

**MINUTES**

**OF THE**

**MEETING OF THE**

**BOARD OF REGENTS**

**OF**

**THE TEXAS A&M UNIVERSITY SYSTEM**

**HELD IN**

**COLLEGE STATION, TEXAS**

**September 25-26, 2008**

*(Approved December 4-5, 2008)*

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**MINUTES OF THE  
MEETING OF THE BOARD OF REGENTS  
September 25-26, 2008**

**CONVENE – THURSDAY, SEPTEMBER 25, 2008**

Mr. Bill Jones, Chairman, convened a regular meeting of the Board of Regents of The Texas A&M University System (TAMUS) at 11:30 a.m., Thursday, September 25, 2008, College Station, Texas. The following members of the Board were present:

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

The following members of the Board were not present:

Mr. J.L. Huffines (*joined the meeting on  
Friday, September 26*)  
Mr. Erle Nye (*joined the meeting on Friday, September 26*)

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

**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 64 through 67).

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.

*(Secretary's Note: The Board met in executive session from 11:35 a.m. until 1:25 p.m.)*

**RECONVENE IN OPEN SESSION**

Mr. Jones reconvened the meeting in open session at 1:40 p.m. in Room 292 of the Memorial Student Center (MSC) and announced that a quorum of the Board was present. He said that the Board met in executive session from 11:35 a.m. until 1:25 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.

**INVOCATION**

Mr. Jones called on Mr. Shane Henry, a senior communications major at Tarleton State University (TSU) from Kennesaw, Georgia. Mr. Henry serves as the student body president at TSU and as the vice-chair for research and legislation for the Chancellor's Student Advisory Board (CSAB).

**CHAIRMAN'S REMARKS**

Mr. Jones began by introducing Dr. Dan Jones, the 11<sup>th</sup> President of Texas A&M University-Commerce (TAMU-C). Prior to his appointment at TAMU-C, Dr. Jones was provost and vice president for academic affairs, chief student affairs officer, and professor of English at Texas A&M International University (TAMIU). Dr. Jones served in a variety of leadership roles at the University of Houston-Downtown from 1985-2003, including dean and interim dean of University College, associate dean of the College of Humanities and Social Sciences and professor and assistant chair of the Department of English.

Mr. Jones said it seemed that at every meeting they have something to talk about in terms of extraordinary acts of service by the institutions, students, professors, and administrators. He said that Hurricane Ike caused the evacuation of the Galveston, Corpus Christi and Kingsville campuses and this was no small feat -- there are a series of things that must be done to make sure classes can resume when the students return. He said the Galveston students are still unable to return. Mr. Jones said the Texas A&M main campus and its students stepped up to help evacuees that were not students and took care of those who could not take care of themselves in Reed Arena, with the efforts being led by the Corps of Cadets and other students on campus. TAMU stepped up by making their homes, dorm rooms, classrooms and other facilities available to the Galveston students. Mr. Jones said the previous weekend they had a system day at the Texas A&M football game with the Corps marching in prior to the game as usual but they were also joined by the Galveston and Prairie View Corps. The Aggie Band and Prairie View Marching Storm also performed at halftime. He said that this was a day to appreciate the System and the fact that we are a system and we operate like a system; a demonstration of one of Mr. White's favorite words, "collaboration." He acknowledged Dr. Elsa Murano, President of TAMU, for the efforts she put into helping the evacuees from the hurricane and the students in Galveston. He said that Dr. Bowen Loftin, Vice President and Chief Executive Officer (CEO) of Texas A&M University at Galveston (TAMUG), deserved a medal for his efforts in helping the students and for making sure



that every student at the Galveston campus had an opportunity to attend classes this fall to complete their education so that they would not lose a semester.

Mr. Jones said on Thursday evening, the Board planned to have dinner with the Corps and on Friday morning, breakfast with the CSAB.

### **CHANCELLOR’S REMARKS**

Dr. Mike McKinney, Chancellor, said that he could not say enough about the way that TAMU and TAMUG responded to Hurricane Ike. It was no small feat to transfer 1,500 students and to start classes on Wednesday. He said it took the cooperation of the students, administration, faculty, Dr. Loftin, and his faculty members. He said the most difficult task was finding enough housing for everyone. Dr. McKinney said they did what they expected Aggies to do – take care of the situation, take care of other Aggies and move on. He said the evacuation of the Corpus Christi and Kingsville campuses was a group effort. TAMU sent buses to help transport students to TAMU, which took care of the students and looked after their well-being. Dr. McKinney said that TAMU-C opened its dorms to over 90 evacuees. Dr. McKinney said the Health Science Center (HSC), Dr. Nancy Dickey, President and Vice Chancellor for Health Affairs, and the brand new nursing school students assisted the Corps of Cadets at Reed Arena. He said the Texas Engineering Extension Service (TEEX) Taskforce 1, and Taskforce 2 were part of the emergency first responders, and the Texas AgriLife Extension Service helped take care of the livestock. He said that the Texas Forest Service (TFS) was part of the incidence management and command process.

Dr. McKinney acknowledged Dr. Dominic Dottavio who was attending his first meeting as President of TSU.

He acknowledged Dr. Robert Strawser, Interim President of TAMU-K. He said Dr. Strawser had done a yeoman’s service in not acting like an interim, but acting like a president. Dr. McKinney said that Dr. Steven H. Tallant, President-designee, would assume those duties on October 1, 2008.

Dr. McKinney briefly discussed the “Mission Military Friendly” project, which included setting up a process whereby all System universities and training agencies would be designated as “military friendly.”

Dr. McKinney said that several members of the taskforce would be attending the TAMU vs. Army football game. He said the 12<sup>th</sup> Man Foundation had given them 175 tickets to the game for use by the Wounded Warriors from Fort Hood.

He said fall enrollment figures had been published and the headcount had increased to 109,766 (approximately 4 percent). He said the fulltime student equivalent (FTSE) was up 3 percent. Tarleton-Central Texas was at 813 FTSEs and headcount enrollment was up 9 percent. The Kingsville System Center-San Antonio was at 895 FTSEs (up 57 percent). He said that both campuses were on a trajectory to exceed the

threshold of 1,000 required for independence by the spring. Dr. McKinney complimented them for doing a great job. He announced that Kingsville's enrollment was up by 7.2 percent.

Dr. McKinney said that Kingsville and Prairie View were ready for the Teaching Excellence Awards, but there was more work to do at TAMU. He said the Faculty Senate at TAMU applauds the idea, but opposes the plan. Dr. McKinney said that it was the intent for all academic units within the System to participate in these awards by the spring semester.

Dr. McKinney said the strategic plan would be presented at the December meeting.

### **STATUS REPORT ON TEXAS A&M UNIVERSITY AT GALVESTON**

Dr. Murano said that this had been an interesting couple of weeks. She said they would provide a brief synopsis of what had happened as a result of Hurricane Ike. Dr. Murano said she was very proud of Dr. Loftin for all the things he had done and continued to do, not for his own benefit or glory, but for the sake of the students and his faculty.

Dr. Loftin presented slides of Hurricane Ike a day and a half before landfall. He said that they have four campus locations in Galveston: the Mitchell Campus-Pelican Island (or main campus), gifted to them by Mr. George Mitchell '40, the historic Fort Crockett Campus, University Home and the Teichman Campus.

On September 10, at 2:30 p.m., Dr. Loftin said he made the decision that they had to leave campus. He closed the campus by 5:00 p.m. and by 7:15 p.m., all students were gone and the last bus to College Station had departed. He said they had all staff members off the island by mid-day the following day. On September 10, they opened the emergency operations center in College Station. On September 11, they moved the *Texas Clipper* to a safer harbor and secured the campus facilities. On September 12, at 2:00 a.m., Hurricane Ike made landfall in Galveston. He said that hurricane force winds extended 115 miles from the center of the storm, and that the maximum surge in Galveston was 11 feet on Pelican Island.

Dr. Loftin said the first thing he saw when he toured the campus was the destruction of the entrance to the Pelican Island Bridge. The most damaged building was the Sea Aggie Center. The bookstore, financial offices and student affairs office came out okay in terms of contents. He said the roof was torn from their largest dormitory, "C" Dorm. He said they were also the weakest buildings on their campus—the ones that were most cheaply constructed and they showed it. He said that the good news was that no surge water reached any of the major buildings on their campus. The major buildings on campus were not touched with a few exceptions.

Dr. Loftin showed slides of debris next to the shoreline and sailboats that had been moved. He said the *Earl L. Milan* came through fine and they were using it for channel ferrying. He said the training area for lifeboat drills came through fine and the Classroom Lab Building did not sustain any damage. Emmett O. Kirkham Hall, the oldest building, had damage to two windows. The Engineering Complex received damage from windblown water under the doorways. The Fort Crockett Campus, built in 1934 by the U. S. Army, received little to no damage.

He said that Teichman Campus, home to their sailing and rowing crew, received the worst hit. He said that there was 10 feet of water above the ground level.

Dr. Loftin said that in 2005, they were threatened by Hurricane Rita. He and Dr. Robert Gates, then president of TAMU, sat down and said they must have a plan for operational continuity for the Galveston campus. He said they had plans for how to evacuate and how to secure the campus, but no plan for operational continuity. They began that process in 2005 and finished in 2006. Dr. Loftin said that plan was executed during the past two weeks. He added that the *Texas Clipper* had been an extraordinary asset providing power, water, housing, and food to the contractors doing repair work.

Dr. Loftin said that they met on September 14 and decided to move operations to the TAMU campus. The plan said that if they could not resume operations in Galveston within two weeks, they would relocate to College Station. He said that two weeks is all you have to salvage a semester. If you go longer than that, you could not bring the students back up academically. Work began on Monday, September 15 to relocate students, faculty, and staff to College Station. He said that housing and classroom/laboratory space have been their greatest challenges. Texas A&M stood up to the challenge and had done an extraordinary job, not just the university, but also its people.

He said that they had two simple principles. They did not want to degrade the academic experience that these students deserve and they wanted to make the transition “cost neutral” to students. This had been difficult and would cost some of them dearly, but it would not cost the students, which was their major concern.

Dr. Loftin said that as of the previous day, 88 percent (1,572 of the 1,777) of their student population had relocated to College Station and more might come. He said some students were not there physically, but by distance learning. He said next week, they would begin the process of contacting the 200 students they had not been able to reach and ask if they could help them in some way where they were currently living. Dr. Loftin said that all but four faculty members have been able to serve the students in College Station. Their entire Corps was in College Station with most being housed in the Corps dorms. He said that Lt. General John Van Alstyne, Commandant of the TAMU Corps, had been an extraordinary asset by offering the spaces he had available.

Dr. Loftin said some students could not continue with the traumatic experience they had gone through. Those students were being allowed to withdraw this semester

with no penalty. He said that they could roll forward all tuition and fees into the spring semester and would be able to return fully paid. They felt this would be a great incentive to bring students back. Dr. Loftin said that he would be working hard to get staff back in Galveston to begin lining up housing for the off-campus students they have to support next semester. They are well along in repairs with almost all emergency repairs completed in terms of securing all their buildings.

Dr. Loftin said that the support they needed from the state of Texas and the A&M System was right there. They had increased their enrollment last year by almost 9 percent. He said that they were asking through the System, the Legislative Budget Board (LBB) and the Texas Higher Education Coordinating Board (THECB) to allow them to use their 12<sup>th</sup> day class figures, which was the day they left, toward base funding for the next biennium. Further, to allow them to use normal fall-to-spring attrition rate to calculate spring headcount.

He said they would aggressively pursue FEMA and insurance. He said this would not cover all damages and they would need one-time funding or assistance from the university, system and state to be able to recover quickly and fully. An example of which was the approval of a \$5 million request for funds to correct erosion issues and to strengthen the dock of the *Clipper*.

Dr. Loftin said thanks to some great Aggies named Sullivan. He said this family worked from Monday through Friday of the previous week to restore a road.

Dr. Loftin said when they were done both Galveston and College Station would recognize those who contributed to the success of this transition. He said that student leadership had been wonderful throughout this process. They would look at what they did, learn from it and modify their plan accordingly so that the next time this happens they would be better prepared. Dr. Loftin said his dream was for the Regents, Dr. McKinney and Dr. Murano to be in Galveston to graduate the December class in Galveston and open classes as normal in January 2009.

Dr. Murano said that College Station was part of the same plan to see what they could do to assist the Galveston Aggies. She said they decided to close the College Station campus on September 12 to allow students to make preparations. Students were encouraged to stay in their dorms and residences to allow for evacuations from Houston and Dallas. She said they wanted to make sure they did not contribute to traffic congestion.

Dr. Murano said Aggieland was spared from a direct hit and received minimal damage. She said about 20 percent of A&M's students are from the Houston area and needed to help their families. These students were provided university-excused absences for up to one week if needed.

She said Reed Arena was designated as a special needs shelter for Texas. Once the evacuees arrived it was recognized that the evacuees were in worse shape than was

anticipated. The U.S. Public Health Service (USPHS) staffed and managed the shelter. Dr. Murano said assistance was also provided by the Corps, numerous student organizations, HSC and TEEEX's Fire Recruit Academy. She said there was 230 medical staff from the USPHS and 400 patients housed at Reed Arena. She said she was told by one of the officers that typically when they have these types of operations, it is very difficult to return the patients back home because a lot of them do not have a home to return to. She said the USPHS indicated that they were impressed with the way the state of Texas was reabsorbing these patients back into their communities in a way that they had not seen before.

Dr. Murano said they had an emergency response team led by the College of Veterinary Medicine and Biomedical Sciences along with TAMU's Environmental Health and Safety, TAMU's Physical Plant, Brazos County Sheriff's Office, Brazos Animal Shelter, Texas AgriLife Extension and the Brazos County Expo Center to take care of animals and pets that needed shelter.

She said on September 14 they implemented the Continuity of Operations Plan that was developed post-Hurricane Rita. Sixty administrators led by Dr. Russell Cross, Executive Vice President for Operations, in conjunction with Dr. Loftin worked on how best to implement the plan. She said that Dr. Cross guided an army of people into doing whatever it took in order to accomplish the goal of getting these Sea Aggies into classes. This was a major undertaking that included housing, transportation, food services, international students, parking, student IDs, orientation, accounts and billing, registrar's office, classrooms and office, financial aid, medical services, counseling services communications, human resources and research.

Dr. Murano said on Monday and Tuesday of that week, registration and orientation sessions were held. Classes began on Wednesday with 1,572 students and over 70 faculty. She said providing adequate housing was a huge issue. They identified 300 beds on campus, 1,200 beds were contracted in rental units in the community, and 93 units were contracted for faculty and staff. They put out the call to the university community to help provide housing and received 350 offers.

She said that in terms of academics, their goal was to keep Galveston classes and professors together. They added 285 sections of courses, instead of dissipating the students within the existing sections. They added 12 evening or Saturday classes and secured additional, non-traditional classroom space at A&M United Methodist Church, St. Mary's Catholic Church, Traditions, Calloway House and Sbis Dining Hall. She said that faculty conducting research was very important and luckily, several faculty were already collaborating with faculty in College Station, so the relocation was easy. They projected that 105 students would graduate in December.

Mr. White commented that this was extraordinary and that it was understated. He said they needed to get the story out and make the legislature aware of the cost savings, attention to education, and everything that had been done. He commended them on their tremendous service to the students and Texas.

## **TEXAS A&M FOUNDATION ANNUAL REPORT**

Dr. Ed Davis, President of the Texas A&M Foundation, said the mission of the Foundation is to raise endowment through fundraising and asset management to support academic excellence at TAMU. Their near term goals are to have approximately \$1.5 billion in the endowment by 2010.

Dr. Davis said their core values are very straightforward. They are very mission focused and do not get distracted from what they do. He said that they raise money and they manage money. They believe that their integrity and reputation are fundamental to their success—they cannot afford to have anything negative. They serve both the campus and philanthropists in trying to be sure they have their wishes completed and fulfilled. He said they are leaders in everything that they do and they have a deep commitment to delivering superior results.

Dr. Davis reiterated their role and scope. He said they serve donors or anyone who wants to make a gift to TAMU. They also operate a fully functioning trust company. He said the Foundation is chartered to serve TAMU only, but through the trust company they also manage assets for a number of other system universities including Corpus Christi, Tarleton and Commerce. Dr. Davis said that they share fundraising responsibilities with The Association of Former Students and the 12<sup>th</sup> Man Foundation.

Next, Dr. Davis discussed major milestones. He said it took them 32 years to reach \$100 million and their trajectory of growth in total assets has increased. To date they have assets totaling \$1.3 billion. He pointed out the enormous growth in the number of living TAMU graduates. He explained some of the implications of this growth. In the One Spirit One Vision Campaign, they served a donor base of prospects of about 4,500 people. He said that a fully trained, experienced development officer could handle approximately 200 prospects. Dr. Davis projected forward to the campaign that would end around 2020 and said that the donor base would triple because of the growth in the number of living graduates. He added that they would need 63 and one-half professional fundraisers to serve this audience.

Dr. Davis said they wanted to build the capacity to increase the number of major gifts. He said they would accomplish this by increasing the circle of influence concentric to their board of trustees and university leadership. They would grow and enhance the partnership they already have with the 12<sup>th</sup> Man Foundation and the Association. Dr. Davis said that they already maintain a central prospect coordination process. He said they have to grow the number of central staff they have to serve and expand national reach. He said that one-third of the living graduates of TAMU live outside the borders of Texas. They would expand their planned giving staff and would fully integrate the university president's involvement in fundraising. He said that they would continue to work closely with deans and would continue to grow the fundraising staff.

Dr. Davis said in the long-term, Vision 2020 called for a third campaign before 2020. He said in order to make that possible they would need to identify more

prospects—roughly 3,000 prospects at the million dollar level. He added that they would improve their database and the use of technology, both in interaction and fundraising. Dr. Davis said they would also focus on the impact donors have on this institution.

He summarized fundraising, funds transferred to the institution, and growth and assets since 1972. In 2005, for the first time, the combination of the university, the Association, the Foundation and the 12<sup>th</sup> Man exceeded the \$100 million level in annual gifts. He said that over the years, the Foundation has provided more than \$500 million and distributed funds to TAMU. The current asset base is approximately \$1.3 billion.

Dr. Davis said that donors stipulate where they want their gifts placed and how they want them used. Thirty-three percent of their funds go toward supporting scholarships and fellowships, roughly 16 percent for chairs and professorships, and 26 percent for departmental support. He said that the majority of their support is devoted to the academic excellence of TAMU. Dr. Davis briefly discussed the annual payout to individual units from the endowments.

Dr. Davis said that as you look at the three organizations that support TAMU through fundraising, the Association raises approximately \$8 million per year and distributes approximately \$4 million to the university; the 12<sup>th</sup> Man raises approximately \$32 million and distributes \$15 million; and the Foundation raises \$89 million and distributes \$50 million. Dr. Davis said they now raise more than \$40 million in planned gifts. He said the more important number is that they are maturing on average \$18 million in planned gifts from individuals who made these plans in their estates. He said that they look at similar foundations across the country. As of June 30, 2008, they had a positive return for the year of 0.2 percent. He said this return was fueled by two things, energy and commodities.

Mr. Jones asked if Dr. Davis saw the Foundation doing anything differently in the short term, in light of the current market. Dr. Davis responded that this was one of the most unprecedented periods of time he has ever seen in the market place. He said that the world we live in works on credit markets and if those credit markets seize up, like they are currently, it is very difficult to get extracted from this. He said this affects everyone. Dr. Davis said that what they do is manage their portfolio defensively. He said they are diversified across a number of asset classes and what they have to do is endure this current period and hope that they see some rational approach return to the market place.

Mr. Wilson asked if they had seen any effects on the revenue or fundraising side of the business. Dr. Davis responded that they are in lockdown mode with regard to Houston. He said that it would be both impossible and disrespectful for them to go to prospects and donors in these areas, asking for their help at this point. He said they have redirected their efforts to San Antonio, Dallas, the rest of Texas and the country. Dr. Davis said that there would be an inevitable and significant impact on fundraising this year.

Mr. Wilson asked if the Association had its own development officers. Dr. Davis responded for the most part that the Association does only annual fundraising or small gifts provided by alumnus. He said they have one major gift fundraiser on their staff that has raised money for their building and for other associated needs. He said this person reports to the Association, but meets with them and coordinates their efforts with them on a weekly basis.

### **81<sup>ST</sup> LEGISLATIVE SESSION BRIEFING**

Dr. Stanton Calvert, Vice Chancellor for Governmental Relations, said that it was his privilege to represent the A&M System institutions before the Texas Legislature. He said that the Capitol is a relatively small town with 181 chiefs who hold the charter and many supplicants. He said that what we do as a system, any one part of us affects the others.

Dr. Calvert said that the goal for governmental relations is that they do better than the state as a whole. He summarized the statewide budget and revenue outlook by saying that we are going to have more money in the upcoming session. He said that the legislature was going to have money to appropriate, but they did not know how much. He added that the reasons include the impact of Hurricane Ike. Dr. Calvert said the way this affects the budget was both on the revenue and cost sides.

He briefly discussed key higher education policy issues and said that some have declared the next session to be a higher education session. He said that there had been a number of blue ribbon panels appointed to take a hard look at higher education. Dr. Calvert said that for the most part he believes that these panels have in mind a fundamental interest in the relationship between the state's investment in higher education and its future prosperity and perhaps the most important one is HCR159 Select Committee. He said they are taking a hard look at whether the state is adequately investing in higher education to get the results the state needs in respect to not only the number of graduates but the relationship between research, commercialization, and the economic prosperity of this state. Dr. Calvert said that their general conclusion is that we are falling short.

Dr. Calvert said that almost assuredly in the next session there is going to be a hard look taken regarding tuition. He said that incentive funding and proposed changes to the formulas derive from a similar concern.

Dr. Calvert briefly discussed the magnitude and the way in which state funding flows to our academic institutions, health-related institutions and agencies. With respect to both the academic and health-related institutions, both derive the majority of their funding (77 percent for academics and 70 percent for health-related) from formulas that are decided upon in one decision by the legislature. He said that the rest is distribution methodology.

Dr. Calvert said that at the end of the last session we needed to address a fundamental issue with respect to funding our agencies, or how to obtain ongoing base



funding for the agencies without having to seek a new special item each time. He said there was no formula for operational funding for the agencies. He said for years, they have spent an enormous amount of effort with diminishing success to obtain new special items. Dr. Calvert said they decided to tie the agencies' base funding to whatever increase for inflation or cost of doing business that is granted to the academic institutions.

Dr. Calvert discussed funding priorities for the A&M System. He said incentive/reward funding was a recommendation that came out of the Governor's Task Force on Incentive Funding and research/commercialization was a request that doubled the amount currently provided to the four institutions (TAMU, University of Texas, Texas Tech and University of Houston) that participate in the Competitive Knowledge Fund. He said this fund became the birthplace for the Institutional Enhancement money, known as faculty reinvestment. Dr. Calvert said that they would also ask the legislature to consider doubling the Research Development Fund. He said that group insurance was standard and health care costs would go up. Dr. Calvert said that financial aid would be a big issue because there had not been any new financial aid money for Texas Grants for the last two sessions.

Dr. Calvert discussed top funding priorities exclusive to the A&M System. He said this included Hurricane Ike recovery, teaching excellence, facilities renewal, student success initiatives, engineering programs support, agency's base funding formula, TAMU-K redevelopment, continuing academic development initiative and research development fund at PVAMU, College of Medicine class expansion and the System centers.

Dr. Calvert did not address, but said itemized in the attachments to the appendix for each institution was the list of special item and tuition revenue bond (TRB) requests. A copy of his presentation is on file in the Office of the Board of Regents.

Mr. Jones said that it was a challenge to come out of the legislative session with as much as we do. He commended Dr. Calvert and his staff.

Mr. Jones said that if you want to get something done, the best time to get a legislator's ear is during the interim, the time period when they are not bombarded with internal politics among themselves, their constituents and the 140 days of limited time that they have to make decisions. He suggested inviting them to your organization or campus during the interim. This way when you go to see them during the legislative session, they will say that they understand, they have been to your campus or organization, have the background—just tell me what you need and they say I will see what I can do. Mr. Jones said that we should not depend solely on Dr. Calvert and his staff to get the job done; he said that we should all help him get the job done.

**RECESS**

Mr. Jones recessed the meeting at 3:21 p.m.

*(Secretary's Note: The Committee on Academic and Student Affairs convened at 3:22 p.m. and adjourned at 3:54 p.m. The Committee on Buildings and Physical Plant convened at 3:55 p.m. and recessed at 5:09 p.m.)*

**RECONVENE AND RECESS**

Mr. Jones reconvened and recessed the meeting at 5:10 p.m.

**RECONVENE EXECUTIVE SESSION – FRIDAY, SEPTEMBER 26, 2008**

Mr. Jones reconvened the Board in executive session at 8:26 a.m. in the Board Meeting Room.

**RECESS EXECUTIVE SESSION**

Mr. Jones recessed the executive session at 9:19 a.m., the same day.

**RECONVENE BOARD MEETING**

Mr. Jones reconvened the Board Meeting at 9:39 a.m., in Room 292 of the MSC. The following members of the Board were present:

Mr. Bill Jones, Chairman  
Mr. John D. White, Vice Chairman  
Mr. Morris Foster  
Mr. Lupe Fraga  
Mr. J.L. Huffines  
Mr. Erle Nye  
Mr. Gene Stallings  
Ms. Ida Clement Steen  
Mr. Jim Wilson  
Mr. Anthony Cullins, Student Regent

Mr. Jones said that the Board had met in executive session from 8:26 a.m. until 9:19 a.m., Friday, September 26, to complete its executive session agenda.

Dr. McKinney said that the Chancellor's Student Advisory Board (CSAB) was comprised of representatives from the universities and the HSC. He said that he thought the world; the A&M System and the state of Texas were in good hands. He said the CSAB had been helpful in advising him with the teaching excellence awards.

**REPORT FROM THE  
CHANCELLOR’S STUDENT ADVISORY BOARD (CSAB)**

Mr. Brady Black, a junior at TAMU majoring in agriculture economics from Muleshoe, Texas, said that it was a pleasure and honor to serve as the CSAB chair. He said that the CSAB consists of two students from each institution who are dedicated to promoting the interests of the 109,000 students that are part of this system. They act as the official voice of the students to the system leaders and in the same way, they act as the communication from the system back down to the student level. Mr. Black said that generally the two students serving on the Board are the student body president and another member who is usually heavily involved at their university. He said that the 2008-2009 CSAB convened at the System Symposium held in Laredo in May to begin preparing its agenda. They have been working diligently over the summer and the first month of classes to implement their goals.

Mr. Black briefly discussed the issues placed at the top of their list. He said they felt as students, they should be part of the teaching excellence awards and they are the consumers for the universities. He said that one of the main things they were looking into was the student and professor exchange problem throughout the universities. He discussed one of their goals was the “Adopt a Sea Ag,” to help students in Galveston with relief efforts.

Mr. Black said that the big initiative on everyone’s mind was the 81<sup>st</sup> legislative session. He said they are ready to mobilize their student bodies and to move forward in progressing higher education in the state of Texas and are excited by the opportunity. He said that they are passionate about it and truly want to invest themselves to the future of higher education. They know that it does not only affect them while they are still in school, but also will affect the job market, Texas and the country. He said that during the last legislative session they worked on tax-free text books, which did not pass. He said they still feel like this is the main initiative that they should tackle.

In closing, Mr. Black said that they are excited about the progress of the System and wanted the Regents, Chancellor and university presidents to know that they are dedicated to higher education and the progress of TAMUS.

The following members of the CSAB presented remarks specific to their respective universities: Mr. Johnie Jones (by video), PVAMU; Mr. Shane Henry, TSU; Mr. James Cortez, TAMIU; Mr. Mark Gold, TAMU; Mr. Michael Spears, TAMUG; Mr. Byron Johnson, TAMU-C; Mr. Eric Rohne, TAMU-CC; Mr. Gabriel Geyne, TAMU-K; Mr. Richard Seymour, TAMU-T; Ms. Amy Lee Thompson, WTAMU; and Mr. Nathan Bertoldo, HSC.

Mr. Black concluded by saying that one of the things he felt was important to the students was the student regent. He said that CSAB had changed its bylaws and constitution to make the student regent an ex-officio, non-voting member.

Mr. Black thanked the regents for their sacrifice of time and their talent. He also thanked Chancellor and Mrs. McKinney for inviting them to dinner the previous evening. He said that as a boy who was away from his mother it was nice to have Mrs. McKinney as a mother figure. Mr. Black gave a special thanks to the CSAB administrative advisor, Ms. Verna Dewees, Assistant Vice Chancellor for Academic Affairs.

Mr. Jones said that while watching television one night he began to worry about the future of our country, but after having dinner with the Corps of Cadets the previous evening and having breakfast with the CSAB, he thought we were in good hands. He said that if these students were representative of the students that we have in our system, then congratulations were in order for the System and university presidents. He said that things these students talked about are not the kinds of things that you typically hear from students. Mr. Jones said that they discussed everything from student fees, to presidents and administrations, concerns about athletics, retention, growth in the student body, legislative funding, *Vision 2020*, changing but remaining grounded, building openings and dedications, internships, sports facilities, housing, tutors, community leadership, preparedness, crusades to Africa, voting, deans, assisting others and evacuees, and public health.

Mr. Jones said that it was the Board's honor to have them present. He said that hearing from the students and understanding what they are about helps motivate the Board and administration to continue doing what they are doing. Mr. Jones welcomed student feedback on what they felt was appropriate through Dr. McKinney and Mr. Cullins. Mr. Jones commented that some of them were not in favor of the student regent idea. He said that it was not that they were afraid that the students could not participate and actively give input, their fear was that some of the things they discussed were sensitive and they needed to be sure they could share back and forth information needed to make decisions and not jeopardize people's lives, jobs or families. He said that the student regents had been actively involved in every meeting including executive session and they had not once had any such issue of information getting out among the student population. Mr. Jones said that this demonstrates the maturity level of the students within the system.

### **RECESS**

Mr. Jones recessed the meeting at 10:51 a.m.

*(Secretary's Note: The Committee on Finance convened at 10:52 a.m. and adjourned at 11:15 a.m. The Policy Review Committee convened at 11:16 a.m. and adjourned at 11:35 a.m.)*

### **RECONVENE**

Mr. Jones reconvened the meeting at 11:36 a.m. He announced that the Board had not received any requests for public testimony in the Board Office.

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 on Thursday, September 25, 2008, and discussed the Fourth Quarter Audit Report, Audit Tracking Report, and management responses to the Audit Tracking Report. He said that Ms. Smock also covered some emerging areas of interest and research and conflict of interest. He said that there was no action item to be brought before the Board.

Mr. Jones said that as a point of information, the Board was continually impressed with the progress in the audit function and the good it does throughout the System. He said that the process is working exactly like it is supposed to.

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, reported that the Committee met earlier that same day and considered and approved Items 1 through 5 and 7 through 9. The Board took action as set forth below:

*(Secretary's Note: Item 6 was withdrawn.)*

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**MINUTE ORDER 281-2008 (AGENDA ITEM 1)**

**AUTHORIZATION TO ESTABLISH A  
QUASI-ENDOWMENT ENTITLED  
“DOROTHY ROSE LALA QUASI-ENDOWMENT,”  
TEXAS A&M UNIVERSITY**

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

Authority is hereby granted to the President of Texas A&M University to establish a quasi-endowment to be called the “Dorothy Rose Lala Quasi-Endowment.” The account will be created with funds from the Estate of Dorothy Rose Lala. Payout distributions from the quasi-endowment will be used to provide support for the Stevenson Companion Animal Life-Care Center at Texas A&M University.

**MINUTE ORDER 282-2008 (AGENDA ITEM 2)**

**AUTHORIZATION TO ESTABLISH A  
QUASI-ENDOWMENT ENTITLED  
“K-12 OUTREACH QUASI-ENDOWMENT,”  
TEXAS A&M UNIVERSITY**

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

Authority is hereby granted to the President of Texas A&M University to establish a quasi-endowment named the “K-12 Outreach Quasi-Endowment.” The account will be created with funds from the Chemistry IDC Return account, 230069, held at Texas A&M University. Payout distributions from the quasi-endowment will be used to support research and outreach activities for current graduate students and future undergraduate students in science, technology, engineering, and mathematics at Texas A&M University.

*(Secretary’s Note: Mr. Foster recused himself from the vote on Item 3 and was not in the room for the vote.)*

**MINUTE ORDER 283-2008 (AGENDA ITEM 3)**

**AUTHORIZATION FOR THE CHANCELLOR TO EXECUTE CONTRACT  
WITH SCOTT & WHITE CLINIC AND  
SCOTT AND WHITE MEMORIAL HOSPITAL,  
THE TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER**

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

The Board of Regents of The Texas A&M University System hereby grants authority to the Chancellor of The Texas A&M University System, upon review and approval for legal sufficiency by the Office of General Counsel, to execute an annual agreement with Scott & White Clinic and Scott and White Memorial Hospital for medical education teaching services for the fiscal year 2009.

**MINUTE ORDER 284-2008 (AGENDA ITEM 4)**

**AUTHORIZATION TO ENTER INTO A CONTRACT WITH THE  
PATENT LAW FIRM OF BAKER BOTTS, L.L.P.,  
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:

The Board of Regents of The Texas A&M University System requests that the Attorney General of Texas amend the contract with the law firm of Baker Botts, L.L.P., to increase the current cap amount in excess of \$300,000 to no more than a proposed cap of \$1,500,000 to provide patent prosecution related legal services to The Texas A&M University System for FY 09.

The Board of Regents of The Texas A&M University System, subject to approval by the Attorney General of Texas, authorizes The Texas A&M University System to expend up to \$1,500,000 with the law firm of Baker Botts, L.L.P. in exchange for legal fees and expenses in the area of patent prosecution for FY 09.

**MINUTE ORDER 285-2008 (AGENDA ITEM 5)**

**ESTABLISHMENT OF THE TEXAS A&M UNIVERSITY SYSTEM  
PERMANENT UNIVERSITY FUND (PUF)  
COMMERCIAL PAPER PROGRAM,  
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:

The resolution establishing the Board of Regents of The Texas A&M University System Permanent University Fund Commercial Paper Program, in substantially the form of **Exhibit A** attached to the official minutes, is hereby adopted and effective immediately. The Associate Vice Chancellor or other Authorized Representative is hereby authorized to take such actions as are necessary to accomplish the purposes of the resolution in accordance with the provisions of the resolution.

**MINUTE ORDER 286-2008 (AGENDA ITEM 7)**

**APPROVAL OF REVISIONS TO  
SYSTEM POLICY 25.07 (*CONTRACT ADMINISTRATION*),  
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:

The revisions to System Policy 25.07 (*Contract Administration*), as shown in **Exhibit B**, a copy of which is attached to the official minutes, are approved and effective immediately.

**MINUTE ORDER 287-2008 (AGENDA ITEM 8)**

**APPROVAL OF REVISIONS TO SYSTEM POLICY 51.08  
(*REVERSION OF UNEXPENDED BALANCES IN PLANT FUND ACCOUNTS*),  
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:

The revisions to System Policy 51.08 (*Reversion of Unexpended Balances in Plant Fund Accounts*), as shown in **Exhibit C**, a copy of which is attached to the official minutes, are approved and effective immediately.

**MINUTE ORDER 288-2008 (AGENDA ITEM 9)**

**APPROVAL OF REVISIONS TO SYSTEM POLICY 60.01  
(*RELATIONSHIPS WITH AFFILIATED ORGANIZATIONS*),  
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:

The revisions to System Policy 60.01, (*Relationships with Affiliated Organizations*), as shown in **Exhibit D**, a copy of which is attached to the official minutes, are approved and effective immediately.

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Mr. Jones called on Mr. Foster to present the report from the Committee on Buildings and Physical Plant. He said that since the Committee did not have a quorum when they met, their items would be voted on by the full board.

**REPORT FROM THE COMMITTEE ON BUILDINGS AND PHYSICAL PLANT**

Mr. Foster, Chairman of the Committee on Buildings and Physical Plant, reported that the Committee met on Thursday, September 25, 2008 and considered Items 10 through 22. The Board took action as set forth below:

*(Secretary's Note: Item 23 was withdrawn prior to the meeting.)*

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**MINUTE ORDER 289-2008 (AGENDA ITEM 10)**

**APPROVAL OF THE PROJECT SCOPE AND BUDGET,  
APPROPRIATION FOR CONSTRUCTION SERVICES AND  
APPROVAL FOR CONSTRUCTION FOR THE  
NUCLEAR MAGNETIC RESONANCE (NMR) FACILITY,  
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 project scope along with a project budget of \$13,126,600 for the Nuclear Magnetic Resonance (NMR) Facility project is approved.

The amount of \$5,126,600 is appropriated from Account No. 01-084242, Permanent University Fund Debt Proceeds for construction services and related project costs.

The Nuclear Magnetic Resonance (NMR) Facility at 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 290-2008 (AGENDA ITEM 11)**

**APPROVAL OF THE PROJECT SCOPE AND BUDGET,  
APPROPRIATION FOR CONSTRUCTION SERVICES AND  
APPROVAL FOR CONSTRUCTION FOR  
THE EMERGING TECHNOLOGIES & ECONOMIC  
DEVELOPMENT INTERDISCIPLINARY 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:

The project scope along with a project budget of \$104,000,000 for the Emerging Technologies & Economic Development Interdisciplinary Building project is approved.

The amount of \$66,975,000 is appropriated from Account No. 01-083536, Revenue Financing System Debt Proceeds (TRB), the amount of \$29,000,000 is appropriated from Account No. 01-084242 Permanent University Fund Debt Proceeds (AUF) for construction services and related project costs.

The Emerging Technologies & Economic Development Interdisciplinary Building, 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 291-2008 (AGENDA ITEM 12)**

**APPROVAL OF THE PROJECT SCOPE AND BUDGET,  
APPROPRIATION FOR CONSTRUCTION SERVICES  
AND APPROVAL FOR CONSTRUCTION  
FOR THE RECREATION SPORTS CENTER,  
TEXAS A&M UNIVERSITY-KINGSVILLE**

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 \$12,000,000 for the Recreation Sports Center project is approved.

The amount of \$12,000,000 is appropriated from Account No. 01-083536, Revenue Financing System Debt Proceeds (Recreational Sports Fees) for construction services and related project costs.

The amount of \$25,000 is reverted to Account No. 17-215080 Marriott Concessions and \$954,000 is reverted to Account No. 17-216759, Student Center Complex Fee – Unappropriated.

The Recreation Sports Center, Texas A&M University-Kingsville, Kingsville, 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 292-2008 (AGENDA ITEM 13)**

**APPROVAL OF THE PROJECT SCOPE AND BUDGET,  
APPROPRIATION FOR CONSTRUCTION SERVICES  
AND APPROVAL FOR CONSTRUCTION  
FOR THE NEW STUDENT HOUSING,  
TEXAS A&M UNIVERSITY-KINGSVILLE**

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 \$35,000,000 for the New Student Housing project is approved.

The amount of \$35,000,000 is appropriated from Account No. 01-083536, Revenue Financing System Debt Proceeds (Housing Revenues) for construction services and related project costs.

The New Student Housing, Texas A&M University-Kingsville, Kingsville, 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 293-2008 (AGENDA ITEM 14)**

**APPROVAL OF THE PROJECT SCOPE AND BUDGET,  
APPROPRIATION FOR CONSTRUCTION SERVICES AND  
APPROVAL FOR CONSTRUCTION FOR THE MUSIC BUILDING,  
TEXAS A&M UNIVERSITY-COMMERCE**

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 \$29,607,000 for the Music Building project, is approved.

The amount of \$21,770,000 is appropriated from Account No. 01-083536, Revenue Financing System Debt Proceeds (TRB), the amount of \$7,237,000 is appropriated from Account No. 01-083536, Revenue Financing System Debt Proceeds (HEF), and the amount of \$600,000 is appropriated from Account No. 21-944302 Music for construction services and related project costs.

The amount of \$2,800,000 is reverted to Account No. 21-800013 Higher Education Fund Music Building Project.

The Music Building, Texas A&M University-Commerce, Commerce, 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.

Any additional gifts received for this project are hereby appropriated, and a like amount of previous appropriations of Revenue Financing System Debt Proceeds (HEF) are reverted.

**MINUTE ORDER 294-2008 (AGENDA ITEM 15)**

**APPROVAL OF THE PROJECT SCOPE AND BUDGET,  
APPROPRIATION FOR CONSTRUCTION SERVICES AND  
APPROVAL FOR CONSTRUCTION FOR THE  
MULTIPURPOSE LIBRARY BUILDING AND CENTRAL PLANT,  
TEXAS A&M UNIVERSITY-TEXARKANA**

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 \$75,000,000 for the Multipurpose Library Building and Central Plant project is approved.

The amount of \$67,500,000 is appropriated from Account No. 01-083536, Revenue Financing System Debt Proceeds (TRB) for construction services and related project costs.

The Multipurpose Library Building and Central Plant, Texas A&M University-Texarkana, Texarkana, 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 295-2008 (AGENDA ITEM 16)**

**NAMING OF THE  
“WAYNE AND WANDA GALYEAN CLASSROOM,”  
TEXAS A&M UNIVERSITY-COMMERCE**

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

Room 123 in the Science Building at Texas A&M University-Commerce is hereby named the “Wayne and Wanda Galyean Classroom.”

**MINUTE ORDER 296-2008 (AGENDA ITEM 16)**

**NAMING OF THE  
“HARRY AND RHEBA MARTIN ICENHOWER  
ADMINISTRATIVE ASSISTANT’S OFFICE,”  
TEXAS A&M UNIVERSITY-COMMERCE**

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

Room 112 in the Alumni Center on the campus of Texas A&M University-Commerce is hereby named the “Harry and Rheba Martin Icenhower Administrative Assistant’s Office.”

**MINUTE ORDER 297-2008 (AGENDA ITEM 16)**

**NAMING OF THE  
“ARTHUR GLOVER ACCOUNTING CLASSROOM,”  
WEST TEXAS A&M UNIVERSITY**

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

A classroom on the second floor of the Classroom Center (currently under renovation) on the campus of West Texas A&M University is hereby named the “Arthur Glover Accounting Classroom.”

**MINUTE ORDER 298-2008 (AGENDA ITEM 17)**

**AUTHORIZATION TO EXECUTE  
HOUSING LEASE AGREEMENTS IN DUBAI,  
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 Board of Regents of The Texas A&M University System authorizes the President of Texas A&M University, or designee, to execute housing lease agreements in Dubai provided that prior to execution of such lease agreements, the documents must be reviewed and approved for legal sufficiency by the Office of General Counsel, and the System Real Estate Office must be provided with a statement explaining the process used in the selection of the apartment units to be leased and a certification that the source of funds to be used for these leases is Executive MBA Program fees or institutional funds. Once the leases have been executed, copies of the leases must be delivered to the System Real Estate Office.

**MINUTE ORDER 299-2008 (AGENDA ITEM 18)**

**AUTHORIZATION TO PURCHASE  
45.0 ACRES OF LAND, MORE OR LESS, AND IMPROVEMENTS  
AT 4011 SH-47 IN THE CITY OF BRYAN, BRAZOS COUNTY, TEXAS,  
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, after obtaining approval from the Texas Higher Education Coordinating Board, is authorized to execute and deliver all documents, and to take all other actions, necessary to purchase the land and improvements municipally known as 4011 SH-47, Bryan, Brazos County, Texas. The form of the purchase contract and the documents of conveyance must be approved for legal sufficiency by the Office of General Counsel. The purchase price of \$2,950,000, plus closing costs, is hereby approved.

**MINUTE ORDER 300-2008 (AGENDA ITEM 19)**

**AUTHORIZATION TO EXECUTE A GROUND LEASE FOR  
0.877 ACRES OF LAND IN BURLESON COUNTY, TEXAS,  
TO THE TEXAS PARKS AND WILDLIFE DEPARTMENT,  
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 take all steps necessary to negotiate, execute, and deliver a thirty (30) year ground lease with the Texas Parks and Wildlife Department for 0.877 acres of land within the Aquacultural Research and Teaching Facility at the Texas A&M University Farm in Burleson County, Texas, to support the location of a new district office for the fisheries division of the Texas Parks and Wildlife Department.

**MINUTE ORDER 301-2008 (AGENDA ITEM 20)**

**AUTHORIZATION TO RENEW A  
PIPELINE EASEMENT IN BRAZORIA COUNTY, TEXAS,  
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 Chancellor of The Texas A&M University System, or designee, following review for legal sufficiency by the Office of General Counsel, is authorized to execute a non-exclusive pipeline easement for a twenty-inch (20”) natural gas pipeline, ten feet (10’) in width and approximately 998.67 rods (16,478.05 linear feet) in length across A&M System property in Brazoria County, Texas. This easement will be for a ten (10) year term in favor of Kinder Morgan Tejas Pipeline LLC. Total consideration for this easement is \$99,867.

**MINUTE ORDER 302-2008 (AGENDA ITEM 21)**

**AUTHORIZATION TO GRANT A CONDITIONAL  
ROADWAY EASEMENT IN HIDALGO COUNTY, TEXAS,  
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 Chancellor of The Texas A&M University System, or designee, following review for legal sufficiency by the Office of General Counsel, is authorized to execute a conditional roadway easement for the expansion of Mile 2 West Road across A&M System property in Hidalgo County, Texas. This easement will remain in effect so long as the property is used as a roadway.



**MINUTE ORDER 303-2008 (AGENDA ITEM 22)**

**AUTHORIZATION TO GRANT A CONDITIONAL  
ROAD RIGHT-OF-WAY EASEMENT TO  
VTLM TEXAS, LP IN THE CITY OF SAN ANTONIO,  
BEXAR COUNTY, TEXAS,  
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 Chancellor of The Texas A&M University System, or designee, following approval for legal sufficiency by the Office of General Counsel, is authorized to execute all documents necessary to grant a conditional road right-of-way easement to VTLM Texas, LP, or assigns, along the northern boundary of a 50-acre portion of the future site of Texas A&M University-San Antonio. The conditional road right-of-way easement may be granted without further consideration.

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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, Chairman of the Committee on Academic and Student Affairs, reported that the Committee met on Thursday, September 25, 2008. She said that they approved Items 24 through 33 and 35 through 39. The Board took action as set forth below:

*(Secretary's Note: Item 34 was withdrawn prior to the meeting.)*

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**MINUTE ORDER 304-2008 (AGENDA ITEM 24)**

**APPROVAL OF ADMISSION REQUIREMENTS FOR  
SYSTEM MEMBER UNIVERSITIES AND THE  
HEALTH SCIENCE CENTER FOR THE 2009-10 ACADEMIC YEAR,  
THE TEXAS A&M UNIVERSITY SYSTEM**

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 the 2009-10 admission requirements of the System member universities and the Health Science Center, on terms and conditions substantially the same as those shown in **Exhibits E and F**, copies of which are attached to the official minutes.

**MINUTE ORDER 305-2008 (AGENDA ITEM 25)**

**AUTHORIZATION TO OFFER THE  
MASTER OF EDUCATION IN EDUCATIONAL ADMINISTRATION  
DEGREE VIA DISTANCE EDUCATION,  
PRAIRIE VIEW A&M UNIVERSITY**

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 Guidelines for Distance Education, Prairie View A&M University is hereby authorized to offer the Master of Education in Educational Administration via distance education (the Internet), 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 306-2008 (AGENDA ITEM 26)**

**AUTHORIZATION TO OFFER THE  
MASTER OF ARTS IN COUNSELING DEGREE VIA DISTANCE EDUCATION,  
PRAIRIE VIEW A&M UNIVERSITY**

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 Guidelines for Distance Education, Prairie View A&M University is hereby authorized to offer the Master of Arts in Counseling via distance education (the Internet), 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 307-2008 (AGENDA ITEM 27)**

**APPROVAL TO CHANGE REPORTING STRUCTURE OF THE  
ACADEMY FOR ADVANCED TELECOMMUNICATIONS  
AND LEARNING TECHNOLOGIES,  
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 amends Minute Order 61-96, which established the Academy for Advanced Telecommunications and Learning Technologies reporting to the Provost, and approves the change in reporting to the College of Science at Texas A&M University. The Director will be appointed by the Dean of the College of Science.

**MINUTE ORDER 308-2008 (AGENDA ITEM 28)**

**AUTHORIZATION TO ENTER INTO A CONTRACT WITH  
THE DUBAI TECHNOLOGY AND MEDIA FREE ZONE  
AUTHORITY (TECOM/DUBAI KNOWLEDGE VILLAGE)  
FOR THE DELIVERY OF TEXAS A&M'S EXECUTIVE MBA IN DUBAI,  
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 authorizes the President of Texas A&M University, following approval for legal sufficiency by the Office of General Counsel, to enter into a contract with The Dubai Technology and Media Free Zone Authority (TECOM/Dubai Knowledge Village) for the Delivery of Texas A&M's Executive MBA Program in Dubai.

**MINUTE ORDER 309-2008 (AGENDA ITEM 29)**

**AUTHORIZATION TO OFFER  
THE MASTER OF SCIENCE OR MASTER OF EDUCATION IN  
EDUCATIONAL TECHNOLOGY-LEADERSHIP  
AND EDUCATIONAL TECHNOLOGY-LIBRARY  
SCIENCE 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 following degree programs online to individuals, effective Spring 2009:

Master of Science or Master of Education in:

- (1) Educational Technology – Leadership
- (2) Educational Technology – Library Science

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 310-2008 (AGENDA ITEM 30)**

**AUTHORIZATION TO OFFER THE  
EXISTING MASTER OF SCIENCE DEGREE IN  
GEOSPATIAL SURVEYING ENGINEERING  
VIA DISTANCE DELIVERY,  
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:

Having complied with all of the requirements of the Texas Higher Education Coordinating Board, Texas A&M University-Corpus Christi is hereby authorized to offer the Master of Science degree in Geospatial Surveying Engineering via distance delivery, 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 311-2008 (AGENDA ITEM 31)**

**APPROVAL TO ESTABLISH A  
COOPERATIVE PHD PROGRAM AGREEMENT IN NURSING SCIENCE  
BETWEEN TEXAS WOMEN’S UNIVERSITY AND  
TEXAS A&M UNIVERSITY-CORPUS CHRISTI,  
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 approves the establishment of a Cooperative Ph.D. Program Agreement in Nursing Science between Texas Woman's University and Texas A&M University-Corpus Christi.

The Board also authorizes submission of this Cooperative Program Agreement to the Texas Higher Education Coordinating Board.

**MINUTE ORDER 312-2008 (AGENDA ITEM 32)**

**AUTHORIZATION TO OFFER THE  
MASTER OF SCIENCE IN EDUCATIONAL PSYCHOLOGY-  
EXPERIMENTAL PSYCHOLOGY OPTION ONLINE,  
TARLETON STATE UNIVERSITY**

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, Tarleton State University is hereby authorized to offer the Master of Science in Educational Psychology-Experimental Psychology Option online, 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 313-2008 (AGENDA ITEM 33)**

**DISSOLUTION OF THE  
CENTER FOR MECHANICS OF COMPOSITES:  
THE AEROSPACE DESIGN, SAFETY/SECURITY AND  
INTEGRATION CENTER; THE ANALOG AND MIXED SIGNAL CENTER;  
AND THE CENTER FOR NANOSTRUCTURE MATERIALS  
AND QUANTUM DEVICE FABRICATION,  
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 Center for Mechanics of Composites, established by MO 141-92; the Aerospace Design, Safety/Security and Integration Center, established by MO 25-2003; the Analog and Mixed Signal Center, established by MO 232-98; and the Center for Nanostructure Materials and Quantum Device Fabrication established by MO 269-92; all assigned as administrative units of the Texas Engineering Experiment Station, are hereby dissolved as of September 26, 2008.

**MINUTE ORDER 314-2008 (AGENDA ITEM 35)**

**APPROVAL OF REVISIONS TO  
SYSTEM POLICY 11.03 (*SHORTENED COURSES*),  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The revisions to System Policy 11.03 (*Shortened Courses*), as shown in **Exhibit G**, a copy of which is attached to the official minutes, are approved and effective immediately.

**MINUTE ORDER 315-2008 (AGENDA ITEM 36)**

**APPROVAL OF REVISIONS TO SYSTEM POLICY 11.04  
(*ENROLLMENT MANAGEMENT PLANS AND ADMISSION STANDARDS*),  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The revisions to System Policy 11.04 (*Enrollment Management Plans and Admission Standards*), as shown in **Exhibit H**, a copy of which is attached to the official minutes, are approved and effective immediately.

**MINUTE ORDER 316-2008 (AGENDA ITEM 37)**

**APPROVAL OF REVISIONS TO SYSTEM POLICY 11.05  
(*TRANSFERABILITY OF COURSES FOR CREDIT, STATE INSTITUTIONS*),  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The revisions to System Policy 11.05 (*Transferability of Courses for Credit, State Institutions*), as shown in **Exhibit I**, a copy of which is attached to the official minutes, are approved and effective immediately.

**MINUTE ORDER 317-2008 (AGENDA ITEM 38)**

**APPROVAL OF REVISIONS TO  
SYSTEM POLICY 11.06 (*CORE CURRICULUM*),  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The revisions to System Policy 11.06 (*Core Curriculum*), as shown in **Exhibit J**, a copy of which is attached to the official minutes, are approved and effective immediately.

**MINUTE ORDER 318-2008 (AGENDA ITEM 39)**

**APPROVAL OF REVISIONS TO  
SYSTEM POLICY 11.08 (*AWARD OF POSTHUMOUS DEGREES*),  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The revisions to System Policy 11.08 (*Award of Posthumous Degrees*), as shown in **Exhibit K**, a copy of which is attached to the official minutes, are approved and effective immediately.

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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 same day. He said that they considered and approved Items 40 through 51. The Board took action as set forth below:

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**MINUTE ORDER 319-2008 (AGENDA ITEM 40)**

**APPROVAL OF REVISIONS TO  
SYSTEM POLICY 02.05 (*PRESIDENTS OF COMPONENT UNIVERSITIES*),  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The revisions to System Policy 02.05 (*Presidents of Component Universities*), as shown in **Exhibit L**, a copy of which is attached to the official minutes, are approved and effective immediately.

**MINUTE ORDER 320-2008 (AGENDA ITEM 41)**

**APPROVAL OF REVISIONS TO  
SYSTEM POLICY 02.06 (*DIRECTORS OF MEMBER AGENCIES*),  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The revisions to System Policy 02.06 (*Directors of Member Agencies*), as shown in **Exhibit M**, a copy of which is attached to the official minutes, are approved and effective immediately.

**MINUTE ORDER 321-2008 (AGENDA ITEM 42)**

**APPROVAL OF REVISIONS TO SYSTEM POLICY 02.07  
(*PRESIDENT OF THE SYSTEM HEALTH SCIENCE CENTER*),  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The revisions to System Policy 02.07 (*President of the System Health Science Center*), as shown in **Exhibit N**, a copy of which is attached to the official minutes, are approved and effective immediately.

**MINUTE ORDER 322-2008 (AGENDA ITEM 43)**

**APPROVAL OF REVISIONS TO  
SYSTEM POLICY 11.01 (*COOPERATION AMONG  
THE TEXAS A&M UNIVERSITY SYSTEM INSTITUTIONS*),  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The revisions to System Policy 11.01 (*Cooperation Among TAMUS Institutions*), as shown in **Exhibit O**, a copy of which is attached to the official minutes, are approved and effective immediately.



**MINUTE ORDER 323-2008 (AGENDA ITEM 44)**

**APPROVAL OF REVISIONS TO  
SYSTEM POLICY 12.01  
(*ACADEMIC FREEDOM, RESPONSIBILITY AND TENURE*),  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The revisions to System Policy 12.01 (*Academic Freedom, Responsibility and Tenure*), as shown in **Exhibit P**, a copy of which is attached to the official minutes, are approved and effective immediately.

**MINUTE ORDER 324-2008 (AGENDA ITEM 45)**

**APPROVAL OF REVISIONS TO  
SYSTEM POLICY 12.02  
(*INSTITUTIONAL PROCEDURES FOR IMPLEMENTING TENURE*),  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The revisions to System Policy 12.02 (*Institutional Procedures for Implementing Tenure*), as shown in **Exhibit Q**, a copy of which is attached to the official minutes, are approved and effective immediately.

**MINUTE ORDER 325-2008 (AGENDA ITEM 46)**

**APPROVAL OF REVISIONS TO  
SYSTEM POLICY 12.03  
(*FACULTY ACADEMIC WORKLOAD AND REPORTING REQUIREMENTS*),  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The revisions to System Policy 12.03 (*Faculty Academic Workload and Reporting Requirements*), as shown in **Exhibit R**, a copy of which is attached to the official minutes, are approved and effective immediately.

**MINUTE ORDER 326-2008 (AGENDA ITEM 47)**

**APPROVAL OF REVISIONS TO  
SYSTEM POLICY 12.06  
(*POST-TENURE REVIEW OF FACULTY AND TEACHING EFFECTIVENESS*),  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The revisions to System Policy 12.06 (*Post-Tenure Review of Faculty and Teaching Effectiveness*), as shown in **Exhibit S**, a copy of which is attached to the official minutes, are approved and effective immediately.”

**MINUTE ORDER 327-2008 (AGENDA ITEM 48)**

**APPROVAL OF NEW SYSTEM POLICY 12.07  
(*FIXED TERM ACADEMIC PROFESSIONAL TRACK FACULTY*),  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

New System Policy 12.07 (*Fixed Term Academic Professional Track Faculty*), as shown in **Exhibit T**, a copy of which is attached to the official minutes, is approved, effective immediately.

**MINUTE ORDER 328-2008 (AGENDA ITEM 49)**

**APPROVAL OF NON-SUBSTANTIVE REVISIONS  
TO VARIOUS SYSTEM POLICIES:  
11.07 (*GRANTING OF HONORARY DEGREES*);  
12.04 (*ACADEMIC COUNCIL/FACULTY SENATE*);  
12.05 (*TRAINING FOR ENGLISH PROFICIENCY*);  
13.02 (*STUDENT RIGHTS AND OBLIGATIONS*);  
13.03 (*SCHOLARSHIPS*); 13.04 (*STUDENT TRAVEL*);  
18.01 (*ATHLETIC COUNCIL*); 18.02 (*PRINCIPLES FOR INTERCOLLEGIATE  
ATHLETICS PARTICIPATION*); 18.03 (*POST-SEASON ATHLETICS  
COMPETITION*); 27.04 (*BUDGET AUTHORIZATIONS, LIMITATION,  
AND DELEGATIONS OF AUTHORITY*); 31.08 (*EMERITUS TITLE*),  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The revisions to the System Policies, as shown in **Exhibits U, V, W, X, Y, Z, AA, BB, CC, DD, and EE**, copies of which are attached to the official minutes, are approved and effective immediately.

**MINUTE ORDER 329-2008 (AGENDA ITEM 50)**

**APPROVAL OF REVISIONS TO  
SYSTEM POLICY 24.01 (*RISK MANAGEMENT AND SAFETY*),  
DELETION OF SYSTEM POLICY 24.02 (*HEALTH AND SAFETY*),  
SYSTEM POLICY 24.03 (*INSURABLE RISK*) AND  
SYSTEM POLICY 24.04 (*ENVIRONMENT*),  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The revisions to System Policy 24.01 (*Risk Management and Safety*), as shown in **Exhibit FF**, a copy of which is attached to the official minutes, are approved and effective immediately. System Policies 24.02, (*Health and Safety*), 24.03, (*Insurable Risk* and 24.04, (*Environment*), are deleted, effective immediately.

**MINUTE ORDER 330-2008 (AGENDA ITEM 51)**

**APPROVAL OF REVISIONS TO  
SYSTEM POLICY 33.04 (*USE OF SYSTEM PROPERTY*),  
THE TEXAS A&M UNIVERSITY SYSTEM**

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

The revisions to System Policy 33.04, (*Use of System Property*), as shown in **Exhibit GG**, a copy of which is attached to the official minutes, are approved and effective immediately.

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**OTHER ITEMS**

Mr. Jones presented Items 52 and 53. The Board took action as set forth below:

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**MINUTE ORDER 331-2008 (AGENDA ITEM 52)**

**APPROVAL OF THE MINUTES OF THE  
JULY 31-AUGUST 1, 2008, REGULAR BOARD MEETING, AND  
THE APRIL 23, 2008, AUGUST 15, 2008, AND SEPTEMBER 2, 2008,  
SPECIAL TELEPHONIC BOARD MEETINGS,  
BOARD OF REGENTS THE TEXAS A&M UNIVERSITY SYSTEM**

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

The Minutes of the July 31-August 1, 2008, Regular Board Meeting, and the April 23, 2008, August 15, 2008 and September 2, 2008, Special Telephonic Meetings are hereby approved.

**MINUTE ORDER 332-2008 (AGENDA ITEM 53)**

**ADOPTION OF A RESOLUTION IN MEMORY OF  
ANNE LEGENDRE ARMSTRONG, REGENT EMERITA,  
BOARD OF REGENTS THE TEXAS A&M UNIVERSITY SYSTEM**

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

Whereas, Ambassador Anne Legendre Armstrong was born in New Orleans, Louisiana, graduated valedictorian from Foxworth School and received her BA degree from Vassar College in 1949, where she was elected to Phi Beta Kappa in her junior year; and

Whereas, she met and married the love of her life, Tobin Armstrong, from Armstrong, Texas in 1950, and moved to the South Texas family ranch; and

Whereas, Ambassador Armstrong and Mr. Armstrong had five wonderful children: Barclay, Katharine, Sarita, James and Tobin, Jr.; and

Whereas, during this time, Ambassador Armstrong still found time to be involved in the Republican Party becoming Chairman of the Republican National Committee from 1971-1973; and,

Whereas, in 1973, Ambassador Armstrong was named counselor to President Richard Nixon with full Cabinet status (first for a woman); and

Whereas, in 1976-77, Ambassador Armstrong was named U.S. Ambassador to Great Britain under President Gerald Ford (first for a woman); and

Whereas, Ambassador Armstrong was named chairwoman of the Foreign Intelligence Advisory Board in 1981 under President Ronald Reagan where she advised him, and later President George H. W. Bush, on matters of intelligence and foreign policy during the height of the Cold War, a position she held until 1990; and

Whereas, in 1987, to honor her career of patriotic service, Anne Armstrong received the Presidential Medal of Freedom by President Reagan who said, “Her skill and unstinting effort in the service of her country have earned her the gratitude of our nation;” and

Whereas, Anne Armstrong served on numerous Boards including General Motors, American Express, Boise Cascade, Glaxo-Wellcome and Halliburton; and

Whereas, the Honorable Anne Armstrong, having been appointed by Governor George W. Bush, gave six years of honorable and dedicated service to the Board of Regents of The Texas A&M University System beginning in 1997; and

Whereas, Anne Armstrong, as chair of the Committee on Academic and Student Affairs, led her fellow regents in support of the Texas Higher Education Coordinating Board’s “Closing the Gaps” plan by committing The Texas A&M University System to the development of programs that increased participation, success, excellence, research and collaboration, with the objective of extending the System’s educational resources to more of the State’s young people; and

Whereas, Ambassador Armstrong and her fellow regents spread educational opportunities even further through the “Regents’ Initiative for Excellence in Education” and through an increased emphasis on distance education efforts; and

Whereas, as chair of the Campus Art and Aesthetic Improvement Committee, she not only added to the beauty of the System’s institutions, but in doing so, improved the aesthetics of Texas; and

Whereas, she served with distinction as chair or co-chair on many committees of the Board and provided outstanding leadership as the Board’s special liaison to the TAMU Center for Humanities Research Development Council and the Texas Higher Education Coordinating Board; and

Whereas, during Ambassador Armstrong’s tenure, the George Bush Presidential Library Center opened its doors on the Texas A&M campus amidst national and international fanfare; and

Whereas, The Texas A&M University System and the State of Texas acknowledge Anne Armstrong’s lifetime contributions to Texas higher education, Texas A&M University, the A&M System and the nation and recognize she touched the lives of many people; now, therefore, be it

Resolved, that we, the members of the Board of Regents of The Texas A&M University System, meeting on this 26<sup>th</sup> day of September 2008, express our deepest gratitude and respect for her distinguished service; and, be it, further

Resolved, that this resolution be spread upon the minutes, and copies thereof be presented to Ambassador Armstrong's 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 Ambassador Anne Legendre Armstrong and as a token of this Board's sympathy in her family's great loss.

~~~~~

Mr. Jones called on Dr. Ray Keck, President of Texas A&M International University (TAMIU) to present Item 54. The Board took action as set forth below:

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**MINUTE ORDER 333-2008 (AGENDA ITEM 54)**

**ADOPTION OF A RESOLUTION HONORING  
JOSE GARCIA, VICE PRESIDENT FOR FINANCE AND ADMINISTRATION,  
TEXAS A&M INTERNATIONAL UNIVERSITY**

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

Whereas, Mr. José García has served Texas A&M International University for twenty-eight years as Chief Financial Officer and Vice President for Finance and Administration; and

Whereas, Mr. García managed a budget during his time at the University which grew from \$2.8 million in 1980 to \$64 million in 2007; and

Whereas, Mr. García has spent two decades on the Board of Directors of the United Way of Laredo, serving as President of United Way in 2002; and

Whereas, Mr. García, embodying the best models of our University in the community, has served in diverse capacities on the Board of Mary Help of Christians School and the Laredo Kiwanis Club, Laredo Development Foundation, and Laredo Chamber of Commerce; and

Whereas, Mr. García, served as President of both state and regional professional groups, the Texas Association of State College and University Business Officers and the Southern Association of College and University Business Officers and as Board member of the National Association of Colleges and Universities Business Officers, providing leadership in business and financial management through professional development, networking and advocacy; and

Whereas, Mr. García has guided the formation of the intercollegiate athletics program at Texas A&M International University, helping secure full membership in the NCAA's Division II in a record three years; and

Whereas, Mr. García has served as the campus project director for the construction of all 15 buildings which comprise the beautiful new Texas A&M International University campus; and

Whereas, Mr. García has used his extensive experience to help guide and support the political process by which Texas A&M International University came into being and continues to flourish; and

Whereas, Mr. García established in 1973 the first collegiate-level ROTC program in Laredo, reestablishing that program at Texas A&M International University in 2003; and

Whereas, Mr. García served as Interim President of Texas A&M International University in 1995-1996; and

Whereas, under Mr. Garcia's leadership, Texas A&M International University, without any additional staff, has consistently achieved top rankings for its efforts and support of the State of Texas Historically Underutilized Businesses (HUB) Program; now, therefore, be it

Resolved, that the Board of Regents of The Texas A&M University System congratulates Mr. José García upon his retirement from Texas A&M International University in Laredo, and that the Board recognizes his significant contributions toward the success and prosperity of both Texas A&M International University and the Laredo community; and, be it, further

Resolved, that the Board of Regents of The Texas A&M University System, meeting on this 26<sup>th</sup> day of September 2008, congratulates Mr. José García for all his contributions to The University System of South Texas and to 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 Mr. García, President Ray Keck, and to the Archives of Texas A&M International University in Laredo as a permanent mark of this Board's appreciation and gratitude to Mr. García for a job well done.

~~~~~

Mr. Jones called on Dr. J. Patrick O'Brien, President of WTAMU, to present Item 55. The Board took action as set forth below:

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**MINUTE ORDER 334-2008 (AGENDA ITEM 55)**

**ADOPTION OF A RESOLUTION TO EXPRESS APPRECIATION TO THE  
2007-2008 WEST TEXAS A&M UNIVERSITY  
WOMEN'S BASKETBALL TEAM,  
WEST TEXAS A&M UNIVERSITY**

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

Whereas, the Women's Basketball Team finished the 2007-2008 academic year with a cumulative team grade point average of 3.557; and

Whereas, the Women's Basketball Team placed fifth nationally in NCAA Division II team academic rankings; and

Whereas, Dixie Bell of Canyon, Texas; Anna Berthel of Prosper, Texas; Chelsea Blackshear of Levelland, Texas; Emily Brister of Amarillo, Texas; Jamie Dreiling of Lake Kiowa, Texas; Ashley Dyer of Perryton, Texas; Holly Isaacs of Brownfield, Texas; Courtney Lee of Arlington, Texas; Jenessa McKray of Sandy, Utah; Megan McLain of Channing, Texas; Cherilyn McMenemy of Canyon, Texas; Joni Unruh of Amarillo, Texas; and Mariah Willis of Odessa, Texas are the 2007-2008 WTAMU Women's Basketball Team; 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 Women's Basketball Team 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 the team for a job well done.



Mr. Jones called on Dr. McKinney to present Items 56, 57 and 59 through 67. The Board took action as set forth below:

*(Secretary's Note: Item 58 was withdrawn prior to the meeting.)*



**MINUTE ORDER 335-2008 (AGENDA ITEM 56)**

**GRANTING OF FACULTY DEVELOPMENT LEAVE  
FOR FISCAL YEAR 2009,  
TEXAS A&M UNIVERSITY-KINGSVILLE**

On motion of Mr. Nye, seconded by Mr. Fraga 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 31.03, System Regulation 12.99.01 and Sections 51.101-108 of the Texas Education Code, authorizes faculty development leave to the faculty member as shown in **Exhibit HH**, a copy of which is attached to the official minutes as Faculty Development Leave List FY 2009, Texas A&M University-Kingsville.

**MINUTE ORDER 336-2008 (AGENDA ITEM 57)**

**GRANTING OF FACULTY DEVELOPMENT  
LEAVE FOR FISCAL YEAR 2009,  
TEXAS A&M UNIVERSITY-CORPUS CHRISTI**

On motion of Mr. Nye, seconded by Mr. Fraga 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 31.03, System Regulation 12.99.01 and Sections 51.101-108 of the Texas Education Code, authorizes faculty development leave to the faculty members as shown in **Exhibit II**, a copy of which is attached to the official minutes as Faculty Development Leave List FY 2009, Texas A&M University-Corpus Christi.

**MINUTE ORDER 337-2008 (AGENDA ITEM 59)**

**APPROVAL OF ACADEMIC TENURE,  
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 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 JJ**, a copy of which is attached to the official minutes as Tenure List No. 09-01.

**MINUTE ORDER 338-2008 (AGENDA ITEM 60)**

**GRANTING OF THE TITLE OF EMERITUS/EMERITA,  
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:

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 KK**, a copy of which is attached to the official minutes as Emeritus Title List No. 09-01, and grants all rights and privileges of this title.

**MINUTE ORDER 339-2008 (AGENDA ITEM 61)**

**CONFIRMATION OF APPOINTMENT  
AND COMMISSIONING OF PEACE OFFICERS,  
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:

In accordance with System Policy 34.06 (*Appointment, Commissioning and Authority of Peace Officers*), the Presidents of 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 LL**, a copy of which is attached to the official minutes.

**MINUTE ORDER 340-2008 (AGENDA ITEM 62)**

**APPROVAL OF APPOINTMENT  
AND COMMISSIONING OF PEACE OFFICERS,  
TEXAS FOREST SERVICE**

On motion of Mr. Nye, seconded by Mr. Fraga 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 appointments of and commissions Texas Forest Service employees Raymond R. McDonald and Jarred M. Lemmon as peace officers.

**MINUTE ORDER 341-2008 (AGENDA ITEM 63)**

**AUTHORIZATION FOR KENNETH R. HALL,  
A SYSTEM EMPLOYEE TO SERVE, AS THE  
CHANCELLOR’S DESIGNEE, IN HIS OFFICIAL CAPACITY AS A  
MEMBER OF THE GOVERNING BOARD OR AS AN  
OFFICER OF AN ENTITY FORMED FOR THE PURPOSE  
OF DEVELOPMENT AND COMMERCIALIZATION OF  
TECHNOLOGY OWNED BY THE TEXAS A&M UNIVERSITY SYSTEM,  
TEXAS ENGINEERING EXPERIMENT STATION**

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

The Board of Regents of The Texas A&M University System hereby authorizes Kenneth R. Hall, Associate Director of the Texas Engineering Experiment Station, to serve, as the Chancellor’s designee, in his official capacity as a member of the governing board or as an officer of AgFuture Energy LLC, an entity formed for the purpose of development and commercialization of technology owned by The Texas A&M University System.

**MINUTE ORDER 342-2008 (AGENDA ITEM 64)**

**APPOINTMENT OF  
DR. BONNIE D. MCGEE AS ASSOCIATE DIRECTOR  
FOR 4-H YOUTH DEVELOPMENT AND HUMAN SCIENCES,  
TEXAS AGRILIFE EXTENSION SERVICE**

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

Dr. Bonnie D. McGee is hereby appointed Associate Director for 4-H, Youth Development and Human Sciences of Texas AgriLife Extension Service of The Texas A&M University System, effective October 1, 2008, at an annual salary of \$130,000.

**MINUTE ORDER 343-2008 (AGENDA ITEM 65)**

**APPOINTMENT OF  
DR. DARRELL A. DROMGOOLE  
AS ASSOCIATE DIRECTOR FOR COUNTY PROGRAMS,  
TEXAS AGRILIFE EXTENSION SERVICE**

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

Dr. Darrell A. Dromgoole is hereby appointed Associate Director for County Programs of the Texas AgriLife Extension Service of The Texas A&M University System, effective October 1, 2008, at an initial salary of \$127,000.

**MINUTE ORDER 344-2008 (AGENDA ITEM 66)**

**APPOINTMENT OF  
DR. PETE G. GIBBS  
AS ASSOCIATE DIRECTOR FOR AGRICULTURE,  
NATURAL RESOURCES AND COMMUNITY ECONOMIC DEVELOPMENT,  
TEXAS AGRILIFE EXTENSION SERVICE**

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

Dr. Pete G. Gibbs is hereby appointed Associate Director for Agriculture, Natural Resources, and Community Economic Development of the Texas AgriLife Extension Service of The Texas A&M University System, effective October 1, 2008, at an initial salary of \$155,000.

**MINUTE ORDER 345-2008 (AGENDA ITEM 67)**

**AUTHORIZATION TO EXECUTE AMENDED  
EMPLOYMENT CONTRACT FOR JOLEEN EVAN,  
HEAD SOFTBALL COACH,  
TEXAS A&M UNIVERSITY**

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

Authority is hereby granted to the President of Texas A&M University to execute an amended employment contract, upon review for legal form and sufficiency by the Office of General Counsel, with the following person:

Joleen Evans – Head Softball Coach



**ANNOUNCEMENTS**

Mr. Jones asked if there were any announcements.

Dr. Strawser thanked the regents for the opportunity to go to Kingsville, and Dr. Murano for allowing him to go and then accepting him back. He also thanked the wonderful people at TAMU-K, and the town of Kingsville, especially Regent Steen and her family who made him feel welcome. Dr. Strawser invited the Regents to visit the campus so that they could see what had been done and meet the extraordinary students. He said that he was confident that Dr. Tallant would take the university to even greater heights.

Mr. Jones said that they appreciated Dr. Strawser for taking on the task of going to Kingsville and lending a hand when it was needed.

Mr. Jones asked if there was any new business to be presented to the Board. There was none. He announced that the next regular meeting was scheduled for December 4-5, 2008, on the campus of TAMU.

**ADJOURNMENT**

On motion of Mr. Nye, seconded by Mr. Fraga and by a unanimous vote, the meeting was adjourned at 12:00 p.m.

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

VBS:jb

**RESOLUTION ESTABLISHING  
THE BOARD OF REGENTS OF  
THE TEXAS A&M UNIVERSITY SYSTEM  
PERMANENT UNIVERSITY FUND  
COMMERCIAL PAPER PROGRAM**

Adopted September 26, 2008

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Exhibit A – Form of Commercial Paper Notes  
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**A RESOLUTION establishing an interim financing program; approving and authorizing the issuance of obligations in an aggregate principal amount at any one time outstanding of not to exceed \$125,000,000 to provide interim financing to pay Project Costs for Eligible Projects; authorizing such obligations to be issued, sold and delivered as commercial paper notes, and prescribing the terms, features, and characteristics of such notes; approving and authorizing certain authorized officers and employees to act on behalf of the Board of Regents of The Texas A&M University System in the selling and delivery of such notes, within the limitations and procedures specified herein; making certain covenants and agreements in connection therewith; resolving other matters incident and related to the issuance, sale, security, and delivery of such notes; and providing an effective date.**

**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 Section 18 of Article VII of the Constitution of the State of Texas and Chapter 1371, Texas Government Code; and

**WHEREAS**, Section 18 of Article VII of the Texas Constitution authorizes the Board to issue bonds and notes not to exceed a total amount of ten percent (10%) of the cost value of investments and other assets of the Permanent University Fund (defined herein) (exclusive of real estate) at the time of issuance thereof, and to pledge all or any part of its 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 administration and certain member institutions of the System; and

**WHEREAS**, the Board, by this resolution (this "Resolution"), has determined to authorize the issuance of its Commercial Paper Notes (defined herein) authorized to be outstanding at any one time in an aggregate principal amount not to exceed \$125,000,000, in order to provide interim financing to pay Project Costs (defined herein) for Eligible Projects (defined herein) and to refinance, renew, or refund Commercial Paper Notes and other Permanent University Fund Obligations (defined herein), all as herein provided; and

**WHEREAS**, the Commercial Paper Notes authorized hereby shall be secured in part by the Available University Fund Share, such lien and pledge thereof being of equal rank and dignity with the pledge thereof securing the payment of the Flexible Rate Notes but junior and subordinate to the lien and pledge thereof securing the payment of Fund Priority Obligations (defined herein) outstanding on or after the date of issuance of the Commercial Paper Notes; and

**WHEREAS**, the Board hereby finds that the purposes for which the Board may issue such Commercial Paper Notes constitute "eligible projects," as contemplated by Chapter 1371, Texas Government Code; and

**WHEREAS**, arrangements relating to the interim financing program have been settled and the Board hereby finds and determines that the issuance of such Commercial Paper Notes, subject to the terms, conditions, and limitations hereinafter prescribed, should be approved and authorized at this time;

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

ARTICLE I  
DEFINITIONS AND CONSTRUCTION OF TERMS

Section 1.01 Definitions. Unless the context shall indicate a contrary meaning or intent, the terms below defined, for all purposes of this Resolution or any resolution amendatory or supplemental hereto, shall be construed, are used and are intended to have the following meanings, to-wit:

“Acts” shall mean, collectively, the Constitutional Provision and Chapter 1371, Texas Government Code, as amended.

“Advances” shall mean advances or loans under a Promissory Note pursuant to a Liquidity Agreement for purposes of refunding Commercial Paper Notes.

“Approved Swap Agreement” shall mean each agreement authorized by the Board constituting a “credit agreement” under Chapter 1371, Texas Government Code, as amended, in relation to the payment or exchange of payments on Notes or other Permanent University Fund Obligations.

“Authorized Representative” shall mean 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” shall mean 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” shall mean the System’s one-third interest in the Available University Fund as apportioned and provided in the Constitutional Provision.

“Bank” shall mean any lender or other financial institution which becomes a party to or executes a Liquidity Agreement.

“Board” shall mean the Board of Regents of the System.

“Bond Counsel” shall mean McCall, Parkhurst & Horton L.L.P. or any other attorney or firm of attorneys nationally recognized as experienced in the field of bonds of governmental issuers and appointed by the Board.

“Bond Resolutions” shall mean, collectively, the resolutions authorizing any Fund Priority Obligations.

“Business Day” shall mean any day (a) when banks are open for business in Austin, Texas, and (b) when banks are not authorized to be closed in New York, New York.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Commercial Paper Note” shall mean a commercial paper note issued pursuant to the provisions of this Resolution, having the terms and characteristics specified in Section 2.02 and in the form described in Exhibit A to this Resolution.

“Commercial Paper Construction Fund” shall have the meaning given to such term in Section 2.13.

“Commercial Paper Note Payment Fund” shall have the meaning given to such term in Section 2.10.

“Comptroller” shall mean the Comptroller of Public Accounts of the State or any successor thereto.

“Constitutional Provision” shall mean 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 amendment to the Constitution of the State relating to the Permanent University Fund hereafter approved by the voters of the State.

“Dealer” shall mean each dealer appointed by the Board pursuant to Section 3.04 and any successor thereto.

“Dealer Agreement” shall mean each dealer agreement executed and delivered by the Board and a Dealer pursuant to Section 3.04, as each such agreement may be amended from time to time pursuant to the terms thereof.

“Defeasance Obligations” shall mean (a) direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) 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 the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (c) 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 issuance of

refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

“DTC” shall mean The Depository Trust Company or any substitute securities depository appointed pursuant to this Resolution, or any nominee of either.

“DTC Letter of Representations” shall mean the Letter of Representations between the Board and DTC approved pursuant to Section 2.05(b) of this Resolution.

“DTC Participant” shall mean a member of, or the participant in, DTC that will act on behalf of a Holder.

“Eligible Project” shall mean 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” shall not include the construction, equipping, repairing, or rehabilitating of buildings or other permanent improvements that are to be used for student housing, intercollegiate athletics, or auxiliary enterprises.

“Fiscal Year” shall mean the twelve-month operational period of the System commencing on September 1 of each year and ending on the following August 31.

“Flexible Rate Notes” shall mean The Board of Regents of The Texas A&M University System Permanent University Fund Flexible Rate Notes authorized to be issued in the maximum aggregate principal amount of \$125,000,000 at any one time outstanding, pursuant to the Flexible Rate Notes Resolution.

“Flexible Rate Notes Resolution” shall mean the resolution adopted by the Board on March 24, 2005 and amended on January 27, 2006 authorizing the issuance of the Flexible Rate Notes, as such resolution may be amended from time to time.

“Fund Priority Obligations” shall mean the Outstanding Parity Bonds and any other obligations issued by the Board pursuant to the Constitutional Provision which are secured by and payable from a lien on and pledge of the Available University Fund Share prior in rank and dignity to the lien and pledge securing the payment of the Notes.

“Holder” or “Noteholder” shall mean the Registered Owner or any person, firm, association, or corporation who is in possession of any Note issued to bearer or in blank.

“Interest and Sinking Fund” shall mean the “Board of Regents of The Texas A&M University System Permanent University Fund Bonds Interest and Sinking Fund,” as further described in Section 2.12.

“Issuing and Paying Agent” and “Registrar” shall mean with respect to the Commercial Paper Notes the agent appointed pursuant to Section 2.05, or any successor to such agent.

“Issuing and Paying Agent Agreement” shall mean the issuing and paying agent agreement authorized to be entered into by Section 3.03, as from time to time amended or supplemented.

“Liquidity Agreement” shall mean a Liquidity Agreement entered into with respect to Commercial Paper Notes as authorized by Section 2.08 of this Resolution. A Liquidity Agreement may be a standby bond purchase agreement, letter of credit, line of credit or similar agreement, but excludes the Note Purchase Agreement.

“Master Note” shall have the meaning given to such term in Section 2.05.

“Maximum Interest Rate” shall mean the lesser of (a) fifteen percent (15%) per annum and (b) the maximum net effective interest rate permitted by law to be paid on obligations issued or incurred by the Board in the exercise of its borrowing powers (prescribed by Chapter 1204, Texas Government Code, or any successor provision).

“Maximum Maturity Date” shall mean September 1, 2038.

“Note” or “Notes” shall mean the evidences of indebtedness authorized to be issued and at any time outstanding pursuant to this Resolution and shall include Commercial Paper Notes (including the Master Notes) or Promissory Notes as appropriate.

“Note Date” shall have the meaning given to such term in Section 2.02.

“Note Purchase Agreement” means the agreement executed pursuant to Section 4.02 of this Resolution between the Board and The University of Texas Investment Management Company, as investment manager of the Permanent University Fund, to manage the Board's liquidity obligations under this Resolution.

“Outstanding Parity Bonds” shall mean, collectively, the following outstanding obligations of the Board:

The Board of Regents of The Texas A&M University System Permanent University Fund Bonds, Series 1998, dated August 1, 1998, and issued in the aggregate original principal amount of \$92,520,000;

The Board of Regents of The Texas A&M University System Permanent University Fund Refunding Bonds, Series 2003, dated March 1, 2003, and issued in the aggregate original principal amount of \$102,645,000;

The Board of Regents of The Texas A&M University System Permanent University Fund Bonds, Series 2004, dated August 1, 2004, and issued in the aggregate original principal amount of \$79,715,000; and

The Board of Regents of The Texas A&M University System Permanent University Fund Bonds, Series 2006, dated July 1, 2006, and issued in the aggregate original principal amount of \$165,940,000.

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

“Permanent University Fund Obligations” shall mean, 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.

“Project Costs” shall mean all costs and expenses incurred in relation to Eligible Projects, including without limitation design, planning, engineering, and legal costs; acquisition costs of land, interests in land, right-of-way, and easements; construction costs, costs of machinery, equipment, and other capital assets incident and related to the operation, maintenance, and administration of an Eligible Project; financing costs, including interest and payments on credit agreements during construction and thereafter, underwriter’s discount and/or fees, legal, financial, and other professional services; any amounts due and payable under an Approved Swap Agreement; and reimbursement for any such Project Costs incurred prior to the issuance of any Commercial Paper Notes.

“Promissory Note” shall mean a promissory note described in Section 2.09 and issued pursuant to the provisions of this Resolution and a Liquidity Agreement in evidence of Advances made by a Bank to refund any Commercial Paper Note, or the interest thereon, having the terms and characteristics contained in such Liquidity Agreement and issued in accordance therewith, including any renewals or modifications thereof.

“Rating Agency” shall mean each nationally recognized securities rating agency which at the time has a credit rating assigned to the Commercial Paper Notes at the request of the Board.

“Registered Owner” shall mean the person or entity in whose name any Commercial Paper Note is registered in the Registration Books.

“Registration Books” shall mean the books or records relating to the registration, payment, and transfer or exchange of the Commercial Paper Notes maintained by the Issuing and Paying Agent pursuant to Section 2.10.

“Resolution” shall mean this resolution and any amendment, modification, or supplement hereto as permitted hereby.

“Short Term Obligations” shall mean bonds or other evidences of indebtedness hereafter issued and incurred by the Board (other than the Notes) payable from the same sources, or any portion of such sources, securing the payment of the Notes and equally and ratably secured by a parity lien on and pledge of such sources securing the Notes, or any portion thereof.

“State” shall mean the State of Texas.

“System” shall mean The Texas A&M University System.

“System Special Account” shall mean The State Comptroller - Texas A&M University System Special Account heretofore established by the Comptroller in the Treasury of the State of Texas pursuant to the Trust Agreement.

“Tax-Exempt Note” shall mean any Commercial Paper Note, the interest on which is excludable from gross income for federal income tax purposes.

“Taxable Note” shall mean any Commercial Paper Note, the interest on which is not excludable from gross income for federal income tax purposes.

“Trust Agreement” shall mean that certain "Amended and Restated Trust Agreement", dated as of December 6, 2002, by and between the Board and the Comptroller, acting by and through the Texas Treasury Safekeeping Trust Company, pursuant to which the Comptroller has agreed to act as the Board’s trustee with respect to the Flexible Rate Notes for the purpose of investing and collateralizing funds in the System Special Account.

Section 1.02 Recitals, Table of Contents, Titles and Headings. The terms and phrases used in the recitals of this Resolution have been included for convenience of reference only and the meaning, construction, and interpretation of such terms and phrases for purposes of this Resolution shall be determined solely by reference to Section 1.01 of this Resolution. The table of contents, titles, and headings of the articles and section 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 and shall never be considered or given any effect in construing this Resolution or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.03 Interpretation. Unless the context requires otherwise, words of the singular number used in this Resolution shall be construed to include correlative words of the plural number and vice versa, and words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa. References in this Resolution to numbered Articles, Sections or portions thereof shall refer to the respective Articles and Sections of the Resolution, unless expressly specified otherwise. The terms “hereof,” “herein,” “hereunder,” and similar terms shall refer to this Resolution as a whole and not to any particular provision of this Resolution. This Resolution and all the terms and provisions hereof shall be liberally construed to effectuate the provisions set forth herein and to sustain the validity of this Resolution.

## ARTICLE II AUTHORIZATION OF NOTES

Section 2.01 General Authorization. Pursuant to authority conferred by and in accordance with the provisions of the Constitution and laws of the State of Texas, particularly the Acts, Commercial Paper Notes shall be and are hereby authorized to be issued in an aggregate principal amount not to exceed One Hundred Twenty Five Million Dollars (\$125,000,000) at any one time outstanding (as Tax-Exempt Notes, Taxable Notes, or any combination thereof) for the purpose of financing Project Costs of Eligible Projects and to refinance, renew, or refund Notes and other Permanent University Fund Obligations, including interest thereon all in accordance with and subject to the terms, conditions, and limitations contained herein; provided that the maximum aggregate principal amount of Commercial Paper Notes that may be issued under this Resolution shall be reduced by the aggregate principal amount of all then outstanding Promissory Notes. For purposes of this Section, any portion of outstanding Notes to be paid from money on deposit in the Commercial Paper Note Payment Fund or the System Special Account and from the available

proceeds of Notes, or other Permanent University Fund Obligations on the day of calculation shall not be considered outstanding. The authority to issue Notes from time to time under the provisions of this Resolution shall exist until the Maximum Maturity Date, regardless of whether at any time prior to the Maximum Maturity Date there are any Commercial Paper Notes Outstanding. As determined by an Authorized Representative in accordance with Section 2.02 and Section 3.01(c) hereof for each issuance of Commercial Paper Notes, such Commercial Paper Notes shall be issued either as (i) Tax-Exempt Notes, the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes, pursuant to section 103 of the Code or (ii) Taxable Notes, the interest on which is includable in the gross income of the owners thereof for federal income tax purposes. Commercial Paper Notes issued as Tax-Exempt Notes shall be designated "Board of Regents of The Texas A&M University System Permanent University Fund Commercial Paper Notes, Series A" and Commercial Paper Notes issued as Taxable Notes shall be designated as "Board of Regents of The Texas A&M University System Permanent University Fund Taxable Commercial Paper Notes, Series A".

In connection with the refinancing or refunding of Notes and other Permanent University Fund Obligations through the issuance of Commercial Paper Notes, such Notes and other Permanent University Fund Obligations shall qualify as "obligations" as such term is defined in the Acts at the time any such refinancing or refunding occurs. The Notes and Other Permanent University Fund Obligations to be so refinanced or refunded shall be selected by the Board or as determined by an Authorized Representative.

Section 2.02 Commercial Paper Notes. Under and pursuant to the authority granted hereby and subject to the limitations contained herein, Commercial Paper Notes are hereby authorized to be issued, sold and delivered from time to time in such principal amounts as determined by an Authorized Representative in denominations of \$100,000 or in integral multiples of \$1,000 in excess thereof, numbered in ascending consecutive numerical order in the order of their issuance, and shall mature and become due and payable on such dates as an Authorized Representative shall determine at the time of sale; provided, however, that no Commercial Paper Note shall (i) mature after the Maximum Maturity Date or (ii) have a term in excess of 270 calendar days.

Subject to the limitations contained herein, Commercial Paper Notes herein authorized shall be dated as of their date of issuance (the "Note Date") and shall bear no interest or bear interest at such rate or rates per annum or computed pursuant to such formula and on such basis (but in no event to exceed the Maximum Interest Rate in effect on the date of issuance thereof), as may be determined by an Authorized Representative. Interest, if any, on Commercial Paper Notes shall be payable at maturity. Commercial Paper Notes may be payable to bearer, may be issued in registered form, without coupons, or may be issued in book-entry-only form pursuant to Section 2.05(b) as determined by an Authorized Representative. Commercial Paper Notes may be issued as Tax-Exempt Notes or as Taxable Notes as determined by an Authorized Representative. Both principal of and interest on the Commercial Paper Notes shall be payable in lawful money of the United States of America, without exchange or collection charges to the Holder thereof in the manner provided in the Form of Commercial Paper Note set forth in Exhibit A to this Resolution.



Commercial Paper Notes issued hereunder may contain terms and provisions for the redemption or prepayment thereof prior to maturity, subject to any applicable limitations contained herein, as provided herein or otherwise as shall be determined by an Authorized Representative.

Subject to applicable terms, limitations, and procedures contained herein, the Commercial Paper Notes may be sold in such manner at public or private sale and at par or at such discount or premium (within the interest rate and yield restrictions provided herein, as applicable) as an Authorized Representative shall approve at the time of the sale thereof; provided, however, that if any Commercial Paper Notes are required to be sold through competitive bidding, such Commercial Paper Notes shall be sold in accordance with the procedures set forth in Section 3.01.

Section 2.03 Form of Commercial Paper Note. (a) If not issued in book-entry only form, the Commercial Paper Notes and the Certificate of Authentication to appear on each of the Commercial Paper Notes shall be substantially in the form set forth in Exhibit A to this Resolution with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Resolution and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Banks Association) ("CUSIP" numbers) and such legends and endorsements thereon as may, consistently herewith, be approved by an Authorized Representative. Any portion of the text of any Commercial Paper Notes may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Commercial Paper Notes and the Commercial Paper Notes shall be printed, lithographed, or engraved or produced in any other similar manner, or typewritten, all as determined and approved by an Authorized Representative.

(b) If the Commercial Paper Notes are issued in book-entry only form pursuant to Section 2.05(b), they shall be issued in the form of a Master Note for Tax-Exempt Notes and a Master Note for Taxable Notes in substantially the forms attached as Exhibit B hereto, or such other forms as are required by DTC, to which there shall be attached the form of Commercial Paper Note set forth in Exhibit A and it is hereby declared that the provisions of Exhibit A are incorporated into and shall be a part of the applicable Master Note. It is further provided that this Resolution and the form of Commercial Paper Note set forth in Exhibit A shall constitute the "underlying records" referred to in each Master Note. In addition, whenever the beneficial ownership of the Commercial Paper Notes is determined by a book-entry at DTC, the Issuing and Paying Agent may, without further approval from the Board or an Authorized Representative, place such letters, numbers, marks of identification, legends and endorsements on the Commercial Paper Notes and Master Notes as are necessary to satisfy the requirements of DTC. Notwithstanding the provisions of Section 2.04, each Master Note shall be executed on behalf of the Board by the manual signature of the Chairman or Vice-Chairman of the Board.

Section 2.04 Execution and Authentication. The Notes shall be executed on behalf of the Board by the Chairman or Vice Chairman of the Board under its seal reproduced or impressed thereon and attested by the Executive Secretary to the Board. The signature of said officers on the Notes may be manual or facsimile. Notes bearing the manual or facsimile signatures of individuals who are or were the proper officers of the Board on the date of passage of this Resolution shall be deemed to be duly executed on behalf of the Board, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of the initial sale and delivery of Notes

authorized to be issued hereunder and with respect to Notes delivered in subsequent sales, exchanges, and transfers, all as authorized and provided in Chapter 1201, Texas Government Code.

Other than pursuant to Section 2.03(b), no Commercial Paper Note shall be entitled to any right or benefit under this Resolution, or be valid or obligatory for any purpose, unless there appears on such Commercial Paper Note a certificate of authentication substantially in the form provided in Exhibit A to this Resolution, executed by the Issuing and Paying Agent by manual signature, and such certificate upon any Commercial Paper Note shall be conclusive evidence, and the only evidence, that such Commercial Paper Note has been duly certified or registered and delivered.

Section 2.05 Issuing and Paying Agent and Book-Entry Only System.

(a) Issuing and Paying Agent. The selection and appointment of U.S. Bank Trust, N.A., New York, New York, to serve as the initial Issuing and Paying Agent for the Notes is hereby confirmed. The Board covenants and agrees to keep and maintain the Registration Books at the office of the Issuing and Paying Agent, all as provided herein and pursuant to such reasonable rules and regulations as the Issuing and Paying Agent may prescribe. The Board covenants to maintain and provide an Issuing and Paying Agent at all times while the Notes are outstanding, which, if it is not acting in such capacity, shall be a national or state banking association or corporation organized and doing business under the laws of the United States of America or of any State and authorized under such laws to exercise trust powers. Should a change in the Issuing and Paying Agent for the Commercial Paper Notes occur, the Board agrees to promptly cause a written notice thereof to be (i) sent to each Registered Owner, if any, of the Commercial Paper Notes then outstanding by United States mail, first class, postage prepaid and (ii) 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 calendar weeks; provided, however, that the publication of such notice shall not be required if notice is given to each Registered Owner in accordance with clause (i) above. Such notice shall give the address of the successor Issuing and Paying Agent. A successor Issuing and Paying Agent may be appointed without the consent of the Holders. Should the Issuing and Paying Agent resign or be removed, such resignation or removal shall not be effective until a successor Issuer and Paying Agent has been appointed by the Board and such appointment has been accepted.

Subject to the provisions of Section 2.03(b) hereof, the Board and the Issuing and Paying Agent may treat the bearer (in the case of Commercial Paper Notes so registered) or the Registered Owner of any Commercial Paper Note as the absolute owner thereof for the purpose of receiving payment thereof and for all purposes, and, to the extent permitted by law, the Board and the Issuing and Paying Agent shall not be affected by any notice or knowledge to the contrary.

A copy of the Registration Books and any change thereto shall be provided to the Board by the Issuing and Paying Agent, by means of telecommunications equipment or such other means as may be mutually agreeable thereto, within two Business Days of the opening thereof or any change therein, as the case may be.

(b) Book-Entry Only System. The Board has determined to issue the Commercial Paper Notes initially in book-entry form and has determined to appoint DTC to serve as the initial securities depository for the Commercial Paper Notes and to maintain a book-entry only system of recording the ownership and transfer of ownership of beneficial interests in the Commercial Paper

Notes in accordance with this Section. Notwithstanding any other provision of this Resolution to the contrary, (i) no physical Note certificates will be delivered to DTC and (ii) the Board will execute and deliver to the Issuing and Paying Agent, as custodian for DTC, a master note relating to the Commercial Paper Notes issued as Tax-Exempt Notes and a separate master note relating to Commercial Paper Notes issued as Taxable Notes (each, a "Master Note") in substantially the form set forth in Exhibit B, or such other forms as are required by DTC. Except as provided herein, the ownership of the Commercial Paper Notes shall be registered in the name of Cede & Co., as nominee of DTC, which will serve as the initial securities depository for the Commercial Paper Notes. Ownership of beneficial interests in the Commercial Paper Notes shall be shown by book entry on the system maintained and operated by DTC and DTC participants, and transfers of ownership of beneficial interests shall be made only by DTC and the DTC participants by book entry, and the Board and the Issuing and Paying Agent shall have no responsibility therefor. DTC will be required to maintain records of the positions of the DTC participants in the Commercial Paper Notes, and the DTC participants and persons acting through the DTC participants will be required to maintain records of the purchasers of beneficial interests in the Commercial Paper Notes. Except as provided in subsection (b)(i) of this Section, the Commercial Paper Notes shall not be transferable or exchangeable, except for transfer to another securities depository or to another nominee of a securities depository.

With respect to Commercial Paper Notes registered in the name of DTC or its nominee, neither the Board nor the Issuing and Paying Agent shall have any responsibility or obligation to any DTC Participant or to any person on whose behalf a DTC Participant holds an interest in the Commercial Paper Notes. Without limiting the immediately preceding sentence, neither the Board nor the Issuing and Paying Agent shall have any responsibility or obligation with respect to (i) the accuracy of the records of DTC or any DTC Participant with respect to any ownership interest in the Commercial Paper Notes, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of the Commercial Paper Notes, as shown on the Registration Books, of any notice with respect to the Commercial Paper Notes, including any notice of redemption, and (iii) the payment to any DTC Participant or any other person, other than a registered owner of the Commercial Paper Notes, as shown in the Registration Books, of any amount with respect to principal of and premium, if any, or interest on the Commercial Paper Notes.

Whenever, during the term of the Commercial Paper Notes, the beneficial ownership thereof is determined by a book entry at DTC, the requirements in this Resolution of holding, registering, delivering, exchanging, or transferring the Commercial Paper Notes shall be deemed modified to require the appropriate person or entity to meet the requirements of DTC as to holding, registering, delivering, exchanging, or transferring the book entry to produce the same effect.

In the event that (i) DTC determines not to continue to act as securities depository for the Commercial Paper Notes (which determination shall become effective not less than 90 days after written notice to such effect is given to the Board and the Issuing and Paying Agent); (ii) the Board or the Issuing and Paying Agent determines (which determination is conclusive as to DTC, any DTC Participant, and the beneficial owners of the Notes) that DTC is incapable of discharging its responsibilities described herein and in the DTC Letter of Representations; or (iii) the Board or the Issuing and Paying Agent determines (which determination is conclusive as to DTC, any DTC Participant and the beneficial owners of the Commercial Paper Notes) that it is in the best interests