to make higher education more accessible and affordable. She said $44 million additional dollars is going into student support, which is a five percent increase over 2007. Ms. Crain said when you look at federal loans, there was a 50 percent increase from 2004 to 2008. Scholarships have increased by 41 percent and student employment, which includes graduate students, college work-study and student workers, has seen an eight percent increase. Student services, which includes student financial aid offices, registrars and counseling has increased 34 percent.

Mr. Nye asked the total tuition paid within the System. Ms. Crain responded $558 million. Mr. Nye commended Ms. Crain on always doing such a great job.

Mr. Jones asked if there was talk of backing off the GASB requirement to list the OPEBs in your financials. Ms. Crain said this was a national standard and corporate America has already been doing this. She said there was talk and some concessions were made so you do not have to record the full amount on your books, allowing you to amortize over 30 years. She said the bottom line is that the state legislature can do whatever it wants to do, but if they allow us not to record it, we are non-comparable with others across the nation, since everyone else is doing it. Ms. Crain said that we are already at a disadvantage because the A&M and UT Systems are the only two that have their own health insurance plans. She said that universities such as Texas Tech (TT) and the University of Houston (UH) do not have to record this on their books because Employees Retirement System (ERS) of Texas is recording it on their books.

FINANCIAL REPORT - WEST TEXAS A&M UNIVERSITY FOUNDATION

Dr. McKinney said over the next few meetings, he was working on getting all foundations associated with System universities to make presentations to the Board.

Dr. J. Patrick O’Brien, President of West Texas A&M University (WTAMU), introduced Dr. Neal Weaver, Vice President for Institutional Advancement and Executive Director of the WTAMU Foundation.

Dr. Weaver said the WTAMU Foundation was founded in 1946, operated as a 501(c)(3), and became part of the A&M System in 2003. He said the purpose of the foundation was to support and promote WTAMU by trying to attract and manage private gifts to the institution.
Dr. Weaver said their board of directors serves three-year terms and can serve up to three consecutive terms or nine years. He said they usually have 20 to 25 members and can go up to 30 and their bylaws allow them to be as low as 12 members. The president of WTAMU, Vice President for Institutional Advancement, Executive Director of the Foundation, and the Executive Director of the WTAMU Alumni Association serve as ex-officio members of the board. Dr. Weaver said the board selects the president, vice president, secretary and treasurer. They serve a one-year term. He said the president of the university, past president and the foundation executive director all serve on the executive committee.

Dr. Weaver presented a brief overview of the foundation’s assets as of August 31, 2008. He said they had seen very nice growth and they are most proud of the fact that they continue to increase the amount of money going towards student scholarships. Dr. Weaver said in 2001 and 2002 they were investing their own money and did not do well. He said they chose to join in with the A&M System in 2003.

Dr. Weaver said the number of donors of the past few years had decreased and they are aggressively working on programs such as the annual fund program instituted by Dr. O’Brien. Dr. Weaver said they are getting prepared for a centennial campaign. He said for them to have a successful campaign, they must increase the total number of donors connected to the institution. He said they have switched to quarterly board meetings to more closely align with the reports they receive from the System on their investments.

Dr. Weaver said their objectives with their board were to bring them on board, engage them in the life of the university, and get them to know the students and faculty also to help them identify the goals of the institution that their donors can support. He said they do not want donors bringing ideas to them as much as they want donors to come on board to help them achieve their goals that they believe are important for the institution.

Dr. Weaver said they plan to have a public launch of their Second Century Comprehensive Campaign in 2011.

Mr. White asked if this was their first comprehensive campaign. Dr. Weaver responded that the university had not had what he would consider a traditional comprehensive campaign. He said they had small campaigns focused on a particular project.

Dr. McKinney said the returns were six to seven percent and asked if the payouts that went to the university were in that same range. Mr. Gary Barnes, Vice President for Business and Finance, responded in the affirmative. He said the foundation was fully invested in the endowment pool.

Mr. Jones thanked Dr. Weaver for the fundraising efforts made by the foundation that provided benefits for students at WTAMU.
REPORT ON TEXAS A&M'S SUSTAINABILITY
AND RECYCLING PROGRAM

Ms. Kelly Wellman, TAMU Sustainability Officer, said their program is less than one-year old. She said the most commonly accepted term for sustainability is meeting the needs of the present without compromising the ability for future generations to meet their own needs. She said sustainability in essence is a centered principle based on three components: environmental quality, economic vitality and social equity. She said where the three components overlap is when you achieve a sustainable society. Ms. Wellman said sustainability is a mindset or a way of thinking which crosses all disciplines and all divisions.

Ms. Wellman said an important tool they now have is a sustainability and environmental policy that was proposed by a sustainability and environmental management committee and was approved by Dr. Murano this past November. She said the committee was led by staff in environmental health and safety and chaired by Dr. Chris Masterson. She added that this tool is important because it lays the groundwork for how they will move forward as a committee.

Ms. Wellman said she was initially charged to identify existing campus initiatives, learn from peer institutions, such as the Association for the Advancement of Sustainability in Higher Education (AASHE), recognize the importance of involving stakeholder groups, work with faculty and student organizations and create a sustainability master plan.

Ms. Wellman highlighted several projects at TAMU. She said the physical plant’s water and energy conservation programs have decreased water and energy consumption by 20 percent over the last six years, while campus square footage has increased by 20 percent. Ms. Wellman said they recently completed a greenhouse gas inventory. She said custodial crews have been using green cleaning products and that transportation services uses biodiesel in buses. Dining services holds farmer’s markets in Rudder Plaza to promote locally grown produce and has a delivery truck that uses 100 percent recycled fryer oil captured from their dining facilities. Ms. Wellman said all major campus construction is built with a Leadership in Energy and Environmental Design (LEED) Silver, a green building rating system. She said residence life has set the tone for new Aggies with energy hall challenges.

Ms. Wellman briefly discussed campus recycling efforts such as when the landscape maintenance group trims trees, the organic waste goes to the City of Bryan Regional Compost Facility.

Ms. Wellman said they have 1,140 material recovery locations on campus and each year they generate approximately 7,750 tons of recycled materials. She said plastic recycling was initiated in 2008. Ms. Wellman said they have a solar powered trash compacter in front of Rudder Tower.

Ms. Wellman said they have made several accomplishments such as TAMU participating in National Sustainability Day, a pilot program with the College of Education and Human Development (CEHD), student interest has increased, the big belly solar trash compactors and
plastic recycling programs have been received well and they have been working with Texas regional campuses to create sustainability alliance.

Ms. Wellman said in the future they would be working on firming up the sustainability master plan and creating a sustainability council that would create a forum for students. She said there would be a student conference at the end of March called Reenergize Texas, which is focused towards students, but the regional campus alliance is adding a day to the beginning so they can target faculty and staff to engage them along with the students. She said they are working on the programming for their 2nd Annual Campus Sustainability Day and Aggies for Green Jobs Career Day. Ms. Wellman said they are also working with faculty to identify areas where they can include sustainability.

Mr. Nye asked Ms. Wellman to describe her committee. Ms. Wellman said several years ago it was formed for environmental management systems. She said they realized the committee was largely representative of a group that they needed to advise them such as faculty from different levels, student representatives and different agencies. Mr. Nye asked if they were getting good buy-in from across the campus. Ms. Wellman responded that they have been very well received.

Mr. Jones asked if the solar powered trash compactor was invented at TAMU. Ms. Wellman responded in the negative.

Mr. White asked about 11,000 pounds they recycled from Kyle Field. Ms. Wellman said she felt they could do better. Mr. White asked if they would reach a point where the system would pay for itself and even make money. Mr. Charles Sippial, Vice President for Facilities, said this was a lofty goal that he did not feel they would reach. He said they currently supplement the program and use what they sell to help the program exist.

RECESS

Mr. Jones recessed the meeting at 3:00 p.m.

(Secretary’s Note: The Committee on Finance convened at 3:00 p.m. and adjourned at 3:13 p.m. The Committee on Buildings and Physical Plant convened at 3:13 p.m. and adjourned at 3:51 p.m. The Committee on Academic and Student Affairs convened at 3:51 p.m. and adjourned at 4:17 p.m. The Policy Review Committee convened at 4:21 p.m. and adjourned at 4:28 p.m.)

RECONVENE

Mr. Jones reconvened the meeting at 4:28 p.m. He announced that the Board had not received any requests for public testimony.

Mr. Jones called on Mr. White to present the report from the Committee on Audit.
REPORT FROM THE COMMITTEE ON AUDIT

Mr. White, Chairman of the Committee on Audit, reported that the committee met earlier that same day and covered the First Quarter Audit Report for Fiscal Year 2009. He said they also had the first System audit of governance, which was conducted at TAMU-K. He said the Audit Committee would recommend this tool for use in the future for other universities. Mr. White said they received the audit tracking report, which only had one item that needed to be responded to and an update on the ethics hotline. He said there were no agenda items to be voted on by the Board.

Mr. Jones called on Mr. Nye to present the report from the Committee on Finance.

REPORT FROM THE COMMITTEE ON FINANCE

Mr. Nye, Chairman of the Committee on Finance, said the committee met earlier that day and all members were present. He said they reviewed Items 1 through 4 inclusive and recommended them for approval. The Board took action as set forth below:

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MINUTE ORDER 002-2009 (AGENDA ITEM 1)

APPROVAL OF FISCAL YEAR 2010 OPERATING BUDGET GUIDELINES, THE TEXAS A&M UNIVERSITY SYSTEM

On motion of Mr. Nye, seconded by Mr. Fraga and by a unanimous vote, the following minute order was adopted:

The Texas A&M University System guidelines for the FY 2010 operating budget, as shown in Exhibit A, a copy of which is attached to the official minutes, are hereby adopted.

MINUTE ORDER 003-2009 (AGENDA ITEM 2)


On motion of Mr. Nye, seconded by Mr. Fraga and by a unanimous vote, the following minute order was adopted:
The resolution authorizing the issuance of the Board of Regents of The Texas A&M University System Revenue Financing System Bonds, Series 2009A and 2009B, substantially in the form of Exhibit B, a copy of which is attached to the official minutes, is adopted. The Associate Vice Chancellor 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 and to submit, as required, a notice of intent to the Texas Bond Review Board relating to the bonds.

**MINUTE ORDER 004-2009 (AGENDA ITEM 3)**


On motion of Mr. Nye, seconded by Mr. Fraga and by a unanimous vote, the following minute order was adopted:

The resolution authorizing the issuance of the Board of Regents of The Texas A&M University System Permanent University Fund Bonds, Series 2009A and 2009B, substantially in the form of Exhibit C, a copy of which is attached to the official minutes, is adopted. The Associate Vice Chancellor 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.

**MINUTE ORDER 005-2009 (AGENDA ITEM 4)**

**AUTHORIZATION TO USE REVENUE FINANCING SYSTEM DEBT TO PURCHASE A MODULAR VIVARIUM BUILDING, TEXAS A&M HEALTH SCIENCE CENTER, IRMA LERMA RANGEL COLLEGE OF PHARMACY, KINGSVILLE, TEXAS, THE TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER**

On motion of Mr. Nye, seconded by Mr. Fraga and by a unanimous vote, the following minute order was adopted:

The request to use $2,658,305 of Revenue Financing System debt for the purchase of a modular vivarium building is approved.

The amount of $2,658,305 is appropriated from Account No. 01-083536, Revenue Financing System Debt Proceeds (Indirect Cost Recoveries/Designated Tuition/Interest Income), for the purchase of a modular vivarium building.
The Board of Regents of The Texas A&M University System (Board) reasonably expects to incur debt in one or more obligations for this project, and all or a portion of the proceeds received from the sale of such obligations is reasonably expected to be used to reimburse the account(s) for amounts previously appropriated and/or expended from such account(s).

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

Mr. Jones called on Mr. Foster to present the report from the Committee on Buildings and Physical Plant.

REPORT FROM THE COMMITTEE ON BUILDINGS AND PHYSICAL PLANT

Mr. Foster, Chairman of the Committee on Buildings and Physical Plant, said the Committee met earlier that same day. He said they recommended approval of Items 5 through 11. The Board took action as set forth below:

MINUTE ORDER 006-2009 (AGENDA ITEM 5)

APPROVAL TO AMEND THE FISCAL YEAR 2009-FISCAL YEAR 2013 CAPITAL PLAN TO ADD THE MILITARY WALK REDEVELOPMENT PROJECT FOR TEXAS A&M UNIVERSITY WITH A FISCAL YEAR 2009 START DATE AND APPROPRIATION FOR PRE-CONSTRUCTION SERVICES, THE TEXAS A&M UNIVERSITY SYSTEM

On motion of Mr. Foster, seconded by Mr. Nye and by a unanimous vote, the following minute order was adopted:

The request to amend the Fiscal Year FY 2009–FY 2013 Texas A&M University System Capital Plan to add the Military Walk Redevelopment project for Texas A&M University with a FY 2009 start date and a total planning amount of $4,000,000 is approved.

The amount of $400,000 is appropriated from Account No. 02-808871-Military Walk, for pre-construction services and related project cost.
MINUTE ORDER 007-2009 (AGENDA ITEM 6)

APPROVAL TO AMEND THE FISCAL YEAR 2009-FISCAL YEAR 2013 CAPITAL PLAN TO ADD THE COMBINED HEAT AND POWER UPGRADE PROJECT FOR TEXAS A&M UNIVERSITY WITH A FISCAL YEAR 2009 START DATE AND APPROPRIATION FOR PRE-CONSTRUCTION SERVICES, THE TEXAS A&M UNIVERSITY SYSTEM

On motion of Mr. Foster, seconded by Mr. Nye and by a unanimous vote, the following minute order was adopted:

The request to amend the Fiscal Year FY 2009–FY 2013 Texas A&M University System Capital Plan to add the Combined Heat and Power Upgrade project for Texas A&M University with a FY 2009 start date and a total planning amount of $70,250,000 is approved.

The amount of $7,025,000 is appropriated from Account No. 02-027016, University Utility System Revenue, for pre-construction services and related project cost.

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

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

MINUTE ORDER 008-2009 (AGENDA ITEM 7)

APPROVAL TO AMEND THE FISCAL YEAR 2009-FISCAL YEAR 2013 TEXAS A&M UNIVERSITY SYSTEM CAPITAL PLAN TO REVISE THE TOTAL PLANNING AMOUNT AND APPROPRIATE FUNDS FOR PRE-CONSTRUCTION SERVICES FOR THE GENERAL AVIATION RAMP REHABILITATION PROJECT AT TEXAS A&M UNIVERSITY, THE TEXAS A&M UNIVERSITY SYSTEM

On motion of Mr. Foster, seconded by Mr. Nye and by a unanimous vote, the following minute order was adopted:
The request to amend the FY 2009–FY 2013 Texas A&M University System Capital Plan to revise the total planning amount for the General Aviation Ramp Rehabilitation project from $2,300,000 to $7,000,000 is approved.

The amount of $700,000 is appropriated from Account No. 02-03002, Airport Operations, for pre-construction services and related project cost.

**MINUTE ORDER 009-2009 (AGENDA ITEM 8)**

**APPROVAL OF THE PROJECT SCOPE AND BUDGET, APPROPRIATION FOR CONSTRUCTION SERVICES AND APPROVAL FOR CONSTRUCTION FOR THE CHEMISTRY BUILDING ’72 WING 4TH FLOOR RENOVATION AT TEXAS A&M UNIVERSITY, THE TEXAS A&M UNIVER SITY SYSTEM**

On motion of Mr. Foster, seconded by Mr. Nye and by a unanimous vote, the following minute order was adopted:

The project scope along with a project budget of $9,850,000 for the Chemistry Building ’72 Wing 4th Floor Renovation project is approved.

The amount of $9,850,000 is appropriated from Account No. 02-085008, Designated Tuition – Capital, for construction services and related project costs. This interim funding will be reverted and Revenue Financing System Debt Proceeds will be appropriated to replace these funds upon project approval by the Texas Higher Education Coordinating Board.

The amount of $320,000 of previous appropriations is reverted to Account No. 01-084242 PUF Debt Proceeds.

The Chemistry Building ’72 Wing 4th Floor Renovation, Texas A&M University, College Station, Texas, is approved for construction.

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

As required by Section 5(a) of the Master Resolution of the Revenue Financing System, the Board hereby determines that it will have sufficient funds to meet the financial obligations of The Texas A&M University System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System and that the Participants, on whose behalf the debt is issued, possess the financial capacity to satisfy their Direct Obligations.
MINUTE ORDER 010-2009 (AGENDA ITEM 9)

NAMING OF THE
“CHARLES R. ’62 AND JUDITH G. MUNNERLYN
ASTRONOMICAL LABORATORY AND SPACE ENGINEERING BUILDING,”
TEXAS A&M UNIVERSITY

On motion of Mr. Foster, seconded by Mr. Nye and by a unanimous vote, the following
minute order was adopted:

Texas A&M University’s request to amend the previously approved naming of the
Munnerlyn Building, Minute Order 172-2004, from the “Charles R. ’62 and Judith G. Munnerlyn
Astronomy and Space Sciences Engineering Building” to the “Charles R. ’62 and Judith G.
Munnerlyn Astronomical Laboratory and Space Engineering Building,” to more accurately
reflect research and teaching activities is hereby approved.

MINUTE ORDER 011-2009 (AGENDA ITEM 10)

AUTHORIZATION TO LEASE SPACE IN THE
TWO RESEARCH PARK BUILDING,
COLLEGE STATION, TEXAS,
FOR THE REAL ESTATE CENTER,
TEXAS A&M UNIVERSITY

On motion of Mr. Foster, seconded by Mr. Nye and by a unanimous vote, the following
minute order was adopted:

The Chancellor of The Texas A&M University System, or designee, following approval
for legal sufficiency by the Office of General Counsel, is authorized to lease approximately
11,070 net rentable square feet of office space in the Two Research Park Building, 1700
Research Parkway, College Station, Texas, for a term of ten (10) years and upon such other
terms and conditions as the Chancellor, or designee, deems appropriate.

MINUTE ORDER 012-2009 (AGENDA ITEM 11)

AUTHORIZATION TO RENEW AN EXISTING COMMERCIAL LEASE
FOR OFFICE SPACE LOCATED AT
701 NORTH POST OAK IN HOUSTON, TEXAS,
TEXAS TRANSPORTATION INSTITUTE

On motion of Mr. Foster, seconded by Mr. Nye and by a unanimous vote, the following
minute order was adopted:
The Chancellor of The Texas A&M University System, or designee, following approval for legal sufficiency by the Office of General Counsel, is authorized to renew an existing commercial lease of 7,800 square feet of space located at 701 North Post Oak in Houston, Texas, for an additional five (5) year term commencing March 1, 2009, and expiring February 28, 2014.

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Mr. Jones called on Ms. Steen to present the report from the Committee on Academic and Student Affairs.

**REPORT FROM THE COMMITTEE ON ACADEMIC AND STUDENT AFFAIRS**

Ms. Steen, Chair of the Committee on Academic and Student Affairs, reported that the Committee met earlier that day. She said that they approved Items 12 through 25. The Board took action as set forth below:

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**MINUTE ORDER 013-2009 (AGENDA ITEM 12)**

**APPROVAL OF AMENDED TABLE OF PROGRAMS FOR FIVE NEW PROGRAMS**

(BACHELOR OF SCIENCE IN INDUSTRIAL ENGINEERING; MASTER OF SCIENCE IN KINESIOLOGY; MASTER OF DIETETIC STUDIES; MASTER OF SCIENCE IN COMMUNICATION SCIENCES & DISORDERS; AND MASTER OF SCIENCE IN EDUCATION, MAJOR IN MATHEMATICS OR SCIENCE EDUCATION) AND AUTHORIZATION TO REQUEST APPROVAL FROM THE TEXAS HIGHER EDUCATION COORDINATING BOARD, TEXAS A&M INTERNATIONAL UNIVERSITY

On motion of Ms. Steen, seconded by Mr. Nye and by a unanimous vote, the following minute order was adopted:

The Board of Regents approves the Amended Table of Programs for Texas A&M International University, which seeks preliminary authority for the following five new programs:

- Bachelor of Science in Industrial Engineering (14.3501.00)
- Master of Science in Kinesiology (31.0505.00)
- Master of Dietetic Studies (51.3101.00)
- Master of Science in Communication Sciences & Disorders (51.0201.00)
- Master of Science in Education, major in Mathematics or Science Education (13.1311.00/13.1316.00)
The Board also authorizes submission of this Amended Table of Programs to the Texas Higher Education Coordinating Board for approval.

**MINUTE ORDER 014-2009 (AGENDA ITEM 13)**

**AUTHORIZATION TO OFFER THE**
**MASTER OF EDUCATION IN COUNSELING – STUDENT AFFAIRS**
**BY DISTANCE EDUCATION,**
**TEXAS A&M UNIVERSITY-COMMERCE**

On motion of Ms. Steen, seconded by Mr. Nye and by a unanimous vote, the following minute order was adopted:

Having complied with all of the requirements of the Texas Higher Education Coordinating Board, Texas A&M University-Commerce is hereby authorized to offer the Master of Education in Counseling – Student Affairs degree program online to individuals, effective spring 2009.

The Board of Regents finds that the program offering authorized by this minute order is within the role and scope and capacity of the institution and will benefit students.

**MINUTE ORDER 015-2009 (AGENDA ITEM 14)**

**AUTHORIZATION TO OFFER THE**
**MASTER OF SCIENCE OR MASTER OF EDUCATION**
**IN HEALTH, KINESIOLOGY AND SPORTS STUDIES**
**(HEALTH PROMOTION TRACK OPTION II) BY DISTANCE EDUCATION,**
**TEXAS A&M UNIVERSITY-COMMERCE**

On motion of Ms. Steen, seconded by Mr. Nye and by a unanimous vote, the following minute order was adopted:

Having complied with all of the requirements of the Texas Higher Education Coordinating Board, Texas A&M University-Commerce is hereby authorized to offer the Master of Science or Master of Education in Health, Kinesiology and Sports Studies (Health Promotion Track Option II) degree program online to individuals, effective summer 2009.

The Board of Regents finds that the program offering authorized by this minute order is within the role and scope and capacity of the institution and will benefit students.
MINUTE ORDER 016-2009 (AGENDA ITEM 15)

AUTHORIZATION TO OFFER THE MASTER OF SCIENCE IN TRAINING AND DEVELOPMENT BY DISTANCE EDUCATION, TEXAS A&M UNIVERSITY-COMMERCE

On motion of Ms. Steen, seconded by Mr. Nye and by a unanimous vote, the following minute order was adopted:

Having complied with all of the requirements of the Texas Higher Education Coordinating Board, Texas A&M University-Commerce is hereby authorized to offer the Master of Science in Training and Development program by distance education, effective fall 2009.

The Board of Regents finds that the program offering authorized by this minute order is within the role and scope and capacity of the institution and will benefit students.

MINUTE ORDER 017-2009 (AGENDA ITEM 16)

AUTHORIZATION TO OFFER THE BACHELOR OF ARTS AND BACHELOR OF SCIENCE DEGREE IN SOCIOLOGY BY DISTANCE EDUCATION, TEXAS A&M UNIVERSITY-COMMERCE

On motion of Ms. Steen, seconded by Mr. Nye and by a unanimous vote, the following minute order was adopted:

Having complied with all of the requirements of the Texas Higher Education Coordinating Board, Texas A&M University-Commerce is hereby authorized to offer the Bachelor of Arts and Bachelor of Science in Sociology degree program online to individuals, effective summer 2009.

The Board of Regents finds that the program offering authorized by this minute order is within the role and scope and capacity of the institution and will benefit students.

MINUTE ORDER 018-2009 (AGENDA ITEM 17)

AUTHORIZATION TO OFFER THE MASTER OF SCIENCE OR MASTER OF EDUCATION IN EDUCATIONAL ADMINISTRATION WITH OR WITHOUT PRINCIPAL CERTIFICATION BY DISTANCE EDUCATION, TEXAS A&M UNIVERSITY-COMMERCE

On motion of Ms. Steen, seconded by Mr. Nye and by a unanimous vote, the following minute order was adopted:
Having complied with all of the requirements of the Texas Higher Education Coordinating Board, Texas A&M University-Commerce is hereby authorized to offer the Master of Science or Master of Education in Educational Administration with or without Principal Certification degree program by distance education, effective June 2009.

The Board of Regents finds that the program offering authorized by this minute order is within the role and scope and capacity of the institution and will benefit students.

**MINUTE ORDER 019-2009 (AGENDA ITEM 18)**

**APPROVAL OF AMENDED TABLE OF PROGRAMS TO INCLUDE PRELIMINARY AUTHORITY FOR A DOCTORAL LEVEL PROGRAM IN DEVELOPMENTAL EDUCATION LEADERSHIP, AND AUTHORIZATION TO REQUEST APPROVAL FROM THE TEXAS HIGHER EDUCATION COORDINATING BOARD, TEXAS A&M UNIVERSITY-COMMERCE**

On motion of Ms. Steen, seconded by Mr. Nye and by a unanimous vote, the following minute order was adopted:

The Board of Regents of The Texas A&M University System approves amending the Table of Programs for Texas A&M University-Commerce to include preliminary authority for a doctoral level program in developmental education leadership.

The Board also authorizes the submission of Texas A&M University-Commerce’s preliminary authority request to amend its Table of Programs to the Texas Higher Education Coordinating Board for approval.

**MINUTE ORDER 020-2009 (AGENDA ITEM 19)**

**APPROVAL OF AMENDED MISSION STATEMENT, AND AUTHORIZATION TO REQUEST APPROVAL FROM THE TEXAS HIGHER EDUCATION COORDINATING BOARD, TEXAS A&M UNIVERSITY-CORPUS CHRISTI**

On motion of Ms. Steen, seconded by Mr. Nye and by a unanimous vote, the following minute order was adopted:

The Board of Regents of The Texas A&M University System approves the amended Mission Statement for Texas A&M University-Corpus Christi as shown in Exhibit D, a copy of which is attached to the official minutes.

The Board also authorizes submission of Texas A&M University-Corpus Christi’s amended Mission Statement to the Texas Higher Education Coordinating Board for approval.
MINUTE ORDER 021-2009 (AGENDA ITEM 20)

APPROVAL OF A NEW BACHELOR OF SCIENCE IN MECHANICAL ENGINEERING DEGREE PROGRAM, AND AUTHORIZATION TO REQUEST APPROVAL FROM THE TEXAS HIGHER EDUCATION COORDINATING BOARD, TEXAS A&M UNIVERSITY-CORPUS CHRISTI

On motion of Ms. Steen, seconded by Mr. Nye and by a unanimous vote, the following minute order is adopted:

The Board of Regents approves the establishment of a new degree program at Texas A&M University-Corpus Christi leading to a Bachelor of Science degree in Mechanical Engineering.

The Board also authorizes submission of Texas A&M University-Corpus Christi’s new degree program request to the Texas Higher Education Coordinating Board for approval and hereby certifies that all applicable criteria of the Coordinating Board have been met.

MINUTE ORDER 022-2009 (AGENDA ITEM 21)

APPROVAL OF TEXAS A&M HEALTH SCIENCE CENTER’S 42-HOUR CORE CURRICULUM, IN ACCORDANCE WITH CRITERIA APPROVED BY THE TEXAS HIGHER EDUCATION COORDINATING BOARD, THE TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER

On motion of Ms. Steen, seconded by Mr. Nye and by a unanimous vote, the following minute order was adopted:

The Board of Regents approves the Texas A&M Health Science Center’s 42-semester credit hour Core Curriculum as outlined in Exhibit E, a copy of which is attached to the official minutes, effective with the summer semester 2009.

MINUTE ORDER 023-2009 (AGENDA ITEM 22)

APPROVAL OF NEW JOINT MASTER OF SCIENCE AND DOCTOR OF PHILOSOPHY DEGREE PROGRAMS IN NEUROSCIENCE, AND AUTHORIZATION TO REQUEST APPROVAL FROM THE TEXAS HIGHER EDUCATION COORDINATING BOARD, TEXAS A&M UNIVERSITY/THE TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER

On motion of Ms. Steen, seconded by Mr. Nye and by a unanimous vote, the following minute order was adopted:
The Board of Regents of The Texas A&M University System approves the establishment of new joint MS and PhD degree programs at Texas A&M University and The Texas A&M University System Health Science Center.

The Board also authorizes submission of this degree program proposal request to the Texas Higher Education Coordinating Board for approval, and certifies that all applicable Coordinating Board criteria have been met.

MINUTE ORDER 024-2009 (AGENDA ITEM 23)

ESTABLISHMENT OF THE NATIONAL CENTER FOR EMERGENCY MEDICAL PREPAREDNESS AND RESPONSE (NCEMPR), THE TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER/ TEXAS ENGINEERING EXTENSION SERVICE/ TEXAS ENGINEERING EXPERIMENT STATION

On motion of Ms. Steen, seconded by Mr. Nye and by a unanimous vote, the following minute order was adopted:

The National Center for Emergency Medical Preparedness and Response, a joint HSC, TEEX and TEES Center, is hereby established, reporting to the Vice Chancellors for Health Affairs and Engineering of The Texas A&M University System.

MINUTE ORDER 025-2009 (AGENDA ITEM 24)

APPROVAL TO CHANGE THE NAME OF THE CENTER FOR COLLABORATIVE LEARNING COMMUNITIES (CCLC) TO THE CENTER FOR URBAN SCHOOL PARTNERSHIPS (CUSP), TEXAS A&M UNIVERSITY

On motion of Ms. Steen, seconded by Mr. Nye and by a unanimous vote, the following minute order was adopted:

The Board of Regents of The Texas A&M University System hereby approves for the Center for Collaborative Learning Communities (CCLC) at Texas A&M University, established by Minute Order 319-95, to change its name to the Center for Urban School Partnerships (CUSP), within the College of Education and Human Development at Texas A&M University, as of January 23, 2009.
MINUTE ORDER 026-2009 (AGENDA ITEM 25)

AUTHORIZATION TO MERGE THE CENTER FOR SPACE POWER AND THE SPACECRAFT TECHNOLOGY CENTER INTO THE SPACECRAFT ENGINEERING RESEARCH CENTER, AND ESTABLISH THE NEW CENTER AS A JOINT TEXAS ENGINEERING EXPERIMENT STATION AND TEXAS A&M UNIVERSITY CENTER, TEXAS ENGINEERING EXPERIMENT STATION/ TEXAS A&M UNIVERSITY

On motion of Ms. Steen, seconded by Mr. Nye and by a unanimous vote, the following minute order was adopted:

The Center for Space Power, established by Minute Order 20-89, and the Spacecraft Technology Center, established by Minute Order 199-98, both assigned as administrative units of the Texas Engineering Experiment Station, are hereby merged into the Spacecraft Engineering Research Center, a joint Texas Engineering Experiment Station and Texas A&M University center, and assigned as an administrative unit within the Texas Engineering Experiment Station as of January 23, 2009.

Mr. Jones called on Mr. Stallings to present the report from the Policy Review Committee.

REPORT FROM THE POLICY REVIEW COMMITTEE

Mr. Stallings, Chairman of the Policy Review Committee, reported that the Committee met earlier that day. He said they voted and approved Items 26 through 28. The Board took action as set forth below:

MINUTE ORDER 027-2009 (AGENDA ITEM 26)

APPROVAL OF REVISION TO SYSTEM POLICY 15.01 (RESEARCH AGREEMENTS), THE TEXAS A&M UNIVERSITY SYSTEM

On motion of Mr. Stallings, seconded by Mr. Foster and by a unanimous vote, the following minute order was adopted:

The revisions to System Policy 15.01 (Research Agreements), as shown in Exhibit F, a copy of which is attached to the official minutes, are approved, effective immediately.
MINUTE ORDER 028-2009 (AGENDA ITEM 27)

APPROVAL OF NEW SYSTEM POLICY 29.01 (INFORMATION RESOURCES),
THE TEXAS A&M UNIVERSITY SYSTEM

On motion of Mr. Stallings, seconded by Mr. Foster and by a unanimous vote, the following minute order was adopted:

New System Policy 29.01 (Information Resources), as shown in Exhibit G, a copy of which is attached to the official minutes, is approved, effective immediately.

MINUTE ORDER 029-2009 (AGENDA ITEM 28)

APPROVAL OF REVISIONS TO SYSTEM POLICY 34.02
(DRUG AND ALCOHOL ABUSE AND REHABILITATION PROGRAMS),
THE TEXAS A&M UNIVERSITY SYSTEM

On motion of Mr. Stallings, seconded by Mr. Foster and by a unanimous vote, the following minute order was adopted:

The revisions to System Policy 34.02 (Drug and Alcohol Abuse and Rehabilitation Programs), as shown in Exhibit H, a copy of which is attached to the official minutes, are approved, effective immediately.

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ADDITIONAL ITEMS

Mr. Jones called on Dr. McKinney to present Items 30 and 32 through 39. The Board took action as set forth below:

(Secretary’s Note: Item 31 was withdrawn.)

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MINUTE ORDER 030-2009 (AGENDA ITEM 30)

APPROVAL OF ACADEMIC TENURE,
THE TEXAS A&M UNIVERSITY SYSTEM

On motion of Mr. Nye, seconded by Ms. Steen and by a unanimous vote, the following minute order was adopted:
The Board of Regents of The Texas A&M University System, in accordance with System Policy 12.01 (Academic Freedom, Responsibility and Tenure), hereby authorizes the granting of tenure to the following faculty members as set forth in Exhibit I, a copy of which is attached to the official minutes as, Tenure List No. 09-03.

MINUTE ORDER 031-2009 (AGENDA ITEM 32)

APPROVAL FOR
DR. EMILE SCHWEIKERT, AN EMPLOYEE, TO SERVE AS THE CHANCELLOR’S DESIGNEE, IN HIS OFFICIAL CAPACITY AS A MEMBER OF THE GOVERNING BOARD OF A BUSINESS ENTITY FORMED FOR THE PURPOSE OF DEVELOPMENT AND COMMERCIALIZATION OF TECHNOLOGY OWNED BY THE TEXAS A&M UNIVERSITY SYSTEM, TEXAS A&M UNIVERSITY

On motion of Mr. Nye, seconded by Ms. Steen and by a unanimous vote, the following minute order was adopted:

The Board of Regents of The Texas A&M University System hereby approves the appointment of Dr. Emile Schweikert, Professor in the Department of Chemistry in the College of Science, Texas A&M University, to serve as the Chancellor’s designee, in his official capacity as a member of the governing board of TamChem, LLC, a business entity formed for the purpose of development and commercialization of technology owned by The Texas A&M University System.

MINUTE ORDER 032-2009 (AGENDA ITEM 33)

APPROVAL FOR
DR. GERARD L. COTÉ, A SYSTEM EMPLOYEE, TO SERVE AS AN EMPLOYEE, OFFICER, AND MEMBER OF THE BOARD OF DIRECTORS OF A BUSINESS ENTITY SEEKING TO LICENSE TECHNOLOGY FROM THE TEXAS A&M UNIVERSITY SYSTEM, TEXAS ENGINEERING EXPERIMENT STATION

On motion of Mr. Nye, seconded by Ms. Steen and by a unanimous vote the following minute order was adopted:

The Board of Regents of The Texas A&M University System hereby grants approval to Dr. Gerard L. Coté, Professor of Biomedical Engineering and TEES Research Engineer, to serve in his individual capacity as an employee, officer, and member of the board of directors of Photon Diagnostic Nanosystems, LLC, a business entity seeking to enter into an agreement with The Texas A&M University System relating to the research, development, licensing, or exploitation of intellectual property conceived, created, discovered, invented and developed by Dr. Coté.
MINUTE ORDER 033-2009 (AGENDA ITEM 34)

APPROVAL FOR
DR. JUN KAMEOKA,
A SYSTEM EMPLOYEE, TO SERVE AS AN EMPLOYEE,
OFFICER, AND MEMBER OF THE BOARD OF DIRECTORS
OF A BUSINESS ENTITY SEEKING TO LICENSE TECHNOLOGY
FROM THE TEXAS A&M UNIVERSITY SYSTEM,
TEXAS ENGINEERING EXPERIMENT STATION

On motion of Mr. Nye, seconded by Ms. Steen and by a unanimous vote, the following
minute order was adopted:

The Board of Regents of The Texas A&M University System hereby grants approval to
Dr. Jun Kameoka, Assistant Professor of Electrical and Computer Engineering and TEES
Assistant Research Engineer, to serve in his individual capacity as an employee, officer, and
member of the board of directors of Photon Diagnostic Nanosystems, LLC, a business entity
seeking to enter into an agreement with The Texas A&M University System relating to the
research, development, licensing, or exploitation of intellectual property conceived, created,
discovered, invented and developed by Dr. Kameoka.

MINUTE ORDER 034-2009 (AGENDA ITEM 35)

APPOINTMENT OF
DR. THOMAS R. MITCHELL
AS DEAN OF THE COLLEGE OF ARTS AND SCIENCES,
TEXAS A&M INTERNATIONAL UNIVERSITY

On motion of Mr. Nye, seconded by Ms. Steen and by a unanimous vote, the following
minute order was adopted:

Effective January 23, 2009, Dr. Thomas R. Mitchell is hereby appointed Dean of the
College of Arts and Sciences at Texas A&M International University, at a salary of $120,000.

MINUTE ORDER 035-2009 (AGENDA ITEM 36)

APPOINTMENT OF
DR. ERIC M. BOST
AS VICE PRESIDENT FOR GLOBAL INITIATIVES,
TEXAS A&M UNIVERSITY

On motion of Mr. Nye, seconded by Ms. Steen and by a unanimous vote, the following
minute order was adopted:
Effective January 26, 2009, Eric M. Bost is hereby appointed Vice President for Global Initiatives at Texas A&M University, at an initial salary of $265,000.

**MINUTE ORDER 036-2009 (AGENDA ITEM 37)**

**APPOINTMENT OF**
**DR. MARY HENDRIX**
**AS VICE PRESIDENT FOR STUDENT ACCESS AND SUCCESS,**
**TEXAS A&M UNIVERSITY-COMMERCE**

On motion of Mr. Nye, seconded by Ms. Steen and by a unanimous vote, the following minute order was adopted:

Effective upon approval by the Board, Dr. Mary Hendrix is hereby appointed Vice President for Student Access and Success at Texas A&M University-Commerce, at an initial salary of $157,265.

**MINUTE ORDER 037-2009 (AGENDA ITEM 38)**

**APPOINTMENT OF**
**DR. ARTHUR E. HERNANDEZ**
**AS DEAN OF THE COLLEGE OF EDUCATION, WITH TENURE,**
**TEXAS A&M UNIVERSITY-CORPUS CHRISTI**

On motion of Mr. Nye, seconded by Ms. Steen and by a unanimous vote, the following minute order was adopted:

Effective March 1, 2009, Dr. Arthur E. Hernandez is hereby appointed Dean of the College of Education with tenure at Texas A&M University-Corpus Christi, at an initial salary of $145,000.

**MINUTE ORDER 038-2009 (AGENDA ITEM 39)**

**APPOINTMENT OF**
**DR. WILLIAM A. DUGAS**
**AS INTERIM DIRECTOR,**
**TEXAS AGRILIFE RESEARCH**

On motion of Mr. Nye, seconded by Ms. Steen and by a unanimous vote, the following minute order was adopted:

Dr. William A. Dugas is hereby appointed Interim Director of Texas AgriLife Research of The Texas A&M University System, effective January 23, 2009, at an initial salary of $267,000.
Mr. Jones presented Consent Items 40-a through 40-c. The Board took action as set forth below:

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**MINUTE ORDER 039-2009 (AGENDA ITEM 40-a)**

**APPROVAL OF MINUTES OF THE**
**DECEMBER 4-5, 2008, REGULAR BOARD MEETING AND**
**DECEMBER 11, 2008, SPECIAL TELEPHONIC BOARD MEETING,**
**BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Mr. Nye, seconded by Mr. White and by a unanimous vote, the following minute order was adopted:

Minutes of the December 4-5, 2008, Regular Board Meeting, and the December 11, 2008, Special Telephonic Meeting are hereby approved.

**MINUTE ORDER 040-2009 (AGENDA ITEM 40-b)**

**GRANTING OF THE TITLE OF EMERITUS/EMERITA,**
**THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Mr. Nye, seconded by Mr. White and by a unanimous vote, the following minute order was adopted:

In recognition of long and distinguished service to The Texas A&M University System, the Board of Regents hereby confirms the recommendation of the Chancellor, and confers the title of “Emeritus/Emerita” upon the individuals as shown in Exhibit J, a copy of which is attached to the official minutes, Emeritus/Emerita Title List No. 09-03, and grants all rights and privileges of this title.

**MINUTE ORDER 041-2009 (AGENDA ITEM 40-c)**

**CONFIRMATION OF APPOINTMENT AND**
**COMMISSIONING OF PEACE OFFICERS,**
**THE TEXAS A&M UNIVERSITY SYSTEM**

On motion of Mr. Nye, seconded by Mr. White and by a unanimous vote, the following minute order was adopted:
In accordance with System Policy 34.06 (Appointment, Commissioning and Authority of Peace Officers), the Presidents of their respective system member universities are authorized to appoint and commission campus peace officers in accordance with the requirements of the law, subject to confirmation by the Board of Regents, as shown in Exhibit K, attached to the official minutes.

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Dr. Mark Hussey, Director of Texas AgriLife Research, presented Item 40-d. The Board took action as set forth below:

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**MINUTE ORDER 042-2009 (AGENDA ITEM 40-d)**

**RESOLUTION HONORING THE 2008 NATIONAL COLLEGIATE POULTRY JUDGING TEAM, TEXAS A&M UNIVERSITY**

On motion of Mr. Nye, seconded by Mr. White and by a unanimous vote, the following minute order was adopted:

Whereas, the College of Agriculture and Life Sciences at Texas A&M University has a long-standing tradition of producing nationally-ranked judging teams; and

Whereas, students participating on judging teams develop valuable leadership training and group dynamic skills which build individual self-confidence; and

Whereas, the Texas A&M University Poultry Judging Team has excelled in skill and mastery of poultry judging, having won four of the past five national collegiate poultry judging competitions, and 22 of the last 44 contests over the past 22 years; and

Whereas, two major national level competitions are held annually including the United States Poultry and Egg National Poultry Judging Contest in the Spring and the National Collegiate Poultry Judging Contest in the Fall; and

Whereas, during the week of November 10, 2008, the Texas A&M University Poultry Judging Team competed in the National Collegiate Poultry Judging Competition which was held at the University of Arkansas in Fayetteville; and

Whereas, members of the Texas A&M University Poultry Judging Team included Brian Zbikowski of Rockdale, Mallori Williams of Refugio, Joshua Garcia of La Vernia, Jenna Moore of Adkins, and alternate Nathan Fuchs of Cameron; and

Whereas, team members worked tirelessly preparing for the competition under the encouragement of team coach and advisor, Dr. Jason Lee; and
Whereas, as a result of their judging prowess, the Texas A&M University Poultry Judging Team received first place honors by winning the 2008 National Collegiate Poultry Judging Championship and placed first in Egg Production and Quality, and second in Breed Selection and Carcass Quality; and

Whereas, Brian Zbikowski took individual first place honors, as well as first place in Egg Production and Quality and fourth place in Breed Selection and Carcass Quality contests, and Mallori Williams took individual second place honors and placed second in Breed Selection and Carcass Quality; now, therefore, be it

Resolved, that we, the members of the Board of Regents of The Texas A&M University System, express our heartfelt congratulations to the members of the Texas A&M University Poultry Judging Team for their outstanding achievement and performance at the 2008 National Collegiate Poultry Judging Competition and for bringing national recognition to the College of Agriculture and Life Sciences and Texas A&M University as a result of their efforts; and, be it, further

Resolved, that this resolution be spread upon 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 each member of the team and coach and to the Archives of Texas A&M University as a permanent expression of appreciation and respect for contributions of the 2008 Texas A&M University Poultry Judging Team.

Dr. Flavius Killebrew, President of TAMU-CC, presented Items 40-e through 40-h. The Board took action as set forth below:

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MINUTE ORDER 043-2009 (AGENDA ITEM 40-e)

RESOLUTION EXPRESSING APPRECIATION TO BETH FIONDA, TEXAS A&M UNIVERSITY-CORPUS CHRISTI

On motion of Mr. Nye, seconded by Mr. White and by a unanimous vote, the following minute order was adopted:

Whereas, Texas A&M University-Corpus Christi volleyball player Beth Fionda was named to the CoSIDA/ESPN The Magazine Academic All-District VI Third Team; and

Whereas, Ms. Fionda currently has a perfect 4.0 GPA while majoring in Interdisciplinary Studies in the College of Education; now, therefore, be it
Resolved, that we, the members of the Board of Regents of The Texas A&M University System, express our sincere congratulations to Ms. Fionda for the honor and recognition her accomplishments have brought to Texas A&M University-Corpus Christi and The Texas A&M University System; and, be it, further

Resolved, that this resolution be spread upon 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 Ms. Fionda and to the Archives of Texas A&M University-Corpus Christi as a remembrance of this Board’s appreciation.

MINUTE ORDER 044-2009 (AGENDA ITEM 40-f)
RESOLUTION EXPRESSING APPRECIATION TO
ANNE RONOH,
TEXAS A&M UNIVERSITY-CORPUS CHRISTI

On motion of Mr. Nye, seconded by Mr. White and by a unanimous vote, the following minute order was adopted:

Whereas, Texas A&M University-Corpus Christi cross country runner Anne Ronoh became the first Islander women’s runner to compete at the NCAA National meet; and

Whereas, she was the lone representative of the Southland Conference at the national meet; and

Whereas, her 11th place finish at the NCAA South Central Region meet was the best ever by an Islander and best in the Southland Conference; now, therefore, be it

Resolved, that we, the members of the Board of Regents of The Texas A&M University System, express our sincere congratulations to Ms. Ronoh for the honor and recognition her accomplishments have brought to Texas A&M University-Corpus Christi and The Texas A&M University System; and, be it, further

Resolved, that this resolution be spread upon 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 Ms. Ronoh and to the Archives of Texas A&M University-Corpus Christi as a remembrance of this Board’s appreciation.

MINUTE ORDER 045-2009 (AGENDA ITEM 40-g)
RESOLUTION EXPRESSING APPRECIATION TO THE
2008 WOMEN’S CROSS COUNTRY TEAM,
TEXAS A&M UNIVERSITY-CORPUS CHRISTI

On motion of Mr. Nye, seconded by Mr. White and by a unanimous vote, the following minute order was adopted:
Whereas, the Texas A&M University-Corpus Christi Women’s Cross Country Team repeated as the Southland Conference Champions in 2008 marking its second title in three years in the league; and

Whereas, Anne Ronoh was named the Southland Conference Newcomer of the Year and Caitlin Arambula and Courtney Johnson earned all-conference honors; and

Whereas, Shawn Flanagan was named the Southland Conference Coach of the Year for the second straight season; now, therefore, be it

Resolved, that we, the members of the Board of Regents of The Texas A&M University System, express our sincere congratulations to the members of the A&M-Corpus Christi Islanders’ Women’s Cross Country Team for the honor and recognition their accomplishments have brought to Texas A&M University-Corpus Christi and The Texas A&M University System; and, be it, further

Resolved, that this resolution be spread upon the minutes, and copies thereof be signed by the Chairman of the Board of Regents of The Texas A&M University System, and be presented to the coach and to each member of the team and to the Archives of Texas A&M University-Corpus Christi as a remembrance of this Board’s appreciation.

MINUTE ORDER 046-2009 (AGENDA ITEM 40-h)

RESOLUTION EXPRESSING APPRECIATION TO THE 2008 WOMEN’S SOFTBALL TEAM, TEXAS A&M UNIVERSITY-CORPUS CHRISTI

On motion of Mr. Nye, seconded by Mr. White and by a unanimous vote, the following minute order was adopted:

Whereas, The Texas A&M University-Corpus Christi Softball Team was honored for having the highest GPA in the Southland Conference and 55th highest in the country amongst NCAA Division I teams; and

Whereas, the Islanders had a 3.18 GPA as a team with nine players over a 3.0 and five over a 3.5; and

Whereas, Andrea Simancas and Larissa Martin each had perfect 4.0 GPAs; now, therefore, be it

Resolved, that we, the members of the Board of Regents of The Texas A&M University System, express our sincere congratulations to the members of the A&M-Corpus Christi Islanders’ Women’s Softball Team for the honor and recognition their accomplishments have brought to Texas A&M University-Corpus Christi and The Texas A&M University System; and, be it, further
Resolved, that this resolution be spread upon 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 Coach Jake Schumann and to each member of the team and to the Archives of Texas A&M University-Corpus Christi as a remembrance of this Board’s appreciation.

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Dr. J. Patrick O’Brien, President of WTAMU, presented Item 40-i. The Board took action as set forth below:

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**MINUTE ORDER 047-2009 (AGENDA ITEM 40-i)**

**RESOLUTION EXPRESSING APPRECIATION TO THE 2008 MAROON PRODUCTIONS CREW, WEST TEXAS A&M UNIVERSITY**

On motion of Mr. Nye, seconded by Mr. White and by a unanimous vote, the following minute order was adopted:

Whereas, the 2008 West Texas A&M University Maroon Productions Crew participated in a national Freedom of Speech contest sponsored by the National Association of Broadcasters (NAB), competing against schools two and three times its size; and

Whereas, Johnny Story, Andrew Brown, Niki Bryan, Jacqueline Keenan-Kingston, Heather Seiler, Jennifer Yepez; and Jarick Howard produced, edited, wrote and mastered the public service announcement (PSA), “Voting as a Responsibility,” and

Whereas, they received a 2nd place honor, a $2,000.00 cash award, national airplay on radio stations across the USA, and national attention and accolades on the NAB National Website for the PSA; and

Whereas, the work and encouragement of Dr. Leigh Browning, associate professor and director of broadcasting, resulted in the crew’s outstanding accomplishments and national recognition for the University; now, therefore, be it

Resolved, that we, the members of the Board of Regents of The Texas A&M University System, express our heartfelt congratulations to all the members of the West Texas A&M University Maroon Productions Crew for their contributions to West Texas A&M University; and, be it, further

Resolved, that this resolution be spread upon 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 each member of the team and to the Archives of West Texas A&M University as a permanent mark of this Board’s appreciation and gratitude to all these individuals for a job well done.
ANNOUNCEMENT

Mr. Jones announced that the next regular meeting of the Board was scheduled for March 26-27, 2009, on the campus of Texas A&M. Mr. Jones asked if there was any new business to come before the Board. There was none.

ADJOURNMENT

On motion of Mr. Nye, seconded by Ms. Steen and by a unanimous vote, the meeting was adjourned at 4:46 p.m.

Vickie Burt Spillers
Executive Secretary to the Board
The Texas A&M University System

VBS:jb
The Texas A&M University System

FY 2010 Operating Budget Guidelines

The Texas A&M University System remains committed to serving the citizens of the State of Texas and understands that the valuable, but limited, resources provided to us must be utilized in the most efficient and effective manner, and as always, with the benefit of the State taxpayers foremost on our minds. During the current legislative session, the A&M System will continue to act as good stewards of the State of Texas' limited resources and will ensure the benefit to the State taxpayer is considered in every academic, research and service activity performed.

In these uncertain economic times, the A&M System faces many new and continuing challenges such as addressing the needs of our members impacted by Hurricane Ike, serving an increasing student population, expanding access to more potential students, improving existing programs and developing new programs to meet new demands, expanding research & commercialization capabilities, and increasing the services delivered to the citizens of Texas. The imperative of excellence in all we do and the reality of resource limitations in the State of Texas increase the difficulty of meeting these challenges and dictate that we devote our collective skills to ensuring that the productivity of all System resources is optimized.

Accountability targets in excellence, efficiency, access, and success should continue to be guiding principles in budgeting and fiscal management for FY 2010. There should be a continuing effort to increase and expand programmatic excellence, to efficiently utilize available resources by prioritizing programs, facility requirements, and staffing needs, and to encourage access in every way possible in our rapidly changing environment. The balance between tuition and fee increases and financial aid on student access must be given careful consideration.

Budget recommendations shall be prepared within the estimated funds available. Reserve balances should only be used in special one-time situations or where a definite plan provides justification of a limited use of such balances. In self-supporting activities, total funds budgeted shall not exceed realistic estimates of income and balances brought forward. It is expected that government and private contracts will finance their proportionate share of increases being recommended. Recommendations for other operating expenses should be based upon careful estimates of actual needs, taking into account every possibility for savings. Every effort should be made to ensure that we are taking advantage of cost savings opportunities and reducing expenditures wherever possible. In addition, all budgetary projections should include provisions to accommodate items subject to possible inflationary increases during the course of this operating year.

Chief Executive Officers are authorized to begin the process of preparing the FY 2010 operating budgets within the limits of available resources. The Office of the Chancellor will provide detailed instructions to be used in the support of each phase of the review and approval process for the Chancellor and Board of Regents (schedule attached).
FY 2010 Budget Calendar

January 22-23  Budget guidelines presented to the Board for approval
March 26-27  Tuition and fee requests presented to the Board for approval
April/May  Programmatic budget review presentations to the Chancellor and/or Board Committees on Finance and Academic and Student Affairs
Late June  Preliminary budgets submitted to the System Office of Budgets and Accounting for review
Mid July  FY 2010 preliminary budgets and Executive Summary reviewed by the Chancellor
Late July  FY 2010 Executive Budget Summary provided to the Board
August  FY 2010 Budget presented to the Board for approval

Adopted January __, 2009

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 (the "Parity Bond Resolutions"); 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 Bonds (1) to refund such of its outstanding Commercial Paper Notes (defined herein) as shall be specified in the Award Certificate executed in accordance with the terms of this Resolution (the "Refunded Notes"), for the purpose of providing permanent financing for facilities and improvements financed with the proceeds of such Refunded Notes and of providing the Board with the ability to issue additional Commercial Paper Notes in the future as part of the System's continuing Commercial Paper Note program, (2) refund a portion of its Outstanding Parity Bonds as described in the definition of Potential Refunded Bonds herein, (3) to pay the Project
Costs (as defined herein) of certain Eligible Projects (as defined herein), and (4) to pay costs of issuance of the Bonds; and

WHEREAS, the Bonds 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 in the maximum aggregate principal amount of $230 million for the purposes of (i) refunding the Refunded Notes, (ii) refunding all or a portion of the Potential Refunded Bonds, (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. No Bonds shall be issued under this Resolution after August 31, 2009.

(b) Board's Findings. The Board officially finds and determines that the cost value of investments and other assets of the Permanent University Fund (exclusive of real estate) is now in excess of $10.3 billion, and that the aggregate principal amount of all outstanding Permanent University Fund Obligations, subsequent to the issuance of the Bonds, will not exceed a total amount of 10% of the cost value of investments and other assets of the Permanent University Fund (exclusive of real estate) as of the time of the sale of the Bonds.

(c) Refunding Purposes. The Board is refunding the Refunded Obligations 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.

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

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

(a) Date, Denominations, and Numbers. 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 initial purchaser of the Bonds specified by the Authorized Representative in Award Certificate (the "Initial Purchaser"), 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) **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; (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 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; (viii) the interest payment periods; (ix) the dates, prices, and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Board, as well as mandatory sinking fund redemption provisions, if any; (x) the designation of which Commercial Paper 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, with respect to the Bonds; and (xiii) 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 Secretary to the Board. 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 accrued interest thereon from their dated date to the date of initial delivery thereof; (ii) none of the Bonds shall bear interest at a rate greater than the maximum rate allowed by law; (iii) no stated maturity of any Bond shall be later than July 1, 2039, provided that no Bonds shall mature more than 30 years from their respective dates in accordance with the Constitutional Provision; (iv) the aggregate principal amount of the Bonds shall not exceed $230 million and (v) 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, results in a present value debt service savings of at least four percent (4%).

In establishing the aggregate principal amount of a Series of Bonds to be issued to refund Refunded Bonds, the Authorized Representative shall establish an amount, not to exceed the amount authorized in Section 1(a), sufficient to provide for the refunding of the maximum amount of the Potential Refunded Bonds that will result in a reduction in the aggregate amount of the principal and interest that otherwise would be payable with respect to the Refunded Bonds, calculated on a present value basis, of at least four percent (4%). 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 Resolution 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 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.

Notwithstanding the foregoing provisions, the Bonds shall not be delivered unless prior to such delivery, the Authorized Representative executes and delivers to the Executive Secretary to the Board, in addition to the Award Certificate, a certificate relating to the Bonds to the effect set forth in Section 12 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 FORM OF BONDS and in the Award Certificate to their respective dates of maturity at the rates set forth in the Award Certificate.

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

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

"Additional Parity Obligations" means the additional obligations of the Board permitted to be issued pursuant to Section 12 of this Resolution, 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 $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.

"Authorized Investments" means those obligations, certificates, or agreements as described in the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended from time to time.

"Authorized Representative" means one or more of the following officers or employees of the System, to-wit: the Chancellor, the Associate Vice Chancellor and Treasurer, the Director of Treasury Services, 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 McCall, Parkhurst & Horton L.L.P., 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 will not impair the exclusion of interest on the Bonds from gross income for purposes of federal income taxation (subject to the inclusion of any exceptions contained in the opinion delivered upon original issuance of the Bonds).

"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 the Bonds on which no interest is paid prior to maturity, maturing variously in each of the years and in the aggregate principal amount as set forth in the Award Certificate.


"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 table attached as an Exhibit to the Award Certificate which shows the Compounded Amounts per $5,000 Maturity Amount on the Compounding Dates for each maturity to its Stated Maturity.

"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.

"Commercial Paper Notes" means the commercial paper notes of the Board issued as Subordinate Lien Obligations pursuant to the Board's resolution adopted on September 26, 2008.

"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 the 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 the agreement between the Board and the Escrow Agent substantially in the form previously approved by the Board.

"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.

"Flex Rate Notes" means the notes of the Board issued as Subordinate Lien Obligations pursuant to the Board's resolution adopted on March 24, 2005 and amended on January 27, 2006.

"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 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.

"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.

"Initial Purchaser" has the meaning given in Section 2 hereof.

"Investment Securities" means the securities or contracts to acquire securities specified by law and in the Board's Investment Policy for the investment of the funds of the Board.

"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, by declaration of acceleration, 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.

"NRMSIR" means each person whom the SEC or its staff has determined to be a nationally-recognized municipal securities information repository within the meaning of the Rule from time to time.

"Official Statement" means the disclosure document describing the Bonds dated the date of the Bond Purchase Agreement.

"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 the agent appointed pursuant to Section 2(b) of this Resolution, or any successor thereto.

"Paying Agent/Registrar Agreement" means a Paying/Agent Registrar Agreement by and between the Board and the Paying Agent/Registrar, substantially in the form previously approved by the Board, as from time to time amended or supplemented.

"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 Project, 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 each Series.

"Refunding Bonds" means any Series of Bonds issued solely 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.

"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 4 of this Resolution.

"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.

"SID" means any person designated by the State or an authorized department, officer, or agency thereof as, and determined by the SEC or its staff, to be a state information depository within the meaning of the Rule from time to time.

"State" means the State of Texas.

"Stated Maturity" means the scheduled maturity [or mandatory sinking fund redemption] date of the Bonds.

"Subordinate Lien Obligations" means those bonds, notes, or other obligations of the Board, including the Commercial Paper Notes and the Flex Rate 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.

"UT Board" means the Board of Regents of The University of Texas System.

Section 7. PLEDGE. Pursuant to the Constitutional Provision, the Parity Obligations and the interest thereon, shall be and are hereby equally and ratably secured 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/registrars, 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 AND SECURITY OF FUNDS.

(a) Investments. Money in any account or fund established or affirmed pursuant to this Resolution may, at the option of the Board, be placed in time deposits secured by Investment Securities, or be invested in Investment Securities; provided, however, that all such deposits and investments shall be made in such manner that the money required to be expended from any such account or fund will be available at the needed time or times. For all purposes of this Resolution, such investments shall be valued at their market value as of 30 days prior to the end of each Fiscal Year. Interest and income derived from such deposits and investments shall be credited to the account 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; provided, however, that any proceeds from investment of the proceeds of the Bonds after the purpose for which the Bonds were issued has been accomplished and necessary rebates made to the federal government have been made shall be transferred to the Interest and Sinking Fund. Such investments shall be sold promptly when necessary to prevent any default in connection with the Parity Obligations. Money in any account or fund may be invested, together with money in other accounts or funds or with other money of the Board or the System, in common investments of the kind described above, or in a common pool of such investments which shall be kept and held at an official depository of the System, which shall not be deemed to be or constitute a commingling of such money or accounts or funds provided that the separate accounts maintained on the books of the System for such accounts or funds clearly evidence the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such account or fund or held by or on behalf of each such account or fund.

(b) Security of Funds. Money in all accounts and funds created or affirmed by this Resolution, to the extent not invested, shall be secured in the manner prescribed by State law for
such funds of the Board, in principal amounts at all times not less than the amounts of money credited to such accounts and funds respectively.

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 the interest thereon 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 senior 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; 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 provides for the allocation of the Available University Fund Share first to the payment of principal of and interest on the Parity Obligations and, thereafter, for the Subordinate Lien 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 that 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 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) 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.
(e) 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.

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

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

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

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

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

Section 17. DEFEASANCE OF BONDS.

(a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Resolution, except to the extent provided in subsections (c) and (e) of this Section, when payment of the principal of such Bond, plus interest thereon 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, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the Board with the Paying Agent/Registrar or an eligible trust company or commercial bank for the payment of its services until all Defeased Bonds shall have become due and payable or (3) any combination of (1) and (2). At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the revenues herein pledged as provided in this Resolution, and such principal and interest shall be payable solely from such money or Government Obligations.

(b) The deposit under clause (ii) of subsection (a) shall be deemed a payment of a Bond as aforesaid when proper notice of redemption of such Bonds shall have been given or upon the establishment of irrevocable provisions for the giving of such notice, in accordance with this Resolution. Any money so deposited with the Paying Agent/Registrar or an eligible trust company or commercial bank as provided in this Section may at the discretion of the Board also be invested in Government Obligations, maturing in the amounts and at the times as hereinafter 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 anything elsewhere in this Resolution, 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.

(e) Notwithstanding the provisions of subsection (a) immediately above, to the extent that, upon the defeasance of any Defeased Bond to be paid at its maturity, the Board retains the right under Texas 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 Texas law and upon the satisfaction of the provisions of subsection (a) immediately above 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 each NRMSIR and any SID, within six months after the end of each Fiscal Year, financial information and operating data with respect to the Board and the Permanent University Fund, including the Financial Statements of the System, 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 so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit A hereto 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 each NRMSIR and any SID, 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 each NRMSIR and any SID 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, or the Board Changes its Fiscal Year, the Board will notify each NRMSIR and any SID) 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 (including an official statement or other offering document, if it is available from
the MSRB) that theretofore has been provided to each NRMSIR and any SID or filed with the SEC.

(b) Material Event Notices. The Board shall notify any SID and either each NRMSIR or the MSRB, in a timely manner, of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws: (i) principal and interest payment delinquencies; (ii) non-payment related defaults; (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 or events affecting the tax-exempt status of the Bonds; (vii) modifications to rights of holders of the Bonds; (viii) bond calls; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds; and (xi) rating changes.

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

(c) Limitations, Disclaimers, and Amendments. The Board shall be obligated to observe and perform the covenants specified in this Subsection for so long as, but only for so long as, the Board, 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 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 Subsection are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Subsection, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Board undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this subsection and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Board's, 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 subsection or otherwise, except as expressly provided herein. The Board does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE BOARD BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE BOARD, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.
No default by the Board in observing or performing its obligations under this Subsection shall constitute a breach of or default under this Resolution for purposes of any other provision of this Resolution.

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

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

Section 19. COVENANTS REGARDING TAX MATTERS. (a) The Board covenants to refrain from any action that would adversely affect, or to take such action to assure, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Board covenants as follows:

(i) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or Refunded Obligations sold as one issuance (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the Bonds or the Refunded Obligations proceeds are so used, that amounts, whether or not received by the Board, with respect to such private business use, do not, under the terms of this Resolution or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds sold as one issuance, in contravention of section 141(b)(2) of the Code;

(ii) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds 5 percent of the proceeds of the Bonds or the Refunded Obligations sold as one issuance (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is
"related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(iii) to take any action to assure that no amount that is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Bonds sold as one issuance (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(iv) to refrain from taking any action that would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(v) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(vi) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of such Bonds, other than investment property acquired with

(1) proceeds of the Bonds invested for a reasonable temporary period until such proceeds are needed for the purpose for which the bonds are issued,

(2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(vii) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(viii) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

The Board understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the Refunded Obligations expended prior to the date of issuance of the Bonds. It is the understanding of the Board that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are
hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the Board will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements that are applicable to the Bonds, the Board agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Board hereby authorizes and directs the Authorized Representative to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Board, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

In order to facilitate compliance with the above covenant (viii), a "Rebate Fund" is hereby established by the Board for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(b) The Board covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Resolution on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the purposes for which the Bonds of are issued have been accomplished. The foregoing notwithstanding, the Board shall not expend sale proceeds or investment earnings thereon more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired, unless the Board obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the Board shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(c) The Board covenants that the property financed with the proceeds of the Refunded Obligations or the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the Board of cash or other compensation, unless the Board obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Board shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest on the Refunded Obligations or the Bonds.

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 date for issuance and sale of the Bonds and the amount of Bonds to be issued and sold.
(b) Except as contemplated by subsection (c) below, the Bonds shall be sold by competitive bid at public sale. Prior to the date of public sale, the Authorized Representative, shall cause (i) an appropriate notice of sale, in a form approved by the Authorized Representative, to be published at least one time in a financial publication, journal or report of general circulation among securities dealers in the City of New York (including, but not limited to, The Bond Buyer or The Wall Street Journal), or in the state of Texas (including, but not limited to, The Texas Bond Reporter), and (ii) a preliminary official statement, along with a notice of sale and bidding instructions and an official bid form, to be provided to each bidder, such documents to be in substantially the forms attached to this Resolution, which forms are hereby approved, but with such changes and completions as the Authorized Representative may approve, including such changes and completions to the preliminary official statement as the Authorized Representative may deem necessary or appropriate to enable the Authorized Representative, acting for and on behalf of the Board, to deem the preliminary official statement to be final as of its date, except for such omissions as are permitted by Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"). Each bidder shall be allowed to name the price for the Bonds, the principal amortization schedule for the Bonds and the rate or rates of interest to be borne by the Bonds. The Authorized Representative, acting for and on behalf of the Board, shall, subject to the right to reject any or all bids and to waive any irregularities, award the sale of the Bonds to the bidder whose bid produces the lowest true interest cost to the Board, such interest cost being the rate obtained by doubling the semi-annual interest rate (compounded semi-annually) necessary to discount the principal and interest payments on the Bonds from the dates of payment thereof to the dated date of the Bonds and to the price bid. The price bid for the purpose of the preceding sentence shall not include the amount of interest accrued on the Bonds from their date to the date of delivery thereof against payment therefor. Within seven business days after the award of the sale of the Bonds, the Authorized Representative, acting for and on behalf of the Board, shall cause a final official statement to be provided to the successful bidder in compliance with Rule 15C2-12.

(c) Notwithstanding the provisions of subsection (b) above or any other provisions in this Resolution, any Series of Bonds constituting Refunding Bonds may, at the discretion of the Authorized Representative, be sold on a negotiated basis as set forth in the Award Certificate for such Refunding Bonds. In determining whether to sell Refunding Bonds by negotiated or competitive sale, the Authorized Representative shall take into account the financial condition of the Permanent University Fund and the Available University Fund Share, 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 Authorized Representative, might affect the net borrowing costs on the Refunding Bonds to be sold.

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 System. The Authorized Representative, 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 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.

(d) Following the award of the sale of the 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 the Bonds: dated date; principal amount; date for issue; maturities; mandatory sinking fund redemption provisions; rate or rates of interest; and first interest payment date. The Authorized Representative shall deliver the Initial Bonds to the purchaser thereof against payment therefor.

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

(i) accrued interest for the Bonds shall be deposited in the operating fund to be used to pay interest on the Bonds on the first interest payment date;

(ii) of the remaining proceeds from the sale of the Bonds, there shall be applied the amounts specified in Section 23 of this Resolution; and

(iii) any proceeds from the sale of the Bonds remaining after the deposits provided for in clauses (i) and (ii) above shall be used to finance the cost of permanent improvements for the System or applied to pay expenses arising in connection with the issuance of the Bonds and the refunding of the Refunded Obligations.

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 NOTICE OF SALE AND OFFICIAL STATEMENT. The Authorized Representative is authorized and directed to provide for and oversee the preparation of a Notice of Sale and preliminary Official Statement and a final Official Statement in connection with the issuance of the Bonds, and to approve such final Official Statement and deem it final in compliance with the Rule and to provide it to the Initial Purchaser in compliance with such Rule.

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

(a) Concurrently with the delivery of the Bonds issued to refund Refunded Notes, the Associate Vice Chancellor and Treasurer or other Authorized Representative shall cause to be deposited with the Issuing and Paying Agent for the Refunded Notes or with an Escrow Agent, from the proceeds from the sale of the Bonds and other legally available funds, an amount sufficient to provide for the refunding and defeasance of such Refunded Notes. The Associate Vice Chancellor and Treasurer or other Authorized Representative is further authorized and directed to apply and there is hereby appropriated such moneys of the Board as are necessary to provide for the defeasance of such Refunded Notes on the date of delivery of the Bonds. In the event that it is deemed necessary, the Associate Vice Chancellor and Treasurer or other Authorized Representative is authorized to enter into one or more Escrow Agreements in the standard form previously approved by the Board. In such event, the Associate Vice Chancellor and Treasurer or other Authorized Representative is authorized hereby to take such steps as may
be necessary to purchase the Escrowed Securities, as defined in the Escrow Agreement, on behalf of the Board, and is authorized to create and fund the Escrow Fund contemplated by the Escrow Agreement through the use of the proceeds of the Bonds, the monies and investments held in the fund securing the Refunded Notes, and other lawfully available monies of the Board.

(b) Concurrently with the delivery of each Series of Bonds issued to refund Refunded Bonds, the Associate Vice Chancellor and Treasurer or other Authorized Representative shall cause to be deposited with the Escrow Agent, 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. The Associate Vice Chancellor and Treasurer or other Authorized Representative is further authorized to execute and deliver an Escrow Agreement with the Escrow Agent, in the standard form previously approved by the Board. The Associate Vice Chancellor and Treasurer or other Authorized Representative is further authorized and directed to apply and there is hereby appropriated such moneys of the Board as are necessary to fund the Escrow Fund to be created pursuant to the Escrow Agreement with amounts sufficient to provide for the defeasance of the Refunded Bonds on the date of delivery of the Bonds. The Associate Vice Chancellor and Treasurer or other Authorized Representative is authorized hereby to take such steps as may be necessary to purchase the Escrowed Securities, as defined in the Escrow Agreement, on behalf of the Board and is authorized to create and fund the Escrow Fund contemplated by the Escrow Agreement through the use of the proceeds of the Bonds, the monies and investments held in the fund securing the Refunded Bonds, and other lawfully available monies of the Board.

(c) Subject to the execution of an Award Certificate by the Associate Vice Chancellor and Treasurer or other Authorized Representative, the Refunded Bonds are hereby called for redemption and shall be redeemed on the first optional redemption date following the delivery of the Bonds, for which all of the notice requirements for redemption can reasonably be met, at a redemption price equal to the principal amount of such bonds to be redeemed plus accrued interest to the date of redemption. The Associate Vice Chancellor and Treasurer or other Authorized Representative shall take such actions as are necessary to redeem the Refunded Bonds, including causing the required notices of redemption to be given.

(d) The Associate Vice Chancellor and Treasurer or other Authorized Representative is authorized to solicit bids for and to select one or more Escrow Agents with respect to each Series of Bonds issued to refund Refunded Obligations.

Section 24. AGREEMENTS AUTHORIZED. The Paying Agent/Registrar Agreement, the Escrow Agreements, if used, and the Bond Purchase Agreement are hereby approved in form previously approved by the Board 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 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. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION; AND CUSIP NUMBERS. The Authorized Representative is hereby authorized to have control of the Bond's initially 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, 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 Bonds initially delivered, 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 Bonds initially issued and delivered 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 detailed 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 the 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. FURTHER PROCEDURES. The Chairman or Vice Chairman of the Board, the Executive Secretary to the Board, 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 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 Official Statement, the Paying Agent/Registrar Agreement, the Escrow Agreement, the Representation Letter (such provisions specified in Section 14 hereof), and the refunding of the Refunded Obligations, and to prepare and approve the Official Statement, or supplements thereto, in connection with the Bonds. In addition, each Authorized Representative, General Counsel, 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 or as required by the Attorney General as a condition to the approval of the Bonds.

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 32. 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 33. APPROVAL AND REGISTRATION OF BONDS. The Authorized Representative is hereby authorized to have control of the Bonds and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination, and approval by the Attorney General, and their registration by the Comptroller. Upon registration of the Initial Bond, said Comptroller (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate. The Initial Bond thus registered shall remain in the custody of the Authorized Representative until delivered to the Initial Purchaser.

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

ANNUAL REPORTS

The updated information to be provided by the Board relating to The Texas A&M University System, the Permanent University Fund, and the Available University Fund will be in accordance with the accounting principles applicable to the Board and the UT Board, as the case may be, and shall be provided on a cash basis, or such other basis as the UT Board may be required to employ from time to time pursuant to state law or regulation.
EXHIBIT B

FORM OF BONDS

United States of America
State of Texas
BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM
PERMANENT UNIVERSITY FUND BONDS, SERIES ____

[FORM OF DEFINITIVE BONDS]

NUMBER
R-________

DENOMINATION
$__________

INTEREST RATE    MATURITY DATE    [DATED DATE]    CUSIP NO.

_____%    ______.20____    ______.20____

[ISSUANCE DATE]

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 [Dated Date] [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 on January 2, 2009 (the "Resolution").

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, issued in the aggregate principal amount of $________________ for the purposes of (i) [refunding the Refunded Notes (as defined in the Resolution), (ii) refunding the Refunded Bonds (as defined in the Resolution), (iii) paying the Project Costs (as defined in the Resolution) of certain Eligible Projects (as defined in the Resolution), and (iv)] paying the costs of issuance of the 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:

<table>
<thead>
<tr>
<th>OF THE YEAR</th>
<th>AMOUNT</th>
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<tbody>
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<td>(final maturity)</td>
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[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 Issuer, 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 Issuer (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 Issuer and the securities depository.]
AT LEAST 30 days prior to the date for any redemption of this Bond prior to maturity, a notice of such redemption also shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the registered owner of each Bond, or portion thereof to be redeemed, at its address as it appeared on the Registration Books on the 45th day prior to such redemption date and to major securities depositaries, 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 Resolution.

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, in the denomination of any integral multiple of $5,000. 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 Secretary to the Board, 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

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

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

(BOARD SEAL)

* * *

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

NO. T-1

$ United States of America
State of Texas
BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM
PERMANENT UNIVERSITY FUND BONDS, SERIES ___

Dated Date: ______________, 200_

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

(Related information to be inserted from schedule in Award Certificate)

INTEREST on the unpaid Principal Amount hereof from the Dated 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 defined below.

*   *   *

B-6
[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 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.

* * *

B-7
[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

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.
TWENTIETH 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 $350 MILLION,
AND APPROVING AND AUTHORIZING INSTRUMENTS
AND PROCEDURES RELATING THERETO

Adopted January __, 2009
TWENTIETH 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 $350 MILLION,
AND APPROVING AND AUTHORIZING INSTRUMENTS
AND PROCEDURES RELATING THERETO

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TWENTIETH 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 $350 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, 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 hereby finds and affirms that the Texas Veterinary Medical Diagnostic Laboratory, Texas A&M University - San Antonio and Texas A&M University - Central Texas constitute Participants of the Financing System under the terms of the Master Resolution; and

WHEREAS, the Board has previously adopted the First through Nineteenth 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 a portion of the outstanding Revenue Financing System Commercial Paper Notes, Series B (the "Refunded Notes"); (iii) refund a portion of its Outstanding Parity Obligations as described in the definition of Potential Refunded Bonds herein 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 Twentieth Supplement to the Master Resolution; 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 Twentieth 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 Twentieth Supplement, the terms used in this Twentieth 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 Twentieth Supplement attached hereto and made a part hereof.

(b) Construction of Terms. If appropriate in the context of this Twentieth 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 one or more series in the maximum principal amount of $350 million ($350,000,000). The Bonds shall be designated by the year in which they are awarded pursuant to Section 3 below. No Bonds shall be issued under this Twentieth Supplement after August 31, 2009.

(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, improvements or facilities to be financed or refinanced pursuant to Sections 55.1711, 55.1721, 55.1731, 55.1741, 55.17411, 55.1751 of the Education Code, or similar provisions currently existing or hereafter enacted by the Legislature ("Section 55.17 Projects") shall 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 those Sections of the Education Code or issued to refund Parity Obligations issued pursuant to those Sections, 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 rate bonds as either Current Interest Bonds or Capital Appreciation Bonds.
Section 3. DATE, DENOMINATIONS, NUMBERS, MATURITIES AND TERMS OF BONDS.

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

(b) Award Certificate. As authorized by Chapter 1371, Government Code, as amended, the Designated Financial Officer is hereby authorized, appointed, and designated to act on behalf of the Board in selling and delivering the Bonds and carrying out the other procedures specified in this Resolution, including determining and fixing: (i) the date of the Bonds, (ii) any additional or different designation or title by which the Bonds shall be known, (iii) the price at which the Bonds will be sold, (iv) the years in which the Bonds will mature, (v) the principal amount 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 maturity, (viii) the interest payment periods, (ix) the dates, price, and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Board, as well as any mandatory sinking fund redemption provisions, if any, (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 and (xiii) 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 Designated Financial Officer shall be specified in a certificate of the Designated Financial Officer delivered to the Executive Secretary to the Board (the "Award Certificate"). Such determinations shall be limited by the following: (i) 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 from their dated date to their date of initial delivery, (ii) none of the Bonds shall bear interest at a rate greater than the maximum rate allowed by law, (iii) no stated maturity of any Bond shall be later than June 1, 2039; (iv) the aggregate principal amount of the Bonds shall not exceed $350 million and (v) 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, results in a present value debt service savings of at least four percent (4%).

In establishing the aggregate principal amount of a Series of Bonds to be issued to refund Refunded Bonds, the Designated Financial Officer shall establish an amount, not to exceed the amount authorized in Section 2, sufficient to provide for the refunding of the maximum amount of the Potential Refunded Bonds that will result in a reduction in the aggregate amount of the principal and interest that otherwise would be payable from the Pledged Revenues with respect to the Refunded Bonds, calculated on a present value basis, of at least four percent (4%). 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 Twentieth 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 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 Sections 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.

The Award Certificate is hereby incorporated in and made a part of this Twentieth Supplement and shall be filed in the minutes of the Board as a part of this Twentieth 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. 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 with such changes as are acceptable to the Designated Financial Officer, including those set forth in this Twentieth Supplement with respect to disclosure documents and continuing disclosure provisions.

(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 Twentieth 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) Finding re 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 issued 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.

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 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 books or records for the registration of the transfer, exchange, and replacement of Bonds (the "Registration Books"), and the Board hereby designates the Paying Agent/Registrar as the initial registrar and transfer agent to keep such books or records 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, if not the Paying Agent/Registrar, 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 Twentieth 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 Twentieth 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 Twentieth Supplement the Paying Agent/Registrar shall execute the Paying Agent/Registrar's Authentication Certificate, in the form set forth in the FORM OF BONDS set forth in this Resolution.

(f) Transfer, Exchange, or Replacement. Each Bond issued and delivered pursuant to this Twentieth Supplement, to the extent of the unpaid or unredeemed principal amount or Maturity Amount thereof, may, upon surrender of such Bond at the 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 Twentieth 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 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 Twentieth Supplement shall constitute one of the Bonds for all purposes of this Twentieth 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 Twentieth Supplement there shall be printed an Authentication Certificate, in the form set forth in Exhibit B to this Twentieth 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 Twentieth 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 Twentieth 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 Twentieth 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 Twentieth Supplement, and a certified copy of this Twentieth 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 Twentieth 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 Twentieth 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 Twentieth 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 Twentieth 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 Twentieth 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 Twentieth Supplement. Whenever a
successor securities depository has been appointed pursuant to this paragraph, the terms DTC
and DTC Participant as used in this Twentieth Supplement shall refer to such successor securities
depository and its participants, respectively.

(j) Payments to Cede & Co. Notwithstanding any other provision of this Twentieth
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 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. 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.

(ii) Each Notice of Redemption or Defeasance, whether required in the FORM OF
BONDS or in this Section, shall contain a description of the Bonds to be redeemed or defeased
including the complete name of the Bonds, the date of issue, the interest rate, the maturity date,
the CUSIP number, the certificate numbers, the amounts called of each certificate, the
publication and mailing date for the notice, the date of redemption or defeasance, the redemption
price, if any, the name of the Paying Agent/Registrar and the address at which the Bonds may be
redeemed or paid, including a contact person and telephone number.

(iii) 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.

(iv) 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 Twentieth 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 Twentieth 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. (a) 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
Twentieth 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.

(b) In accordance with Section 7(c) of the Master Resolution, the Board pursuant to this Twentieth Supplemet hereby finds and affirms that the Texas Veterinary Medical Diagnostic Laboratory, Texas A&M University - San Antonio and Texas A&M University - Central constitute Participants of the Financing System under the terms of the Master Resolution.

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 Twentieth 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 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 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, 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 Issuer 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 Issuer 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, redemption premium, if any, or interest on the Bond, the Issuer 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 Issuer 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 Twentieth Supplement equally and proportionately with any and all other Bonds duly issued under this Twentieth 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 Issuer 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 Twentieth Supplement for Bonds issued in exchange and replacement for other Bonds.

**Section 11. AMENDMENT OF SUPPLEMENT.**

(a) **Amendments Without Consent.** This Twentieth 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 Twentieth 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 Supplement;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Twentieth 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 Twentieth 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 Twentieth 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 bond 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 Twentieth Supplement, the owners of Outstanding Bonds aggregating 51 percent in Outstanding Principal Amount shall have the right from time to time to approve any amendment, other than amendments described in Subsection (a) of this Section, to this Twentieth 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 Twentieth Supplement or in the Bonds so as to:

1. Make any change in the maturity of the Outstanding Bonds;
2. Reduce the rate of interest borne by Outstanding Bonds;
3. Reduce the amount of the principal payable on Outstanding Bonds;
4. Modify the terms of payment of principal of or interest on the Outstanding Bonds, or impose any conditions with respect to such payment;
5. Affect the rights of the owners of less than all Bonds then Outstanding; or
6. 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 Twentieth Supplement pursuant to (b) above, the Board shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in the City of New York, New York, once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Registrar for inspection by all owners of Bonds. Such publication is not required, however, if the Board gives or causes to be given such notice in writing to each owner of Bonds.

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

(e) **Effect of Amendments.** Upon the adoption by the Board of any resolution to amend this Twentieth Supplement pursuant to the provisions of this Section, this Twentieth 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 Twentieth Supplement, as amended.

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

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

Section 12. TAX EXEMPTION. (a) The Board covenants to refrain from any action
that would adversely affect, or to take such action to assure, the treatment of the Bonds as
obligations described in section 103 of the Code, the interest on which is not includable in the
"gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the
Board covenants as follows:

(i) to take any action to assure that no more than 10 percent of the proceeds
of the Bonds or Refunded Obligations sold as one issuance (less amounts deposited to a
reserve fund, if any) are used for any "private business use," as defined in section
141(b)(6) of the Code or, if more than 10 percent of the Bonds or the Refunded
Obligations proceeds are so used, that amounts, whether or not received by the Board,
with respect to such private business use, do not, under the terms of this Twentieth
Supplement or any underlying arrangement, directly or indirectly, secure or provide for
the payment of more than 10 percent of the debt service on the Bonds sold as one
issuance, in contravention of section 141(b)(2) of the Code;

(ii) to take any action to assure that in the event that the "private business use"
described in subsection (a) hereof exceeds 5 percent of the proceeds of the Bonds or the
Refunded Obligations sold as one issuance (less amounts deposited into a reserve fund, if
any) then the amount in excess of 5 percent is used for a "private business use" that is
"related" and not "disproportionate," within the meaning of section 141(b)(3) of the
Code, to the governmental use;

(iii) to take any action to assure that no amount that is greater than the lesser of
$5,000,000, or 5 percent of the proceeds of the Bonds sold as one issuance (less amounts
deposited into a reserve fund, if any) is directly or indirectly used to finance loans to
persons, other than state or local governmental units, in contravention of section 141(c)
of the Code;

(iv) to refrain from taking any action that would otherwise result in the Bonds
being treated as "private activity bonds" within the meaning of section 141(b) of the
Code;

(v) to refrain from taking any action that would result in the Bonds being
"federally guaranteed" within the meaning of section 149(b) of the Code;

(vi) to refrain from using any portion of the proceeds of the Bonds, directly or
indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire
investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of such Bonds, other than investment property acquired with

(1) proceeds of the Bonds invested for a reasonable temporary period until such proceeds are needed for the purpose for which the bonds are issued,

(2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(vii) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(viii) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

The Board understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the Refunded Obligations expended prior to the date of issuance of the Bonds. It is the understanding of the Board that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the Board will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements that are applicable to the Bonds, the Board agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Board hereby authorizes and directs the Designated Financial Officer to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Board, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

In order to facilitate compliance with the above covenant (viii), a "Rebate Fund" is hereby established by the Board for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without
limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(b) The Board covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 2 of this Twentieth Supplement on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the purposes for which the Bonds of are issued have been accomplished. The foregoing notwithstanding, the Board shall not expend sale proceeds or investment earnings thereon more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired, unless the Board obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the Board shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(c) The Board covenants that the property financed with the proceeds of the Refunded Obligations or the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the Board of cash or other compensation, unless the Board obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Board shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest on the Refunded Obligations or the Bonds.

Section 13. CONTINUING DISCLOSURE UNDERTAKING. (a) Annual Reports. To the extent that such financial information and operating data is reasonably obtainable under generally acceptable accounting principles applicable to the Board, as modified by the laws of the State of Texas and the rules and regulations of the Comptroller of Public Accounts of the State of Texas, the Board shall provide annually to each NRMSIR and any SID, within six months after the end of each Fiscal Year financial information and operating data with respect to The Texas A&M University System, including the Annual Financial Report of The Texas A&M University System, as determined by the Designated Financial Officer at the time the Bonds are sold. The Award Certificate shall specify the financial information and operating date to be provided pursuant to this Section. In the event that financial information and operating data of such general type is not reasonably available, financial information and operating data will be provided as prescribed by the applicable accounting principles and the governing laws, rules, and regulations applicable to the Board. The undertaking of the Board contained in the preceding sentence may be modified by the Designated Financial Officer in the Award Certificate upon advice of counsel. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit C, as modified in the Award Certificate, 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 each NRMSIR and any SID, 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 each NRMSIR and any SID within six months after the end of said Fiscal Year or as soon thereafter as such audited financial statements become available from the State Auditor of the State of Texas. Any such audited financial statements of the State of Texas so provided shall be prepared in accordance with generally accepted accounting principles for state governments, as such principles may be changed from time to time to comply with state law.

If the Board changes the Fiscal Year, the Board will notify each NRMSIR and any SID 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 (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to each NRMSIR and any SID or filed with the SEC.

(b) Material Event Notices. The Board shall notify any SID and either each NRMSIR or the MSRB, in a timely manner, of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws:

A. Principal and interest payment delinquencies;
B. Non-payment related defaults;
C. Unscheduled draws on debt service reserves reflecting financial difficulties;
D. Unscheduled draws on credit enhancements reflecting financial difficulties;
E. Substitution of credit or liquidity providers, or their failure to perform;
F. Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
G. Modifications to rights of holders of the Bonds;
H. Bond calls;
I. Defeasances;
J. Release, substitution, or sale of property securing repayment of the Bonds; and
K. Rating changes.

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

(c) Limitations, Disclaimers, and Amendments. The Board shall be obligated to observe and perform the covenants specified in this Section 13 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 this Twentieth Supplement of any Bond calls and defeasance that cause the Bonds to be no longer 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 Section 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 Section 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.

Any filing required by this Section may be made solely with a central post office approved for such purposes by the SEC, such as the Texas Municipal Advisory Council (the "MAC") as provided at http://www.disclosureusa.org, for submission to the NRMSIRs and SID (without also separately submitting such filings to the NRMSIRs and SID by some other means) so long as such filing is acceptable to the SEC.

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 Supplement for purposes of any other provision of this Supplement.

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 (1) 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 (2) either (A) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this 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 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 the Bonds in the primary offering of the Bonds.

Section 14. Twentieth 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 Twentieth 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 Twentieth Supplement by the Board and the covenants and agreements set forth in this Twentieth 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 Twentieth 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 Twentieth 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 Twentieth Supplement. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Twentieth 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 Twentieth Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Twentieth 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 Associate Vice Chancellor and Treasurer of the Issuer, or other 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 Associate Vice Chancellor and Treasurer, or other 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 the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, 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 Twentieth Supplement is hereby adopted and made a part of this Twentieth 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 the Bonds issued to refund Refunded Notes, the Associate Vice Chancellor and Treasurer or other Designated Financial Officer shall cause to be deposited with the Issuing and Paying Agent for the Refunded Notes or with an Escrow Agent, from the proceeds from the sale of the Bonds and other legally available funds, an amount sufficient to provide for the refunding and defeasance of such Refunded Notes. The Associate Vice Chancellor and Treasurer or other Designated Financial Officer is further authorized and directed to apply and there is hereby appropriated such moneys of the Board as are necessary to provide for the defeasance of such Refunded Notes on the date of delivery of the Bonds. In the event that it is deemed necessary, the Associate Vice Chancellor and Treasurer or other Designated Financial Officer is authorized to enter into one or more Escrow Agreements in the standard form previously approved by the Board. In such event, the Associate Vice Chancellor and Treasurer or other Designated Financial Officer is authorized hereby to take such steps as may be necessary to purchase the Escrowed Securities, as defined in the Escrow Agreement, on behalf of the Board, and is authorized to create and fund the Escrow Fund contemplated by the Escrow Agreement through the use of the proceeds of the Bonds, the monies and investments held in the fund securing the Refunded Notes, and other lawfully available monies of the Board.

(b) Concurrently with the delivery of each Series of Bonds issued to refund Refunded Bonds, the Associate Vice Chancellor and Treasurer or other Designated Financial Officer shall cause to be deposited with the Escrow Agent, 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. The Associate Vice Chancellor and Treasurer or other Designated Financial Officer is further authorized to execute and deliver an Escrow Agreement with the Escrow Agent, in the standard form previously approved by the Board. The Associate Vice Chancellor and Treasurer or other Designated Financial Officer is further authorized and directed to apply and there is hereby appropriated such moneys of the Board as are necessary to fund the Escrow Fund to be created pursuant to the Escrow Agreement with amounts sufficient to provide for the defeasance of the Refunded Bonds on the date of delivery of the Bonds. The Associate Vice Chancellor and Treasurer or other Designated Financial Officer is authorized hereby to take such steps as may be necessary to purchase the Escrowed Securities, as defined in the Escrow Agreement, on behalf of the Board and is authorized to create and fund the Escrow
Fund contemplated by the Escrow Agreement through the use of the proceeds of the Bonds, the monies and investments held in the fund securing the Refunded Bonds, and other lawfully available monies of the Board.

(c) Subject to the execution of an Award Certificate by the Associate Vice Chancellor and Treasurer or other Designated Financial Officer, the Refunded Bonds are hereby called for redemption and shall be redeemed on the first optional redemption date following the delivery of the Bonds, for which all of the notice requirements for redemption can reasonably be met, at a redemption price equal to the principal amount of such bonds to be redeemed plus accrued interest to the date of redemption. The Associate Vice Chancellor and Treasurer or other Designated Financial Officer shall take such actions as are necessary to redeem the Refunded Bonds, including causing the required notices of redemption to be given.

(d) The Associate Vice Chancellor and Treasurer or other Designated Financial Officer is authorized to solicit bids for and to select one or more Escrow Agents with respect to each Series of Bonds issued to refund Refunded Obligations.

Section 20. APPLICATION OF BOND PROCEEDS. (a) Proceeds from the sale of the Bonds shall, promptly upon receipt thereof, be applied by the Associate Vice Chancellor and Treasurer, or other Designated Financial Officer, as follows:

(i) accrued interest for the Bonds shall be deposited as provided in Section 9;

(ii) an amount sufficient to accomplish the purposes of Section 19 shall be so applied;

(iii) an amount sufficient to pay the cost of acquiring, purchasing, constructing, improving, enlarging, and equipping the improvements being financed with the proceeds of the Bonds shall be deposited in the Board's accounts to be used for such purposes; and

(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 and the amount of the proceeds of the Bonds allocated to each project may be reallocated to other projects in the list, 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) the Board shall have received an opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Board 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 Bonds to pay the cost of project will not adversely affect the treatment of interest on the Bonds for federal income tax purposes; and

(iv) the Designated Financial Officer shall execute and deliver a certificate to the Executive Secretary to the Board 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. The Chairman, Vice Chairman and Executive Secretary to the Board, and each member of the Board, the Designated Financial Officer, and all other officers, employees, and agents of the Issuer, 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 Twentieth Supplement, the Award Certificate, the Blanket Letter of Representation with DTC regarding the Book-Entry-Only System, the Bonds, the sale and delivery of the Bonds and fixing all details in connection therewith, and the refunding of the Refunded Obligations. Notwithstanding anything to the contrary contained herein, while the Bonds are subject to DTC's Book-Entry-Only System and to the extent permitted by law, the Blanket Letter of Representation is hereby incorporated herein and its provisions shall prevail over any other provisions of this Twentieth Supplement in the event of conflict. In addition, the Designated Financial Officer is authorized to submit a notice of intent to the Texas Bond Review Board requesting the approval of the issuance of the Bonds. 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. 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 Twentieth Supplement, any amendments to the above named documents, and any technical amendments to this Twentieth 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 OFFICIAL STATEMENT. The Designated Financial Officer is authorized and directed to provide for and oversee the preparation of a preliminary and 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 Blanket Letter of Representation with DTC. The Designated Financial Officer is authorized and directed to enter into any amendments to the Blanket Letter of Representation with DTC necessary to implement the Book-Entry-Only System.

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 Issuer 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, 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, (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 of the purchase thereof 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 the proceedings authorizing the financial arrangements 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.

Section 25. REPEAL OF CONFLICTING RESOLUTIONS; RATIFICATION OF CONTINUANCE OF COMMERCIAL PAPER NOTE PROGRAM. All resolutions and
all parts of any resolutions which are in conflict or are inconsistent with this Twentieth Supplement are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency. The Amended and Restated Second Supplemental Resolution to the Master Resolution, authorizing the Revenue Financing System Commercial Paper Notes, Series B (the "Second Supplement") is hereby ratified and reaffirmed and it is recognized that notes will be issued thereunder in the future pursuant to, in accordance with, and subject to the conditions contained in the Second Supplement.

Section 26. 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 Twentieth Supplemental Resolution was adopted, and that this Twentieth Supplemental Resolution would be introduced and considered for adoption at said meeting; that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

__________________________
EXHIBIT A

DEFINITIONS

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


The term "Authorized Denominations" 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.

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 Twentieth Supplement.

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

The term "Bonds" means, collectively, the Bonds issued pursuant to this Twentieth Supplement, and all substitute bonds exchanged therefor, and all other substitute and replacement bonds issued pursuant to this Twentieth Supplement; and the term "Bond" means any of the Bonds.

The term "Business Day" means any day (a) when banks are open for business in Dallas, Texas, and Austin, Texas, and (b) when banks are not authorized to be closed in New York, New York.

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 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 Twentieth Supplement and the Compounded Amount Table relating to such Bonds.

The term "Compounded Amount Table" means, with respect to the Capital Appreciation Bonds, the table attached as an Exhibit to the Award Certificate which shows the Compounded Amounts per $5,000 Maturity Amount on the Compounding Dates for each maturity to its Stated Maturity.

The term "Compounding Dates" means Compounding Dates as defined in Section 4 of this Twentieth 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 Associate Vice Chancellor and Treasurer, the Director of Treasury Services, 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.

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 "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 "NRMSIR" means each person whom the SEC or its staff has determined to be a nationally recognized municipal securities information repository within the meaning of the Rule from time to time.

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

The term "Potential Refunded Bonds" means the outstanding Parity Obligations previously issued by the Board pursuant to the Third through the Nineteenth Supplemental Resolutions to the Master Resolution.

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 refunded by a Series of Bonds.
The term "Refunded Notes" means the Board's Revenue Financing System Commercial Paper Notes, Series B to be refunded with the proceeds of the Bonds.

The term "Refunded Obligations" means, collectively, the Refunded Notes, if any, and the Refunded Bonds, if any, refunded by each 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.

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 "Series" means any designated series of Bonds issued pursuant to this Twentieth Supplement.

The term "SID" means any person designated by the State of Texas or an authorized department, officer, or agency thereof as, and determined by the SEC or its staff to be, a state information depository within the meaning of the Rule from time to time.

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 of the Education Code, or similar provisions currently existing or hereafter enacted by the Legislature.

The term "Twentieth Supplement" means this resolution authorizing the Bonds.

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EXHIBIT B

FORM OF BONDS

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

R- UNITED STATES OF AMERICA PRINCIPAL AMOUNT
STATE OF TEXAS $
BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM BOND, SERIES _____

INTEREST RATE MATURITY DATE [BOND DATE] CUSIP NO.

[ISSUANCE DATE]

______% ________, 20____ _________

REGISTERED OWNER:
PRINCIPAL AMOUNT: DOLLARS

ON THE MATURITY DATE specified above the BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM (the "Issuer"), 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 [Bond 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 ____________, 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 Issuer 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 Issuer 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 Issuer 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. 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 Issuer and the securities depository. Terms used herein and not otherwise defined have the meanings given in the Bond Resolution.
CR- UNITED STATES OF AMERICA PRINCIPAL AMOUNT
STATE OF TEXAS $ 
BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM 
REVENUE FINANCING SYSTEM BOND 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 "Issuer"), 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 specified above and accrued and compounded interest thereon. Interest shall accrue 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 Issuer 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 Issuer 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. 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 Issuer 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 January ___, 2009, authorized by
resolution of the Issuer adopted on _____________ (the "Bond Resolution") in the aggregate
principal amount of $ _______________, FOR THE PURPOSE OF (i) REFUNDING THE
REFUNDED NOTES AND THE REFUNDED BONDS; (ii) PROVIDING $ ____________,
TO PAY THE COST OF ACQUIRING, PURCHASING, CONSTRUCTING, IMPROVING,
ENLARGING, AND EQUIPPING THE PROPERTY AND FACILITIES OF THE
PARTICIPANTS OF THE REVENUE FINANCING SYSTEM; AND (iii) PAYING THE
COSTS RELATED THERETO, ###[and comprised of (i) Bonds in the aggregate principal
amount of $ _______________ that pay interest only at maturity (the "Capital Appreciation
Bonds") and (ii) Bonds in the aggregate principal amount of $ _______________ that pay interest
semiannually until maturity (the "Current Interest Bonds")]

On __________, or on any date thereafter, the Bonds scheduled to mature on and
after __________ may be redeemed prior to their scheduled maturities, at the option of the
Issuer, 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 Issuer (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 Issuer 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 Issuer, in part, prior to their scheduled maturity, with the particular Bonds or portions thereof
to be redeemed to be selected and designated by the Issuer (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:

<table>
<thead>
<tr>
<th>Bonds Maturing</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Redemption Date</td>
<td>Principal Amount</td>
</tr>
</tbody>
</table>

*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 Issuer, 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 Issuer 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 Issuer, 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 Issuer and the securities depository.

*AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be published once in a financial publication, journal, or report of general circulation among securities dealers in The City of New York, New York (including, but not limited to, The Bond Buyer and The Wall Street Journal), or in the State of Texas (including, but not limited to, The Texas Bond Reporter). Such notice also shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, not less than 30 days prior to the date fixed for any such redemption, to the registered owner of each Bond to be redeemed at its address as it appeared on the 45th day prior to such redemption date; 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, and it is hereby specifically provided that the publication of such notice as required above shall be the only notice actually required in connection with or as a prerequisite to the redemption of any Bonds or portions thereof. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is published and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. 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, payable in the same manner, in any authorized
denomination at the written request of the registered owner, and in 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 Issuer, 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 Issuer kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds,
on 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 Issuer 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 Issuer
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 Issuer 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 Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenantet 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 covenantet 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 ISSUER 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 Issuer, and agrees that the terms and provisions of this Bond and the Bond Resolution constitute a contract between each registered owner hereof and the Issuer.

Provisions of Bonds related to redemption are to be deleted if the Series of Bonds is not subject to redemption. Bracketed information relates to Capital Appreciation Bonds and its use will depend on whether any Bonds of a Series are Capital Appreciation Bonds.

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

__________________________
(signature)

__________________________
(signature)

B-10
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 BOND]**

The Initial 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 "Issuer"), 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:

<table>
<thead>
<tr>
<th>Principal</th>
<th>Years of</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installments</td>
<td>Stated Maturities</td>
<td>Rates</td>
</tr>
</tbody>
</table>

B-11
(Information from Award Certificate to be inserted)

The Issuer promises to pay interest on the unpaid principal amount hereof from the Bond 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 ________, 200__, 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-1".

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 previsions 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.

________________________________________
Paying Agent/Registrar

Dated

________________________________________
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
TEN ENT -- as tenants by the entireties
JT TEN -- as joint tenants with right
          of survivorship and not as
          tenants in common

UNIF GIFT MIN ACT--
Custodian
(Cust) (Minor)
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.
EXHIBIT C
CONTINUING DISCLOSURE OF INFORMATION
Accounting Principles

The financial statements of The Texas A&M University System will be prepared in accordance with the Texas Comptroller of Public Accounts' Annual Financial Reporting Requirements or such other accounting principles as the Board may be required to employ from time to time pursuant to state law or regulation. Historically, these requirements followed, as near as practicable, the American Institute of Certified Public Accounts ("AICPA") Industry Audit Guide, Audits of Colleges and Universities, 1996 Edition, as amended by AICPA Statement of Position (SOP) 74-8, Financial Accounting and Reporting by Colleges and Universities, and as modified by applicable Financial Accounting Standards Board pronouncements issued through November 30, 1989, and as modified by all applicable Governmental Accounting Standards Board pronouncements cited in Codification Section Co5, Colleges and Universities. The requirements were also in substantial conformity with the Financial Accounting Reporting Manual for Higher Education published by the National Association of College and University Business Officers.
Texas A&M University-Corpus Christi

MISSION STATEMENT

[REVISED, ANNOTATED]

Texas A&M University-Corpus Christi is devoted to discovering, communicating and applying knowledge in a complex and changing world. The university identifies, attracts, and graduates students of high potential, especially those from groups who have been historically underrepresented in Texas higher education. Through a commitment to excellence in teaching, research and service, Texas A&M University-Corpus Christi prepares students for lifelong learning and for responsible participating in the global community, an expanding, doctoral-granting institution committed to preparing graduates for lifelong learning and responsible citizenship in the global community. We are dedicated to excellence in teaching, research, creative activity and service and our supportive, multicultural learning community provides undergraduate and graduate students with a challenging educational experience. The university’s federal designation as a Hispanic Serving Institution (HSI) provides a foundation for closing educational gaps, while strategic location on the Gulf of Mexico and on the cultural border with Latin America provides a basis for gaining national and international prominence.

MISSION STATEMENT

[REVISED – WITHOUT ANNOTATIONS]

Texas A&M University-Corpus Christi is an expanding, doctoral-granting institution committed to preparing graduates for lifelong learning and responsible citizenship in the global community. We are dedicated to excellence in teaching, research, creative activity and service and our supportive, multicultural learning community provides undergraduate and graduate students with a challenging educational experience. The university’s federal designation as a Hispanic Serving Institution (HSI) provides a foundation for closing educational gaps, while strategic location on the Gulf of Mexico and on the cultural border with Latin America provides a basis for gaining national and international prominence.
[Existing] Mission Statement

INSTITUTION: Texas A&M University-Corpus Christi

APB: April 19, 1991
APB: Oct. 28, 1994
APB: April 24, 2003

Mission
Texas A&M University-Corpus Christi is devoted to discovering, communicating and applying knowledge in a complex and changing world. The university identifies, attracts, and graduates students of high potential, especially those from groups who have been historically underrepresented in Texas higher education. Through a commitment to excellence in teaching, research and service, Texas A&M University-Corpus Christi prepares students for lifelong learning and for responsible participating in the global community.
Chart I

<table>
<thead>
<tr>
<th>Component Area</th>
<th>Acceptable Courses</th>
<th>Required Semester Credit</th>
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</thead>
<tbody>
<tr>
<td>010 Communication</td>
<td>ENGL 1301; remaining 3 hours may be selected from ENGL 1302, ENGL 2311 or equivalent</td>
<td>6</td>
</tr>
<tr>
<td>020 Mathematics</td>
<td>College Algebra, or higher</td>
<td>3</td>
</tr>
<tr>
<td>030 Natural Sciences</td>
<td>May be Biology, Anatomy &amp; Physiology, Microbiology, Chemistry or Nutrition</td>
<td>6</td>
</tr>
<tr>
<td>040 Humanities</td>
<td>Literature, Philosophy, Modern or Classical Language/Literature* and Cultural Studies</td>
<td>3</td>
</tr>
<tr>
<td>050 Visual/Performing Arts</td>
<td>Art, Dance, Music Appreciation, Music, Drama or equivalent</td>
<td>3</td>
</tr>
<tr>
<td>060 U.S. History</td>
<td>Legislatively mandated HIST 1301, 1302 or equivalent (legislative mandated)</td>
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<tr>
<td>070 Political Science</td>
<td>Political Science (legislatively mandated) GOVT 2301 &amp; 2302 or GOVT 2305 &amp; 2306</td>
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<tr>
<td>080 Social/Behavioral Science</td>
<td>Sociology, Psychology, Anthropology or Economics</td>
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</table>

Chart II

<table>
<thead>
<tr>
<th>Component Area</th>
<th>Acceptable Courses</th>
<th>Required Semester Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>031 Natural Sciences</td>
<td>May be Biology, Anatomy &amp; Physiology, Microbiology, Chemistry or Nutrition</td>
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<tr>
<td>081 Social/Behavioral Science</td>
<td>Sociology, Psychology, Anthropology or Economics</td>
<td>3</td>
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</tbody>
</table>

Total: 42

*Application of language skills includes a study of literature in the original language, and/or the cultural studies related to a modern or classical language.

Students should work with their respective College in meeting the prerequisites as they relate to the Core.

Students transferring without being core-complete must receive advance approval before taking a core course at another institution.

*Modified 09/19/2008 at the request of the College of Nursing*
*Final 04/16/2008; modified 08/26/2008 (HUM clarification)*
*Reviewed by AAAC 04/09/2008*
*Reviewed by SSAC 10/27/2008*
EXECUTIVE SUMMARY

Request to Approve the 42-credit hour Core Curriculum for the
Texas A&M Health Science Center

RATIONALE

The Texas Higher Education Coordinating Board (THECB) has determined that the Core Curriculum be no less than 42 semester credit hours (SCH) and be consistent with the Texas Common Course Numbering System.

The proposed 42-hour Core Curriculum (see attached exhibit) meets the state mandated total minimum requirement of 36 hours from Chart I and 6 additional hours from Chart II, and satisfies the exemplary educational objectives of the “Core Curriculum: Assumptions and Defining Characteristics” adopted by the THECB.

COST IMPLICATIONS

None

EFFECTIVE DATE

The 42-hour Core Curriculum requirement would become effective with the 2009 summer semester.
15.01  Research Agreements

Approved February 27, 1995 (MO 44-95)
Revised September 1, 1995 (MO 286-95)
Revised September 26, 1997 (MO 181-97)
Revised March 23, 2000 (MO 66-00)
Revised January 22, 2009 (MO  -2009)
Next Scheduled Review: January 22, 2011

Policy Statement

This policy provides the chief executive officers (CEOs) of The Texas A&M University System (system) and its respective system members with a structure for conducting research.

Reason for Policy

This policy defines the CEOs and respective system members’ research-related duties and administrative responsibilities.

Procedures and Responsibilities

1. RESEARCH POLICY

1.1 The CEO of each system member shall submit for chancellor approval the procedures for implementing research projects funded by federal, state, commercial, gift, or specific donated funds.

1.2 Each CEO shall assure that research conducted is consistent with the mission of the system member and the system.

1.3 Each CEO shall assure that all research conducted at the system member complies with all applicable system, local, state, and federal policies, regulations, and guidelines.

1.4 Annually, the chancellor shall receive a report from each CEO detailing ongoing research projects. Such reports shall be made available to the system Board of Regents (board) on request.

1.5 Each CEO shall establish procedures to assure that researchers are aware of, and compliant with, all applicable research policies, regulations, and guidelines; and
noncompliance shall be grounds for dismissal of the individual and/or suspension of the project.

2. INITIATION OF AGREEMENTS

It shall be the policy of the system to cooperate whenever possible, within the limits of its means and responsibilities, with individuals, government agencies, corporations or other outside parties in the solution of problems of mutual interest. The initiative for effecting such cooperative arrangements, including the establishment of grants-in-aid for the support of research work, may be assumed either by a system member or by an outside party.

3. CONTROL OF RESEARCH PRODUCTS

In general, the results of investigations by, or under the direction of, the research or teaching staffs of the system during the course of their regularly assigned duties shall become the property of the system and shall be so used and controlled as to produce the greatest benefit to the public and to the system.

4. ADVERTISING POLICY

If the results expected from a cooperative undertaking are such that the outside party desires to use the name of the system or a system member in its advertising, provisions for such use shall be included in a written agreement. Advertising referring to these results shall be so worded as not to imply the endorsement by any system member or the system of a specific product or producer, and shall reflect credit upon the system, its personnel and its activities.

5. RELATIONSHIPS WITH TEXAS A&M RESEARCH FOUNDATION

5.1 The Texas A&M Research Foundation (the Foundation), acting at the request of the system and/or its members, enters into various grant and contractual agreements with entities external to the system for the conduct of research and other activities. These activities, referred to as "projects," are performed cooperatively through the use of facilities and personnel of the system and the Foundation. The interests of the system and the Foundation are the same in the performance of these projects: the fulfillment of the system's missions of education, research and service to the citizens of the state of Texas and the nation.

5.2 The chancellor shall develop and maintain a master agreement setting forth the relationship between the Foundation and the system. Such agreement shall be approved by the board. System members may implement addendum agreements specifying practices and procedures relating to their relationship with the Foundation. The master agreement shall provide that the primary role of the Foundation is to administer business affairs, serving as the contracting office and representative of the system in relations with the sponsors and prospective sponsors. The master agreement shall also address the questions of ownership and use of equipment acquired with sponsor funds, and other matters pertinent to the relationship.

5.3 The Foundation may act on behalf of the system, the system member, and the Foundation in accepting and administering grants, agreements or contracts with
external entities for the conduct of projects, to be carried out in whole or in part through
the use of system facilities and personnel. Project awards received by the Foundation
that were not preceded by an approved proposal must be so approved before
acceptance.

5.4 All direct and facilities and administrative costs received on sponsored projects, apart
from that retained by the Foundation according to agreements with system members
and/or the system, shall be remitted to the system member.

5.5 In negotiating and administering sponsored projects, the Foundation will observe and
comply with the system's policies concerning intellectual property.

6. RELATIONSHIPS WITH DEVELOPMENT FOUNDATIONS

Relationships with development foundations and similar support organizations are described
in System Policy 60.01, Relationships with Affiliated Organizations.

Related Statutes, Policies, or Requirements

System Policy 17.01, Intellectual Property Management and Commercialization

System Policy 60.01, Relationships with Affiliated Organizations

System Regulation 15.99.01, Use of Human Subjects in Research

System Regulation 15.99.03, Ethics in Research and Scholarship

System Regulation 15.99.04, State Review of Federal Grants and Loans

Contact Office

The System Office of Research
(979) 458-6000
29.01 Information Resources

Approved January 22, 2009 (MO -2009)
Next Scheduled Review: January 22, 2011

Policy Statement

The Board of Regents (board) of The Texas A&M University System (system) regards information resources as a vital part of fulfilling the mission of the system. Each system member chief executive officer (CEO) is responsible for ensuring the effectiveness, confidentiality and efficiency of system members’ information resources. In addition, each CEO is responsible for ensuring that appropriate procedures and programs are implemented to safeguard computer systems, networks and data and mitigating risks that may compromise information integrity, availability and confidentiality.

Reason for Policy

This policy provides the minimum procedures to be used by system members to govern the use of information resources.

Procedures and Responsibilities

The chancellor is responsible for ensuring that all system members have implemented rules and/or procedures for the appropriate management of information resources.

USE OF INFORMATION RESOURCES

1. Each user is responsible for using information resources in accordance with the guidelines established by the Texas Department of Information Resources, the Texas Ethics Commission and System Policy 07.01, Ethics. Accordingly, each user should:

   (a) use information resources for officially authorized business purposes, with exception for incidental use as allowed in accordance with System Policy 33.04, Use of System Resources;

   (b) promptly disclose fraud, waste, or abuse in accordance with System Policy 21.04, Control of Fraud, Waste, and Abuse;

   (c) adhere to all laws, regulations and policies that refer to the use of information resources; and
(d) endeavor to avoid any actions that would create the appearance that he or she is violating the law or the system's ethical standards.

2. Privacy policies are mechanisms used to establish the responsibilities and limits for system administrators and users in providing privacy in information resources. System members have the right to examine information on information resources which are under their control or custody, including but not limited to email and/or any electronic files created, used, stored, sent or received on system devices. The general right to privacy is extended to the electronic environment to the extent possible. However, there should be no expectation of privacy beyond that which is expressly provided by applicable privacy laws. Privacy is limited by the Texas Public Information Act, administrative review, computer system administration, and audits.

3. Each system member will develop and implement rules and/or procedures to ensure compliance with applicable Texas Department of Information Resources' rules; for example, Texas Administrative Code, Title 1, Ch. 202, Information Security Standards, Ch. 206, State Web Sites, and Ch. 213, Electronic and Information Resources.

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**Related Statutes, Policies, or Requirements**

1 Tex. Admin. Code Ch. 202, Information Security Standards

1 Tex. Admin. Code Ch. 206, State Web Sites

1 Tex. Admin. Code Ch. 213, Electronic and Information Resources

System Policy 33.04, Use of System Resources

System Regulation 25.99.08, Use of Telecommunication Service

System Regulation 21.99.10, Use of Licensed Commercial Software

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**Definitions**

Information resources – the procedures, computer equipment, facilities, software and data which are designed, built, operated and maintained to collect, record, process, store, retrieve, display, report and transmit information.

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**Contact Office**

The System Office of Business Computing Services  
(979) 458-6450
34.02 Drug and Alcohol Abuse

Approved February 27, 1995 (MO 44-95)
Revised September 26, 1997 (MO 181-97)
Revised September 24, 1999 (MO 225-99)
Revised January 22, 2009 (MO -09)
Next Scheduled Review: January 22, 2011

Policy Statement

The Texas A&M University System (system) strictly prohibits the unlawful manufacture, distribution, possession or use of illicit drugs or alcohol on system property, and/or while on official duty and/or as part of any system activities.

Reason for Policy

This policy is established to help system members maintain a safe and healthy environment for all students and employees, to ensure compliance with applicable law, and to require the adoption and implementation of a program to help prevent the use of illicit drugs and alcohol abuse by students and employees.

Procedures and Responsibilities

1. All system members and system member students and employees are expected to abide by state and federal laws pertaining to controlled substances, illicit drugs and the use of alcohol. Each system member will adopt a plan consistent with this policy that will include implementation of an awareness and prevention program on the use of illicit drugs and the abuse of alcohol by students and employees.

2. Sanctions (consistent with local, state, and federal law) will be imposed on students and employees for the violation of this policy. Sanctions may include disciplinary actions up to and including expulsion, termination of employment and referral for prosecution.

3. This policy is in addition to any alcohol or drug abuse policy or policies relating to participation in intercollegiate athletics.

4. The chancellor is authorized to implement regulations to ensure full compliance with applicable statutes and administrative rules or guidelines.
Related Statutes, Policies, or Requirements

41 U.S.C. Ch. 10 (§§ 701-707), Drug-Free Workplace

34 C.F.R. Pt. 86, Drug and Alcohol Abuse Prevention

System Regulation 34.02.01, Drug and Alcohol Abuse and Rehabilitation Programs

Contact Office

System Office of General Counsel
(979) 458-6120

System Offices Human Resources
(979) 458-6169
TEXAS A&M UNIVERSITY
RECOMMENDATIONS FOR TENURE
TENURE LIST NO. 09-03

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<tr>
<th>Name</th>
<th>Present Rank</th>
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<th>Effective Date/Tenure</th>
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<td><strong>COLLEGE OF AGRICULTURAL AND LIFE SCIENCES</strong></td>
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<tr>
<td><em>Dr. John F. Elliot</em></td>
<td>Professor Agricultural Leadership, Education and Communication</td>
<td>0  20</td>
<td>Upon Approval by the Board and Faculty Arrival</td>
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<tr>
<td><em>Dr. Michael O’Brien</em></td>
<td>Professor Architecture</td>
<td>0  21</td>
<td>Upon Approval by the Board and Faculty Arrival</td>
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<td><strong>COLLEGE OF SCIENCE</strong></td>
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<tr>
<td><em>Dr. U. J. McMahan</em></td>
<td>Professor Biology</td>
<td>0  43</td>
<td>Upon Approval by the Board and Faculty Arrival</td>
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<tr>
<td><em>Dr. Oleg V. Ozerov</em></td>
<td>Professor of Chemistry</td>
<td>0  8</td>
<td>Upon Approval by the Board and Faculty Arrival</td>
</tr>
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</table>

*Tenure on Arrival

Page 1 of 4
Dr. John Elliot currently holds the rank of Professor with tenure at The University of Arizona.

Dr. Elliot received a B.S. degree in Agricultural Education (1975) and a MA. degree in Agricultural Economics (1978) from Washington State University, and a Ph.D. degree in Agricultural Education (1988) from The Ohio State University. Dr. Elliot begins his appointment at Texas A&M University as Professor and Head of the Department of Agricultural Leadership, Education and Communications on January 1, 2009. He taught for four years in the Department of Agricultural and Extension Education and the Department of Fisheries and Wildlife at Michigan State University. Dr. Elliot has been a member of The University of Arizona, Department of Agricultural Education, faculty for 16 years (1992-2008). He was appointed Assistant Professor (1992), promoted to Associate Professor (1996) and to Professor (2002), served as Interim Assistant Dean, College of Agriculture and Life Sciences, Office of Academic Programs (2004-2005), and was appointed Head of the Department of Agricultural Education (2005). Dr. Elliot is a leading scholar and master teacher in the field of Agricultural Education. He has authored over 108 peer reviewed publications, 36 scholarly books or monographs, and numerous technical bulletins and articles. He has been Principal Investigator or Co-Principal Investigator on over $5 million in competitive grants for his research, teaching and outreach program. His excellence in research and teaching is supported by several noteworthy awards: Association for International Agricultural and Extension Education (AIAEE) Outstanding Leadership: AIAEE Outstanding Service; four time American Association for Agricultural Education (AAAE) Outstanding Research Paper; AAEE Distinguished Teaching award; and University of Arizona, College of Agriculture and Life Sciences Faculty Teaching Award. He has served the field of Agricultural Education with distinction as President of the AIAEE, ACTE, ACEA, and Editor of the Journal for International Agricultural Extension Education.
COLLEGE OF ARCHITECTURE

*Dr. Michael O’Brien     Architecture     Professor     Upon Approval by
                                       the Board and
                                       Faculty Arrival

Dr. Michael O’Brien was a tenured Professor at Virginia Polytechnic Institute and State University, where he had been working since 1987.

For the past 21 years, Professor O’Brien held several Academic and Administrative positions. He started as an Assistant Professor, Professor, and then was named to Associate Director for Technology Research at the Housing of Research Center. He held a Professorship: William E Jamerson Professor of Construction. Professor O’Brien received several National and University and College Awards such as the 2003 NCARB Prize for Creative Integration of Practice in the Academy, the 2007 Creative Achievement Award, College of Architecture and Urban Studies. In 2006 Excellence in Teaching Award, Myers-Lawson School of Construction, Department of Building Construction; and again in 2007 the Excellence in Teaching Award, College of Architecture and Urban Studies, University Certificate. Professor O’Brien was a Principal Investigator or Co-Investigator on several funded Research Projects.

COLLEGE OF SCIENCE

*Dr. U. J. McMahan     Biology     Professor     Upon Approval by
                                       the Board and
                                       Faculty Arrival

Dr. Jack McMahan is currently a Professor of Neurobiology with tenure at Stanford University School of Medicine.

Dr. McMahan received a B.A. degree in Biology (1960) from Westminster College (Fulton, Missouri) and a Ph.D. in Anatomy (1964) from University of Tennessee Medical Units (Memphis). Before being hired by Texas A&M as Professor and Head of the Department of Biology, Dr. McMahan was an Instructor of Anatomy at Yale University School of Medicine for 2 years, and then Instructor, Assistant Professor, and Associate Professor of Neurobiology at Harvard Medical School for 10 years. He has been Professor of Neurobiology at Stanford University since 1977, where he has served in a variety of leadership positions, including Director of the Interdepartmental Neurosciences Ph.D. program (1986-1991), Chair of Department of Neurobiology (1987-1992), and Chair of the Committee on Graduate Studies (1989-1990). Dr. McMahan has published over 60 research papers, and in the past five years, he has received three research grants from NIH. His research contributions have been recognized by numerous awards, including a Career Development Award from NIH (1973-1977) and the Jacob Javits Neurosciences Investigator Award from NIH (1984-1991 and 1991-1998). In 1998, Dr. McMahan shared the international award Fondation IPSEN/Fondation de France Prix (Plasticite Neuronale) with two other researchers. Dr. McMahan has extensive international experience, and he currently serves as Director of the International Brain Research Organization’s Visiting Lecture Team Program.
Dr. Oleg Ozerov is currently an associate professor with tenure at Brandeis University.

He received his M.S. in chemistry from the Higher Chemical College of the Russian Academy of Sciences in 1998, and his Ph.D. in inorganic chemistry from the University of Kentucky in 2000. After serving as a postdoctoral associate at Indiana University, he joined the faculty at Brandeis University in 2002 and rose to the rank of associate professor in 2006. Dr. Ozerov is one of the brightest young stars in the inorganic/catalysis area. In addition to his outstanding research achievements, he has an impressive publication record with 44 papers in leading journals and has received numerous invitations to speak at universities and conferences. His external research funding from the National Science Foundation, Department of Energy and other agencies currently totals over $930,000. He has already received three major national awards: a Research Corporation Innovation Award in 2003, an Alfred P. Sloan Research Fellowship in 2006, and a Camille Dreyfus Teacher-Scholar Award in 2007. Dr. Ozerov is regarded as an excellent classroom instructor and is dedicated to the training and mentoring of undergraduates, graduate students, and postdoctoral research associates.
<table>
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<th>System Member Honoree</th>
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<th>Current Rank</th>
<th>Title Conferred</th>
<th>Effective Date</th>
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<tr>
<td>Dr. Paul G. Harms</td>
<td>34.8</td>
<td>Professor</td>
<td>Professor Emeritus of Animal Science</td>
<td>Upon Approval by the Board</td>
</tr>
<tr>
<td>Dr. Stephanie L. Knight</td>
<td>20</td>
<td>Professor</td>
<td>Professor Emerita of Educational Psychology</td>
<td>Upon Approval by the Board</td>
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<td>Dr. Philip D. Rabinowitz</td>
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<td>Professor</td>
<td>David B. Harris Chaired Professor Emeritus of Geology and Geophysics</td>
<td>Upon Approval by the Board</td>
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<td>Dr. Charles Schultz</td>
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<td>Professor Emeritus of TAMU Libraries</td>
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<td>Dr. Maria I. Duke dos Santos</td>
<td>29</td>
<td>Professor</td>
<td>Professor Emerita of Literature and Languages</td>
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<td>Dr. Ann Moseley</td>
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<td>Dr. James M. Reynolds</td>
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<td>Dr. Paul Zelhart</td>
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<td>Mr. Kelby Boldt</td>
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<td>County Extension Agent – Agriculture and Natural Resources</td>
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**TEXAS AGRILIFE EXTENSION SERVICE**
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<tr>
<th>University</th>
<th>Officer’s Name</th>
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<tr>
<td>TARLETON STATE UNIVERSITY</td>
<td>West, Brandon C.</td>
<td>Police Officer</td>
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<td>TEXAS A&amp;M INTERNATIONAL UNIVERSITY</td>
<td>Orta, Jose Carlos</td>
<td>Police Officer</td>
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<td>Enloe, Jennifer Marie</td>
<td>Police Officer</td>
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<td>Ross, Shaun Cameron</td>
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<td>Walker, Eric Sir-Shaun</td>
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<td>Lara, Benjamin G.</td>
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<td>Dominguez, Marco A.</td>
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