MINUTES

REGULAR MEETING

BOARD OF REGENTS

THE TEXAS A&M UNIVERSITY SYSTEM

HELD IN

COLLEGE STATION, TEXAS

August 2-3, 2012

(Approved November 1-2, 2012)

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MINUTES
REGULAR MEETING
BOARD OF REGENTS, THE TEXAS A&M UNIVERSITY SYSTEM

August 2-3, 2012

CONVENE – THURSDAY, AUGUST 2

Chairman Richard A. Box convened a regular meeting of the Board of Regents of The Texas A&M University System at 10:30 a.m., Thursday, August 2, 2012, in the Board Meeting Room on the campus of Texas A&M University, College Station, Texas. The following members of the Board were present:

Dr. Richard A. Box, Chairman
Mr. Phil Adams, Vice Chairman
Mr. Morris Foster
Ms. Elaine Mendoza
Ms. Judy Morgan
Mr. Jim Schwertner
Mr. Cliff Thomas
Mr. John D. White
Mr. Jim Wilson
Mr. Quinten Womack, Student Regent

Chairman Box announced that a quorum of the Board was present.

RECESS TO EXECUTIVE SESSION

Chairman Box announced that the Board would recess to executive session as permitted by Chapter 551, Sections 71, 72, 73 and 74 of the Texas Government Code. He 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 10:34 a.m. until 2:55 p.m.)

RECONVENE IN OPEN SESSION AND RECESS

Chairman Box reconvened the meeting in open session at 2:57 p.m. in the Board Meeting Room. He announced that the Board had met in executive session on August 2, 2012, from 10:34 a.m. to 2:55 p.m. and considered executive session agenda items and conferred with Mr. John Sharp, Chancellor, several system and university administrators and system attorneys on personnel, gift, real property and legal matters. Chairman Box announced that the Board would recess and reconvene in the Memorial Student Center (MSC) Bethancourt Grand Ballroom, 2300 D&E.

RECONVENE BOARD MEETING

At 3:07 p.m., Chairman Box reconvened the Board meeting and announced that a quorum was present. He said the Board had met in executive session the same day, August 2, 2012, from 10:34 a.m. to 2:55 p.m.

INVOCATION

Chairman Box called on Mr. Drew Shelnutt, a Staunton, Virginia native and 2011 graduate of the Bush School's Public Service and Administration Master's program and current doctoral student in the College of Architecture's Urban and Regional Sciences program, who presented the invocation.

CHAIRMAN'S REMARKS

Chairman Box thanked everyone for joining them at the August 2012 Board meeting. He extended a formal welcome to Mr. Quinten Womack and said that although they recognized Student Regent Womack at the May meeting and he had participated in two special telephonic board meetings, this was his first meeting in person as a member of the Board. Chairman Box added that he looked forward to Student Regent Womack sharing the student's perspective as part of their work on behalf of the A&M System.

Chairman Box commended all who had worked to bring one of the three national Centers for Innovation in Advanced Development and Manufacturing to College Station. He said this was a monumental task, which took years to come together and many people working together toward a common goal. He thanked Governor Rick Perry for his vision, Chancellor Sharp for his leadership and Dr. Brett Giroir, Vice Chancellor for Strategic Initiatives, for his planning. He said that without the collaborative efforts of many, this never would have come together. He explained that the center would generate $1.3 billion of economic activity and create an estimated 1,000 new jobs in the first five years, while creating an infrastructure for biopharmaceutical manufacturing, a path to the market for lifesaving therapies and opportunities to train the next generation of professionals who would eventually assume national leadership roles.

Chairman Box said they were looking forward to the creation of the Texas A&M Law School in Fort Worth, the first public law school in North Texas, fulfilling the land-grant mission of accessibility. He added that Texas A&M and Texas Wesleyan University would partner together to create what they believed would become one of the premier law schools in Texas. He noted that this multi-million dollar agreement would provide legal education with emphasis on the legal industry's growing need in highly specialized commercial areas. He commended Chancellor Sharp and Dr. Bowen Loftin, President of Texas A&M, for their efforts in this endeavor.

Chairman Box said this had been an exciting summer in Aggieland, especially for sports fans, as they officially became a member of the Southeastern Conference (SEC). He added that this was truly a new day for Texas A&M and Aggie Athletics, and the best was yet to come.

Chairman Box said many other exciting things were happening around the state, at the other A&M System members. He announced that a few months ago he was privileged to attend the Picasso Exhibit at Texas A&M University-San Antonio, which featured 70 of Picasso's works -- much of which had never before been seen outside of Spain, and the first time in the U.S. He said it was a unique event, and a special honor for the university to hold such an exhibit in a town renowned for cultural events. He commended Dr. Maria Hernandez Ferrier, President of A&M-San Antonio, for her efforts to bring the exhibit to San Antonio. Chairman Box said Texas A&M University-Central Texas recently held a grand opening for the first building on the new campus, Founder's Hall. He added that the grand opening was held in conjunction with a groundbreaking for construction of the second building on campus. He pointed out that the campus was rapidly expanding and this new building was a tribute to the community and offering a unique service to student veterans. He added that Dr. Marc Nigliazzo, President of A&M-Central Texas, said the university planned to expand the scholastic program; there were exciting times ahead for A&M-Central Texas, and he appreciated all that Dr. Nigliazzo was doing.

Chairman Box said at Texas A&M University at Galveston (TAMUG) they dedicated a new training vessel, the *General Rudder*, named after one of the Aggies' most beloved presidents and war heroes. He said General Rudder was instrumental in founding the Galveston campus and the Texas Maritime Academy and it was fitting that the ship be named after him. He said General Rudder would be very proud to see how much TAMUG had thrived and grown since its founding in 1962.

CHANCELLOR'S REMARKS

Chancellor Sharp said the previous week he sent out a 45-minute narrative about what was going on at each of the universities and the state agencies, and the amazing work they were doing. He said that certainly the Biomedical Advanced Research and Development Authority (BARDA) proposal had made it an interesting summer. He said Texas A&M has wanted a law school for 40 years. He pointed out that work, soon to be finalized by Dr. Loftin and Ms. B.J. Crain, Vice President for Finance & Chief Financial Officer, regarding a fair outsourcing contract, allowed Texas A&M to have resources for its faculty, students and researchers that were not there before. He said this was a great collaboration in meeting the promises that Dr. Loftin and he made to the great people that worked at and served Texas A&M. He stated that this Board meeting would be most remembered, because the Board would consider an item to ensure the world knew that the seven state agencies in the A&M System were each the best in the U.S., probably the world. He said they wanted to ensure that every time they read about the great work of the Texas Forest Service (TFS), Texas AgriLife Extension, Texas AgriLife Research, Texas Engineering Extension Service (TEEX), Texas Engineering Experiment Station (TEES) and the Texas Transportation Institute (TTI) -- people knew Texas A&M was part of that, including the Baylor College of Dentistry (BCOD) --the fifth best dental school in the world. He said that kind of marketing and branding would pay big dividends in ensuring that the public knew when the agencies did good and who to blame when it went bad. He said at the same time, moving the Texas A&M Health Science Center (TAMHSC) into the university would do two things: create a much friendlier environment and more susceptible environment to the kind of collaboration that produced huge research projects. He said

when the Texas A&M chemistry professors and life sciences professors collaborated with the medical school and nursing school that would pay huge dividends in the future.

Chancellor Sharp said today the Board would vote on looking at the assets in the A&M System that could be sold, and they wanted to do the same for institutions in addition to Texas A&M and Prairie View A&M University (PVAMU), those schools in the research initiative. He said the Chancellor's Research Initiative was something Regents had been talking to him about and certainly a large number of professors and researchers all over the A&M System. He said with a lot of work from Mr. Greg Anderson, Chief Financial Officer and Treasurer, and staff, they put together a $100 million package over three years. He said they had done this in the past, which was how Dr. James Sacchettini came to Texas A&M. He added that they wanted to do the same thing for the other A&M System institutions, but because they used the Available University Fund (AUF), it was not possible except for PVAMU and Texas A&M. He said PVAMU and Texas A&M's presidents would appoint committees within their universities to find the professors and researchers and these opportunities and Dr. George Wright, President of PVAMU, and Dr. Loftin would decide which individuals to forward to the Chancellor. He said for those reasons, he was sure that ten years from now, this Board meeting would be the one that produced the results, in terms of marketing and research.

Chancellor Sharp said he had just reviewed the presidents' evaluations and he did not know where a better group of people was that got along better. He said they were paid a fraction of what their colleagues in other systems and much smaller schools were paid. He said they had an exceptional team within the A&M System and was a pleasure to work with them.

Chairman Box thanked Chancellor Sharp for his comments and said he agreed that they were fortunate to have the great presidents and CEOs they had and greatly appreciated the great work they did for the A&M System and the people of Texas.

PRESENTATION- "THE BIG IMPACT OF BIG SCIENCE: DRILLING FOR ANSWERS WITHIN THE INTEGRATED OCEAN DRILLING PROGRAM," TEXAS A&M UNIVERSITY

Dr. Debbie Thomas, Associate Professor, Department of Oceanography at Texas A&M, gave this presentation (copy of which is on file in the Office of the Board of Regents).

Chairman Box thanked Dr. Thomas and said they greatly appreciated the good work she did.

RECESS

Chairman Box recessed the meeting at 3:48 p.m.

(Secretary's Note: The Committee on Finance convened at 3:49 p.m. and adjourned at 4:20 p.m.)

RECONVENE BOARD MEETING – FRIDAY, AUGUST 3

Chairman Box reconvened the meeting at 9:05 a.m., on Friday, August 3, 2012, in the MSC Bethancourt Grand Ballroom, 2300 D&E, College Station, Texas. The following members of the Board were present:

Dr. Richard A. Box, Chairman
Mr. Phil Adams, Vice Chairman
Mr. Morris Foster
Ms. Elaine Mendoza
Ms. Judy Morgan
Mr. Jim Schwertner
Mr. Cliff Thomas
Mr. John D. White
Mr. Jim Wilson
Mr. Quinten Womack, Student Regent

RECESS

(Secretary's Note: The Committee on Buildings and Physical Plan convened at 9:05 a.m. and adjourned at 9:44 a.m. The Committee on Academic and Student Affairs convened at 9:44 a.m. and adjourned at 9:58 a.m. The Policy Review Committee convened at 9:58 a.m. and adjourned at 10:04 a.m.)

RECONVENE

Chairman Box said they would move to committee reports, public testimony and Board vote on agenda items.

Ms. Rachel Redding '14, presented public testimony regarding Item 19 *(Authorization to Negotiate and Execute a Ground Lease and Master Development Agreement with Midway Companies or an Affiliate for a Mixed-Use Development in College Station, Texas, Texas A&M University).* A copy of Ms. Redding's testimony is on file in the Office of the Board of Regents.

Chairman Box said the Board had been briefed on this situation and was very sensitive to what she addressed. He said Dr. Loftin had briefed them about what the administration was trying to do. Dr. Loftin explained the situation from the university's perspective. He added that they were aware of the issues and would do the best they could as a university to help them make this transition.

Regent Schwertner said that Ms. Redding was asking for a two-week extension. Dr. Loftin said they had moved into the May timeframe, understood the issue of schooling and would do their best in final negotiations, if the Board approved this item, to bring this to a conclusion that would be satisfactory to the residents and minimize their distress.

Regent Mendoza told Dr. Loftin that one of the things discussed in the Committee on Academic and Student Affairs was emphasizing student affairs. She said they would like to see a timeline and a documented report on how the university would transition these students. She added that the committee also wanted to be informed on the negotiations to ensure that they pushed it as long as possible to accommodate these students. She said with Chairman Box's concurrence, the Committee on Academic and Student Affairs would be expecting that report and update. Dr. Loftin said they could provide the plans for the process quickly, but they might not be able to provide a timeline until they finalized the specifics in the negotiations. He said they would get them all they could as soon as possible.

Regent Mendoza said they would expect ongoing status reports to ensure over this next year that they would handle things well. Dr. Loftin said he was certain by the next meeting that they would already have given them a document and be prepared to discuss the issues involved.

Chairman Box thanked Dr. Loftin and Ms. Redding for their comments.

REPORT FROM THE COMMITTEE ON AUDIT

Vice Chairman Adams, Chairman of the Committee on Audit said the committee met the day before and received the Third Quarter Audit Report for FY 2012, Audit Tracking Report and Management's Responses to Audit Tracking Report, update on the EthicsPoint Hotline, update on the Implementation of the System Ethics and Compliance Program. He added that the committee approved the Fiscal Year 2013 Internal Audit Plan. He reported that the committee recommended approval to the full Board.

On motion of Vice Chairman Adams, seconded by Regent Schwertner and by a unanimous vote, the following minute order was approved (149):

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MINUTE ORDER 149-2012 (ITEM 1)

APPROVAL OF FISCAL YEAR 2013 INTERNAL AUDIT PLAN, THE TEXAS A&M UNIVERSITY SYSTEM

The Board of Regents of The Texas A&M University System hereby approves the System Internal Audit Plan for Fiscal Year 2013, a copy of which is attached to the official minutes as **Exhibit A.**

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REPORT FROM THE COMMITTEE ON FINANCE

Regent Wilson, Chairman of the Committee on Finance, said the committee met and received an Investment Report from the A&M System's investment consultant,

Fund Evaluation Group, and considered Items 2 through 9. He said they recommended these items to the full Board for approval.

On motion of Regent Wilson, seconded by Regent White and by a unanimous vote, the following minute orders were approved (150 through 157):

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MINUTE ORDER 150-2012 (ITEM 2)

APPROVAL OF REVISIONS TO SYSTEM POLICY 22.02 (SYSTEM INVESTMENT), THE TEXAS A&M UNIVERSITY SYSTEM

The revisions to System Policy 22.02 (System Investment), as shown in **Exhibit B**, are approved and effective immediately.

MINUTE ORDER 151-2012 (ITEM 3)

ADOPTION OF A RESOLUTION AUTHORIZING THE ISSUANCE OF THE BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM BONDS, SERIES 20__, THE TEXAS A&M UNIVERSITY SYSTEM

The resolution authorizing the issuance of the Board of Regents of The Texas A&M University System Revenue Financing System Bonds, Series 20__, substantially in the form of **Exhibit C,** is adopted. The Chief Financial Officer and Treasurer, or other designated financial officer, is hereby authorized to take such actions as are necessary to accomplish the purposes of the resolution, including those relating to the issuance, sale, security and delivery of the bonds, all in accordance with the provisions of the resolution.

MINUTE ORDER 152-2012 (ITEM 4)

ADOPTION OF A RESOLUTION AUTHORIZING THE ISSUANCE OF THE BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM PERMANENT UNIVERSITY FUND BONDS, SERIES 20__, THE TEXAS A&M UNIVERSITY SYSTEM

The resolution authorizing the issuance of the Board of Regents of The Texas A&M University System Permanent University Fund Bonds, Series 20__, substantially in the form of **Exhibit D**, is adopted. The Chief Financial Officer and Treasurer, or other designated financial officer, is hereby authorized to take such actions as are necessary to accomplish the purposes of the resolution, including those relating to the issuance, sale, security and delivery of the bonds, all in accordance with the provisions of the resolution.
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MINUTE ORDER 153-2012 (ITEM 5)

APPROVAL OF REVISED LIST OF AUTHORIZED SIGNERS FOR REVOLVING FUND BANK ACCOUNTS FOR SYSTEM MEMBERS, THE TEXAS A&M UNIVERSITY SYSTEM

Under the authority of the General Appropriations Act, and effective immediately, the employees of The Texas A&M University System members named below, and their successors in office, are hereby authorized to sign checks for the withdrawal of such funds according to law.

1. THE TEXAS A&M UNIVERSITY SYSTEM
Revolving Fund portion not to exceed $60,000,000 (Operating and Debt Service)
Source of Funds – Institutional Funds
Depository Bank – Wells Fargo Bank, N. A.
Employees authorized to sign checks:

Gregory R. Anderson, Chief Financial Officer and Treasurer
Maria L. Robinson, Director of Treasury Services
Elaine N. Welch, Manager, Banking/Investment Operations
Cindy L. Hanks, Manager, Finance
Janet Guillory, Director, Financial Management Operations
Debbie Phair, Director, Financial Management Operations
Phillip Guillen, Director, Departmental Accounting Services
John Crawford, Associate Vice President for Finance and Controller
Linda Kettler, Assistant Director, Financial Management Operations

2. TEXAS A&M UNIVERSITY
Revolving Fund portion not to exceed $40,000,000
Source of Funds – Institutional Funds
Depository Bank – Wells Fargo Bank, N. A.
Employees authorized to sign checks:

John Crawford, Associate Vice President for Finance and Controller
Debbie Phair, Director, Financial Management Operations
Phillip Guillen, Director, Departmental Accounting Services
Janet Guillory, Director, Financial Management Operations
Linda Kettler, Assistant Director, Financial Management Operations

TEXAS A&M UNIVERSITY AT GALVESTON
Revolving Fund portion not to exceed $1,100,000
Source of Funds – Institutional Funds
Depository Bank – Wells Fargo Bank, N. A.
Employees authorized to sign checks:

Susan Hernandez Lee, Associate Vice President for Finance
John Crawford, Associate Vice President for Finance and Controller
Debbie Phair, Director, Financial Management Operations
Janet Guillory, Director, Financial Management Operations
Linda Kettler, Assistant Director, Financial Management Operations

TEXAS A&M UNIVERSITY AT QATAR
Source of Funds – Qatar Foundation
Depository Bank – Commercial Bank – Qatar
Employees authorized to sign checks:

John Crawford, Associate Vice President for Finance and Controller
Janet Guillory, Director, Financial Management Operations
Andre Rodolfo Josiah, Director, Texas A&M University at Qatar
Hamid Reza Parsaei, Professor, Texas A&M University at Qatar
Julie K. Barker, Chief Operating Officer, Texas A&M University
Mark H. Weichold, Dean and CEO, Texas A&M University at Qatar

3. TARLETON STATE UNIVERSITY
Revolving Fund portion not to exceed $4,000,000
Source of Funds – Institutional Funds
Depository Bank – Wells Fargo Bank, N. A.
Employees authorized to sign checks:

Vacant, Vice President for Finance and Administration
(Cynthia Carter, Interim Vice President for Finance and Administration)
Mike Tate, Assistant Vice President and Controller
Deanna Powell, Director of Accounting
Karen Fincher, Senior Staff Accountant
Jo Anna Ince, Staff Accountant – ACH only
Lindsey Davis, Staff Accountant – ACH only

4. PRAIRIE VIEW A&M UNIVERSITY
Revolving Fund portion not to exceed $7,000,000
Source of Funds – Institutional Funds
Depository Bank – Wells Fargo Bank, N. A.
Employees authorized to sign checks:

Corey S. Bradford, Senior Vice President for Business Affairs
Rod Mireles, Associate Vice President for Financial Administration
Cozette Turner, Financial Accounting Manager
Dianne Evans, Budget Supervisor
Patricia Baughman, Assistant Vice President of Financial Services

5. TEXAS AGRILIFE RESEARCH
Revolving Fund portion not to exceed $3,800,000
Source of Funds – Institutional Funds
Depository Bank – Wells Fargo Bank, N. A.
Employees authorized to sign checks:

Craig Nessler, Director of Texas AgriLife Research
Bill McCutchen, Executive Associate Director, Research
Steve Schulze, Assistant Vice Chancellor
Michael E. McCasland, Assistant Director, Research
Deanie Dudley, Assistant Dean of Finance and Administration
Donna Alexander, Assistant Director, Extension
Vic S. Seidel, Assistant Agency Director, TVMDL
Shiao-Yen Ko, Manager of Accounting Services
Loree Lewis, Coordinator of Management Information

6. TEXAS AGRILIFE EXTENSION SERVICE
Revolving Fund portion not to exceed $3,500,000
Source of Funds – Institutional Funds
Depository Bank – Wells Fargo Bank, N. A.
Employees authorized to sign checks:

Edward G. Smith, Director of Texas AgriLife Extension Service
Kyle L. Smith, Executive Associate Director, Extension
Stephen Schulze, Assistant Vice Chancellor
Donna Alexander, Assistant Director, Extension
Deanie Dudley, Assistant Dean of Finance and Administration
Michael E. McCasland, Assistant Director, Research
Vic S. Seidel, Assistant Agency Director, TVMDL
Shiao-Yen Ko, Manager of Accounting Services
Loree Lewis, Coordinator of Management Information

7. TEXAS ENGINEERING EXPERIMENT STATION
Revolving Fund portion not to exceed $3,000,000
Source of Funds – Institutional Funds
Depository Bank – Wells Fargo Bank, N. A.
Employees authorized to sign checks:

Margaret K. Banks, Vice Chancellor and Dean of Engineering,
Director of Texas Engineering Experiment Station
Carol Huff, Assistant Vice Chancellor for Finance and Chief Financial Officer
Andrew B. Hinton, Manager of Fiscal Services and Controller
Ron Edwards, Deputy Controller
Karen Fawcett, Assistant Controller
Marsa McKee, Financial Manager
Adrienne Person, Senior Financial Accountant

TEXAS ENGINEERING EXPERIMENT STATION (QATAR)
Source of Funds – Qatar National Research Foundation
Depository Bank – Commercial Bank of Qatar
Employees authorized to sign checks:

Carol Huff, Assistant Vice Chancellor for Finance and Chief Financial Officer
Andrew B. Hinton, Manager of Fiscal Services and Controller
Kenneth Hall, Associate Dean for Research and Graduate Studies, TAMUQ,
Associate Director, Texas Engineering Experiment Station
Eyad Masad, Assistant Dean for Research and Graduate Studies, TAMUQ

8. TEXAS ENGINEERING EXTENSION SERVICE
Revolving Fund portion not to exceed $1,000,000
Source of Funds – Institutional Funds
Depository Bank – Wells Fargo Bank, N. A.
Employees authorized to sign checks:

Daniel Gray, Associate Agency Director and Chief Financial Officer
Carolyn Record, Controller
Dianne Smith, Financial Manager
Carolyn Abt, Assistant Financial Manager

TEXAS ENGINEERING EXTENSION SERVICE (QATAR)
Source of Funds – Qatar Petroleum/Institutional Funds
Depository Bank – Commercial Bank of Qatar
Employees authorized to sign checks:

Daniel Gray, Associate Agency Director and Chief Financial Officer
Carolyn Record, Controller

9. TEXAS FOREST SERVICE
Revolving Fund portion not to exceed $3,500,000
Source of Funds – Institutional Funds
Depository Bank – Wells Fargo Bank, N. A.
Employees authorized to sign checks:

Tom G. Boggus, Director of Texas Forest Service
Robby DeWitt, Associate Director for Finance and Administration
Travis Zamzow, Budgets and Accounting Department Head
Bill Fox, Payroll and Support Services Department Head
James D. Puckett, III, Senior Business Analyst

10. TEXAS TRANSPORTATION INSTITUTE
Revolving Fund portion not to exceed $550,000
Source of Funds – Institutional Funds
Depository Bank – Wells Fargo Bank, N. A.
Employees authorized to sign checks:

Don Bugh, Executive Associate Director
Joseph Dunn, Assistant Chief Financial Officer
Marie Ethridge, Director of Accounting and Controller
Susan Massey, Assistant Financial Manager
Karen Coleman, Financial Management Supervisor

TEXAS TRANSPORTATION INSTITUTE (QATAR)
Source of Funds – Institutional Funds
Depository Bank – Wells Fargo Bank, N. A.
Employees authorized to sign checks:

Don Bugh, Executive Associate Director
Joseph Dunn, Assistant Chief Financial Officer

11. TEXAS A&M UNIVERSITY-CORPUS CHRISTI
Revolving Fund portion not to exceed $4,000,000
Source of Funds – Institutional Funds
Depository Bank – Wells Fargo Bank, N. A.
Employees authorized to sign checks:

Flavius C. Killebrew, President
Kathryn Funk-Baxter, Executive Vice President for Finance and Administration
Judy Harral, Executive Director of Administrative Services
Kemberly Morgan, Director of Budgets
Rebecca Torres, Comptroller
Yolanda Castorena, Director of Accounting
Ida Moreno, Accountant III
David Davila, Director of Procurement and Disbursements

12. TEXAS A&M INTERNATIONAL UNIVERSITY
Revolving Fund portion not to exceed $2,000,000
Source of Funds – Institutional Funds
Depository Bank – Wells Fargo Bank, N. A.
Employees authorized to sign checks:

Ray M. Keck, President
Juan J. Castillo, Jr., Vice President for Finance and Administration
Elena Martinez, Comptroller
Fred Juarez III, Director of Budget, Payroll, Grants and Contracts
Melisa Rangel, Director of Accounting
Maria Elena Hernandez, Business Manager
Patricia Ornelas, Senior Staff Accountant
Hector Mejia, Associate Comptroller

13. TEXAS A&M UNIVERSITY-KINGSVILLE
Revolving Fund portion not to exceed $4,000,000
Source of Funds – Institutional Funds
Depository Bank – Wells Fargo Bank, N. A.
Employees authorized to sign checks:

Steven H. Tallant, President
Vacant, Vice President for Finance and Administration
(Terisa Riley, Interim Senior Vice President for Fiscal and Student Affairs)
Paula Hanson, Comptroller
Tina Livingston, Executive Director of Budgets and Business Services
Maricela Flores, Assistant Comptroller and Director of Accounting
Claudia Conard, Senior Financial Analyst
Joanne Alvarado, Financial Manager

14. TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY
Revolving Fund portion not to exceed $3,800,000
Source of Funds – Institutional Funds
Depository Bank – Wells Fargo Bank, N. A.
Employees authorized to sign checks:

Tammy Beckham, Director of the Texas Veterinary Medical Diagnostic Laboratory
Roger Parker, Deputy Director, Texas Veterinary Medical Diagnostic Laboratory
Steve Schulze, Assistant Vice Chancellor
Vic S. Seidel, Assistant Agency Director, TVMDL
Deanie Dudley, Assistant Dean of Finance and Administration
Donna Alexander, Assistant Director, Extension
Michael E. McCasland, Assistant Director, Research
Shiao-Yen Ko, Manager of Accounting Services
Loree Lewis, Coordinator of Management Information

15. WEST TEXAS A&M UNIVERSITY
Revolving Fund portion not to exceed $3,000,000
Source of Funds – Institutional Funds
Depository Bank – Wells Fargo Bank, N. A.
Employees authorized to sign checks:

Gary Barnes, Vice President for Business and Finance
Richard Johnson, Associate Vice President for Business and Finance and Controller
Shelly Davis, Director of Accounting
Julie Harvell, Accountant II/Grants Manager

16. TEXAS A&M UNIVERSITY-COMMERCE
Revolving Fund portion not to exceed $4,000,000
Source of Funds – Institutional Funds
Depository Bank - Bank of America, N. A.
Employees authorized to sign checks:
Dan Jones, President
Bob Brown, Vice President for Business and Administration
Alicia Currin, Associate Vice President for Business and Administration
Rex Giddens, Assistant Vice President for Administrative Services
Kim Laird, Comptroller and Director of Accounting
Cheryl Scott, Director of Emerging Financial Services
Janet Anderson, Budget Coordinator

17. TEXAS A&M UNIVERSITY-TEXARKANA
Revolving Fund portion not to exceed $900,000
Source of Funds – Institutional Funds
Depository Bank – Wells Fargo Bank, N. A.
Employees authorized to sign checks:

Carlisle B. Rathburn III, President
Randy Rikel, Vice President for Finance and Administration
James S. Scogin, Controller and Director of Accounting
Marc Icenhower, Chief Accountant

18. THE TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER
Revolving Fund portion not to exceed $7,000,000
Source of Funds – Institutional Funds
Depository Bank – Wells Fargo Bank, N. A.
Employees authorized to sign checks:

Barry Nelson, Vice President for Finance and Administration
Rayellen Milburn, Senior Vice President, Controller and Budget Officer
Jeffery T. Burton, Associate Vice President and Assistant Controller
Kristin Nace, Assistant Vice President of Fiscal Services and Budgets
Dana Thomas, Director Fiscal Services

19. TEXAS A&M UNIVERSITY-CENTRAL TEXAS
Revolving Fund portion not to exceed $2,000,000
Source of Funds – Institutional Funds
Depository Bank – Wells Fargo Bank, N. A.
Employees authorized to sign checks:

Marc Nigliazzo, President
Gaylene Nunn, Vice President of Finance and Administration
Susan Bowden, Controller/Director of Accounting
Jennifer Skiver, Manager of Accounting

20. TEXAS A&M UNIVERSITY-SAN ANTONIO
Revolving Fund portion not to exceed $2,000,000
Source of Funds – Institutional Funds
Depository Bank – Wells Fargo, N. A.
Employees authorized to sign checks:

Maria Hernandez Ferrier, President
Kenneth Mitts, Vice President for Finance and Administration
Stephanie Scott, Assistant Vice President for Financial Services and Comptroller
Dennis Cano, Director of Accounting Services

21. OFFICE OF SPONSORED RESEARCH SERVICES
Source of Funds – Institutional Funds
Depository Bank – Wells Fargo Bank, N. A.
Employees authorized to sign checks:

John Crawford, Associate Vice President for Finance and Controller
Debbie Phair, Director, Financial Management Operations
Phillip Guillen, Director, Departmental Accounting Services
Janet Guillory, Director, Financial Management Operations
Linda Kettler, Assistant Director, Financial Management Operations

MINUTE ORDER 154-2012 (ITEM 6)

APPROVAL OF FISCAL YEAR 2013 OPERATING BUDGETS, THE TEXAS A&M UNIVERSITY SYSTEM

The operating budgets, included as **Exhibit E**, as submitted by the members of The Texas A&M University System for the fiscal year ending August 31, 2013, are hereby approved and adopted subject to the provisions contained in System Policy 27.04 (Budget Authorizations, Limitations, and Delegations of Authority).

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

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

MINUTE ORDER 155-2012 (ITEM 7)

APPROVAL OF FISCAL YEAR 2013 SERVICE DEPARTMENT ACCOUNTS, THE TEXAS A&M UNIVERSITY SYSTEM

The service department accounts for the members of The Texas A&M University System for the fiscal year ending August 31, 2013, included as **Exhibit F**, are hereby approved, subject to the provisions contained in System Regulation 21.01.05, Service Departments.

MINUTE ORDER 156-2012 (ITEM 8)

APPROVAL TO EXCEED LIMITATIONS ON STATE EMPLOYMENT LEVELS, THE TEXAS A&M UNIVERSITY SYSTEM

The Board of Regents of The Texas A&M University System hereby approves the request by the members of The Texas A&M University System listed in **Exhibit G**, for an exception to the limitations on state employment levels specified in House Bill 1, 82nd Legislature.

MINUTE ORDER 157-2012 (ITEM 9)

AUTHORIZATION TO MAKE INTERGOVERNMENTAL TRANSFERS ON BEHALF OF QUALIFYING HEALTH CARE PROVIDERS, THE TEXAS A&M HEALTH SCIENCE CENTER

The Board of Regents of The Texas A&M University System authorizes the President of The Texas A&M University System Health Science Center to make one or more Intergovernmental Transfers (IGTs) to the Health and Human Services Commission (HHSC) in support of qualifying health care providers' participation in HHSC's 1115 Waiver Program to increase access to care for indigent patients subject to final review for legal sufficiency by the Office of General Counsel and a legal opinion by outside counsel with respect to each covered health care affiliation. The total amount of such IGTs shall not exceed $10 million in the aggregate during fiscal year 2013.

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(Secretary's Note: Item 10 was withdrawn prior to the meeting.)

REPORT FROM THE COMMITTEE ON BUILDINGS AND PHYSICAL PLANT

Regent Schwertner, Chairman of the Committee on Buildings and Physical Plant, said the committee met on Friday, August 3, and recommended approval of Items 11, 12, 14 through 16 and 18 through 27 as presented *(Items 13 and 17 were withdrawn prior to the meeting)*.

(Secretary's Note: Items 19 and 20 were considered in executive session.)

On motion of Regent Schwertner, seconded by Regent Mendoza, and by a unanimous vote, the following minute orders were approved (158 through 172):

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MINUTE ORDER 158-2012 (ITEM 11)

APPROVAL OF SYSTEM CAPITAL PLAN FOR FY 2013-FY 2017, THE TEXAS A&M UNIVERSITY SYSTEM

The system capital plan for FY 2013-FY 2017, as shown in **Exhibit H**, is approved and authorization to appropriate up to 10 percent of the planning amount indicated for all FY 2013 proposed projects is granted. In addition, the appropriation of PUF and RFS funding is approved for FY 2013 rehabilitation/renovation and equipment/software procurement projects administered by the institutions.

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

To the extent projects are funded by the Revenue Financing System, and as required by Section 5(a) of the Master Resolution of the Revenue Financing System, the board hereby determines that it will have sufficient funds to meet the financial obligations of The Texas A&M University System, including sufficient pledged revenues to satisfy the annual debt service requirements of the Revenue Financing System and to meet all financial obligations of the board relating to the Revenue Financing System and that the participants, on whose behalf the debt is issued, possess the financial capacity to satisfy their direct obligations.

MINUTE ORDER 159-2012 (ITEM 12)

APPROVAL OF THE PROJECT SCOPE AND BUDGET, APPROPRIATION FOR CONSTRUCTION SERVICES, AND APPROVAL FOR CONSTRUCTION FOR THE KYLE FIELD DISTRICT PLAN PHASE 2 (2-3121), TEXAS A&M UNIVERSITY, THE TEXAS A&M UNIVERSITY SYSTEM

The project scope along with a project budget of $16,000,000 for the Kyle Field District Plan Phase 2 Project is approved.

The amount of $8,000,000 is appropriated from Account No. 01-083536, Revenue Financing System Debt Proceeds (Gifts/Donations), and the amount of $6,400,000 is appropriated from Account No. 02-512124, 12th Man Foundation Athletic Gifts, for construction services and related project costs.

The Kyle Field District Plan Phase 2 Project, Texas A&M University, College Station, Texas, is approved for construction.

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

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

MINUTE ORDER 160-2012 (ITEM 14)

APPROVAL OF THE PROJECT SCOPE AND BUDGET, APPROPRIATION FOR CONSTRUCTION SERVICES, AND APPROVAL FOR CONSTRUCTION FOR THE CENTRAL ACADEMIC BUILDING AND PATRIOTS' CASA PROJECT (25-3122), TEXAS A&M UNIVERSITY-SAN ANTONIO, THE TEXAS A&M UNIVERSITY SYSTEM

The project scope along with a project budget of $75,000,000 for the Central Academic Building and Patriots' Casa Project is approved.

The amount of $67,500,000 is appropriated from Account No. 01-084900, Permanent University Fund Debt Proceeds (AUF), for construction services and related project costs.

The Central Academic Building and Patriots' Casa Project, Texas A&M University-San Antonio, San Antonio, 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).

MINUTE ORDER 161-2012 (ITEM 15)

AUTHORIZATION FOR THE CHANCELLOR TO ACCEPT THE ASSIGNMENT OF A LEASE OF OFFICE SPACE AT VALLEY PARK CENTER, COLLEGE STATION, TEXAS, FROM THE TEXAS A&M RESEARCH FOUNDATION (FOUNDATION) AND TO ASSUME THE FOUNDATION'S OBLIGATIONS UNDER THE LEASE, THE TEXAS A&M UNIVERSITY SYSTEM

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 accept the assignment of a lease agreement between CPFPCS, LLC and the Texas A&M Research Foundation (Foundation) covering approximately 20,000 square feet of office space in the Valley Park Center, 400 Harvey Mitchell Parkway, College Station, Texas, and to assume the obligations of the Foundation under the lease.

MINUTE ORDER 162-2012 (ITEM 16)

AUTHORIZATION TO ENTER INTO A FIVE-YEAR AND TWO-MONTH LEASE OF A 25,500 SQUARE FOOT BUILDING IN ROCKWALL, ROCKWALL COUNTY, TEXAS, FROM MJM PARTNERS LP, TEXAS A&M UNIVERSITY-COMMERCE

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 negotiate, execute and deliver a lease agreement with MJM Partners LP for the lease of a building with approximately 25,500 square feet of office and classroom space located at 2610 Observation Trail, City of Rockwall, Rockwall County, Texas. The term of the lease will be five years and two months, with an option to renew for an additional four years.

MINUTE ORDER 163-2012 (ITEM 18)

AUTHORIZATION TO EXECUTE A GROUND LEASE WITH SAN ANTONIO MTA, L.P. D/B/A VERIZON WIRELESS FOR A TELECOMMUNICATIONS TOWER, TEXAS A&M UNIVERSITY-KINGSVILLE

The Chancellor of The Texas A&M University System, or his designee, following approval for legal sufficiency by the Office of General Counsel, is authorized to negotiate, execute and deliver a ground lease of approximately 5,625 square feet of land on the campus of Texas A&M University-Kingsville to San Antonio MTA, L.P. d/b/a Verizon Wireless, or assigns, for the construction of a telecommunications tower.

MINUTE ORDER 164-2012 (ITEM 19)

AUTHORIZATION TO NEGOTIATE AND EXECUTE A GROUND LEASE AND MASTER DEVELOPMENT AGREEMENT WITH MIDWAY COMPANIES OR AN AFFILIATE FOR A MIXED-USE DEVELOPMENT IN COLLEGE STATION, TEXAS, TEXAS A&M UNIVERSITY

The Chancellor of The Texas A&M University System, or his designee, following review for legal sufficiency by the Office of General Counsel, is authorized to negotiate, execute and deliver a ground lease, master development agreement and related documents for construction of a mixed-use development in College Station, Texas. The term of the ground lease shall not exceed 75 years, including renewals.

MINUTE ORDER 165-2012 (ITEM 20)

AUTHORIZATION TO PURCHASE AN OFFICE/LABORATORY BUILDING AND EXCESS LAND IN COLLEGE STATION, BRAZOS COUNTY, TEXAS, TEXAS ENGINEERING EXTENSION SERVICE

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 101 Gateway Boulevard, College Station, 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 $6,800,000, plus closing costs, is hereby approved. The acquisition shall be funded from Revenue Financing System Debt Proceeds (E&G Funds). The amount of $6,800,000, plus closing costs, is appropriated from Account 01-085380 Revenue Financing System Debt Proceeds (E&G Funds).

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 Requirement 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 166-2012 (ITEM 21)

AUTHORIZATION TO RETRANSFER 1.13 ACRES, MORE OR LESS, OF UNIMPROVED REAL PROPERTY IN PITTSBURG, TEXAS, TO THE CITY OF PITTSBURG, TEXAS FOREST SERVICE

The Chancellor of The Texas A&M University System, or designee, following review and approval for legal sufficiency by the Office of General Counsel, is authorized to retransfer approximately 1.13 acres of unimproved real property to the City of Pittsburg, Texas.

MINUTE ORDER 167-2012 (ITEM 22)

NAMING IN FOUNDERS HALL, TEXAS A&M UNIVERSITY-CENTRAL TEXAS

Seventeen various locations within Founders Hall at Texas A&M University-Central Texas are hereby named as shown on **Revised Exhibit I**.

MINUTE ORDER 168-2012 (ITEM 23)

NAMING OF THE "KEITH D. MCFARLAND SCIENCE BUILDING," TEXAS A&M UNIVERSITY-COMMERCE

The Science Building on the campus of Texas A&M University-Commerce is hereby named the "Keith D. McFarland Science Building."

MINUTE ORDER 169-2012 (ITEM 24)

NAMING OF THE "DR. JACK DUGAN FAMILY SOCCER & TRACK STADIUM," TEXAS A&M UNIVERSITY-CORPUS CHRISTI

The soccer and track stadium on the Momentum Campus of Texas A&M University-Corpus Christi is hereby named "Dr. Jack Dugan Family Soccer & Track Stadium."

MINUTE ORDER 170-2012 (ITEM 25)

NAMING OF THE "WOMEN FOR A&M UNIVERSITY-TEXARKANA STUDENT LIFE SUITE," AND THE "MORRISS CONFERENCE ROOM," TEXAS A&M UNIVERSITY-TEXARKANA

On the campus of Texas A&M University-Texarkana, University Center Room 126 is hereby named "Women for A&M-Texarkana Student Life Suite" and University Center Room 423E is hereby named "The Morriss Conference Room."

MINUTE ORDER 171-2012 (ITEM 26)

NAMING OF THE "BUZBEE LEADERSHIP LEARNING CENTER," "JEAN AND JOHN VILAS '53 LOBBY," "BARBARA J. AND WILLIAM M. 'BILL' HUFFMAN '53 ACADEMIC SUITE," "JULIANNE AND GERALD R. 'JAKE' BETTY '73 ACADEMIC OFFICE," "CATHY C. MCWHORTER ACADEMIC OFFICE," AND "W.A. WOOD, JR. '59 AND FAMILY CONFERENCE ROOM," TEXAS A&M UNIVERSITY

The Leadership Learning Center I is hereby named the "Buzbee Leadership Learning Center."

The Lobby of the Leadership Learning Center II is hereby named the "Jean and John Vilas '53 Lobby."

The Academic Suite in the Leadership Learning Center I is hereby named the "Barbara J. and William M. 'Bill' Huffman '53 Academic Suite."

"An Academic Office in the Leadership Learning Center I is hereby named the "Julianne and Gerald R. 'Jake' Betty '73 Academic Office."

An Academic Office in the Leadership Learning Center I is hereby named the "Cathy C. McWhorter Academic Office."

A meeting room on the third floor of the Leadership Learning Center I is hereby named the "W.A. Wood, Jr. '59 and Family Conference Room."

MINUTE ORDER 172-2012 (ITEM 27)

NAMING OF THE "SCOTT SAVAGE '05 REAL TIME SYSTEMS LABORATORY," TEXAS A&M UNIVERSITY

Room 213 in the Zachry Engineering Center is hereby named the "Scott Savage '05 Real Time Systems Laboratory."

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REPORT FROM THE COMMITTEE ON ACADEMIC AND STUDENT AFFAIRS

Regent Mendoza, Chairman of the Committee on Academic and Student Affairs, said the committee met on June 20 in Austin and received updates on the taskforces on metrics, learning outcomes and P20 initiatives. She added that they learned about the data that had been pulled together and received a demonstration of the data system, which would enable the visibility of that data to allow for accountability and transparency. She said this would be online for the public to see fairly soon. She pointed out that they kicked off their next body of work, such as faculty recruitment and retention, student affairs and
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other items. She noted that Mr. Steve Moore, Vice Chancellor for Marketing and Communications, presented the marketing and communication plan for rolling this out in the near future and they began diving into the cost efficiencies report distributed by the Texas Higher Education Coordinating Board (THECB) a year or two ago. She added that this report examined how institutions were embracing some of the recommendations and how they were looking at what fit for their institution.

Regent Mendoza said the committee met on August 1 in College Station and received updates on all the initiatives. She said they also looked hard at what institutions submitted regarding cost efficiencies data. She said they looked at some international programs and debated about how the A&M System and the institutions would work together to ensure those international programs were done right and followed the appropriate processes and procedures to make that happen. She reported that they enacted and established an ongoing subcommittee, entitled Student Success Measurement Subcommittee, chaired by Dr. James Hallmark, Vice Chancellor of Academic Affairs. Regent Mendoza said they would begin the next step in refining the metrics -- both on the accountability side such as graduation rates, as well as the learning outcomes side and how they were improving. She said the institutions had stepped up and committed themselves and their teams to focus on these all-important areas of accountability and transparency. She thanked the institutions, leadership and those that they had dedicated to these task forces.

Regent Mendoza said the committee had 13 agenda items for consideration. She said Items 29 through 32 had been withdrawn and Item 33 was withdrawn prior to the meeting.

On motion of Regent Mendoza, seconded by Regent Thomas and by a unanimous vote, the following minute orders were approved (173 through 185):

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MINUTE ORDER 173-2012 (ITEM 28)

APPROVAL OF CHANGES TO THE ADMISSIONS STANDARDS FOR SYSTEM MEMBER UNIVERSITIES AND THE TEXAS A&M HEALTH SCIENCE CENTER FOR THE 2013-2014 ACADEMIC YEAR, THE TEXAS A&M UNIVERSITY SYSTEM

The Board of Regents of The Texas A&M University System hereby approves the changes to the admissions standards of the member universities and the health science center of The Texas A&M University System for the 2013-14 academic year, as shown in **Exhibits J, K, L and M**, copies of which are attached to the official minutes.
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MINUTE ORDER 174-2012 (ITEM 34)

APPROVAL OF A NEW MASTER OF SCIENCE DEGREE PROGRAM IN PSYCHOLOGY, AND AUTHORIZATION TO REQUEST APPROVAL FROM THE TEXAS HIGHER EDUCATION COORDINATING BOARD, TEXAS A&M UNIVERSITY-TEXARKANA

The Board of Regents of The Texas A&M University System approves the establishment of a new degree program at Texas A&M University-Texarkana leading to a Master of Science degree in Psychology.

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

MINUTE ORDER 175-2012 (ITEM 35)

APPROVAL OF A NEW MASTER OF PUBLIC HEALTH IN OCCUPATIONAL HEALTH & SAFETY, AND AUTHORIZATION TO REQUEST APPROVAL FROM THE TEXAS HIGHER EDUCATION COORDINATING BOARD, TEXAS A&M HEALTH SCIENCE CENTER

The Board of Regents of The Texas A&M University System approves the establishment of a new degree program at The Texas A&M University System Health Science Center's School of Rural Public Health leading to a Master of Public Health in Occupational Safety & Health degree.

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

MINUTE ORDER 176-2012 (ITEM 36)

AUTHORIZATION TO OFFER EXISTING BACHELOR OF SCIENCE IN NURSING BY DISTANCE EDUCATION (OFF-CAMPUS, FACE-TO-FACE) AT TARLETON STATE UNIVERSITY AT SOUTHWEST METROPLEX CENTER, TARLETON STATE UNIVERSITY

Having complied with all of the requirements of the Texas Higher Education Coordinating Board, Tarleton State University is hereby authorized to offer the existing Bachelor of Science in Nursing by distance education, off-campus, face-to-face, at Southwest Metroplex Center, effective spring 2013.

The Board of Regents of The Texas A&M University System 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 177-2012 (ITEM 37)

APPROVAL OF A NEW BACHELOR OF SCIENCE IN MECHANICAL ENGINEERING TECHNOLOGY DEGREE PROGRAM, AND AUTHORIZATION TO REQUEST APPROVAL FROM THE TEXAS HIGHER EDUCATION COORDINATING BOARD, TARLETON STATE UNIVERSITY

The Board of Regents of The Texas A&M University System approves the establishment of a new degree program at Tarleton State University leading to a Bachelor of Science in Mechanical Engineering Technology.

The Board also authorizes submission of Tarleton's new degree program request to the Texas Higher Education Coordinating Board for approval and hereby certifies that all applicable criteria of the Coordinating Board have been met.

MINUTE ORDER 178-2012 (ITEM 38)

APPROVAL OF A NEW BACHELOR OF BUSINESS ADMINISTRATION WITH A MAJOR IN SUPPLY CHAIN MANAGEMENT DEGREE PROGRAM, AND AUTHORIZATION TO REQUEST APPROVAL FROM THE TEXAS HIGHER EDUCATION COORDINATING BOARD, TEXAS A&M UNIVERSITY

The Board of Regents of The Texas A&M University System approves the establishment of a new degree program at Texas A&M University leading to a Bachelor of Business Administration with a major in Supply Chain Management.

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

MINUTE ORDER 179-2012 (ITEM 39)

APPROVAL OF A NEW BACHELOR OF BUSINESS ADMINISTRATION WITH A MAJOR IN MANAGEMENT INFORMATION SYSTEMS DEGREE PROGRAM, AND AUTHORIZATION TO REQUEST APPROVAL FROM THE TEXAS HIGHER EDUCATION COORDINATING BOARD, TEXAS A&M UNIVERSITY

The Board of Regents of The Texas A&M University System approves the establishment of a new degree program at Texas A&M University leading to a Bachelor of Business Administration with a major in Management Information Systems.

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

MINUTE ORDER 180-2012 (ITEM 40)

APPROVAL OF THE EXISTING DOCTOR OF PHILOSOPHY IN PLANT BREEDING DEGREE PROGRAM BY DISTANCE EDUCATION THROUGH ELECTRONIC DELIVERY, AND AUTHORIZATION TO REQUEST APPROVAL FROM THE TEXAS HIGHER EDUCATION COORDINATING BOARD, TEXAS A&M UNIVERSITY

The Board of Regents of The Texas A&M University System approves the request to offer the existing Doctor of Philosophy in Plant Breeding degree program at Texas A&M University by distance education through electronic delivery.

The Board also authorizes submission of Texas A&M University's request to the Texas Higher Education Coordinating Board for approval and hereby certifies that all applicable criteria of the Coordinating Board have been met.

MINUTE ORDER 181-2012 (ITEM 41)

ESTABLISHMENT OF THE TEXAS A&M INSTITUTE FOR SUSTAINABLE COASTAL COMMUNITIES, TEXAS A&M UNIVERSITY

The Texas A&M Institute for Sustainable Coastal Communities is hereby established as an organizational unit of Texas A&M University, reporting to the dean of the College of Architecture at Texas A&M University and the president and CEO of Texas A&M University at Galveston.

MINUTE ORDER 182-2012 (ITEM 42)

APPROVAL OF A NEW MASTER OF SCIENCE DEGREE PROGRAM IN EDUCATION, AND AUTHORIZATION TO REQUEST APPROVAL FROM THE TEXAS HIGHER EDUCATION COORDINATING BOARD, TEXAS A&M UNIVERSITY-KINGSVILLE

The Board of Regents of The Texas A&M University System approves the establishment of a new degree program at Texas A&M University-Kingsville leading to a Master of Science degree in Education.

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

MINUTE ORDER 183-2012 (ITEM 43)

APPROVAL OF A NEW MASTER IN CHEMISTRY DEGREE PROGRAM, AND AUTHORIZATION TO REQUEST APPROVAL FROM THE TEXAS HIGHER EDUCATION COORDINATING BOARD, WEST TEXAS A&M UNIVERSITY

The Board of Regents of The Texas A&M University System approves the establishment of a new degree program at West Texas A&M University leading to a Master in Chemistry.

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

MINUTE ORDER 184-2012 (ITEM 44)

ESTABLISHMENT OF THE SMART GRID CENTER, TEXAS ENGINEERING EXPERIMENT STATION

The Smart Grid Center is hereby established as an organizational unit within the Texas Engineering Experiment Station.

MINUTE ORDER 185-2012 (ITEM 45)

ESTABLISHMENT OF THE CENTER FOR EMERGENCY INFORMATICS, TEXAS ENGINEERING EXPERIMENT STATION

The Center for Emergency Informatics is hereby established as an organizational unit within the Texas Engineering Experiment Station.

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REPORT FROM THE POLICY REVIEW COMMITTEE

Regent Thomas, Chairman of the Policy Review Committee, reported that the committee had met earlier in the day and approved Items 2 and 46 through 48. He said Item 2 was approved by the full Board through the Committee on Finance. He said the committee recommended approval to the full Board for Items 46 through 48.

On motion of Regent Thomas, seconded by Regent White and by a unanimous vote, the following minute orders were approved (186 through 188):

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MINUTE ORDER 186-2012 (ITEM 46)

APPROVAL OF REVISIONS TO SYSTEM POLICY 17.01 (INTELLECTUAL PROPERTY MANAGEMENT AND COMMERCIALIZATION), THE TEXAS A&M UNIVERSITY SYSTEM

The revisions to System Policy 17.01 (Intellectual Property Management and Commercialization), as shown in **Exhibit N**, are approved, effective immediately.

MINUTE ORDER 187-2012 (ITEM 47)

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

The Board of Regents of The Texas A&M University System hereby approves revisions to System Policy 29.01 (Information Resources), as shown in **Revised Exhibit O**, effective immediately.

MINUTE ORDER 188-2012 (ITEM 48)

APPROVAL OF REVISIONS TO SYSTEM POLICY 31.05 (EXTERNAL EMPLOYMENT AND EXPERT WITNESS), THE TEXAS A&M UNIVERSITY SYSTEM

The Board of Regents of The Texas A&M University System hereby approves revisions to System Policy 31.05 (External Employment and Expert Witness), as shown in **Revised Exhibit P**, effective immediately.

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ADDITIONAL ITEMS TO BE CONSIDERED BY THE BOARD

Dr. Steven Tallant, President of Texas A&M-Kingsville, presented Item 49.

Regent Wilson said he did not have an issue with the resolution if it was needed, but the Board named the university in 1993. Dr. Tallant said the Board approved the naming in 1993 and the Legislature approved it in 1997.

Chancellor Sharp said he spoke to the opposition group because they had said the chancellor had not commented about it, then the group said the Board had not commented on it, which was what the opposition group told legislators. He added that they needed to put an end to this, because it took away from the functions of the university. He said he hoped this resolution would answer the question.

On motion of Regent Schwertner, seconded by Regent Mendoza, and by a unanimous vote, the following minute order was approved (189):
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MINUTE ORDER 189-2012 (ITEM 49)

ADOPTION OF A RESOLUTION SUPPORTING THE CONTINUED USE OF THE NAME "TEXAS A&M UNIVERSITY-KINGSVILLE" TO IDENTIFY THE SYSTEM UNIVERSITY LOCATED IN KINGSVILLE, TEXAS, TEXAS A&M UNIVERSITY-KINGSVILLE

Whereas, the Texas Legislature chartered Texas A&M University-Kingsville in 1917 as South Texas Normal School, and it opened in 1925 as South Texas State Teachers College; and

Whereas, the school later became the Texas College of Arts and Industries, and in 1967, Texas A&I University; and

Whereas, Texas A&I University joined The Texas A&M University System in 1989; and

Whereas, in 1993, the Board of Regents of The Texas A&M University System, after much consideration, voted to change the name from Texas A&I University to Texas A&M University-Kingsville to better reflect its membership in the A&M System; and

Whereas, in the 75th Regular Session of the Texas Legislature (1997), State Senator Carlos Truan introduced Senate Bill 1044, sponsored by Representative Irma Rangel, which codified the university's name change in the Texas Education Code to "reflect its affiliation with one of the largest systems of higher education"; and

Whereas, Senate Bill 1044 was approved by the Senate by a vote of 31 Yeas and 0 Nays, and was approved by the House by a vote of 139 Yeas, 0 Nays, two present not voting; and

Whereas, Senate Bill 1044 was signed by the Governor on May 23, 1997 and became effective immediately; and

Whereas, several legislative proposals seeking to change the university's name back to Texas A&I University were filed during the 81st (2009) and 82nd (2011) Regular Sessions of the Legislature, all of which were unsuccessful; and

Whereas, the Legislative Budget Board determined that the cost of the name change proposed during the 81st Regular Session of the Legislature "would total $1.9 million in General Revenue and institutional funds" based on estimates provided by the A&M System; and
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Whereas, in 2009 the university gathered exhaustive data regarding the views of its student body, staff, faculty and alumni on the proposed name change, and the university found there was overwhelming support for maintaining the Texas A&M University-Kingsville name, as demonstrated, in part, through a student body survey and resolutions adopted by the Student Government Association, Faculty Senate, Regents Professors, Kingsville Area Industrial Development Foundation and University Staff Council; and

Whereas, changing the university's name back to Texas A&I University could create the misconception that the university had been removed from The Texas A&M University System, in addition to the financial consequences and concerns identified above; now, therefore, be it

Resolved, that we, the members of the Board of Regents of The Texas A&M University System, strongly support the continued use of the name Texas A&M University-Kingsville to identify the system university located in Kingsville, Texas; recognize the value of the university's clear affiliation with the A&M System; and do not believe a name change back to Texas A&I University would be in the best interest of the university, its students, faculty, staff, alumni, the A&M System, or the State of Texas.

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Chancellor Sharp presented Item 50 regarding consultations which began between himself, Dr. Loftin and Dr. Nancy Dickey, President of TAMHSC, last fall about moving the TAMHSC under the flagship university. He said the advantages were primarily in research because TAMHSC did a wonderful job, in not only education but also research; they produced doctors at 30% to 40% less cost than the state average and had the best MCAT scores in the state. He said they believed that if the TAMHSC moved under Texas A&M, the $80 million in research dollars currently not counting toward Texas A&M's ranking, would move them from 19th or 20th to 12th or 14th in the nation. He said perhaps more importantly, it would have an enormous effect on collaboration between life sciences, chemistry, engineering, and those departments in Texas A&M in conjunction with the university. He said Dr. Dickey suggested a way to move TAMHSC as a block under Texas A&M and remain TAMHSC. He said Regent Mendoza input assurances to make sure that the funding remained intact.

Regent Wilson asked Dr. Loftin if this would have a positive or any effect in their Association of American Universities (AAU) rankings. Dr. Loftin said initially it might have a negative effect as those rankings are based on research dollars from federal sources, divided by the total faculty count. He said it could lower that ranking slightly for the short term, due to the addition of faculty from all parts of the TAMHSC, not just the College of Medicine. He added that they believed that within three to five years maximum, they could overcome that through synergy in terms of research activities, collaboration and seeking increased federal funding for joint projects involving faculty from TAMHSC and Texas A&M. He said there could be a short-term detrimental effect on AAU, because they did not look at total research dollars, but those normalized by the number of faculty.
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Regent White said he applauded the concept and hoped that it improved collaboration, which was important. He said if that was an outcome, it was to be applauded. He said the Board had moved TAMHSC out from under Texas A&M to ensure they would enhance its opportunity for funding. He noted that he had an overarching concern, and they had added language to protect that, but it continued to be a concern. He said they had been very successful in the current strategy and he did not want to reverse that success by doing this. He said they had assurances and languages in this item, but it remained a concern if he voted in favor of this and went forward. He said his second overarching concern was the acceptance of the larger medical community. He noted that it was evolving at the speed of light and they were all wrestling with the future of medicine. He added that he wanted the assurance of everyone involved that they would maintain that integrity and agility. He said if they did not, they were going in the wrong direction, rather than what he thought could be the right direction, if handled correctly. He said they had discussed these concerns before but they continued to be of concern to him and others.

Dr. Loftin said in response to his first comment, he shared that completely. He said it was critical that the health institute formula funding still be applied to TAMHSC in the new administrative arrangement; without that, it could not happen. He said they had made it clear in the background information for Item 50 that they would back away from this, if it were discovered to be the case. He said in response to Regent White's second concern, he understood and he was correct -- medical science and in fact, the life sciences in general, were where the action was. He said they had done a lot in this particular area through Regent White's leadership involving the BARDA project, to bring a lot of attention to Brazos County. He said they would have opportunities they had not had in the past to build partnerships and evolve their programs to meet the rapidly changing needs of not just the old medical community, but the emerging "one health community" which consumed not only the TAMHSC areas, but the College of Veterinary Medicine & Biomedical Science, College of Science, College of Agriculture & Life Sciences, as well. He said they had a lot going on here that they believed would position this new administrative structure even better than it had been in the past to be nimble and to be able to take advantage of the opportunities that were presented.

Regent White said he had immense faith in Dr. Loftin, Chancellor Sharp and Dr. Dickey; he just wanted them to get it right.

Regent Mendoza said it was refreshing to hear that it would not move forward if it impacted funding to TAMHSC and knew the Chancellor would keep them informed of that. She said to underscore, as the steering committee moved forward and looked at the appropriate structure that they keep in mind the nimbleness and agility to be able to respond quickly to infrastructure and different types of investments and so they could move this forward post haste, so they could grow TAMHSC. She said the plans had been established and they had to keep it moving. She said the two points she wanted to underscore were if there was any impact to funding, they were assured they would take a step backward and secondly, as the steering committee looked at the structure, it was important they keep their nimbleness and be able to move quickly. She said it would be a shame to add yet another layer of bureaucracy in order to make things happen.

There were no further comments or questions.

On motion of Regent Schwertner, seconded by Regent Foster and by a unanimous vote, the following minute order was approved (190):

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MINUTE ORDER 190-2012 (ITEM 50)

AUTHORIZATION FOR THE CHANCELLOR AND THE PRESIDENT OF TEXAS A&M UNIVERSITY TO TAKE ANY AND ALL ACTION NECESSARY TO EFFECTUATE AN ADMINISTRATIVE CHANGE BRINGING THE TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER UNDER THE ADMINISTRATION OF TEXAS A&M UNIVERSITY, INCLUDING AMENDING THE UNIVERSITY'S TABLE OF PROGRAMS TO ADD APPLICABLE FIRST-PROFESSIONAL DEGREE PROGRAMS AND REQUESTING ALL NECESSARY APPROVALS FROM THE TEXAS HIGHER EDUCATION COORDINATING BOARD, TEXAS A&M UNIVERSITY

The Board of Regents of The Texas A&M University System authorizes the Chancellor and the President of Texas A&M University to take any and all action to investigate and pursue an administrative change bringing The Texas A&M University System Health Science Center under the administration of Texas A&M University, including amending the university's table of programs for preliminary authority to add applicable first-professional degree programs.

The Board also authorizes the submission of Texas A&M University's preliminary authority request, and any other necessary related submissions, to the Texas Higher Education Coordinating Board and appropriate accrediting agencies for approval.

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Mr. Guy Diedrich, Vice Chancellor for Federal and State Relations, presented Items 54 and 55.

On motion of Regent Schwertner, seconded by Regent Wilson and by a unanimous vote, the following minute orders were approved (191 and 192):

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MINUTE ORDER 191-2012 (ITEM 54)

APPROVAL FOR DR. PETER SCHUERMAN, A SYSTEM EMPLOYEE, TO SERVE AS A MEMBER OF THE BOARD OF DIRECTORS OF A BUSINESS ENTITY LICENSING TECHNOLOGY FROM THE TEXAS A&M UNIVERSITY SYSTEM, THE TEXAS A&M UNIVERSITY SYSTEM

The Board of Regents of The Texas A&M University System hereby approves for Dr. Peter Schuerman, Director of Licensing and Intellectual Property Management with the Office of Technology Commercialization, to serve as a member of the Board of Directors of StarRotor Corporation, a business entity licensing technology from The Texas A&M University System.

MINUTE ORDER 192-2012 (ITEM 55)

APPROVAL FOR JAMES RHODES, A SYSTEM EMPLOYEE, TO SERVE AS A MEMBER OF THE BOARD OF DIRECTORS OF A BUSINESS ENTITY PROPOSING TO LICENSE TECHNOLOGY FROM THE TEXAS A&M UNIVERSITY SYSTEM AND IN WHICH THE TEXAS A&M UNIVERSITY SYSTEM HAS AN EQUITY INTEREST, THE TEXAS A&M UNIVERSITY SYSTEM

The Board of Regents of The Texas A&M University System hereby approves for James Rhodes, Director of New Ventures, with the Office of Technology Commercialization, to serve in his official capacity as a member of the Board of Directors of Post Oak Pharmaceuticals, Inc., a business entity proposing to license technology from The Texas A&M University System and in which the A&M System has an equity interest.

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Dr. Craig Nessler, Director of Texas AgriLife Research, presented Item 56.

On motion of Regent Mendoza, seconded by Regent Thomas and by a unanimous vote, the following minute order was approved (193):

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MINUTE ORDER 193-2012 (ITEM 56)

APPROVAL FOR DR. JAMES SACCHETTINI, AN EMPLOYEE OF TEXAS AGRILIFE RESEARCH, TO SERVE AS A DIRECTOR AND CHIEF SCIENCE OFFICER OF RESCUE THERAPEUTICS, INC., AN ENTITY THAT EXPECTS TO ENTER INTO NEGOTIATIONS WITH THE OFFICE OF TECHNOLOGY COMMERCIALIZATION TO LICENSE CERTAIN SYSTEM-OWNED INTELLECTUAL PROPERTY, TEXAS AGRILIFE RESEARCH

The Board of Regents of The Texas A&M University System hereby approves for Dr. James Sacchettini to serve as a director and chief science officer of Rescue Therapeutics, Inc., an entity that expects to enter into negotiations with the Office of Technology Commercialization to license certain system-owned intellectual property.

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Chancellor Sharp presented Items 51 and 52.

On motion of Regent Schwertner, seconded by Regent Wilson and by a unanimous vote, the following minute orders were approved (194 and 195):

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MINUTE ORDER 194-2012 (REVISED ITEM 51)

ADOPTION OF A RESOLUTION TO CHANGE THE NAMES OF THE SEVEN AGENCIES OF THE TEXAS A&M UNIVERSITY SYSTEM TO INCLUDE "TEXAS A&M" IN EACH AGENCY'S NAME, THE TEXAS A&M UNIVERSITY SYSTEM

Whereas, as a land-grant system of higher education, the mission of The Texas A&M University System (A&M System) is to provide education, conduct research, commercialize technology, offer training and deliver services for the people of Texas and beyond through its universities, state agencies and health science center; and

Whereas, each A&M System agency plays a unique role in accomplishing the A&M System's mission and has a long history of distinguished service to the state of Texas and beyond; and

Whereas, Section 86.23 of the Texas Education Code provides that, with the exception of Tarleton State University and Prairie View A&M University, the Board may, by resolution, change the name of the system or any system institution or agency; and

Whereas, the agencies of the A&M System are the Texas AgriLife Extension Service, Texas AgriLife Research, the Texas Engineering Experiment Station, the Texas Engineering Extension Service, the Texas Forest Service, the Texas Transportation Institute, and the Texas Veterinary Medical Diagnostic Laboratory; and

Whereas, the current names of these agencies do not clearly identify each agency as being a member of the A&M System; and

Whereas, this lack of identification with the A&M System has the potential to cause confusion and to hinder A&M System and agency efforts to effectively communicate to constituents and stakeholders the mission, accomplishments and public benefit of individual agencies and how these correspond with the other A&M System agencies; and

Whereas, the Chancellor has recommended that these agency names be changed as follows: Texas AgriLife Extension Service is to become Texas A&M AgriLife Extension Service; Texas AgriLife Research is to become Texas A&M AgriLife Research; Texas Engineering Experiment Station is to become Texas A&M Engineering Experiment Station (TEES); Texas Engineering Extension Service is to become Texas A&M Engineering Extension Service (TEEX); Texas Forest Service is to become Texas A&M Forest Service (TFS); Texas Transportation Institute is to become Texas A&M Transportation Institute (TTI), and Texas Veterinary Medical Diagnostic Laboratory is to become Texas A&M Veterinary Medical Diagnostic Laboratory (TVMDL); and now, therefore, be it

Resolved, that, effective September 1, 2012, in accordance with the authority granted by Section 86.23 of the Texas Education Code, we, the members of the Board of Regents of The Texas A&M University System, hereby change the names of the A&M System agencies as follows:

- Texas AgriLife Extension Service is changed to Texas A&M AgriLife Extension Service,
- Texas AgriLife Research is changed to Texas A&M AgriLife Research,
- Texas Engineering Experiment Station is changed to Texas A&M Engineering Experiment Station (TEES),
- Texas Engineering Extension Service is changed to Texas A&M Engineering Extension Service (TEEX),
- Texas Forest Service is changed to Texas A&M Forest Service (TFS),
- Texas Transportation Institute is changed to Texas A&M Transportation Institute (TTI), and
- Texas Veterinary Medical Diagnostic Laboratory is changed to Texas A&M Veterinary Medical Diagnostic Laboratory (TVMDL); and be it, further

Resolved, that, effective September 1, 2012, each A&M System agency shall use its new name in its complete form and associated logos in all official communications, including letterhead, business cards, websites and similar items; and be it, further

Resolved, that the directors of the A&M System agencies are responsible for ensuring that these name changes are implemented in the most efficient and effective manner possible to conserve agency resources while maximizing the potential constituent impact.

MINUTE ORDER 195-2012 (ITEM 52)

AUTHORIZATION FOR THE CHANCELLOR TO TAKE ACTION TO NEGOTIATE AND EXECUTE A LICENSE AGREEMENT WITH BAYLOR UNIVERSITY CONCERNING THE NAME OF THE TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER BAYLOR COLLEGE OF DENTISTRY, AND AUTHORIZATION FOR THE CHANCELLOR TO CHANGE THE NAME IN ACCORDANCE WITH SUCH AGREEMENT, OR, IF NEGOTATIONS ARE UNSUCCESSFUL, CHANGE THE NAME OF THE DENTAL SCHOOL TO TEXAS A&M COLLEGE OF DENTISTRY, THE TEXAS A&M UNIVERSITY SYSTEM

The Board of Regents of The Texas A&M University System authorizes the chancellor of The Texas A&M University System to take any and all action to negotiate and execute a license agreement with Baylor University concerning the name of The Texas A&M University System Health Science Center Baylor College of Dentistry. If such a license agreement is successfully negotiated and executed with Baylor University, the chancellor is authorized to change the name of The Texas A&M University System Health Science Center Baylor College of Dentistry in accordance with this new license agreement.

If a satisfactory license agreement is not reached, the Board hereby changes the name of The Texas A&M University System Health Science Center Baylor College of Dentistry to the Texas A&M College of Dentistry, effective January 1, 2013.

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Dr. Hallmark presented Item 53.

On motion of Regent Mendoza, seconded by Regent Thomas and by a unanimous vote, the following minute order was approved (196):

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MINUTE ORDER 196-2012 (ITEM 53)

DESIGNATION OF THE VICE CHANCELLOR FOR ACADEMIC AFFAIRS TO APPROVE OFF-CAMPUS DELIVERY OF EXISTING DEGREE PROGRAMS, THE TEXAS A&M UNIVERSITY SYSTEM

On behalf of the Board of Regents of The Texas A&M University System, the Vice Chancellor for Academic Affairs is hereby designated to approve off-campus delivery of existing degree programs, effective immediately.

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Dr. Dominic Dottavio, President of Tarleton State University, presented Items 57 and 58.

On motion of Regent Wilson, seconded by Regent White and by a unanimous vote, the following minute orders were approved (197 and 198):

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MINUTE ORDER 197-2012 (ITEM 57)

APPROVAL OF STANDARD ADMINISTRATIVE PROCEDURE REGARDING ONE-TIME ATHLETIC PERFORMANCE BONUSES, TARLETON STATE UNIVERSITY

The Board of Regents of The Texas A&M University System approves the Tarleton State University Standard Administrative Procedure 18.03.99.T0.01 (Post-Season Athletics Competition), as shown in **Exhibit Q.**

MINUTE ORDER 198-2012 (ITEM 58)

GRANTING OF FACULTY DEVELOPMENT LEAVE FOR FISCAL YEAR 2013, TARLETON STATE UNIVERSITY

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 R**, Faculty Development Leave List FY 2013, Tarleton State University.

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Chairman Box presented items 59 through 62 concerning the granting of academic tenure to eligible faculty for A&M System member institutions. He said each of these candidates considered for tenure had been thoroughly reviewed by the respective campuses via multiple levels of review by their colleagues, supervisors, the academic leadership of the institutions, provosts and presidents. In addition, faculty had been reviewed annually
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since their appointment to the A&M System institutions and found worthy of granting academic tenure by their colleagues and supervisors. The Office of Academic Affairs had also reviewed these candidates and recommended the granting of tenure. He said unless a Board member wished to consider one or more of these agenda items individually, they would consider Items 59 through 62 together.

Regent Schwertner asked Regent Mendoza to explain the process that the Committee on Academic and Student Affairs was working on to ensure the committee vetted the approval of academic tenure and tenure review. He said they all had concerns about the process.

Regent Mendoza said the committee had launched a taskforce to look at faculty recruitment and retention. She said they were going to create a baseline of what it meant to receive tenure, then the rules and processes that institutions were using for post-tenure review. She said they would get their arms around that entire area and soon they would be able to report to the Board those processes and the room for improvement. She said the taskforce was looking at not only the current models, but also the new ideas with regard to this area. She said the bottom line was that they wanted to retain their best faculty.

Regent Schwertner asked about faculty developmental leave and Regent Mendoza said they had not yet touched that subject.

There were no further comments or questions.

On motion of Regent White, seconded by Regent Mendoza and by a unanimous vote, the following minute orders were approved (199 through 202):

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MINUTE ORDER 199-2012 (ITEM 59)

**APPROVAL OF ACADEMIC TENURE, AUGUST 2012,
TEXAS A&M UNIVERSITY-COMMERCE**

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 at Texas A&M University-Commerce as set forth in **Exhibit S**, Tenure List No. 12-04.
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MINUTE ORDER 200-2012 (ITEM 60)

APPROVAL OF ACADEMIC TENURE, AUGUST 2012, TEXAS A&M INTERNATIONAL UNIVERSITY

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 member at Texas A&M International University as set forth in **Exhibit T**, Tenure List No. 12-04.

MINUTE ORDER 201-2012 (ITEM 61)

APPROVAL OF ACADEMIC TENURE, AUGUST 2012, TEXAS A&M UNIVERSITY

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 at Texas A&M University as set forth in **Exhibit U**, Tenure List No. 12-04.

MINUTE ORDER 202-2012 (ITEM 62)

APPROVAL OF ACADEMIC TENURE, AUGUST 2012, TEXAS A&M UNIVERSITY-KINGSVILLE

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 member at Texas A&M University-Kingsville as set forth in **Exhibit V**, Tenure List No. 12-04.

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Chairman Box presented Items 63 through 68.

(*Secretary's Note: Items 63 through 68 were discussed in executive session.)*

On motion of Regent Mendoza, seconded by Regent White and by a unanimous vote, the following minute orders were approved (203 through 208):

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MINUTE ORDER 203-2012 (ITEM 63)

APPOINTMENT OF DR. LUIS CIFUENTES AS VICE PRESIDENT FOR RESEARCH, COMMERCIALIZATION AND OUTREACH, TEXAS A&M UNIVERSITY-CORPUS CHRISTI

Effective August 3, 2012, Dr. Luis Cifuentes is hereby appointed Vice President for Research, Commercialization and Outreach at Texas A&M University-Corpus Christi at an initial salary of $187,000.

MINUTE ORDER 204-2012 (ITEM 64)

APPOINTMENT OF DR. DON D. ALBRECHT AS VICE PRESIDENT FOR STUDENT ENGAGEMENT AND SUCCESS, TEXAS A&M UNIVERSITY-CORPUS CHRISTI

Effective August 3, 2012, Dr. Don D. Albrecht is hereby appointed Vice President for Student Engagement and Success at Texas A&M University-Corpus Christi at an initial salary of $180,000.

MINUTE ORDER 205-2012 (ITEM 65)

NAMING OF DR. DOUGLAS STEELE AS THE SOLE FINALIST FOR THE POSITION OF DIRECTOR OF TEXAS AGRILIFE EXTENSION SERVICE AND APPOINTMENT OF DR. STEELE AS THE INTERIM DIRECTOR, THE TEXAS A&M UNIVERSITY SYSTEM

Dr. Douglas Steele is hereby named sole finalist for the position of director of the Texas AgriLife Extension Service. As required by state law, final action may be taken after the 21-day notice is given.

If the Board has not taken action concerning this director position by September 1, 2012, Dr. Steele is hereby appointed interim director for this position, at an initial salary of $225,000, effective September 1, 2012.

MINUTE ORDER 206-2012 (ITEM 66)

APPOINTMENT OF MR. TYE V. MINKLER AS VICE PRESIDENT FOR FINANCE & ADMINISTRATION, TARLETON STATE UNIVERSITY

Effective August 3, 2012, Mr. Tye V. Minckler is hereby appointed Vice President for Finance & Administration at Tarleton State University at an initial salary of $175,000.

MINUTE ORDER 207-2012 (ITEM 67)

APPOINTMENT OF DR. DIMITRIS LAGOUDAS AS DEPUTY DIRECTOR, TEXAS ENGINEERING EXPERIMENT STATION

Effective August 3, 2012, Dr. Dimitris Lagoudas is hereby appointed Deputy Director of the Texas Engineering Experiment Station, at an initial salary of $286,536 per year.

MINUTE ORDER 208-2012 (ITEM 68)

APPOINTMENT OF DR. ABBEY ZINK AS DEAN OF THE COLLEGE OF ARTS AND SCIENCES, TEXAS A&M UNIVERSITY-KINGSVILLE

Effective August 3, 2012, Dr. Abbey Zink is hereby appointed Dean of the College of Arts and Sciences at an initial salary of $150,000.

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Chairman Box recognized Dr. Ed Smith. He said Dr. Smith was retiring from the Extension Service after a long, great service for the A&M System, and the Board appreciated all the great work he had done.

Vice Chairman Adams said they appreciated his many years as a professor on the Texas A&M faculty and his leadership role over the years in Ag Extension. He thanked him for his commitment to Texas and her people.

Chancellor Sharp said Dr. Smith had done great work for agriculture in Texas. He said he would never be forgotten; he was a great guy and they would miss him.

Regent Schwertner said Dr. Smith was a household name in the agricultural community, not only in Texas, but also throughout the nation. He said Dr. Smith was the "911 call" for many ranchers and farmers. He said most people not in agriculture did not understand how import the extension service was; they did not have all the resources other industries had. He thanked Dr. Smith on behalf of all those in agriculture for what he had done over the years to help them survive and be successful.

Chairman Box presented Items 69-a through 69-c.

On motion of Regent Morgan, seconded by Regent Thomas and by a unanimous vote, the following minute orders were approved (209 through 211):
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MINUTE ORDER 209-2012 (ITEM 69-a)

APPROVAL OF MINUTES FROM THE MAY 3-4, 2012, REGULAR BOARD MEETING AND JUNE 8, 2012, AND JUNE 29, 2012, SPECIAL TELEPHONIC MEETINGS, BOARD OF REGENTS, THE TEXAS A&M UNIVERSITY SYSTEM

The Minutes of the May 3-4, 2012, Regular Board Meeting and June 8, 2012, and June 29, 2012, Special Telephonic Meetings are hereby approved.

MINUTE ORDER 210-2012 (ITEM 69-b)

GRANTING OF THE TITLE OF EMERITUS/EMERITA, AUGUST 2012, THE TEXAS A&M UNIVERSITY SYSTEM

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 W**, Emeritus/Emerita Title List No. 12-04, and grants all rights and privileges of this title.

MINUTE ORDER 211-2012 (ITEM 69-c)

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

In accordance with System Policy 34.06 (Appointment, Commissioning and Authority of Peace Officers), the Board of Regents of The Texas A&M University System confirms the appointment and commissioning of campus peace officers by the presidents of their respective system member universities, in accordance with the requirements of the law, and as shown in **Exhibit X**, attached to the official minutes, subject to their taking the oath required of peace officers.

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ATHLETIC LIAISON REPORT

Regent Thomas, Athletic Liaison to A&M System Members, said the A&M System was currently in a slowdown in the athletic cycle, but Texas A&M had 23 Aggie athletes and one coach representing their 14 respective countries in the 2012 London Olympics. He said Texas A&M's Camille Adams placed 5th in the 200 meter butterfly in the Olympics, missing a medal by 1.3 seconds. He noted that Ms. Adams was the third Aggie in school history to make the Olympic swimming finals.
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ANNOUNCEMENT

Chairman Box announced that the next regular Board meeting was scheduled for November 1-2, 2012, on the campus of Texas A&M University-Kingsville.

ADJOURNMENT

There being no further business, on motion of Regent White, seconded by Regent Wilson and by a unanimous vote, the meeting was adjourned at 10:52 a.m., August 3, 2012.

Vickie Spillers
Executive Director, Board of Regents

VBS:gak

(Gwen Kirby, Senior Office Associate, Office of the Board of Regents transcribed these minutes.)

Exhibit A (Item 1)

The Texas A&M University System

Internal Audit Department

Fiscal Year 2013 Audit Plan

The Texas A&M University System
Internal Audit Department

Fiscal Year 2013 Audit Plan

Introduction

The purpose of the Audit Plan is to outline audits and other activities the System Internal Audit Department will conduct during fiscal year 2013. The plan is developed to satisfy responsibilities established by the Board of Regents Bylaws, System Policy 10.01, Section 2102.008 of the Government Code and applicable auditing standards. The Chief Auditor is authorized to make changes to the Plan, as she deems necessary, to address changes in identified risks. The Committee on Audit and the Chancellor will be notified of any significant additions, deletions, or other changes to the Audit Plan.

The types of audits listed in this Plan demonstrate the variety of approaches the System Internal Audit Department takes to address its mission of helping the Texas A&M University System achieve its goals and objectives in an efficient and effective manner. To accomplish this, deliverables for audits may include a variety of services, including audit reports, technical assistance, data analysis, and other written and oral communications.

Audits included in this Plan were primarily identified through a system-wide risk assessment process. However, some of the audits included are performed to assist the A&M System in complying with other external requirements.

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

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

Planned audits for fiscal year 2013 are listed on the following pages. Audits approved in the Audit Plan for fiscal year 2012 that are not completed by August 31, 2012, will also be considered part of this plan.

The Texas A&M University System
Internal Audit Department

Fiscal Year 2013 Audit Plan

UNIVERSITIES

Prairie View A&M University

Review of the College of Agriculture and Human Sciences
NCAA Rules Compliance Audit

Tarleton State University

Student Information System Application Review
Review of Plant Operations and Maintenance
Student Housing Audit

Texas A&M International University

Review of Federal TRIO Programs

Texas A&M University

Differential Tuition Audit
Review of Computing and Information Services
Review of the Department of Recreational Sports
Review of the Department of Student Life
Education Research Center Audit
Veterinary Medical Teaching Hospital Audit

Texas A&M University - Central Texas

Enrollment Management Audit

Texas A&M University - Commerce

Review of Faculty Human Resources Processes

Texas A&M University - Corpus Christi

Student Financial Aid Audit
Enrollment Management Audit
Student Information System Application Review
NCAA Rules Compliance Audit

The Texas A&M University System
Internal Audit Department

Fiscal Year 2013 Audit Plan

Texas A&M University - Kingsville

Information Technology General Controls Review
Student Financial Aid Audit
Review of Financial Management Services

Texas A&M University - San Antonio

Review of Policies, Procedures, Strategic Planning, and Performance Measures

Texas A&M University - Texarkana

Environmental Health, Safety, and Security Audit

West Texas A&M University

Title IX Compliance Audit

HEALTH SCIENCE CENTER

Texas A&M Health Science Center

Information Technology General Controls Review

AGENCIES

Texas AgriLife Research

Information Technology General Controls Review
Environmental Health and Safety Audit

Texas AgriLife Extension Service

Information Technology General Controls Review
Environmental Health and Safety Audit

Texas Forest Service

Review of Financial Management Services

Texas Veterinary Medical Diagnostic Laboratory

No audits planned

Texas Engineering Experiment Station

No audits planned

Texas Engineering Extension Service

Review of Sponsored Programs
Strategic Planning and Performance Measures Audit

Texas Transportation Institute

Review of Financial Management Services
Review of Proving Ground's Quality Assurance Program

SYSTEM OFFICES

A&M System Offices

Review of the Office of Sponsored Research Services (OSRS)
Review of the Office of Facilities, Planning and Construction

SYSTEM-WIDE AUDITS

Follow-up Audits

Conduct follow-up audits on management's implementation of prior audit recommendations to determine if management has adequately addressed the issues.

Change in Management Reviews

Conduct change in management reviews, on an as-needed basis, when there is a significant change in an executive management position within the A&M System.

Continuous Auditing

Continuous auditing is the application of computer assisted audit tools and techniques on organizational processes, transactions, systems and/or controls to provide greater audit coverage. Areas for consideration of continuous auditing include payroll, student financial aid, procurement card and other purchasing expenditures. Benefits of continuous auditing include the review of 100% of auditable transactions/data versus a sampling, the identification of errors or other issues through real-time monitoring and review, and the facilitation of trend analysis to identify problems and/or other concerns.

Participation and/or Assistance

Internal audit staff may participate and/or assist A&M System members in developing and maintaining strong governance, risk management, and control processes and systems. Activities may include serving as a member of a work group, participating in the design of a major information system, or providing consultative advice on financial, operational and compliance issues. The staff may also perform work to support external audit requirements.

22.02 System Investment

Approved February 27, 1995 (MO 44-95)
Revised December 6, 1996 (MO 220-96)
Revised July 25, 1997 (MO 95-97)
Revised August 13, 1999 (MO 201-1999)
Revised September 22, 2000 (MO 165-2000)
Revised July 27, 2001 (MO 145-2001)
Revised July 26, 2002 (MO 161-2002)
Revised July 25, 2003 (MO 130-2003)
Revised July 23, 2004 (MO 93-2004)
Revised July 22, 2005 (MO 127-2005)
Revised January 27, 2006 (MO 038-2006)
Revised July 28, 2006 (MO 162-2006)
Revised July 27, 2007 (MO 159-2007)
Revised August 1, 2008 (MO 233-2008)
Revised July 17, 2009 (MO 144-2009)
Revised July 23, 2010 (MO 132-2010)
Revised July 22, 2011 (MO 140-2011)
Revised August 3, 2012 (MO -2012)
Next Scheduled Review: August 3, 2013

Policy Statement

This policy sets out the responsibilities of the Board of Regents (board), as assigned by law, to act as a fiduciary in the management of assets under the control of The Texas A&M University System (system).

Reason for Policy

This policy delineates the roles and responsibilities of the board, chancellor and system staff regarding the management of assets under the control of the board.

Procedures and Responsibilities

1. GENERAL

1.1 As provided in the Texas Education Code, each board member has the legal responsibilities of a fiduciary in the management of funds under the control of the system. All investments will be made in accordance with applicable state and federal regulations. All assets of the system will at all times be vested in the board, and such

assets will be deemed to be held by the board as a fiduciary regardless of the name in which the securities may be registered.

1.2 The board has granted to the chancellor the authority for the purchase, sale, assignment, transfer and management of all investments of any kind or character of the system or any member thereof and has authorized the chancellor to execute on behalf of the board or any member thereof any and all documents required in the purchase, sale, assignment, transfer and management of these investments.

1.3 The chancellor may delegate to treasury personnel the authority to execute any and all documents required to accomplish the actions outlined above and the deposit, withdrawal, or transfer of assets on behalf of the members.

1.4 Investments are defined to include, but are not limited to, any monetary or negotiable asset or property right held by a member including all operating, non-operating and other funds. This includes any asset or property right acquired or held by any member as trustee of a trust or as executor of an estate. Assets shall include land and other real property, market investments, business enterprises and any other investments of any kind or character held or acquired by such funds.

1.5 Prudent Investor Rule – Each person responsible for making or retaining each and all investments and in acquiring, investing, reinvesting, exchanging, retaining, selling, supervising and managing funds shall do so in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

1.6 In the management of system investments, consideration will be given to general economic conditions, the possible effect of inflation or deflation, the expected tax consequences, the role that each investment or course of action plays within the overall investment portfolio and the requirements for liquidity, diversification, safety of principal, yield, maturity, quality and capability of investment management, with the primary emphasis on safety. Consideration will also be given to incur only costs that are appropriate and reasonable in relation to the assets.

1.7 The overall objective of the investment policy is to invest the system's available funds in such a manner as to earn as high a level of return as can reasonably be achieved within the framework of the policy and consistent with the system's primary objective of the safety and preservation of capital.

1.8 Each custodian bank will furnish monthly statements to the Office of the Chief Financial Officer and Treasurer that will include cost and market value for all positions, industry segmentation and percentage composition of the portfolio represented by each issue. The custodian bank statements will be used as the basis for quarterly investment performance reports to the board.

1.9 Coordination of investment policy, cash management and system depositories' activities will be maintained by the chancellor through the Office of the Chief Financial Officer and Treasurer.

1.10 The chancellor will provide the board's Committee on Finance an annual report on the need to revise the system investment policy in regard to authorized securities, asset allocation, payout or any other pertinent matters.

2. INVESTMENT OF FUNDS

2.1 Quality Restrictions

For the purpose of this policy all securities which use long-term credit ratings must be rated the equivalent of "B" or better by a nationally recognized credit rating organization. The fixed income portfolio must have an overall credit rating of "A" or better by a nationally recognized statistical rating organization. Securities using short-term credit ratings must be rated at least A-2, P-2, F-2 or the equivalent by a nationally recognized credit rating service.

2.2 Authorized Investments

2.2.1 Direct obligations of the principal and interest which are guaranteed by the United States Government or its agencies to include:

(a) obligations of the U.S. Treasury.

(b) direct obligations guaranteed by the Federal Intermediate Credit Bank (FICB), Federal National Mortgage Association (FNMA), Federal Farm Credit Bank (FFCB), Government National Mortgage Association (GNMA), Student Loan Marketing Association (SLMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal Home Loan Bank (FHLB), Tennessee Valley Authority (TVA) or other government sponsored enterprises.

2.2.2 Obligations of states, agencies, counties, cities and other political subdivisions of any state.

2.2.3 United States dollar denominated debentures or obligations and preferred and common stocks issued by corporations, associations or other institutions, and convertible securities of all kinds issued by corporations. Not more than 4.9% of the voting stock of any one corporation shall be owned by the system at any given time. This includes participation in publicly traded domestic Real Estate Investment Trusts (REITs).

2.2.4 Debentures or obligations, and preferred or common stock of international governments and corporations. International preferred and common stock issues must be listed on an organized stock exchange. Utilization of derivatives for the hedging of currency risk is permissible.

2.2.5 Certificates of Deposit issued by state and national banks not to exceed 10% of banks' total deposits. Certificates of Deposit must be insured by the Federal Deposit Insurance Corporation, or its successor, or secured (collateralized) by surety bond, or obligations described in this policy, with such collateral to be held by a third party, and that at all times will have a market value of not less

than the principal amount of the certificates or in any manner and amount provided by law for deposits of the investing entities, and with the additional provision that all collateral based on direct agency or instrumentality issued mortgage backed securities must have been rated the equivalent of "AAA" by a nationally recognized credit rating organization (NRSRO).

2.2.6 Negotiable Certificates of Deposit issued by a bank that has a certificate of deposit rating of at least 1 or the equivalent by a nationally recognized rating agency or that is associated with a holding company having a commercial paper rating of at least A-1, P-1 or the equivalent by a nationally recognized credit rating agency.

2.2.7 Deposits in federally insured savings and loan associations, building and loan associations, and state and national banks not to exceed the amount insured by the Federal Savings and Loan Insurance Corporation, the Federal Deposit Insurance Corporation or their successors.

2.2.8 Bankers Acceptances, accepted by a bank organized and existing under laws of the U.S. or any state, in accordance with Section 2.1.

2.2.9 Money Market Mutual Funds. Funds must be registered with the Securities and Exchange Commission, have a maximum maturity of 13 months and be no-load funds. Fund must have assets consisting of securities authorized under this policy and seek to maintain a stable net asset value of $1.00 per share (or unit).

2.2.10 Mutual Funds. Funds must be registered with the Securities and Exchange Commission and invest in assets authorized under this policy.

2.2.11 Direct Security Repurchase Agreements. Direct Repos must be fully secured (collateralized) by obligations authorized under this policy. Such collateral must be held by a third party. All agreements will be in compliance with Federal Reserve Bank guidelines.

2.2.12 Securities Lending. The securities lending agent is required to provide indemnification against borrower default. Further, loan exposure to borrowers shall be diversified and managed within prudent limits to avoid concentrated borrower risk. The securities lending agent must provide credit approval for all borrowers and is required to perform on-going review and monitoring of borrower default risk and exposures. The amount of the portfolio out on loan shall be limited to one-third of each portfolio. Cash collateral will be held in excess of the market value of lent securities in an amount no less that 102% of the market value. The securities lending agent is required to market the value of collateral daily and shall review collateral positions and prices to ensure adequate collateral is received and prices used are current and valid. The investment collateral shall be invested within the restrictions delineated under SEC Rule 2a-7 under the Investment Company Act of 1940. Basis risk in the portfolio is limited to 30 days when accounting for variable rate securities and loans by their respective reset dates. If loans are not in accordance with these guidelines, they are subject to termination.

2.2.13 Bank Loans, invested through commingled institutional funds, may be used to diversify and enhance the return of the portfolio.

2.2.14 Investment in a derivative investment class requires written approval of the chancellor or designee. Derivative investments will not be utilized for the purpose of introducing leverage to the portfolio other than in accordance with Section 2.2.16.

2.2.15 Investments in venture capital and/or private equity partnerships may be used to enhance the expected return of the portfolio. These investments are long-term, illiquid, private partnerships with high variability of returns. No investment will be made that would comprise more than 10% of any individual partnership's assets.

2.2.16 Investments in absolute return strategies may be used to diversify and enhance the return of the portfolio. Absolute return strategies may invest in derivative instruments, employ leverage and sell securities short. Hedge fund investments may be made in offshore limited partnership shares or by using blocker corporations in order to avoid unrelated business income tax (UBIT). No investment will be made that will comprise more than 10% of any individual partnership's assets.

2.2.17 Inflation hedging investments including timber, energy and real estate may be used to diversify and enhance the return of the portfolio. These investments are long-term, illiquid and have high variability of returns.

2.3 Stock Rights, Fractional Shares, and Proxies

In each instance, exercise or sale of the rights is to be made at the discretion of the chancellor. The chancellor is authorized to execute proxies within the approved investment policy.

2.4 Quasi-Endowments

The board may, on recommendation of the chancellor, establish a quasi-endowment using any source of funding at its disposal except educational (program) and general funds and restricted gifts or grants. Income from funds held in quasi-endowments is available for the purpose established by the board. The corpus of such funds will be held until such time as the board, on recommendation of the chancellor, abolishes the quasi-endowment, at which time the corpus is available for such purpose(s) as may be designated by the board. All quasi-endowments established by the board will be invested in the System Endowment Fund.

2.5 Matching of Private Gifts from Available University Fund (AUF)

Subject to the availability of matching funds appropriated for that purpose by the board, and with the approval of the chancellor, the presidents of Texas A&M University and Prairie View A&M University are authorized to accept private gifts and to match such gifts with AUF monies, provided such actions are reported to the board at its next regularly scheduled meeting.

Authorization for the expenditure of AUF to match endowments is in the general appropriations act, subject to biennial renewal by the legislature. Matching may be completed as long as the pledge is received during a time when the rider authorization is in effect.

2.6 Investment Transactions

Sales, purchases and exchanges will be effected through financial institutions or through well-capitalized, nationally known investment firms which are recognized as being major participants in the equity and fixed income markets, in accordance with normal investment practices, if, in the judgment of the chancellor, these services will produce the maximum benefit to the system.

2.7 Use of Outside Investment Managers

2.7.1 The chancellor, within statutory and other regulatory authority, may place selected funds of the system with investment managers outside the system for investment purposes. The investment of such funds will be subject to the same authorizations and criteria as prescribed for investments consistent with this investment policy.

2.7.2 External investment manager(s) will be governed by either a Letter of Instruction outlining investment instructions and asset allocation parameters expressed in writing by the chancellor or subscription/limited partnership/similar agreement(s). The Letter of Instruction will detail the specific investment benchmark to be used to evaluate the external investment manager.

2.7.3 Consistent with this investment policy statement and the Letter of Instruction or subscription/limited partnership/similar agreement(s), the external investment manager(s) will be responsible for making decisions on a fully discretionary basis. This includes buy, hold, sell and timing decisions.

2.7.4 An external manager(s) will invest only into the security class(es) for which the external manager(s) is retained to manage. A fixed income manager(s) has full discretion to place funds into cash; however, the fixed income manager(s)'s performance will be measured against the investment benchmark detailed in the Letter of Instruction.

2.7.5 When prudent, system investment personnel may accept appointments on advisory boards or committees for external managers, serving in an advisory capacity with no additional compensation other than reimbursement for out-of-pocket expenses.

3. CASH MANAGEMENT

3.1 A centralized cash management program will be maintained with the objective that all available cash or cash equivalents are invested and reported in accordance with applicable rules and regulations.

3.2 The cash management system will provide competitive and enhanced returns for each member. There will be no subsidy from one member to another. The benefits of the cash management system will exceed the full incremental costs associated with implementing and managing the system.

3.3 The Office of the Chief Financial Officer and Treasurer is assigned staff responsibility for the management oversight of the system-wide cash management system, in coordination with appropriate member officials.

4. INVESTMENTS AND OTHER RELATIONSHIPS WITH DEPOSITORIES

4.1 The Office of the Chief Financial Officer and Treasurer is responsible for the overall coordination and direction of banking relationships, to include investments, deposits, custody and other services with banking and similar financial institutions for the system and its members. Once each year, the Office of the Chief Financial Officer and Treasurer will provide to the chancellor certification that the investments and banking relationships are in compliance with the policy.

4.2 System Depositories

4.2.1 The system is authorized to maintain time and demand bank deposits with only those depositories recommended by the chancellor and approved by the board which have executed a depository agreement. Depository agreements will be executed in accordance with System Policy *25.07, Contract Administration.* Depositories will be selected on the basis of competitive bids, and the bids will be reviewed by the Office of the Chief Financial Officer and Treasurer and made a part of the permanent records of the system. The only exceptions to the above are those working funds (imprest funds) which may be authorized within the system with the approval of the chancellor. Such working funds are excluded from the provisions of the system investment policy inasmuch as such funds are not authorized to be invested. Whenever the amount of a working fund is in excess of needs, the excess will be transferred to the appropriate fiscal officer for management in accordance with system investment policy.

4.2.2 The amount of funds which may be deposited with any system bank will be limited to $100,000,000 or 10% of total deposits, whichever is less. Collateral of 102% will be pledged against all deposits.

4.2.3 Only the chancellor and those officers and/or employees of the members specifically designated in writing by the chief executive officer of each member are authorized to deposit, withdraw, invest, transfer or otherwise manage local funds of the respective members in time and demand deposits with system depositories.

4.3 Responsibilities of System Offices

The Office of the Chief Financial Officer and Treasurer is responsible for the overall administration of system banking relationships. This responsibility includes:

(a) identification of proposed depositories;

(b) securing approval of depositories by the board;

(c) negotiating System Depository and Pledge Agreement(s);

(d) preparation of depository, safe keeping and trust accounts agreements with depositories and trustee institutions for execution by the chancellor;

(e) acceptance and release of securities pledged to secure deposits of the system;

(f) maintenance of relationships with depositories and trustee institutions;

(g) monitoring the amount of funds on deposit for each member in each depository and maintaining collateral at sufficient levels; and

(h) maintenance of records of the specific deposits and related collateral levels for each member for both time and demand deposits;

4.4 Responsibilities of the Chancellor or the Chancellor's Designee at each Member

Within the overall investment and cash management program of the system, the chancellor or the chancellor's designee at each member and his or her successor in office, is responsible for:

(a) reporting and making available for investment by the Office of the Chief Financial Officer and Treasurer all local funds for the member in deposits or other arrangements with system depositories;

(b) designating in writing those persons who are authorized to withdraw, transfer or otherwise place local funds for the member in system depositories; and

(c) furnishing one copy of each designation required by (b) above to the Office of the Chief Financial Officer and Treasurer.

5. SYSTEM ENDOWMENT FUND

5.1 Fund Name, Purpose and Eligibility for Participation

5.1.1 The System Endowment Fund as herein established will be known as "The Texas A&M University System Endowment Fund" (SEF) and will be under the control of the board, as Trustee.

5.1.2 The purpose of the SEF is to provide for the collective investment of all endowment and trust funds held by the system or by the board in a fiduciary capacity. The SEF is to provide funding for scholarships, fellowships, professorships and academic chairs and other uses as specified by donors.

5.1.3 No endowment or trust fund will be admitted unless it is under the sole control, with full discretion as to investments, of the board and/or an official or officials of the system in their official capacity. However, no such official, other than the board or chancellor will have any control over the management of the SEF other than to request admittance or withdrawal of any endowment or trust fund under his or her control as designated trustee thereof. No endowment or trust will be admitted which contains a specific provision against commingling or whose investment restrictions prohibit purchase of securities authorized in this system investment policy.

5.2 Investments

Investments of system funds shall be accomplished in accordance with the following principles, objectives and purposes:

5.2.1 There are two primary investment objectives. One is to provide a continuing and dependable cash payout, stable and preferably growing in real terms, after giving effect to inflation. The second is to cause the total value of the fund to appreciate, over time, exclusive of growth derived from donations.

5.2.2 The cash payout requirement on the SEF is substantial and continuous. Income and capital appreciation must be sufficient to provide an adequate and consistent cash stream for the development of excellence and distinction in the academic programs of the system. In addition, the SEF needs to appreciate to ensure preservation of the purchasing power of the SEF and also to satisfy the need for payout growth in the future.

5.2.3 Management of the SEF attempts to meet these objectives by maximizing the return on the SEF's investments, consistent with an appropriate level of risk. Additionally, the SEF shall be diversified at all times to provide reasonable assurance that investment in a single security, a class of securities or industry will not have an excessive impact on the SEF.

5.2.4 A goal of the SEF is to maintain a balance between investment objectives and liquidity needs. Liquidity is necessary to meet the cash payout requirements and any extraordinary events. In many instances, the most appropriate investment option is one that comes with liquidity constraints. The tradeoff between appropriateness and liquidity will be considered throughout the portfolio construction process.

5.3 Asset Allocation

5.3.1 The SEF's asset allocation policy will be consistent with the investment objectives and risk tolerances. These policies, developed after examining the historical relationships of risk and return among asset classes and integrating an analysis of both assets and liabilities, are designed to provide the highest probability of meeting or exceeding the SEF's return objectives at the lowest possible risk. The overall objective of the SEF is to invest the funds in such a manner as to achieve a reasonable balance of growth of corpus and consistent payout while maintaining the purchasing power of these endowments, as can reasonably be achieved within the framework of the policy consistent with the system's objective of the safety and preservation of capital. Although dynamic capital markets may cause fluctuating risk/return opportunities over a market cycle, the following standards will be used as a flexible framework for asset allocation as measured at market value. The targets outlined below represent the current allocation objective of the board and shall be adhered to within the range for each asset class as outlined below. The board recognizes markets will fluctuate and accordingly charges the Office of the Chief Financial Officer and

Treasurer with aligning the actual allocation towards these targets on a quarterly basis.

Types of Securities	Target	Range
Fixed Income	15%	10% - 20%
Domestic Equity	20%	15% - 25%
International Equity	20%	15% - 25%
Inflation Hedging	12%	8% - 18%
Absolute Return	18%	14% - 22%
Private Equity	15%	11% - 22%

The SEF will compare total fund performance to a Policy Index that approximates the long-term asset allocation and an Asset Allocation Index that approximates the actual asset allocation of the SEF, adjusted quarterly. The investment benchmarks that comprise the Policy Index and the Asset Allocation Index will be those detailed in the Letters of Instruction and/or designated by the Office of the Chief Financial Officer and Treasurer.

5.3.2 Fixed income will be managed with a duration of +/- 20% of the effective duration of the investment benchmark detailed in the Letter of Instruction while seeking to outperform the investment benchmark and to attain performance in the top quartile when compared to an appropriate manager universe over a five-year moving time period. Long-term preservation of capital is the primary objective when making any fixed income investment.

5.3.3 Bank loans will be invested through institutional commingled funds.

5.3.4 The equity allocation will be diversified among the various management styles in order to attain the desired expected return within appropriate risk tolerances. These assets will be managed at a risk level (beta) of no greater than 1.20 times the investment benchmark detailed in the Letter of Instruction while seeking to outperform the investment benchmark and to attain performance in the top quartile when compared to an appropriate manager universe over a five-year moving time period. Diversification of each equity manager's portfolio will require no more than 25% of equities in one industry. Each equity manager is expected to stay fully invested in equities. In general, cash or cash equivalents should not exceed 5% of the market value of each equity portfolio. In the event of severe economic/market conditions or strong liquidity needs, the investment managers may raise a significant amount of cash. Any such decision arising from economic/market conditions must be explained in writing to the system staff within 10 working days thereafter. Any other deviations must first be communicated to, and approved in writing by, the designated member of the system staff. Long-term appreciation of the fund is the primary objective when making any equity investment.

5.3.5 Inflation Hedge, Absolute Return and Private Equity funds will be selected and evaluated based on, but not limited to, the following criteria: Tenure and track record of management team, expertise in targeted areas of investment,

diversification strategy, use of leverage, liquidity of investments and performance relative to similar investments.

5.4 Distribution of Income

Distribution will be made quarterly as soon as practicable after the last calendar day of November, February, May and August of each fiscal year to the endowment and trust funds participating in the SEF during the respective quarter. The income distribution per unit for each fiscal year will be to distribute, excluding fees, 5% of the 20-quarter average market value per unit as of the end of the previous February.

5.5 Amendment or Termination of Plan

The board reserves the right to amend or terminate the SEF as it deems necessary or advisable.

6. SYSTEM CASH CONCENTRATION POOL

6.1 Fund Name, Purpose and Eligibility for Participation

6.1.1 The Cash Concentration Pool herein established will be known as "The Texas A&M University System Cash Concentration Pool" (Pool) and will be under the control of the board. The direction of the Pool will be under the chancellor in accordance with Section 1.3.

6.1.2 The purpose of the Pool is to provide for the collective investment of all operating, non-operating and other funds resting with system or its members. The Pool was established to provide incremental return to assist in meeting the operating needs of the system.

6.1.3 All funds deposited into the Pool must be under sole control of the board and/or an official or officials of the system in their official capacity. However, no such official, other than the chancellor, shall have any control over the management of the Pool other than to request deposits or withdrawals on the fund.

6.2 Investments

The Pool will be limited to such investments as are eligible under system investment policy as adopted by the board as amended from time to time.

6.3 Asset Allocation

6.3.1 The Pool's asset allocation policy will reflect, and be consistent with, the investment objectives and risk tolerances. These policies, developed after examining the historical relationships of risk and return among asset classes and integrating an analysis of both assets and liabilities, are designed to provide the highest probability of meeting or exceeding the Pool's return objectives at the lowest possible risk. The overall objective of the Pool is to invest the funds in such a manner as to achieve a reasonable balance of growth of corpus and consistent payout to meet the operating needs of the system, as can reasonably be

achieved within the framework of the policy consistent with the system's objective of the safety and preservation of capital. Although dynamic capital markets may cause fluctuating risk/return opportunities over a market cycle, the following standards will be used as a flexible framework for asset allocation and portfolio structure (as measured at market value). The targets outlined below represent the current allocation objective of the board and shall be adhered to within the range for each asset class as outlined in this section. The board recognizes markets will fluctuate and accordingly charges the Office of the Chief Financial Officer and Treasurer with aligning the actual allocation towards these targets on a quarterly basis. All allocation percentages are to be exclusive of debt proceeds which are to be invested in the Short-Term Portfolio.

Types of Securities	Target	Range
Short-Term Portfolio	8%	6% - 12%
Liquidity Portfolio	10%	8% - 12%
Fixed Income	25%	20% - 30%
Domestic Equity	20%	15% - 25%
International Equity	17%	13% - 21%
Absolute Return	20%	18% - 22%

6.3.2 The Short-Term Portfolio will be managed to meet short-term cash requirements with a duration not to exceed one year.

6.3.3 The Liquidity Portfolio will be managed with a duration +/- 20% of the effective duration of the investment benchmark detailed in the Letter of Instruction, while seeking to outperform the investment benchmark and to attain performance in the top quartile when compared to an appropriate manager universe over a five-year moving time period.

6.3.4 Fixed Income will be managed with a weighted average duration +/- 20% of the effective duration of the investment benchmark detailed in the Letter of Instruction, while seeking to outperform the investment benchmark and to attain performance in the top quartile when compared to an appropriate manager universe over a five-year moving time period.

6.3.5 The Equity Portfolios will be diversified among the various management styles and equity asset classes in order to attain the desired expected return within appropriate risk tolerances. These assets will be managed at a risk level (beta) not to exceed 1.20 times the investment benchmark detailed in the Letter of Instruction while seeking to outperform the investment benchmark and to rank in the top quartile when compared to an appropriate manager universe over a five-year moving time period. Diversification of each manager's portfolio will require no more than 25% of equities in one industry. Each equity manager is expected to stay fully invested in equities. In general, cash and cash equivalents should not exceed 5% of the market value of each equity portfolio.

6.3.6 Bank loans will be invested through institutional commingled funds.

6.3.7 Absolute return strategies will be selected and evaluated based on, but not limited to, the following criteria: Tenure and track record of management team,

expertise in targeted areas of investment, diversification strategy, use of leverage, liquidity of investments, level of general partner investment, fees and potential conflicts of interest.

6.4 Amendment or Termination of Plan

The board reserves the right to amend or terminate the Pool as it deems necessary or advisable.

7. PLACEMENT AGENTS

Prior to investing with an investment manager, the system shall obtain a statement from the manager that it did not use a placement agent in connection with the system's investment or, if the manager has used a placement agent, it will disclose details about the placement agent including: the name of the placement agent; fee paid or payable to the placement agent; copy of the agreement between the manager and the placement agent; representation that the fee is the sole obligation of the investment manager and not the system; current or former board members, treasury personnel, or consultants or a member of the immediate family of such person that is employed by or receiving compensation from the placement agent; and regulatory agencies with which the placement agent or affiliates are registered or why registration is not required.

8. CONFLICTS OF INTEREST

Board members are frequently persons of wide-ranging business interests. Therefore, a prudent, independent investment decision process may result in investments in firms or organizations with which a board member is affiliated. Affiliation shall be interpreted within this section to mean an employee, officer, director or owner of five percent or more of the voting stock of a firm or organization. The investment staff or an unaffiliated investment manager may invest in such securities. However, the following restrictions shall apply:

(a) a board member shall not direct nor participate in the decision to purchase or sell securities of a firm with which such board member is affiliated; and

(b) investments will not be purchased from or sold to a board member.

Related Statutes, Policies, or Requirements

System Policy *25.07, Contract Administration*

Texas Education Code §§ 51.003, 51.0031

Texas Property Code Chapter 163

Contact Office

Office of Treasury Services
(979) 458-6330

Exhibit C (Item 3)

TWENTY-THIRD SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM BONDS IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF $460 MILLION, AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

Adopted August 3, 2012

TWENTY-THIRD SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM BONDS IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF $460 MILLION, AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

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TWENTY-THIRD SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM BONDS IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF $460 MILLION, AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

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

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

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

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

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

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

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

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

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

Section 1. DEFINITIONS.

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

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

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

(a) The Board's "BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM BONDS, SERIES _____," are hereby authorized to be issued and delivered in the maximum principal amount (determined without regard to premium or discount affecting the sale price) of $460 Million, in one or more Series or sub-series (as Tax-Exempt Bonds, Taxable Bonds or any combination thereof) as determined by the Designated Financial Officer pursuant to the terms of this Twenty-Third Supplement. The Bonds shall be designated by the year in which they are awarded pursuant to Section 3 below, and each Series within a year may have a letter designation following the year as determined by the Designated Financial Officer. The title of the Bonds may also be revised by a Designated Financial Officer as reflected in the Award Certificate pursuant to Section 3(b) hereof to reflect the status of the Bonds as Tax-Exempt Bonds or Taxable Bonds, as applicable. The authority conferred by this Twenty-Third Supplement to (i) act on behalf of the Board in selling any Series of Bonds and (ii) award the sale of the Bonds of such Series to a bidder in a competitive sale or execute one or more Bond Purchase Contract(s) pursuant to this Section shall expire at 11:59 p.m. on August 31, 2013. Any Series of Bonds awarded pursuant to an official bid form or sold pursuant to a Bond Purchase Contract executed on or before August 31, 2013, may be delivered after such date.

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

(c) To the extent that it is economically reasonable, improvements or facilities to be financed or refinanced pursuant to Sections 55.1711, 55.1721, 55.1731, 55.1741, 55.17411, 55.1751, 55.1771 of the Education Code, or similar provisions currently existing or hereafter enacted by the Legislature ("Section 55.17 Projects") shall be financed in separate Series of

Bonds and the Award Certificate relating to each such Series of Bonds shall show the principal amount of Parity Obligations, including the Bonds, issued for each Participant to finance or refinance Section 55.17 Projects and the additional Parity Obligations that may be issued pursuant to such sections. Each Series of Bonds issued to refund portions of the Potential Refunded Bonds that were issued pursuant to such sections of the Education Code or issued to refund Parity Obligations issued pursuant to such sections, or any similar section, may also be included in that separate Series of Bonds.

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

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

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

(b) Award Certificate. As authorized by Chapter 1371, Government Code, as amended, the Designated Financial Officer is hereby authorized, appointed, and designated to act on behalf of the Board in selling and delivering the Bonds and carrying out the other procedures specified in this Resolution, including determining and fixing: (i) the date of the Bonds, (ii) any additional or different designation or title by which the Bonds shall be known, (iii) the price at which the Bonds will be sold, (iv) the years in which the Bonds will mature, (v) the principal amount of the Bonds to mature in each of such years, (vi) the aggregate principal amount of the Bonds, including the aggregate principal amount of Current Interest Bonds and Capital Appreciation Bonds, (vii) the rate of interest to be borne by each maturity, (viii) the interest payment periods, (ix) the dates, price, and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Board, as well as any mandatory sinking fund redemption provisions, if any, (x) the designation of which notes shall constitute the Refunded Notes refunded by the Bonds, (xi) the designation of which Potential Refunded Bonds shall constitute the Refunded Bonds, (xii) the Paying Agent/Registrar and Escrow Agent, if applicable, for the Bonds, (xiii) whether the Bonds shall be issued as Tax-Exempt Bonds or Taxable Bonds, (xiv) the Authorized Denominations for any Taxable Bonds and (xv) all other matters relating to the issuance, sale, and delivery of the Bonds, and the refunding of the Refunded Obligations. All such determinations made by the Designated Financial Officer shall be specified in a certificate of the Designated Financial Officer delivered to the Executive Director to the Board (the "Award Certificate"). Such determinations shall be limited by the following: (1) the price to be paid for the Bonds shall not be less than 95% of the aggregate original principal amount thereof plus accrued interest thereon from their dated date to their date

of initial delivery, (2) none of the Bonds shall bear interest at a rate greater than the maximum rate allowed by law, (3) no stated maturity of any Bond shall be later than June 1, 2046; (4) the aggregate principal amount of the Bonds shall not exceed the amount authorized in Section 2(a) hereof and (5) Bonds shall be issued to refund all or a portion of the Potential Refunded Bonds only if that refunding, assuming that each Series sold and delivered at the same time is one Series, results in a debt service savings in each year the Refunding Bonds are scheduled to be outstanding and the refunding results in the minimum present value savings set forth in the following paragraph.

In establishing the aggregate principal amount of a Series of Bonds to be issued, in whole or in part, to refund Refunded Bonds, the Designated Financial Officer shall establish an amount, not to exceed the amount authorized in Section 2(a) hereof after taking into account the Bonds to be issued to finance the costs of the Revenue Financing System improvements set forth in the Award Certificate, sufficient to provide for the refunding of the maximum amount of the Potential Refunded Bonds that will result in a present value savings when the scheduled debt service payable on such Bonds during each Bond Year is subtracted from the scheduled debt service payable on the Refunded Bonds during the same Bond Year and the remainder is discounted to the scheduled date of delivery of the Bonds of such Series set forth in the Award Certificate at a discount factor equal to the yield on such Bonds determined in accordance with section 148 of the Code; provided that in the case of Refunded Bonds being refunded within 90 days prior to their maturity or earlier redemption date, the present value savings must not be less than an amount equal to 0.04 times the principal amount of the Refunded Bonds being refunded by the Bonds of such Series; and provided further that in the case of Refunded Bonds being advance refunded more than 90 days prior to their maturity or earlier redemption date, the present value savings must not be less than an amount equal to 0.05 times the principal amount of the Refunded Bonds being refunded by the Bonds of such Series The amount of the savings to be realized from the refunding shall be shown in the Award Certificate. The Award Certificate for each Series that is issued to refund Refunded Bonds or Refunded Notes shall also identify the Refunded Bonds or Refunded Notes being refunded by that Series.

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

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

Section 5 of the Master Resolution with respect to the Parity Obligations to be issued for such improvement or facility, and (iii) the project must have received any required approval or review of the Higher Education Coordinating Board to the extent and as required by the provisions of Section 61.058 of the Texas Education Code.

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

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

If the Designated Financial Officer determines that a Series of Bonds should be sold at a competitive sale, the Designated Financial Officer shall prepare a notice of sale and official statement in such manner as the Designated Financial Officer deems appropriate, to make the notice of sale and official statement available to those institutions and firms wishing to submit a bid for the Series of Bonds, to receive such bids, and to award the sale of the Series of Bonds to the bidder submitting the best bid in accordance with the provisions of the notice of sale. If the Designated Financial Officer determines that a Series of Bonds should be sold by a negotiated sale, the Designated Financial Officer shall designate the senior managing underwriter for such Series of Bonds and such additional investment banking firms as he or she deems appropriate to assure that the Bonds are sold on the most advantageous terms to the Financing System. The Designated Financial Officer, acting for and on behalf of the Board, is authorized to enter into and carry out the terms of a Bond Purchase Contract for each Series of the Bonds to be sold by negotiated sale, with the underwriter(s) thereof at such price, with and subject to such terms as determined by the Designated Financial Officer pursuant to subsection (b) above. Each Bond Purchase Contract shall be substantially in the form and substance previously approved by the Board in connection with the authorization of Parity Obligations with such changes as are acceptable to the Designated Financial Officer, including those set forth in this Twenty-Third Supplement with respect to disclosure documents and continuing disclosure provisions.

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

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

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

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

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

being calculated bears to the total number of days (based on 30-day months) from such last preceding Compounding Date to the next succeeding Compounding Date.

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

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

(b) Registration Books. The Board shall keep books or records for the registration of the transfer, exchange, and replacement of Bonds (the "Registration Books"), and the Board hereby designates the Paying Agent/Registrar as the initial registrar and transfer agent to keep such books or records and make such registrations of transfers, exchanges, and replacements under such reasonable regulations as the Board may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, exchanges, and replacements as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Board, if not the Paying Agent/Registrar, shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

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

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

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

Authentication Certificate, in the form set forth in the FORM OF BONDS set forth in this Resolution.

(f) Transfer. Exchange, or Replacement. Each Bond issued and delivered pursuant to this Twenty-Third Supplement, to the extent of the unpaid or unredeemed principal amount or Maturity Amount thereof, may, upon surrender of such Bond at the corporate trust office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, may, at the option of the registered owner or such assignee or assignees, as appropriate, be exchanged for fully registered bonds, without interest coupons, in the appropriate form prescribed in the FORM OF BONDS set forth in this Twenty-Third Supplement, in the denomination of any Authorized Denominations (subject to the requirement hereinafter stated that each substitute Bond shall be of the same series and have a single stated maturity date) as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount or Maturity Amount equal to the unpaid or unredeemed principal amount or Maturity Amount of any Bond or Bonds so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. If a portion of any Bond shall be redeemed prior to its scheduled maturity as provided herein, a substitute Bond or Bonds having the same series designation and maturity date, bearing interest at the same rate, and payable in the same manner, in Authorized Denominations at the request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon surrender thereof for cancellation, If any Bond or portion thereof is assigned and transferred, each Bond issued in exchange therefor shall have the same series designation and maturity date and bear interest at the same rate and payable in the same manner as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange or replace Bonds as provided herein, and each fully registered bond delivered in exchange for or replacement of any Bond or portion thereof as permitted or required by any provision of this Twenty-Third Supplement shall constitute one of the Bonds for all purposes of this Twenty-Third Supplement, and may again be exchanged or replaced. On each substitute Bond issued in exchange for or replacement of any Bond or Bonds issued under this Twenty-Third Supplement there shall be printed an Authentication Certificate, in the form set forth in Exhibit B to this Twenty-Third Supplement. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the above Authentication Certificate, and, except as provided in (e) above, no such Bond shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Bonds surrendered for transfer, exchange, or replacement. No additional resolutions need be passed or adopted by the Board or any other body or person so as to accomplish the foregoing transfer, exchange, or replacement of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein. Pursuant to Chapter 1203, Texas Government Code, as amended, the duty of transfer, exchange, or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the above Paying Agent/Registrar's Authentication Certificate, the exchanged or replaced Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which were originally issued pursuant to this Twenty-Third Supplement. The Board shall pay the Paying Agent/Registrar's standard or customary fees and charges, if any, for transferring,

and exchanging any Bond or any portion thereof, but the one requesting any such transfer and exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, exchange, or replacement of Bonds or any portion thereof during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following interest payment date. To the extent possible, any new Bond issued in an exchange, replacement, or transfer of a Bond will be delivered to the registered owner or assignee of the registered owner not more than three business days after the receipt of the Bonds to be cancelled and the written request as described above.

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

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

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Board and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest on the Bonds. Without limiting the immediately preceding sentence, the Board and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown on the Registration Books, of any notice with respect to the Bonds, including any

notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Bondholder, as shown in the Registration Books of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Twenty-Third Supplement to the contrary, but to the extent permitted by law, the Board and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective owners, as shown in the Registration Books as provided in this Twenty-Third Supplement, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Board's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the Board to make payments of principal, premium, if any, and interest pursuant to this Twenty-Third Supplement. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Twenty-Third Supplement with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the word "Cede & Co." in this Twenty-Third Supplement shall refer to such new nominee of DTC.

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

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

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

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

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

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

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

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

Appreciation Bonds and Current Interest Bonds, redemption provisions, and the information to be included in the purpose clause.

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

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

Section 9. PAYMENTS. (a) Immediately after the delivery of the Bonds, the Board shall deposit all accrued interest received from the sale and delivery of the Bonds to the credit of a special account to be held to pay interest on the Bonds on the first interest payment date.

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

Section 10. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS. (a) Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same Series, principal amount, maturity, and interest rate, and in the

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

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

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

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

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

Section 11. AMENDMENT OF SUPPLEMENT. (a) Amendments Without Consent. This Twenty-Third Supplement and the rights and obligations of the Board and of the owners of the Bonds may be modified or amended at any time without notice to or the consent of any owner of the Bonds or any other Parity Obligations, solely for any one or more of the following purposes:

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

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

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

(iv) To make such other changes in the provisions of this Twenty-Third Supplement as the Board may deem necessary or desirable and which does not, in the judgment of the Board, materially adversely affect the interests of the owners of Parity Obligations; or To make any changes or amendments requested by any bond rating agency then rating or requested to rate Bonds, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Board, materially adversely affect the interests of the owners of the Outstanding Bonds,

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

(1) Make any change in the maturity of the Outstanding Bonds;

(2) Reduce the rate of interest borne by Outstanding Bonds;

(3) Reduce the amount of the principal payable on Outstanding Bonds;

(4) Modify the terms of payment of principal of or interest on the Outstanding Bonds, or impose any conditions with respect to such payment;

(5) Affect the rights of the owners of less than all Bonds then Outstanding; or Change the minimum percentage of the Outstanding Principal Amount of Bonds necessary for consent to such amendment.

(c) Notice. If at any time the Board shall desire to amend this Twenty-Third Supplement pursuant to (b) above, the Board shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in the City of New York, New York, once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy

thereof is on file at the principal office of the Registrar for inspection by all owners of Bonds. Such publication is not required, however, if the Board gives or causes to be given such notice in writing to each owner of Bonds.

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

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

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

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

Section 12. COVENANTS REGARDING TAX MATTERS. (a) Definitions. When used in this Section, the following terms have the following meanings:

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

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

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

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

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

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

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

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

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

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

"Yield of"

(1) any Investment shall be computed in accordance with Section 1.148-5 of the Regulations, and

(2) the Tax-Exempt Bonds shall be computed in accordance with Section 1.148-4 of the Regulations.

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

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

(i) exclusively own, operate, and possess all property the acquisition, construction, or improvement of which is to be financed directly or indirectly with Gross Proceeds of the Tax-Exempt Bonds (including property financed with Gross Proceeds of the Refunded Bonds or notes or bonds refunded by the Refunded Bonds) and not use or

permit the use of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds in any activity carried on by any person or entity other than a state or local government, unless such use is solely as a member of the general public, or

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

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

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

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

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

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

(i) account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds

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

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

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

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

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

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

(k) No Disposition. The Board covenants that the property financed with the proceeds of the Tax-Exempt Bonds or the Refunded Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the Board of cash or other compensation, unless the Board obtains an opinion of Bond Counsel that such sale or other disposition will not

adversely affect the tax-exempt status of the Tax-Exempt Bonds or the Refunded Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation.

Section 13. CONTINUING DISCLOSURE UNDERTAKING. (a) Annual Reports. The Board shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of each Fiscal Year, financial information and operating data with respect to The Texas A&M University System, including the Annual Financial Report of The Texas A&M University System, as determined by the Designated Financial Officer at the time the Bonds are sold. The Award Certificate shall specify such financial information and operating data. Any financial statements with respect to The Texas A&M University System so to be provided shall be (1) prepared on an accrual basis, or such other basis as the Board may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the Board commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not so provided within the required period, then the Board shall provide unaudited financial statements for the applicable Fiscal Year to the MSRB, in an electronic format as prescribed by the MSRB, and shall file audited financial statements when and if audited financial statements become available. If audited financial statements are not prepared for any Fiscal Year and audited financial statements are prepared with respect to the State of Texas for such Fiscal Year, the Board shall provide, or cause to be provided, the audited financial statements of the State of Texas for the applicable Fiscal Year to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of said Fiscal Year or as soon thereafter as such audited financial statements become available from the State Auditor of the State of Texas. Any such audited financial statements of the State of Texas so provided shall be prepared in accordance with generally accepted accounting principles for state governments, as such principles may be changed from time to time to comply with state law.

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

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

(b) Material Event Notices. The Board shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds: (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed

Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of holders of the Bonds, if material; (viii) bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the obligated person; (xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) the appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 19. REFUNDING OF REFUNDED OBLIGATIONS; ESCROW AGREEMENTS. (a) Concurrently with the delivery of Bonds issued to refund Refunded Notes, the Designated Financial Officer shall cause to be deposited with the Issuing and Paying Agent for the Refunded Notes or with an Escrow Agent selected by the Designated Financial

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

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

(c) With regards to issuance of any Series of Bonds constituting Refunding Bonds, as provided in Section 2(b) above, the Designated Financial Officer shall designate in the Award Certificate the particular Potential Refunded Bonds to be refunded by such Series of Bonds; provided, that the Award Certificate in which Refunded Bonds are so designated must contain a certification to the effect that the Bonds of such Series being issued to refund such Refunded Bonds are being sold on terms that produce a present value savings when the scheduled debt service payable on such Bonds during each Bond Year is subtracted from the scheduled debt service payable on the Refunded Bonds during the same Bond Year and the remainder is discounted to the scheduled date of delivery of the Bonds of such Series set forth in the Award Certificate at a discount factor equal to the yield on such Bonds determined in accordance with section 148 of the Code; provided that in the case of Refunded Bonds being refunded within 90 days prior to their maturity or earlier redemption date, the present value savings must not be less than an amount equal to 0.04 times the principal amount of the Refunded Bonds being refunded by the Bonds of such Series; and provided further that in the case of Refunded Bonds being advance refunded more than 90 days prior to their maturity or earlier redemption date, the present value savings must not be less than an amount equal to 0.05 times the principal amount of the Refunded Bonds being refunded by the Bonds of such Series.

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

date(s) set forth in the Award Certificate, at a redemption price of par (plus accrued interest to the date fixed for redemption).

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

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

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

Section 20. APPLICATION OF BOND PROCEEDS. (a) Proceeds from the sale of the Bonds shall, promptly upon receipt thereof, be applied by the Designated Financial Officer, as follows: accrued interest for the Bonds shall be deposited as provided in Section 9 hereof; an amount sufficient to accomplish the purposes of Section 19 hereof shall be so applied; an amount sufficient to pay the cost of acquiring, purchasing, constructing, improving, enlarging, and equipping the improvements being financed with the proceeds of the Bonds shall be deposited in the Board's accounts to be used for such purposes; and the amount of any premium received as a portion of the purchase price of the Bonds issued to finance or refinance, through the refunding of the Refunded Notes, improvements or facilities to be financed or refinanced pursuant to Section 55.17 Authorization, that is not to be counted against the authorized amount of bonds that can be issued pursuant to such Section 55.17 Authorization, shall, except as otherwise allowed by state law, including Sections 1201.042 and 1201.029 of the Texas Government Code, be credited to a special account to be held to pay interest on the Bonds on the first interest payment date; and any proceeds from the sale of the Bonds remaining after the deposits provided for in clauses (i) through (iv) above, shall be applied to pay expenses arising in connection with the issuance of the Bonds and the refunding of the Refunded Obligations.

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

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

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

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

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

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

Section 21. FURTHER PROCEDURES. The Chairman, Vice Chairman and Executive Director to the Board, and each member of the Board, the Designated Financial Officer, and all other officers, employees, and agents of the Board, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Board all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Twenty-Third Supplement, the Award Certificate, the Blanket Letter of Representation with DTC regarding the Book-Entry-Only System, the Bonds, the sale and delivery of the Bonds and fixing all details in connection therewith, and the refunding of the Refunded Obligations. Notwithstanding anything to the contrary contained herein, while the Bonds are subject to DTC's Book-Entry-Only System and to the extent permitted by law, the Blanket Letter of Representation is hereby incorporated herein and its provisions shall prevail

over any other provisions of this Twenty-Third Supplement in the event of conflict. In addition, the Designated Financial Officer is authorized to submit a notice of intent to the Texas Bond Review Board requesting the approval of the issuance of the Bonds if such approval is required by law. In case any officer whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. In addition, the Designated Financial Officer, General Counsel, and Bond Counsel are hereby authorized to approve, subsequent to the date of the adoption of this Twenty-Third Supplement, any amendments to the above named documents, and any technical amendments to this Twenty-Third Supplement as may be required by a Nationally-Recognized Rating Agency as a condition to the granting of a rating on the Bonds or as required by the office of the Texas Attorney General as a condition to the approval of the Bonds.

Section 22. APPROVAL OF NOTICE OF SALE AND OFFICIAL STATEMENT. The Designated Financial Officer is authorized and directed to provide for and oversee the preparation of a notice of sale, if appropriate, a preliminary Official Statement and a final Official Statement in connection with the issuance of each Series of the Bonds, and to approve such official statement and deem it final in compliance with the Rule and to provide it to the Purchasers of the Bonds in compliance with such Rule.

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

Section 24. ADDITIONAL DEFEASANCE PROVISIONS. (a) In addition to the defeasance provisions set forth in Section 12 of the Master Resolution, it is hereby provided that, to the extent that the Bonds are treated as Defeased Debt for purposes of Section 12 of the Master Resolution, any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified in Section 12(a)(i) or (ii) of the Master Resolution shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the Board expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the defeasance; (3) directs that notice of the reservation be included in any redemption notices that it authorizes; and (4) at or prior to the time of the redemption, satisfies the conditions of subsection (a) of Section 12 of the Master Resolution with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

(b) Notwithstanding the provisions of Section 12(c) of the Master Resolution, in connection with the defeasance of the Bonds pursuant to Section 12 of the Master Resolution, the term Government Obligations shall mean (i) direct, noncallable obligations of the United States

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

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

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

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

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

hereby authorized to provide and complete an appropriate Notice of Redemption to the paying agent(s) for such Parity Obligations upon the deposit with the Escrow Agent of such available funds and compliance with the conditions set forth in the Escrow Agreements.

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

EXHIBIT A

DEFINITIONS

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

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

The term "Authorized Denominations" means $5,000 or any integral multiple thereof with respect to Current Interest Bonds and $5,000 in Maturity Amount or any integral multiple thereof with respect to Capital Appreciation Bonds; provided that with respect to any Taxable Bonds, such term shall mean any authorized denomination for such Taxable Bonds established in the Award Certificate.

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

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

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

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

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

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

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

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

The term "Compounded Amount" means, with respect to a Capital Appreciation Bond, as of any particular date of calculation, the original principal amount thereof, plus all interest accrued and compounded to the particular date of calculation, as determined in accordance with

Section 4 of this Twenty-Third Supplement and the Compounded Amount Table relating to such Bonds.

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

The term "Compounding Dates" means Compounding Dates as defined in Section 4 of this Twenty-Third Supplement.

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

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

The term "Designated Financial Officer" means each Designated Financial Officer under the Master Resolution and shall include the Chancellor, the Chief Financial Officer and Treasurer, the Director of Treasury Services, or such other officer or employee of the System authorized by the Board to act as a Designated Financial Officer.

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

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

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

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

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

The term "MSRB" shall mean the Municipal Securities Rulemaking Board.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The term "Section 55.17 Projects" means the improvements or facilities to be financed or refinanced with Bonds pursuant to Sections 55.1711, 55.1721, 55.1731, 55.1741, 55.1741 1, 55.1751, 55.1771 of the Education Code, or similar provisions currently existing or hereafter enacted by the Legislature.

The term "Series" means any designated series of Bonds issued pursuant to this Twenty-Third Supplement.

The term "State" means the State of Texas.

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

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

The term "Twenty-Third Supplement" means this resolution authorizing the Bonds.

EXHIBIT B

FORM OF BONDS

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

R-	UNITED STATES OF AMERICA	PRINCIPAL
	STATE OF TEXAS	AMOUNT
	BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM	$

REVENUE FINANCING SYSTEM BOND,

SERIES_____

INTEREST RATE	MATURITY DATE	[DATED DATE] [ISSUANCE DATE]	CUSIP NO.
____%	_____, 20___	_____	

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

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

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges, solely from funds of the Board required by the Bond Resolution (hereinafter defined) to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at the corporate trust office of _____ in _____, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Board required by the Bond Resolution (hereinafter defined), to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at the address of the registered owner, as it appeared on the last calendar day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described; provided, that upon the written request of any owner of no less than $1,000,000 in aggregate principal amount of the Bonds, delivered to the Paying Agent/Registrar not later than the Record Date immediately preceding an interest payment date, interest due on such interest payment date shall be made by wire transfer to any designated account within the United States of America. In addition, interest may be paid by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. Any accrued interest due upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for redemption and payment at the corporate trust office of the Paying Agent/Registrar. The Board covenants with the registered owner of this Bond that on or before each principal payment date, interest payment date, and accrued interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the Pledged Revenues, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due, in the manner set forth in the resolution authorizing the issuance of this Bond adopted by the Board on August 3, 2012 (the "Bond Resolution"). Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Board and the securities depository. Terms used herein and not otherwise defined have the meanings given in the Bond Resolution.

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

CR- UNITED STATES OF AMERICA PRINCIPAL

STATE OF TEXAS AMOUNT

BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM $

REVENUE FINANCING SYSTEM BOND,

SERIES_____

INTEREST RATE	MATURITY DATE	[ISSUANCE DATE]	CUSIP NO.
___%	_____, 20___	_____	

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

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

THE MATURITY AMOUNT OF this Bond is payable in lawful money of the United States of America, without exchange or collection charges, solely from funds of the Board required by the Bond Resolution to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided. The Maturity Amount or Compounded Amount of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, as the case may be, at the corporate trust office of _____ in _____, which is the "Paying Agent/Registrar" for this Bond. The Board covenants with the registered owner of this Bond that on or before the Maturity Date for this Bond it will make available to the Paying

Agent/Registrar, the amount required to provide for the payment, in immediately available funds, of the Maturity Amount when due, in the manner set forth in the resolution authorizing the issuance of this Bond adopted by the Board on August 3, 2012 (the "Bond Resolution"). Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Board and the securities depository. Terms used herein and not otherwise defined have the meaning given in the Bond Resolution.

[FORM OF REMAINDER OF CURRENT INTEREST BONDS

AND CAPITAL APPRECIATION BONDS]

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

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

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

*The Bonds of this issue scheduled to mature on _____, are subject to mandatory sinking fund redemption prior to their scheduled maturity and shall be redeemed by

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

Bonds Maturing _____

Redemption Date	Principal Amount

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

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

aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Board, all as provided in the Bond Resolution.

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

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

or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

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

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

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

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

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

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

(signature)	(signature)
Executive Director to the Board of Regents of The Texas A&M University System	Chairman, Board of Regents of The Texas A&M University System

(BOARD SEAL)

* The redemption provisions shall be conformed to the language relating to redemption in the Award Certificate. Provisions of Bonds related to redemption are to be deleted if the Bonds are not subject to redemption. Any inconsistencies in such provisions shall be resolved in favor of the Award Certificate.

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

For inclusion in Capital Appreciation Bonds.

[INSERTIONS FOR THE INITIAL BONDS]

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

A. Immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below", and the heading "CUSIP NO." shall be deleted.

B. The first paragraph of the Bond shall be deleted and the following will be inserted (with all blanks and bracketed items to be completed with information contained in the Award Certificate):

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

Principal Installments	Years of Stated Maturities	Interest Rates

(Information from Award Certificate to be inserted)

The Board promises to pay interest on the unpaid principal amount hereof from the Dated Date specified above at the respective per annum rate of interest specified above, calculated on the basis of a 360-day year composed of twelve 30-day months, to the Maturity Date specified above, or the date of redemption prior to maturity; with interest being payable on _____, 200_, and semi-annually on each _____ and _____ thereafter, except that if the date of authentication of this Bond is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date."

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

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

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

_____

Paying Agent/Registrar

Dated

_____

Authorized Representative

Address: _____

_____

FORM OF REGISTRATION CERTIFICATE
OF THE COMPTROLLER OF PUBLIC ACCOUNTS

COMPTROLLER'S REGISTRATION CERTIFICATE

REGISTER NO.

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

Witness my signature and seal this

(COMPTROLLER'S SEAL)

_____
Comptroller of Public Accounts of
the State of Texas

ASSIGNMENT

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

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

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

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

Please insert Social Security or

Other Identification Number of Assignee

/_____/

_____

(Name and Address of Assignee)

the within Bond and does hereby irrevocablyconstitutes and appoints

_____

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

Dated:_____

_____

Signature Guaranteed: _____

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

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

Exhibit D (Item 4)

A RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM PERMANENT UNIVERSITY FUND BONDS IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF $410 MILLION, PLEDGING REVENUES FOR THE PAYMENT THEREOF, AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

Adopted August 3, 2012

A RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM PERMANENT UNIVERSITY FUND BONDS IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF $410 MILLION, PLEDGING REVENUES FOR THE PAYMENT THEREOF, AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

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

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

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

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

WHEREAS, the Board deems it necessary and desirable to issue Additional Parity Bonds (1) to refund such of its outstanding Subordinate Lien Obligations (defined herein) as shall be specified in the Award Certificate executed in accordance with the terms of this Resolution for the purpose of providing permanent financing for facilities and improvements financed with the proceeds of such refunded Subordinate Lien Obligations and of providing the Board with the ability to issue additional Subordinate Lien Obligations in the future as part of the System's continuing Subordinate Lien Obligations program, (2) to refund such of its Outstanding Parity Bonds as shall be specified in the Award Certificate executed in accordance with the terms of this Resolution, for the purpose of producing at least a minimum amount of net present value

savings in accordance with the requirements of this Resolution, (3) to pay the Project Costs (as defined herein) of certain Eligible Projects (as defined herein), and (4) to pay costs of issuance of the Bonds; and

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

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

Section 1. AUTHORIZATION AND FINDINGS.

(a) Bonds Authorized. The Board's bonds, designated as the "Board of Regents of The Texas A&M University System Permanent University Fund Bonds, Series _____" (the "Bonds"), are hereby authorized to be issued and delivered in one or more series in the maximum aggregate principal amount of $410 million for the purposes of (i) refunding the Refunded Notes (as hereinafter defined), (ii) refunding all or a portion of the Potential Refunded Bonds (as hereinafter defined), (iii) paying the Project Costs of certain Eligible Projects; and (iv) paying the costs of issuance relating to the Bonds. The Bonds shall be designated by the year in which they are awarded pursuant to Section 2(b) below; provided that for any Series of Bonds issued as Taxable Bonds (as hereinafter defined) the word "Taxable" shall be included in the designation of such Bonds before the word "Series."

(b) Refunding Purposes.

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

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

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

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

(a) Date, Denominations, and Numbers. The Bonds of each Series shall initially be issued, sold, and delivered hereunder as fully registered bonds, without interest coupons, in the form of (1) Taxable Bonds or Tax-Exempt Bonds and (2) Current Interest Bonds or Capital Appreciation Bonds, numbered consecutively for each Series of Bonds from R-1 upward (or CR-1 upward, in the case of Capital Appreciation Bonds) (except the Initial Bond which shall be

numbered T-1 for the Current Interest Bonds and TR-1 for the Capital Appreciation Bonds), payable to the initial purchaser of the Bonds specified by the Authorized Representative in Award Certificate (the "Initial Purchaser"), or to the registered assignee or assignees of said Bonds or any portion or portions thereof (in each case, the "Registered Owner"), in Authorized Denominations, maturing on the dates, in the years and in the principal amounts or Maturity Amounts, respectively, and dated, all as set forth in the Award Certificate.

(b) Delegation of Board's Authority. As permitted by Applicable Law, the Authorized Representative is hereby authorized, appointed, and designated to act on behalf of the Board in selling and delivering the Bonds and carrying out other procedures specified in this Resolution, including determining and fixing (i) the date of the Bonds; (ii) any additional or different designations or titles by which the Bonds shall be known, if any; (iii) the price at which the Bonds will be sold; (iv) the years in which the Bonds will mature; (v) the principal amount or Maturity Amount of the Bonds to mature in each of such years; (vi) the aggregate principal amount of the Bonds; (vii) the rate of interest to be borne by each such maturity, and whether the Bonds shall be Tax-Exempt Bonds or Taxable Bonds; (viii) the interest payment periods; (ix) the dates, prices, and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Board, as well as mandatory redemption provisions, if any; (x) the designation of which Subordinate Lien Obligations shall constitute the Refunded Notes refunded by the Bonds; (xi) the designation of which Potential Refunded Bonds shall constitute the Refunded Bonds to be refunded by the Bonds; (xiii) the Paying Agent/Registrar and Escrow Agent, if applicable, with respect to the Bonds; and (xii) all other matters relating to the issuance, sale, and delivery of the Bonds and the refunding of the Refunded Obligations. All such determinations made by the Authorized Representative shall be specified in the Award Certificate delivered to the Executive Director to the Board. Those determinations to be made by the Authorized Representative are limited, however, by the following: (i) the price to be paid for the Bonds shall not be less than 95% of the aggregate par amount thereof, plus any accrued interest thereon from their dated date to the date of initial delivery thereof; (ii) none of the Bonds shall bear interest at a rate greater than the maximum rate allowed by law; (iii) no stated maturity of any Bond shall be later than July 1, 2043, provided that no Bonds shall mature more than 30 years from their respective dates in accordance with the Constitutional Provision; (iv) the aggregate principal amount of the Bonds shall not exceed $410 million and (v) Bonds shall be issued to refund all or a portion of the Potential Refunded Bonds only if that refunding, assuming that each Series of Bonds sold and delivered at the same time is one Series of Bonds, results in the minimum present value savings set forth in the following paragraph.

In establishing the aggregate principal amount of a Series of Bonds to be issued to refund Refunded Bonds, the Authorized Representative shall establish an amount, not to exceed the amount authorized in Section 1(a), sufficient to provide for the refunding of the maximum amount of the Potential Refunded Bonds that will result in a present value savings when the scheduled debt service payable on such Bonds during each Bond Year is subtracted from the scheduled debt service payable on the Refunded Bonds during the same Bond Year and the remainder is discounted to the scheduled date of delivery of the Bonds of such Series set forth in the Award Certificate at a discount factor equal to the yield on such Bonds determined in accordance with section 148 of the Code; provided that in the case of Refunded Bonds being refunded within 90 days prior to their maturity or earlier redemption date, the present value savings must not be less than an amount equal to 0.04 times the principal amount of the Refunded Bonds being refunded by the Bonds of such Series; and provided further that in the case of Refunded Bonds being advance refunded more than 90 days prior to their maturity or

earlier redemption date, the present value savings must not be less than an amount equal to 0.05 times the principal amount of the Refunded Bonds being refunded by the Bonds of such Series. The amount of the savings to be realized from the refunding shall be shown in the Award Certificate. The Award Certificate for each Series that is issued to refund Refunded Bonds or Refunded Notes shall also identify the Refunded Bonds or Refunded Notes being refunded by that Series.

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

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

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

Notwithstanding the foregoing provisions, the Bonds shall not be delivered unless prior to such delivery, the Authorized Representative executes and delivers to the Executive Director to the Board, in addition to the Award Certificate, a certificate relating to the Bonds to the effect set forth in Section 12 of this Resolution.

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

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

The Capital Appreciation Bonds of each Series of Bonds shall bear interest from the Issuance Date for such Series of Bonds, calculated on the basis of a 360-day year composed of twelve 30-day months (subject to rounding to the Compounded Amounts (as hereinafter defined) thereof), compounded semiannually on the dates set forth in the Award Certificate (the "Compounding Dates") commencing on the date set forth in the Award Certificate, and payable, together with the principal amount thereof, in the manner provided in the FORM OF BONDS at the rates set forth in the Award Certificate. Attached to the Award Certificate if Capital Appreciation Bonds are to be issued shall be an Exhibit (the "Compounded Amount Table") which will set forth the rounded original principal amounts at the Issuance Date for the Capital

Appreciation Bonds and the Compounded Amounts and Maturity Amounts thereof (per $5,000 Maturity Amount) as of each Compounding Date, commencing the date set forth in the Award Certificate, and continuing until the final maturity of such Capital Appreciation Bonds. The Compounded Amount with respect to any date other than a Compounding Date is the amount set forth on the Compounded Amount Table with respect to the last preceding Compounding Date, plus the portion of the difference between such amount and the amount set forth on the Compounded Amount Table with respect to the next succeeding Compounding Date that the number of days (based on 30-day months) from such last preceding Compounding Date to the date for which such determination is being calculated bears to the total number of days (based on 30-day months) from such last preceding Compounding Date to the next succeeding Compounding Date.

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

Section 4. CHARACTERISTICS OF THE BONDS.

(a) Paying Agent/Registrar; Registration, Transfer, and Exchange; Authentication. The Board shall keep or cause to be kept at the principal corporate trust office of the Paying Agent/Registrar (as hereinafter defined) books or records for the registration and transfer of the Bonds (the "Registration Books"), and the Board hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers and exchanges under such reasonable regulations as the Board and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, and exchanges as herein provided. Registration of the Bonds shall be accomplished in accordance with the provisions of this Resolution, including Section 14 relating to DTC's Book-Entry-Only System. The Authorized Representative, acting for and on behalf of the Board, is hereby authorized to solicit bids for and to select an initial Paying Agent/Registrar for the Bonds and to approve, execute and deliver for and on behalf of the Board a Paying Agent/Registrar Agreement to reflect the appointment, responsibilities and compensation of the Paying Agent/Registrar, such approval to be conclusively evidenced by the Authorized Representative's execution thereof. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. To the extent possible and under reasonable circumstances, all transfers of Bonds shall be made within three business days after request and presentation thereof. The Board shall have the right to inspect the Registration Books during the Paying Agent/Registrar's regular business hours, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, exchange and delivery of a substitute Bond or Bonds shall be paid as provided in the FORM OF BONDS set forth in this Resolution. Registration of assignments, transfers, and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BONDS set forth in this Resolution. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

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

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

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

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

Section 6. Definitions. In addition to terms defined elsewhere in this Resolution, as used in this Resolution, the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

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

such obligations to be payable from and secured by a first lien on and pledge of the Available University Fund Share on a parity with and of equal dignity to the Outstanding Parity Bonds and the Bonds.

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

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

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

"Authorized Representative" means one or more of the following officers or employees of the System, to-wit: the Chancellor, the Chief Financial Officer and Treasurer, the Director of Treasury Services, or such other officer or employee of the System authorized by the Board to act as an Authorized Representative.

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

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

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

"Board of Regents" or "Board" means the Board of Regents of the System.

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

"Bond Counsel" means Andrews Kurth LLP, or such other nationally-recognized firm designated by the Board as Bond Counsel for purposes of this Resolution.

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

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

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

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

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

"Code" means the Internal Revenue Code of 1986, as amended.

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

"Compounded Amount" means, with respect to a Capital Appreciation Bond, as of any particular date of calculation, the original principal amount thereof, plus all interest accrued and compounded to the particular date of calculation, as determined in accordance with Section 2(c) of this Resolution and the Compounded Amount Table relating to such Bonds.

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

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

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

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

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

"Definitive Bonds" means the Bonds issued in exchange for the Initial Bond.

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

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

"Eligible Project" means the acquisition of land either with or without permanent improvements, the construction and equipping of buildings or other permanent improvements,

major repair and rehabilitation of buildings and other permanent improvements, the acquisition of capital equipment and library books and library materials. The term "Eligible Project" does not include the constructing, equipping, repairing, or rehabilitating of buildings or other permanent improvements that are to be used for student housing, intercollegiate athletics, or auxiliary enterprises.

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

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

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

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

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

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

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

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

"Official Statement" means the disclosure document describing the Bonds of a Series dated the date sale pursuant to Section 20 of this Resolution.

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

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

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

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

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

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

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

"Potential Refunded Bonds" means any of the Outstanding Parity Bonds.

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

"Project Costs" means all costs and expenses incurred in relation to Eligible Project, including, without limitation, design, planning, engineering, and legal costs; acquisition costs of

land, interests in land, right-of-way and easements; construction costs; costs of machinery, equipment, and other capital assets incident and related to the operation, maintenance, and administration of an Eligible Project; and financing costs, including interest during construction and thereafter; underwriters' discount and/or fees; legal, financial, and other professional services; and reimbursements for such Project Costs attributable to an Eligible Project incurred prior to issuance and delivery of the Bonds.

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

"Refunded Notes" means the Commercial Paper Notes or Flex Rate Notes to be refunded by a Series of Bonds as set forth in the Award Certificate.

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

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

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

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

"SEC" means the United States Securities and Exchange Commission.

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

"State" means the State of Texas.

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

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

"System" means The Texas A&M University System.

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

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

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

Section 7. PLEDGE. Pursuant to the Constitutional Provision, the Parity Obligations and the interest thereon, shall be and are hereby equally and ratably secured by and payable from a first lien on and pledge of the Available University Fund Share.

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

Section 9. PAYMENT OF BONDS AND ADDITIONAL PARITY OBLIGATIONS.

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

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

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

Section 11. INVESTMENTS. Subject to the requirements of any Parity Bond Resolution, money in any account or fund established or affirmed pursuant to this Resolution may be invested at the direction of an Authorized Representative in the manner prescribed by law and in accordance with the written policies adopted by the Board.

Section 12. ADDITIONAL OBLIGATIONS.

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

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

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

(a) It is recognized that the UT Board is the legal custodian of the Permanent University Fund, having sole power to administer and invest the Permanent University Fund in accordance with applicable law, provided that the Constitutional Provision affirmatively provides for the allocation of the Available University Fund Share first to the payment of principal of and interest on the Parity Obligations and, thereafter, for the Subordinate Lien Obligations. Therefore, while the Parity Obligations or the Subordinate Lien Obligations are

outstanding and unpaid, the Board covenants to use its best efforts to cause the Permanent University Fund to be administered, invested, and the income therefrom to be distributed, all as required by law and consistent with the Parity Bond Resolutions and this Resolution.

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

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

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

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

(f) The Board will (i) pay the standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the Bonds, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to (A) the transfer of registration of the Bonds, and (B) solely to the extent provided in this Resolution, the exchange of the Bonds.

(g) At all times while the Bonds are outstanding, the Board will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Resolution. The Paying Agent/Registrar will be one entity. The Board reserves the right to, and may at its option, change the Paying Agent/Registrar upon not less than 60 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying

Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Board covenants that it will promptly appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Resolution. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Board. Upon any change in the Paying Agent/Registrar, the Board promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.

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

With respect to the Bonds registered in the name of Cede & Co., as nominee of DTC, the Board and the Paying Agent/Registrar shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Bonds from time to time as securities depository (a "Depository Participant") or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds (an "Indirect Participant"). Without limiting the immediately preceding sentence, the Board and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to any ownership interest in the Bonds, or (ii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a Registered Owner of a Bond, of any amount with respect to principal of or interest on the Bonds. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Bond evidencing the obligation of the Board to make payments of principal and interest pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks or drafts being mailed to the holder, the words "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

In the event that (a) the Board determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason, or (c) DTC or the Board determines that it is in the best interest of the Registered Owners that they be able to obtain certificated Bonds, the Board shall notify the Paying Agent/Registrar, DTC, and Depository Participants of the availability within a reasonable period of time through DTC of certificated Bonds, and the Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the

Board may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the Board, or such depository's agent or designee, and if the Board and the Paying Agent/Registrar do not select such alternate securities depository system, then the Bonds may be registered in whatever names the Registered Owners transferring or exchanging the Bonds shall designate, in accordance with the provisions hereof.

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

Section 15. AMENDMENT OF RESOLUTION.

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

(b) If at any time the Board shall desire to amend a resolution under this Section, the Board shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in New York, New York, once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of each Paying Agent/Registrar for the Parity Obligations for inspection by all owners of Parity Obligations. Such publication is not required, however, if written notice is given to each owner of Parity Obligations.

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

(d) Any consent given by the owner of a Parity Obligation pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first

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

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

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

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

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

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

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

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

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

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

Section 17. DEFEASANCE OF BONDS.

(a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Resolution, except to the extent provided in subsections (c) and (e) of this Section, when payment of the principal of such Bond, plus interest thereon, with respect to Current Interest Bonds, and/or the Maturity Amount with respect to Capital Appreciation Bonds, to the due date or dates (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption or the establishment of irrevocable provisions for the giving of such notice) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar or an eligible trust company or commercial bank for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Government Obligations that mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the Board with the Paying Agent/Registrar or an eligible trust company or commercial bank for the payment of its services until all Defeased Bonds shall have become due and payable or (3) any combination of (1) and (2). At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the revenues herein pledged as provided in this Resolution, and such principal and interest shall be payable solely from such money or Government Obligations.

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

hereinbefore set forth, and all income from all Government Obligations in possession of the Paying Agent/Registrar or an eligible trust company or commercial bank pursuant to this Section which is not required for the payment of such Bond and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be remitted to the Board.

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

(d) Notwithstanding anything elsewhere in this Resolution, if money or Government Obligations have been deposited or set aside with the Paying Agent/Registrar or an eligible trust company or commercial bank pursuant to this Section for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment of the provisions of this Section shall be made without the consent of the registered owner of each Bond affected thereby.

(e) Notwithstanding the provisions of subsection (a) immediately above, to the extent that, upon the defeasance of any Defeased Bond to be paid at its maturity, the Board retains the right under Texas law to later call that Defeased Bond for redemption in accordance with the provisions of this Resolution, the Board may call such Defeased Bond for redemption upon complying with the provisions of Texas law and upon the satisfaction of the provisions of subsection (a) immediately above with respect to such Defeased Bond as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bond and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Bond.

Section 18. CONTINUING DISCLOSURE.

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

State of Texas for the applicable Fiscal Year to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of said Fiscal Year or as soon thereafter as such audited financial statements become available from the State Auditor of the State of Texas. Any such audited financial statements of the State of Texas so provided shall be prepared in accordance with generally accepted accounting principles for state governments, as such principles may be changed from time to time to comply with state law.

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

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

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

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

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

(d) Limitations, Disclaimers, and Amendments. The Board shall be obligated to observe and perform the covenants specified in this Subsection for so long as, but only for so

long as, the Board, the Permanent University Fund, or the Available University Fund Share remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Board in any event will give the notice required by Section 4 of this Resolution any Bond calls and defeasance that cause the Board, the Permanent University Fund, or the Available University Fund Share to no longer be "obligated persons".

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

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

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

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

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

The provisions of this Subsection may be amended by the Board from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Board or the Permanent University Fund, but only if (i) the provisions of this subsection, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (A) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (B) a person that is unaffiliated with the Board and the Permanent University Fund (such as nationally-recognized bond counsel) determines that such amendment

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

Section 19. COVENANTS REGARDING TAX MATTERS.

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

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

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

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

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

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

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

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

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

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

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

"Yield of"

(1) any Investment shall be computed in accordance with Section 1.148-5 of the Regulations, and

(2) the Tax-Exempt Bonds shall be computed in accordance with Section 1.148-4 of the Regulations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 20. SALE OF THE BONDS.

(a) The Authorized Representative is hereby authorized to act for and on behalf of the Board in connection with the issuance and sale of the Bonds. In that capacity, the Authorized Representative, acting for and on behalf of the Board, shall determine the date for issuance and sale of the Bonds and the amount of Bonds to be issued and sold.

(b) Except as contemplated by subsection (c) below, the Bonds of each Series shall be sold by competitive bid at public sale. Prior to the date of public sale, the Authorized Representative, shall cause (i) an appropriate notice of sale, in a form approved by the Authorized Representative, to be published at least one time in a financial publication, journal or report of general circulation among securities dealers in the City of New York (including, but not limited to, *The Bond Buyer* or *The Wall Street Journal*), or in the state of Texas (including, but not limited to, *The Texas Bond Reporter*), and (ii) a preliminary official statement, along with a notice of sale and bidding instructions and an official bid form, to be provided to each bidder, such documents to be in substantially the form and substance previously approved by the Board in connection with the authorization of Parity Obligations, which forms are hereby approved, but with such changes and completions as the Authorized Representative may approve, including such changes and completions to the preliminary official statement as the Authorized Representative may deem necessary or appropriate to enable the Authorized Representative, acting for and on behalf of the Board, to deem the preliminary official statement to be final as of its date, except for such omissions as are permitted by the Rule. Each bidder shall be allowed to name the price for the Bonds of such Series and the rate or rates of interest to be borne by the Bonds. The Authorized Representative, acting for and on behalf of the Board, shall, subject to

the right to reject any or all bids and to waive any irregularities, award the sale of the Bonds of such Series to the bidder whose bid produces the lowest true interest cost to the Board, such interest cost being the rate obtained by doubling the semi-annual interest rate (compounded semi-annually) necessary to discount the principal and interest payments on the Bonds from the dates of payment thereof to the dated date of the Bonds and to the price bid. The price bid for the purpose of the preceding sentence shall not include the amount of interest accrued on the Bonds of such Series from their date to the date of delivery thereof against payment therefor. Within seven business days after the award of the sale of each Series of Bonds, the Authorized Representative, acting for and on behalf of the Board, shall cause a final official statement to be provided to the successful bidder in compliance with the Rule.

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

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

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

(e) The authority conferred by this Resolution to (i) act on behalf of the Board in selling any Series of Bonds and (ii) award the sale of the Bonds of such Series to a bidder in a competitive sale or execute one or more Bond Purchase Contract(s) pursuant to this Section shall expire at 11:59 p.m. on August 31, 2013. Any Series of Bonds awarded pursuant to an official bid form or sold pursuant to a Bond Purchase Contract executed on or before August 31, 2013, may be delivered after such date.

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

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

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

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

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

Section 22. APPROVAL OF NOTICE OF SALE AND OFFICIAL STATEMENT. The Authorized Representative is authorized and directed to provide for and oversee the preparation of a notice of sale (if appropriate) and preliminary Official Statement and a final Official Statement in connection with the issuance of the Bonds, and to approve such final Official Statement and deem it final in compliance with the Rule and to provide it to the Initial Purchaser in compliance with such Rule.

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

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

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

(i) to provide for the defeasance of such Refunded Bonds on the date of delivery of the Bonds or (ii) to fund the Escrow Fund to be created pursuant to the Escrow Agreement(s) with amounts sufficient to provide for the defeasance of the Refunded Bonds.

(c) With regards to issuance of any Series of Bonds constituting Refunding Bonds, as provided in Section 2(b) above, the Authorized Representative shall designate in the Award Certificate the particular Potential Refunded Bonds to be refunded by such Series of Bonds; provided, that the Award Certificate in which Refunded Bonds are so designated must contain a certification to the effect that the Bonds of such Series being issued to refund such Refunded Bonds are being sold on terms that produce a present value savings when the scheduled debt service payable on such Bonds during each Bond Year is subtracted from the scheduled debt service payable on the Refunded Bonds during the same Bond Year and the remainder is discounted to the scheduled date of delivery of the Bonds of such Series set forth in the Award Certificate at a discount factor equal to the yield on such Bonds determined in accordance with section 148 of the Code; provided that in the case of Refunded Bonds being refunded within 90 days prior to their maturity or earlier redemption date, the present value savings must not be less than an amount equal to 0.04 times the principal amount of the Refunded Bonds being refunded by the Bonds of such Series; and provided further that in the case of Refunded Bonds being advance refunded more than 90 days prior to their maturity or earlier redemption date, the present value savings must not be less than an amount equal to 0.05 times the principal amount of the Refunded Bonds being refunded by the Bonds of such Series.

(d) Subject to the designation by the Authorized Representative of the Refunded Bonds to be refunded by a Series of Bonds, the Board irrevocably calls the particular Potential Refunded Bonds constituting Refunded Bonds for redemption prior to maturity on the date(s) and at the price set forth in the Award Certificate and the Board irrevocably calls the particular Potential Refunded Bonds constituting Refunded Bonds for redemption prior to maturity on the date(s) set forth in the Award Certificate, at a redemption price of par (plus accrued interest to the date fixed for redemption).

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

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

(f) To satisfy in a timely manner all of the Board's obligations under this Resolution and the Escrow Agreement(s), the Authorized Representative and all other appropriate officers

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

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

Section 25. PARTIES INTERESTED HEREIN. Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Board, the Paying Agent/Registrar, and the Registered Owners any right, remedy, or claim under or by reason of this Resolution or any covenant, condition, or stipulation hereof, and all covenants, stipulations, promises, and agreements in this Resolution contained by and on behalf of the Board shall be for the sole and exclusive benefit of the Board, the Paying Agent/Registrar, and the Registered Owners.

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

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

Section 28. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION; AND CUSIP NUMBERS. The Authorized Representative is hereby authorized to have control of the Initial Bonds of each Series issued and delivered hereunder and all necessary records and proceedings pertaining to such Bonds pending their delivery and approval by the Attorney General and their registration by the Comptroller. Upon registration of the Bonds of a Series, the Comptroller (or a deputy designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate printed or attached to the Initial Bonds of such Series, and the seal of said Comptroller shall be impressed or placed in facsimile thereon. The Bond Counsel Opinion and the assigned CUSIP numbers may, at the option of the Board, be printed on the Initial Bonds of such Series or on any Bonds issued and

delivered in exchange or replacement of any Bond, but neither of such items shall be binding upon the Board or have any legal effect, and shall be solely for the convenience and information of the Registered Owners of the Bonds. If insurance is obtained on any of the Bonds, the Bonds shall bear, as appropriate and applicable, a legend concerning insurance as provided by the Insurer.

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

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

Section 31. FURTHER PROCEDURES. The Chairman or Vice Chairman of the Board, the Executive Director to the Board, each Authorized Representative, and all other officers, employees, and agents of the Board, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the seal and on behalf of the Board all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Bonds, the Official Statement, the Paying Agent/Registrar Agreement, the Escrow Agreement, the Bond Purchase Contract, the Representation Letter (such provisions specified in Section 14 hereof), and the refunding of the Refunded Obligations, and to prepare and approve the Official Statement, or supplements thereto, in connection with the Bonds. In addition, each Authorized Representative, the General Counsel of the System, and Bond Counsel are hereby authorized to approve, subsequent to the date of the adoption of this Resolution, any amendments to the above named documents, and any technical amendments to this Resolution as may be required by any Nationally-Recognized Rating Agency as a condition to the granting of a rating on the Bonds or as required by the Attorney General as a condition to the approval of the Bonds.

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

Section 32. PUBLIC NOTICE. It is hereby found and determined that each of the officers and members of the Board were duly and sufficiently notified officially and personally,

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

Section 33. NONPRESENTMENT OF BONDS. In the event any Bond shall not be presented for payment when the principal thereof or interest thereon, if applicable, becomes due, either at maturity or otherwise, or if any check or draft representing payment of principal of or interest on the Bonds shall not be presented for payment, if funds sufficient to pay the principal of or interest on such Bond shall have been made available by the Board to the Paying Agent/Registrar for the benefit of the Registered Owner thereof, all liability of the Board to such Registered Owner for the payment of the principal of or interest on such Bond shall cease, terminate, and be completely discharged, and thereupon it shall be the duty of the Paying Agent/Registrar to hold such funds in trust, uninvested and without liability for interest thereon, for the benefit of the Registered Owner of such Bond who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Resolution with respect to the principal of or interest on such Bond. To the extent applicable, the Paying Agent/Registrar shall hold and apply any such funds in accordance with Title 6, Texas Property Code, as amended, and shall comply with the reporting requirements of Chapter 74, Texas Property Code, as amended.

Section 34. INTERPRETATIONS. The titles and headings of the articles and sections of this Resolution have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa; words importing the masculine gender shall include the feminine and neuter genders and vice versa. Reference to any document means that document as amended or supplemented from time to time. Reference to any party to a document means that party and its successors and assigns. Reference herein to any article, section, subsection or other subdivision, as applicable, unless specifically stated otherwise, means the article, section, subsection or other subdivision, as applicable, of this Resolution.

Section 35. SEVERABILITY. The provisions of this Resolution are severable; and in case any one or more of the provisions of this Resolution or the application thereof to any person or circumstance should be held to be invalid, unconstitutional, or ineffective as to any person or circumstance, the remainder of this Resolution nevertheless shall be valid, and the application of any such invalid provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

Section 36. PREAMBLE INCORPORATED. The preamble of this Resolution is hereby incorporated by reference as if copied in full.

Section 37. IMMEDIATE EFFECT. This Resolution shall take effect immediately upon its adoption.

* * *

EXHIBIT A

FORM OF BONDS

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

[FORM OF DEFINITIVE BONDS]

NUMBER
R-_____

DENOMINATION
$_____

INTEREST RATE	MATURITY DATE	[DATED DATE] [ISSUANCE DATE]	CUSIP NO.
_____%	_____, 20__	_____, 20__	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS ($_____)

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

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

Agent/Registrar, as hereinafter described. Upon written request, the registered owner of any Bonds of at least $1,000,000 in principal amount may receive payment of interest by wire transfer. The record date for determining the person to whom interest is payable on any interest payment date (the "Record Date") means the 15th calendar day of the month next preceding such interest payment date. In the event of a non-payment of interest on a scheduled payment date, and for 30 calendar days thereafter, a new Record Date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Board. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each registered owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. The Board covenants with the registered owner of this Bond that no later than each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds by wire transfer or other means acceptable to the Paying Agent/Registrar, of all principal of and interest on the Bonds, when due, in the manner set forth in the resolution authorizing the issuance of this Bond adopted by the Board on August 3, 2012 (the "Resolution").

THIS BOND is one of a series of bonds of like tenor and effect, except as to denomination, number, maturity, interest rate, interest payment, and right of prior redemption, issued in the aggregate principal amount of $_____ for the purposes of (i) refunding the Refunded Notes (as defined in the Resolution), (ii) refunding the Refunded Bonds (as defined in the Resolution), and (iii) paying the costs of issuance of the Bonds.

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

OF THE YEAR	AMOUNT
	(final maturity)]

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

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

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

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any integral multiple of $5,000. As provided in the Resolution, this Bond, or any unredeemed portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, and exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, and bearing interest at the same rate, in any denomination or denominations in any integral multiple of $5,000 as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of $5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions

hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The Board shall pay the Paying Agent/Registrar's reasonable standard or customary fees and charges for transferring and exchanging any Bond or portion thereof; provided, however, that any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such transfer and exchange. In any circumstance, neither the Board nor the Paying Agent/Registrar shall be required (i) to make any transfer or exchange during a period beginning at the opening of business 15 calendar days before the day of the first mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or (ii) to transfer or exchange any Bonds so selected for redemption when such redemption is scheduled to occur within 30 calendar days; provided, however, that such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

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

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

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

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

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

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

BOARD OF REGENTS OF
THE TEXAS A&M UNIVERSITY SYSTEM

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
Executive Director, Board of Regents of The Texas A&M University System	Chairman [Vice Chairman], Board of Regents of The Texas A&M University System

(BOARD SEAL)

* * *

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

NO. T-1 $

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

Dated Date: _____, 200_

Registered Owner: [Initial Purchaser]

Principal Amount: $_____

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

YEARS OF STATED MATURITIES	PRINCIPAL INSTALLMENTS	INTEREST RATES

(Information to be inserted from schedule in Award Certificate)

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

THE PRINCIPAL AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The final payment of principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at final maturity, at the designated payment office of [_____, _____, _____], which is the "Paying Agent/Registrar" for this Bond. The payment of principal installments and interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof as shown by the "Registration Books" kept by the Paying Agent/Registrar at the close of business on the Record Date (defined below) by check drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Board required to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such payment date, to the registered owner hereof at its address as it appears on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. The record date ("Record Date") for payments hereon means the fifteenth calendar day of the month preceding a scheduled payment. In the event of a non-payment of interest on a scheduled payment date, and for 30 calendar days thereafter, a new Record Date for such payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the Board. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date," which shall be 15 calendar days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of the Registered Owner appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. The Board covenants with the Registered Owner that no later than each principal installment payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on this Bond, when due, in the manner set forth in the resolution authorizing the issuance of this Bond adopted by the Board on August 3, 2012 (the "Resolution").

* * *

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

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

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

[_____]
Paying Agent/Registrar

Dated: _____
Authorized Representative

* * *

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

REGISTRATION CERTIFICATE OF THE COMPTROLLER OF PUBLIC ACCOUNTS

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

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

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

(COMPTROLLER'S SEAL) _____
Comptroller of Public Accounts of
the State of Texas

* * *

[FORM OF ASSIGNMENT]

ASSIGNMENT

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

Please insert Social Security or Taxpayer Identification Number of Transferee

_____

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

_____

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

Dated: _____

Signature Guaranteed:

_____

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

_____

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

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

Exhibit E (Item 6)

The Texas A&M University System
FY 2013 Operating Budgets
(in thousands)

Member	FY 2013 Budget
Prairie View A&M University	$ 169,606
Tarleton State University	135,840
Texas A&M International University	89,643
Texas A&M University	1,214,184
Texas A&M University at Galveston	49,321
Texas A&M University - Central Texas	28,663
Texas A&M University - Commerce	146,236
Texas A&M University - Corpus Christi	148,451
Texas A&M University - Kingsville	112,808
Texas A&M University - San Antonio	37,018
Texas A&M University - Texarkana	28,195
West Texas A&M University	116,454
Texas A&M Health Science Center	203,661
ACADEMIC and TAMHSC SUBTOTAL	$ 2,480,080
Texas AgriLife Research	190,240
Texas AgriLife Extension Service	107,637
Texas Forest Service	49,021
Texas Veterinary Medical Diagnostic Lab	17,118
Texas Engineering Experiment Station	142,848
Texas Engineering Extension Service	76,457
Texas Transportation Institute	62,395
AGENCY SUBTOTAL	$ 645,716
System Offices	
Operations	25,334
Center for Innovation in Advanced Development and Manufacturing (BARDA Project)	72,500
Debt Service	257,290
The Texas A&M University System	$ 3,480,920

**** The Texas A&M University System - Office of Sponsored Research Services and MAESTRO (Research Information System) are included in the Service Department Agenda Item Exhibit for approval.***

Exhibit F (Item 7)

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

The Texas A&M University System		Beginning Balance	Revenues	Expenses	Net Operating	Transfers	Ending Balance
Revenue	Sales And Services	0	276,771,489	0	276,771,489	0	276,771,489
	Investment Income	0	2,188,382	0	2,188,382	0	2,188,382
	Fees	0	9,000	0	9,000	0	9,000
	Contracts And Grants	0	864,898	0	864,898	0	864,898
	Other Operating Income	0	175,817,855	0	175,817,855	0	175,817,855
Expense	Salaries - Faculty	0	0	217,818	-217,818	0	-217,818
	Salaries - Non-Faculty	0	0	62,539,176	-62,539,176	0	-62,539,176
	Wages	0	0	7,175,442	-7,175,442	0	-7,175,442
	Benefits	0	0	17,505,907	-17,505,907	0	-17,505,907
	Utilities	0	0	34,015,712	-34,015,712	0	-34,015,712
	Operations And Maintenance	0	0	134,988,376	-134,988,376	0	-134,988,376
	Equipment (Capitalized)	0	0	3,731,046	-3,731,046	0	-3,731,046
	Claims And Losses	0	0	179,587,694	-179,587,694	0	-179,587,694
	Other Non-Operating Expense	0	0	8,500,000	-8,500,000	0	-8,500,000
	Budget - Begin Balance	115,600,713	0	0	0	0	115,600,713
	Scholarships	0	0	35,000	-35,000	0	-35,000
Transfer	Budget-Alloc/Tran Out	0	0	0	0	-47,601,925	-47,601,925
	Budget-Alloc/Tran In	0	0	0	0	34,335,233	34,335,233
The Texas A&M University System		**$115,600,713**	**$455,651,624**	**$448,296,171**	**$7,355,453**	**-$13,266,692**	**$109,689,474**

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

Account	Account Name	Beginning Balance	Revenues	Expenses	Net Operating	Transfers	Ending Balance
Prairie View A&M University							
227055	Uci Reserve (Local)	0	16,955	16,955	0	0	0
227100	Utility System Revenue Fund	0	1,775,977	1,670,675	105,302	-105,302	0
227106	Water Treatment Plant	0	345,545	330,152	15,393	-15,393	0
227107	Wastewater Treatment Plant	121,016	345,545	319,517	26,028	-147,044	0
227311	Lump Sum Reserve - Local Accounts	0	108,250	108,250	0	0	0
227500	Building Maintenance	0	466,461	435,974	30,487	-30,487	0
227600	Surplus Property	0	1,500	1,278	222	0	222
227701	Campus Mail Services	0	200,275	190,312	9,963	-9,963	0
227710	Voice Over Ip	0	1,440,000	834,635	605,365	-604,365	1,000
227760	Grounds Maintenance Campus	0	203,414	193,119	10,295	-10,295	0
227770	Custodial Service	0	81,420	75,574	5,846	-5,846	0
227800	Transportation Center	0	280,000	261,358	18,642	-18,642	0
227900	Trash & Garbage Disposal	0	89,921	86,213	3,708	-3,708	0
Prairie View A&M University		**$121,016**	**$5,355,263**	**$4,524,012**	**$831,251**	**-$951,045**	**$1,222**

Revenue	Sales And Services		5,355,263			
Expense	Salaries - Non-Faculty			741,731		
	Wages			100,800		
	Benefits			230,026		
	Utilities			39,869		
	Operations And Maintenance			3,347,311		
	Equipment (Capitalized)			64,275		

Prairie View A&M University	**$121,016**	**$5,355,263**	**$4,524,012**	**$831,251**	**-$951,045**	**$1,222**

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

Account	Account Name	Beginning Balance	Revenues	Expenses	Net Operating	Transfers	Ending Balance
Tarleton State University							
280200	Maintenance & Repair Department	700,000	700,000	40,894	659,106	-659,106	700,000
280300	Facilities Maintenance Warehouse	400,000	500,000	500,000	0	0	400,000
280600	Central Services	20,000	80,000	80,000	0	0	20,000
280610	Central Services - Freight	0	15,000	15,000	0	0	0
280700	Transportation Center	30,000	1,500	1,500	0	0	30,000
280800	Telecommunications Services	800,000	720,000	403,633	316,367	-316,367	800,000
280810	Telecommunications Serv-Dept Operat	0	0	316,367	-316,367	316,367	0
281100	Tiaer Laboratory Services	0	200,000	200,000	0	0	0
282000	Uci Reserve	0	18,000	18,000	0	0	0
283000	Lump Sum Reserve	250,000	330,000	330,000	0	0	250,000
Tarleton State University		**$2,200,000**	**$2,564,500**	**$1,905,394**	**$659,106**	**-$659,106**	**$2,200,000**

Revenue	Sales And Services		2,564,500				
Expense	Salaries - Non-Faculty			268,797			
	Wages			346,995			
	Benefits			143,535			
	Utilities			5,000			
	Operations And Maintenance			1,141,067			
Tarleton State University		**$2,200,000**	**$2,564,500**	**$1,905,394**	**$659,106**	**-$659,106**	**$2,200,000**

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

Account	Account Name	Beginning Balance	Revenues	Expenses	Net Operating	Transfers	Ending Balance
Texas A&M International University							
250001	Lump Sum Reserve Service Center Des	0	50,000	50,000	0	0	0
Texas A&M International University		**$0**	**$50,000**	**$50,000**	**$0**	**$0**	**$0**
Revenue	Sales And Services		50,000				
Expense	Benefits			50,000			
Texas A&M International University		**$0**	**$50,000**	**$50,000**	**$0**	**$0**	**$0**

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

Account	Account Name	Beginning Balance	Revenues	Expenses	Net Operating	Transfers	Ending Balance
Texas A&M University							
200230	University Police	200,000	1,307,503	1,345,310	-37,807	37,807	200,000
210390	Building Services	0	7,099,121	7,099,121	0	0	0
219250	Custodial Services	0	3,304,266	3,304,266	0	0	0
270040	Chemistry Department Stockroom Revo	0	300,000	300,000	0	0	0
270060	Landscape Services	0	2,653,021	2,653,021	0	0	0
270120	Hazardous Waste Disposal	25,000	101,242	109,242	-8,000	0	17,000
270160	Utilities & Energy Managment	8,710,784	37,267,601	25,925,950	11,341,651	-12,895,155	7,157,280
270190	Construction Services	0	33,454,592	33,454,592	0	0	0
270260	Procurement Services	0	800,000	1,021,234	-221,234	-212,020	-433,254
270280	Centrex Revolving	0	11,340,000	10,543,386	796,614	-396,491	400,123
270300	Computing Information Services	0	29,249,582	28,255,620	993,962	-993,962	0
270370	Uci Reserve	0	300,000	300,000	0	0	0
270450	Center For Chemical Characterizatio	0	250,000	250,000	0	0	0
270490	Cyclotron Operations	0	3,500,000	3,500,000	0	0	0
270510	Graphics Services	0	461,020	461,020	0	0	0
270530	Microscopy & Imaging Operations	0	291,000	291,000	0	0	0
270550	Physics Liquid Nitrogen Sales	0	25,000	25,000	0	0	0
270580	University Mail Service	0	1,463,374	1,463,374	0	0	0
270590	Larr Services	0	2,000,000	2,000,000	0	0	0
270600	Library Photocopy & Ind Service	0	55,000	55,000	0	0	0
270620	Transportation Center Vehicle Renta	1,416,721	7,264,337	5,945,296	1,319,041	0	2,735,762
270640	Veterinary Pathological Service	0	50,000	50,000	0	0	0
270660	Veterinary Medical Park-Other	0	200,000	200,000	0	0	0
270710	Interactive Video Network	5,000,000	4,271,507	4,271,507	0	0	5,000,000
270780	Biology Services Account	0	700,000	700,000	0	0	0
270800	Environmental Health & Safety	15,000	62,283	62,283	0	0	15,000
270880	Physics Services	0	120,000	120,000	0	0	0
270890	Geology-X Ray Diffractometer Svcs	3,800	25,000	25,000	0	0	3,800
270950	Center For Visualization	0	6,500	6,500	0	0	0
270970	Voyager - Operating	0	441,975	441,975	0	0	0
270990	Purchased Utilities	0	33,606,343	33,606,343	0	0	0
271020	Protein Chemistry Laboratory	45,000	153,390	198,390	-45,000	0	0
271040	Flow Cytometry Facility	19,025	0	19,025	-19,025	0	0
271050	Material Characterization Facility	0	180,000	180,000	0	0	0
271060	Image Analysis Service Center	0	33,000	33,000	0	0	0
271150	Auxiliary Overhead Assessment	0	7,376,592	0	7,376,592	-7,055,598	320,994
271160	President's Office	0	0	111,988	-111,988	111,988	0
271170	Cis Equipment	0	0	780,000	-780,000	780,000	0
271220	Environmental & Geochemical Analysi	170,000	0	167,425	-167,425	0	2,575
271250	University Police	125,000	0	492,302	-492,302	492,302	125,000
271260	Vpfn/Cfo	0	0	65,000	-65,000	0	-65,000
271270	Budget Office	0	0	9,723	-9,723	9,723	0
271280	Payroll	20,000	0	123,962	-123,962	103,962	0

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

Account	Account Name	Beginning Balance	Revenues	Expenses	Net Operating	Transfers	Ending Balance
Texas A&M University							
271290	Employee & Org Development	200,000	112,395	755,683	-643,288	630,555	187,267
271330	Marketing & Communications	0	1,000	239,208	-238,208	238,208	0
271340	Institutional Studies And Planning	0	9,000	25,000	-16,000	16,000	0
271350	Ehsd	50,000	0	375,030	-375,030	375,030	50,000
271360	University Risk And Compliance	0	0	71,923	-71,923	71,923	0
271380	Contract Administration	0	0	38,609	-38,609	38,609	0
271400	System Assessments	0	0	2,963,741	-2,963,741	2,963,741	0
271600	Office Of Facilities Coordination	250,012	0	157,233	-157,233	157,233	250,012
271670	Histology Services	0	75,000	75,000	0	0	0
271680	Necropsy Services	0	500	500	0	0	0
271700	Vp For Administration	275,000	0	319,548	-319,548	319,548	275,000
271740	Human Resources Department	635,000	46,000	618,854	-572,854	539,171	601,317
271750	Auxiliary Retiree Gip	0	1,100,000	1,100,000	0	0	0
271790	Radiogenic Isotape Lab Service Ctr	32,000	107,000	107,000	0	0	32,000
271800	Gerg General Services	73,000	0	72,800	-72,800	0	200
271810	Imaging	0	500,000	489,258	10,742	0	10,742
271840	Tprl(Translational Pathology Resear	0	600,000	600,000	0	0	0
271850	Cable Tv Operations	100,000	0	159,191	-159,191	159,191	100,000
271880	Electronic Shop	0	25,000	25,000	0	0	0
271890	Metal Shop	0	50,000	50,000	0	0	0
271900	Glass Shop	0	40,000	40,000	0	0	0
271910	X-Ray Diffraction	0	75,000	75,000	0	0	0
271920	Nmr Spectroscopy	0	100,000	100,000	0	0	0
271930	Network & Design	0	50,000	50,000	0	0	0
271940	Nitrogen Services	0	100,000	100,000	0	0	0
271970	Facilities Services Warehouse	0	4,475,936	4,475,936	0	0	0
271990	Administrative Services	0	1,154,311	1,154,311	0	0	0
Texas A&M University		**$17,365,342**	**$198,334,391**	**$184,205,680**	**$14,128,711**	**-$14,508,235**	**$16,985,818**

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

Texas A&M	University	Beginning Balances	Revenues	Expenses	Net Operating	Transfers	Ending Balance
Revenue	Sales And Services		196,358,993				
	Fees		9,000				
	Contracts And Grants		864,898				
	Other Operating Income		1,101,500				
Expense	Salaries - Faculty			200,216			
	Salaries - Non-Faculty			30,651,166			
	Wages			3,935,779			
	Benefits			9,412,692			
	Utilities			33,936,343			
	Operations And Maintenance			105,202,036			
	Equipment (Capitalized)			832,448			
	Scholarships			35,000			
Texas A&M University		**$17,365,342**	**$198,334,391**	**$184,205,680**	**$14,128,711**	**-$14,508,235**	**$16,985,818**

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

Account	Account Name	Beginning Balance	Revenues	Expenses	Net Operating	Transfers	Ending Balance
Texas A&M University at Galveston							
290010	Uci Reserve	0	40,000	40,000	0	0	0
290020	Copy Center Revolving Fund	0	120,000	120,000	0	0	0
290030	Motor Vehicle Rental	0	24,000	24,000	0	0	0
290040	Telephone Operations	0	105,000	105,000	0	0	0
290050	University Mail Service	0	100	100	0	0	0
290060	University Mail - Postage	0	90,000	90,000	0	0	0
290070	Facilities Services Revolving	0	100	100	0	0	0
290200	Swimming Pool-Revolving	0	1,000	1,000	0	0	0
290230	Rmo:Poster Printing	0	2,500	2,500	0	0	0
290240	Rmo:Truck & Vessel	0	3,750	3,750	0	0	0
290250	Recycling Services	0	8,000	8,000	0	0	0
290600	Waterfront Operations Revolving	0	30,000	30,000	0	0	0
290610	Tma:Simulator Licensing Program	0	5,000	5,000	0	0	0
Texas A&M University at Galveston		**$0**	**$429,450**	**$429,450**	**$0**	**$0**	**$0**

Revenue	Sales And Services		429,450				
Expense	Salaries - Non-Faculty			81,744			
	Wages			6,000			
	Benefits			68,555			
	Operations And Maintenance			273,151			
Texas A&M University at Galveston		**$0**	**$429,450**	**$429,450**	**$0**	**$0**	**$0**

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

Account	Account Name	Beginning Balance	Revenues	Expenses	Net Operating	Transfers	Ending Balance
Texas A&M University - Central Texas							
280100	Serv Dept-Unemployment Comp Insuran	-8,000	5,600	3,000	2,600	0	-5,400
280150	Serv Dept-Lump Sum Reserve	70,000	51,000	24,000	27,000	0	97,000
280200	Serv Dept-Telecommunications	0	75,000	75,000	0	0	0
Texas A&M University - Central Texas		**$62,000**	**$131,600**	**$102,000**	**$29,600**	**$0**	**$91,600**
Revenue	Sales And Services		131,600				
Expense	Wages			20,000			
	Benefits			7,000			
	Operations And Maintenance			75,000			
Texas A&M University - Central Texas		**$62,000**	**$131,600**	**$102,000**	**$29,600**	**$0**	**$91,600**

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

Account	Account Name	Beginning Balance	Revenues	Expenses	Net Operating	Transfers	Ending Balance
Texas A&M University - Commerce							
270300	Copy Machines	0	30,000	30,000	0	0	0
271601	Bulk Mail Center	0	9,000	9,000	0	0	0
272000	Transportation	0	363,967	363,967	0	0	0
272001	Telephone Operations	0	375,000	375,000	0	0	0
272002	Facilities Chargebacks	0	100,000	100,000	0	0	0
272010	It Computer / Printer Surplus	0	100,000	100,000	0	0	0
272050	Acap	0	50,000	50,000	0	0	0
272100	Uci	0	35,000	35,000	0	0	0
Texas A&M University - Commerce		**$0**	**$1,062,967**	**$1,062,967**	**$0**	**$0**	**$0**
Revenue	Sales And Services		1,062,967				
Expense	Salaries - Non-Faculty			198,134			
	Wages			4,234			
	Benefits			139,887			
	Operations And Maintenance			720,712			
Texas A&M University - Commerce		**$0**	**$1,062,967**	**$1,062,967**	**$0**	**$0**	**$0**

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

Account	Account Name	Beginning Balance	Revenues	Expenses	Net Operating	Transfers	Ending Balance
Texas A&M University - Corpus Christi							
270001	Telecommunications	159,165	850,000	836,512	13,488	0	172,653
270032	Administrative Copiers	42,685	299,641	294,608	5,033	0	47,718
270051	Mail Services	52,599	255,000	250,000	5,000	0	57,599
270081	Physical Plant Support Services	344,302	1,277,500	1,277,500	0	0	344,302
270141	Cbi - Transportation/Maintenance	142,702	115,080	107,924	7,156	0	149,858
Texas A&M University - Corpus Christi		**$741,453**	**$2,797,221**	**$2,766,544**	**$30,677**	**$0**	**$772,130**

Revenue	Sales And Services		2,797,221				
Expense	Salaries - Non-Faculty			399,580			
	Wages			82,500			
	Benefits			124,811			
	Utilities			3,500			
	Operations And Maintenance			2,156,153			
Texas A&M University - Corpus Christi		**$741,453**	**$2,797,221**	**$2,766,544**	**$30,677**	**$0**	**$772,130**

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

Account	Account Name	Beginning Balance	Revenues	Expenses	Net Operating	Transfers	Ending Balance
Texas A&M University - Kingsville							
299962	Itech Infrastructure Service Dept	0	10,000	10,000	0	0	0
299980	Local Lump Sum Vac Service Dept	0	110,000	110,000	0	0	0
299988	Serv. Dept.-Project Management Fee	0	150,000	150,000	0	0	0
299989	Service Department -Upd	0	55,000	55,000	0	0	0
299990	Service Department - Custodial	0	75,000	72,000	3,000	-3,000	0
299991	Service Department - Grounds	0	50,000	45,000	5,000	-5,000	0
299992	Service Department - Post Office	0	125,000	125,000	0	0	0
299993	Service Department - Storeroom	0	200,000	200,000	0	0	0
299994	Service Dept- Automotive Services	0	152,000	150,000	2,000	-2,000	0
299995	Service Dept - Building Maintenance	0	100,000	100,000	0	0	0
299996	Service Department-Service Support	0	10,000	7,000	3,000	-3,000	0
299997	Svc Dept- Mech, Electr, & Plumbing	0	100,000	90,000	10,000	-10,000	0
299999	Service Department - Uci	0	50,000	50,000	0	0	0
Texas A&M University - Kingsville		**$0**	**$1,187,000**	**$1,164,000**	**$23,000**	**-$23,000**	**$0**

Revenue	Sales And Services		1,187,000				
Expense	Wages			100,000			
	Benefits			60,000			
	Operations And Maintenance			1,004,000			
Texas A&M University - Kingsville		**$0**	**$1,187,000**	**$1,164,000**	**$23,000**	**-$23,000**	**$0**

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

Account	Account Name	Beginning Balance	Revenues	Expenses	Net Operating	Transfers	Ending Balance
Texas A&M University - San Antonio							
270100	Lump Sum Termination-Srvc Dept	0	24,524	24,524	0	0	0
270200	Copy Machines	0	0	250,000	-250,000	250,000	0
270300	Fleet Management	0	0	13,004	-13,004	13,004	0
Texas A&M University - San Antonio		**$0**	**$24,524**	**$287,528**	**-$263,004**	**$263,004**	**$0**
Revenue	Sales And Services		24,524				
Expense	Wages			22,599			
	Benefits			1,925			
	Operations And Maintenance			263,004			
Texas A&M University - San Antonio		**$0**	**$24,524**	**$287,528**	**-$263,004**	**$263,004**	**$0**

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

Account	Account Name	Beginning Balance	Revenues	Expenses	Net Operating	Transfers	Ending Balance
Texas A&M University - Texarkana							
270100	Postage	0	0	42,095	-42,095	42,095	0
270300	Telephone	0	0	41,314	-41,314	41,314	0
270501	Uci Reserve - Budgeted	0	0	7,400	-7,400	7,400	0
279900	Lump Sum Vacation Payments-Designat	0	0	24,092	-24,092	24,092	0
Texas A&M University - Texarkana		**$0**	**$0**	**$114,901**	**-$114,901**	**$114,901**	**$0**

Expense	Benefits	24,092
	Operations And Maintenance	90,809

Texas A&M University - Texarkana		**$0**	**$0**	**$114,901**	**-$114,901**	**$114,901**	**$0**

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

Account	Account Name	Beginning Balance	Revenues	Expenses	Net Operating	Transfers	Ending Balance
West Texas A&M University							
270001	Goldcard Mnt & Capital Accrual	0	212,170	226,348	-14,178	14,178	0
270002	Print Shop	0	131,329	131,329	0	0	0
270003	Central Supply	0	385,000	385,000	0	0	0
270004	Telecom Services	0	415,081	514,081	-99,000	99,000	0
270005	Gold Card Operations	0	129,580	246,787	-117,207	117,207	0
270006	Computer Services	0	485,469	769,868	-284,399	284,399	0
270007	Postage	0	230,000	230,000	0	0	0
270008	It Service Center	0	102,293	143,245	-40,952	40,952	0
270014	Network Services	0	354,167	603,327	-249,160	249,160	0
270015	Web Services	0	148,253	185,088	-36,835	36,835	0
270016	Pc Support	0	129,144	203,474	-74,330	74,330	0
West Texas A&M University		**$0**	**$2,722,486**	**$3,638,547**	**-$916,061**	**$916,061**	**$0**

Revenue	Sales And Services		2,722,486				
Expense	Salaries - Non-Faculty			1,252,350			
	Wages			29,000			
	Benefits			334,663			
	Operations And Maintenance			1,868,211			
	Equipment (Capitalized)			154,323			
West Texas A&M University		**$0**	**$2,722,486**	**$3,638,547**	**-$916,061**	**$916,061**	**$0**

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

Account	Account Name	Beginning Balance	Revenues	Expenses	Net Operating	Transfers	Ending Balance
Texas A&M Health Science Center							
280000	Hsc Communications Production	0	400,000	400,000	0	0	0
280020	Lru Revolving	0	7,000	7,000	0	0	0
280030	Exchange Scholar Service Fee	0	4,000	4,000	0	0	0
280040	Uci Reserve	0	115,000	115,000	0	0	0
280060	Foreign Employee Service Fee	0	20,000	20,000	0	0	0
280080	Com Cell Analysis Facility	0	11,000	11,000	0	0	0
280090	Com-Visual Sonics Imaging	0	12,000	12,000	0	0	0
280110	Animal Resource Unit	0	100,000	100,000	0	0	0
280130	Media Resources	0	20,000	20,000	0	0	0
280140	Printing & Copying	0	190,000	190,000	0	0	0
280150	Central Stores	0	750,000	750,000	0	0	0
280160	Lump Sum Accrued Leave Payout Reser	0	590,000	590,000	0	0	0
280170	Prf-Pharmaceutical Research Facilty	0	1,400	1,400	0	0	0
Texas A&M Health Science Center		**$0**	**$2,220,400**	**$2,220,400**	**$0**	**$0**	**$0**

Revenue	Sales And Services		2,220,400				
Expense	Salaries - Non-Faculty			197,928			
	Wages			557,000			
	Benefits			200,839			
	Operations And Maintenance			1,264,633			
Texas A&M Health Science Center		**$0**	**$2,220,400**	**$2,220,400**	**$0**	**$0**	**$0**

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

Account	Account Name	Beginning Balance	Revenues	Expenses	Net Operating	Transfers	Ending Balance
Texas AgriLife Research							
270030	Unemployment Comp Ins Reserve-Local	0	50,000	50,000	0	0	0
270060	Accrued Compensable Leave-Lump Sum	25,000	350,000	375,000	-25,000	0	0
293027	Farm Services Budget	100,000	450,000	330,730	119,270	0	219,270
293068	Bio & Bio Stockroom Budget	100,000	580,000	678,780	-98,780	0	1,220
Texas AgriLife Research		**$225,000**	**$1,430,000**	**$1,434,510**	**-$4,510**	**$0**	**$220,490**
Revenue	Sales And Services		1,430,000				
Expense	Salaries - Non-Faculty			250,024			
	Wages			393,500			
	Benefits			140,986			
	Operations And Maintenance			600,000			
	Equipment (Capitalized)			50,000			
Texas AgriLife Research		**$225,000**	**$1,430,000**	**$1,434,510**	**-$4,510**	**$0**	**$220,490**

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

Account	Account Name	Beginning Balance	Revenues	Expenses	Net Operating	Transfers	Ending Balance
Texas AgriLife Extension Service							
210440	Fleet Service Center	213,000	965,090	914,922	50,168	0	263,168
211000	Uci Reserve - Local Funds	35,000	69,500	99,500	-30,000	0	5,000
211005	Service Center - Lump Sum Payments	0	162,000	162,000	0	0	0
Texas AgriLife Extension Service		**$248,000**	**$1,196,590**	**$1,176,422**	**$20,168**	**$0**	**$268,168**
Revenue	Sales And Services		1,196,590				
Expense	Benefits			162,000			
	Operations And Maintenance			1,014,422			
Texas AgriLife Extension Service		**$248,000**	**$1,196,590**	**$1,176,422**	**$20,168**	**$0**	**$268,168**

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

Account	Account Name	Beginning Balance	Revenues	Expenses	Net Operating	Transfers	Ending Balance
Texas Forest Service							
270011	Fleet Leasing	0	9,826	400	9,426	-9,426	0
270021	Information Resources Service Dept	0	486,992	486,992	0	0	0
270031	Budgets & Accounting Training	0	300	300	0	0	0
270041	Payroll & Support Services Training	0	800	800	0	0	0
270051	Purchasing Training	0	350	350	0	0	0
270061	Finance & Admin Training	0	300	300	0	0	0
270071	Human Resources Training	0	2,900	2,900	0	0	0
270110	Uci Local Reserve	0	6,600	6,600	0	0	0
270120	Lump Sum Payments Reserve	0	32,000	32,000	0	0	0
280013	Wildfire Cache Svc Dept	0	10,000	10,000	0	0	0
Texas Forest Service		**$0**	**$550,068**	**$540,642**	**$9,426**	**-$9,426**	**$0**

Revenue	Sales And Services	550,068		
Expense	Salaries - Non-Faculty		304,961	
	Wages		36,800	
	Benefits		91,015	
	Operations And Maintenance		107,866	

Texas Forest Service		**$0**	**$550,068**	**$540,642**	**$9,426**	**-$9,426**	**$0**

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

Account	Account Name	Beginning Balance	Revenues	Expenses	Net Operating	Transfers	Ending Balance
Texas Veterinary Medical Diagnostic Laboratory							
295020	Uci Reserve - Ps	0	18,000	18,000	0	0	0
Texas Veterinary Medical Diagnostic Laboratory		**$0**	**$18,000**	**$18,000**	**$0**	**$0**	**$0**
Expense	Benefits		18,000				
Revenue	Sales And Services			18,000			
Texas Veterinary Medical Diagnostic Laboratory		**$0**	**$18,000**	**$18,000**	**$0**	**$0**	**$0**

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

Account	Account Name	Beginning Balance	Revenues	Expenses	Net Operating	Transfers	Ending Balance
Texas Engineering Experiment Station							
240000	Wind Tunnel Services	0	138,320	138,320	0	0	0
240100	Cleanroom Fabrication	0	25,269	25,269	0	0	0
240900	Tees Public Policy Lab Services	0	188,561	188,561	0	0	0
241100	Nsc Services	35,000	0	0	0	0	35,000
241200	Tees Vehicles	45,000	4,884	4,884	0	0	45,000
241700	Materials & Mechanics Lab	24,000	17,600	17,600	0	0	24,000
241900	Coastal Engineering Lab	0	25,000	25,000	0	0	0
242100	Tees Flight Research Lab	30,000	139,900	139,900	0	0	30,000
242300	Materials Testing	0	5,000	5,000	0	0	0
242500	Materials Char - X-Ray Diffraction	0	2,111	2,111	0	0	0
242900	High Bay Lab	0	15,071	15,071	0	0	0
243600	Materials Preparation Edm Usage	0	2,487	2,487	0	0	0
244000	Uci Assessments	150,000	42,157	42,157	0	0	150,000
244300	Engineering B/P/P Work Station	30,000	122,452	122,452	0	0	30,000
244400	Tcat Services	2,000	15,000	15,000	0	0	2,000
245200	Acim Lab	50,000	15,813	15,813	0	0	50,000
245300	Multi Program Res & Educ Facility	0	312,709	312,709	0	0	0
246800	Qatar Allowances	150,000	600,229	600,229	0	0	150,000
246900	Facility Security	20,000	23,945	23,945	0	0	20,000
247000	Lump Sum Acap Reserve	0	335,734	335,734	0	0	0
249300	Division Copy Services	0	53,639	53,639	0	0	0
Texas Engineering Experiment Station		**$536,000**	**$2,085,881**	**$2,085,881**	**$0**	**$0**	**$536,000**

Revenue	Sales And Services		2,085,881				
Expense	Salaries - Faculty			17,602			
	Salaries - Non-Faculty			417,428			
	Wages			461,959			
	Benefits			144,462			
	Operations And Maintenance			1,044,430			
Texas Engineering Experiment Station		**$536,000**	**$2,085,881**	**$2,085,881**	**$0**	**$0**	**$536,000**

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

Account	Account Name	Beginning Balance	Revenues	Expenses	Net Operating	Transfers	Ending Balance
Texas Engineering Extension Service							
230100	Digital Printing Services	223,674	1,279,672	1,279,554	118	0	223,792
232200	Unemploymnt Comp Ins	0	100,000	100,000	0	0	0
237100	Curriculum	1,288,498	113,794	907,755	-793,961	0	494,537
238100	Professional Development	244,132	106,231	62,636	43,595	0	287,727
239100	Business Marketing	247,092	96,956	199,995	-103,039	0	144,053
240100	Vehicle Operations	1,583,493	580,175	580,989	-814	0	1,582,679
259100	Infrastructure	3,245,521	1,155,777	2,338,140	-1,182,363	-1,447,500	615,658
268100	Equipment Use Charge	2,246,671	1,071,531	1,311,034	-239,503	0	2,007,168
281200	Lump Sum Leave Pay	1,300,000	140,000	140,000	0	0	1,300,000
Texas Engineering Extension Service		**$10,379,081**	**$4,644,136**	**$6,920,103**	**-$2,275,967**	**-$1,447,500**	**$6,655,614**
Revenue	Sales And Services		4,644,136				
Expense	Salaries - Non-Faculty			1,019,868			
	Wages			223,702			
	Benefits			403,827			
	Operations And Maintenance			3,262,706			
	Equipment (Capitalized)			2,010,000			
Texas Engineering Extension Service		**$10,379,081**	**$4,644,136**	**$6,920,103**	**-$2,275,967**	**-$1,447,500**	**$6,655,614**

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

Account	Account Name	Beginning Balance	Revenues	Expenses	Net Operating	Transfers	Ending Balance
Texas Transportation Institute							
270199	Motor Vehicles	500	156,000	156,000	0	0	500
270299	Computer Operations	23,950	1,519,000	1,519,000	0	0	23,950
270399	Research Equipment and Testing Facilities	346,446	600,000	600,000	0	0	346,446
270499	Supplies and Services	15,023	314,000	314,000	0	0	15,023
270599	Video/Graphic Operations	10,250	1,084,100	1,084,100	0	0	10,250
270699	Proving Grounds Research Program	666,365	2,083,900	2,083,900	0	0	666,365
279099	UCI Reserve Account	216,528	20,000	20,000	0	0	216,528
279999	Lump Sum Reserve	17,046	252,960	252,960	0	0	17,046
Texas Transportation Institute		**$1,296,108**	**$6,029,960**	**$6,029,960**	**$0**	**$0**	**$1,296,108**

Revenue	Sales And Services	6,029,960		
Expense	Salaries - Non-Faculty		2,199,329	
	Wages		309,000	
	Benefits		527,500	
	Operations And Maintenance		2,414,131	
	Equipment (Capitalized)		580,000	

Texas Transportation Institute	**$1,296,108**	**$6,029,960**	**$6,029,960**	**$0**	**$0**	**$1,296,108**

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

Account	Account Name	Beginning Balance	Revenues	Expenses	Net Operating	Transfers	Ending Balance
TAMUS - Office of Sponsored Research Services							
274000	Office Of Sponsored Research Servic	148,000	15,476,219	15,476,219	0	0	148,000
274100	Research Info Systems-Maestro Rev	0	3,082,400	0	3,082,400	-3,082,400	0
274200	Research Info Systems Service Dept	0	0	3,082,400	-3,082,400	3,082,400	0
TAMUS - Office of Sponsored Research Services		**$148,000**	**$18,558,619**	**$18,558,619**	**$0**	**$0**	**$148,000**

Revenue	Sales And Services	18,370,237		
	Investment Income	188,382		
Expense	Salaries - Non-Faculty		12,457,106	
	Wages		60,000	
	Benefits		2,470,091	
	Operations And Maintenance		3,571,422	

TAMUS - Office of Sponsored Research Services	**$148,000**	**$18,558,619**	**$18,558,619**	**$0**	**$0**	**$148,000**

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

Account	Account Name	Beginning Balance	Revenues	Expenses	Net Operating	Transfers	Ending Balance
System Offices							
202010	System Initiatives - Local	0	0	200,000	-200,000	200,000	0
250050	Group Health/Dental Esr	56,895,600	0	0	0	-1,732,978	55,162,622
250070	Flexible Spending Account	54,750	0	142,000	-142,000	87,250	0
250090	Basic Life Reserve	2,110,000	0	5,000	-5,000	0	2,105,000
250100	Optional/Dependent Life Reserve	1,139,400	0	70,000	-70,000	0	1,069,400
260040	Tamus - Self Insured Health/Dental	0	171,807,694	176,807,694	-5,000,000	5,000,000	0
260100	Lump Sum Payment Reserve	0	250,000	250,000	0	0	0
260500	Health Plan Administration	0	0	710,978	-710,978	710,978	0
261010	Worker's Compensation Insurance	6,159,400	2,200,000	2,750,000	-550,000	-2,210,514	3,398,886
261030	Rms Administration	0	0	1,110,514	-1,110,514	1,110,514	0
261050	System Safety Initiative	0	0	194,975	-194,975	194,975	0
261200	Property Insurance	8,400,000	2,008,661	1,878,225	130,436	-124,969	8,405,467
261205	Auto Insurance	0	500,000	280,000	220,000	0	220,000
261210	Malpractice Insurance	0	200,000	0	200,000	0	200,000
263010	System Offices Reserve	1,626,000	0	0	0	-197,602	1,428,398
270010	System Aircraft	0	300,000	695,482	-395,482	395,482	0
270040	Sago Postal Services	0	25,000	25,000	0	25,000	25,000
271001	Sago Services - Revenues	73,700	8,924,000	0	8,924,000	-8,734,255	263,445
271010	Administrative Oversight Account	0	0	512,120	-512,120	512,120	0
271020	Bpp - System	0	0	163,873	-163,873	163,873	0
271030	Famis Services	0	0	1,000	-1,000	1,000	0
271070	Chief Financial Officer & Treasurer	0	0	65,057	-65,057	65,057	0
271080	Treasury Services	0	0	825,599	-825,599	825,599	0
271100	System Internal Audit	0	0	3,214,218	-3,214,218	3,214,218	0
271120	Vice Chancellor For Strategic Initi	0	0	219,000	-219,000	219,000	0
271140	Legal Services	0	0	11,000	-11,000	11,000	0
271160	Federal Relations	0	0	315,000	-315,000	315,000	0
271180	Building Operations - Local	0	0	10,000	-10,000	10,000	0
271200	Enterprise Software Initiatives	0	0	1,201,445	-1,201,445	1,201,445	0
271260	Services-Information Technology	0	0	5,000	-5,000	5,000	0
271270	Svcs-Chief Research Officer	0	0	5,000	-5,000	5,000	0
271280	Veteran's Support Office Local	0	0	1,500	-1,500	1,500	0
271290	Svcs - Recruitment & Diversity	0	0	15,000	-15,000	15,000	0
271400	Services - Board Of Regents	0	0	100,000	-100,000	100,000	0
271440	Svcs - Academic Affairs	0	0	9,000	-9,000	9,000	0
271470	Services - State Relations	0	0	49,500	-49,500	49,500	0
271510	Svcs - Chanc Student Adisory Board	0	0	2,000	-2,000	2,000	0
271560	Services - Sys Ofce Of Mrktg & Comm	0	0	3,500	-3,500	3,500	0
271680	Services-Sys Policy & Planning Act	0	0	2,500	-2,500	2,500	0
271690	Budgets & Accounting	0	0	1,804,611	-1,804,611	1,804,611	0
271710	It Enhancements	0	0	360,000	-360,000	360,000	0
273001	Facilities Planning & Construction	5,019,863	7,543,213	4,752,505	2,790,708	-582,150	7,228,421
280000	Otc-Operating Account-Income-Local	800,000	2,000,000	1,792,315	207,685	0	1,007,685
280990	Estimated Otc Income	0	8,500,000	8,500,000	0	0	0
System Offices		**$82,278,713**	**$204,258,568**	**$209,060,611**	**-$4,802,043**	**$3,037,654**	**$80,514,324**

The Texas A&M University System
Service Department Activities
Budget for Fiscal Year Ending: August 31, 2013

System Offices		Beginning Balances	Revenue	Expense	Net Operating	Transfers	Ending Balance
Revenue	Sales And Services		27,542,213				
	Other Operating Income		174,716,355				
Expense	Salaries - Non-Faculty			12,099,030			
	Wages			485,574			
	Benefits			2,750,001			
	Utilities			31,000			
	Operations And Maintenance			5,567,312			
	Equipment (Capitalized)			40,000			
	Claims And Losses			179,587,694			
	Other Non-Operating Expense			8,500,000			
System Offices		**$82,278,713**	**$204,258,568**	**$209,060,611**	**-$4,802,043**	**$3,037,654**	**$80,514,324**

ITEM
EXHIBIT

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2013

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
Prairie View A&M University	921.3	0.0	921.3	Appropriated	No additional FTE's are requested for FY 2013.

Exhibit G (Item 8)

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2013

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
Tarleton State University	692.0	0.0	692.0	Appropriated	No additional FTE's are requested for FY 2013.

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2013

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
Texas A&M International University	815.5	0.0	815.5	Appropriated	No additional FTE's are requested for FY 2013.

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2013

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
Texas A&M University	5,817.4	0.0	5,817.4	Appropriated	No additional FTE's are requested for FY 2013.

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2013

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
Texas A&M University at Galveston	247.6	0.0	247.6	Appropriated	No additional FTE's are requested for FY 2013.

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2013

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
Texas A&M University - Central Texas	123.8	19.7	143.5	Appropriated	Additional faculty and support staff are needed due to increases in student enrollment and distance learning.

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2013

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
Texas A&M University - Commerce	801.7	0.0	801.7	Appropriated	No additional FTE's are requested for FY 2013.

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2013

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
Texas A&M University - Corpus Christi	736.5	0.0	736.5	Appropriated	No additional FTE's are requested for FY 2013.

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2013

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
Texas A&M University - Kingsville	690.4	0.0	690.4	Appropriated	No additional FTE's are requested for FY 2013.

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2013

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
Texas A&M University - San Antonio	220.0	96.0	316.0	Appropriated	TAMU-SA is a new university experiencing tremendous growth. The original cap that was allocated is not sufficient to cover teaching and other essential employees necessary to serve the current and expected increase in student enrollment.

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2013

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
Texas A&M University - Texarkana	151.2	42.8	194.0	Appropriated	During the first two years of downward expansion into freshman and sophomore students, TAMU-T grew nearly 40% in undergraduates. During this same time, semester credit hours grew at a pace of 61%. Additional personnel are needed for downward expansion and relocation to new campus.

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2013

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
West Texas A&M University	644.2	0.0	644.2	Appropriated	No additional FTE's are requested for FY 2013.

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2013

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
Texas A&M Health Science Center	1,090.6	62.6	1,153.2	Appropriated	The Texas A&M Health Science Center (HSC) requested an increase in FTE's to 1,153.2 in FY 2012. As of the 2nd quarter report, the HSC is at 1,109.7. Continued enrollment increases in Medicine, Pharmacy and Nursing will require modest FTE growth to maintain favorable student to faculty ratios. Additionally, the HSC will continue infrastructure expansion in FY 2013 requiring additional FTE's to operate and maintain facilities (a new campus with two buildings in Bryan and a campus with one building in Round Rock). For FY 2013, the HSC is requesting an increase of 62.6 FTE's over the FTE cap which represents no increase over the FY 2012 request.

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2013

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
Texas AgriLife Research	985.9	0.0	985.9	Appropriated	No additional FTE's are requested for FY 2013.

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2013

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
Texas AgriLife Extension Service	1,023.1	0.0	1,023.1	Appropriated	No additional FTE's are requested for FY 2013.

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2013

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
Texas Forest Service	378.2	80.0	458.2	Appropriated	The Texas Forest Service requests that its FTE cap be raised by 80 FTE's. The following justification is provided: **Correction for Prior Errors in FTE Cap (31 FTE's)** 1. A reporting error by TFS in the 1998-99 LAR resulted in the agency's FTE cap being reduced by 35 FTE's in error. 2. The agency was authorized a total of 49 FTE's for the Texas Wildfire Protection Plan (TWPP) pilot program, the VFD Assistance Program and the VFD Insurance Program; however, the agency's FTE cap was increased by 45 FTE's – a shortage of 4 FTE's. 3. Subsequent to the above errors in the FTE cap, the legislature reduced FTE caps by an across the board 2%. The impact would be to reduce corrections for the above FTE errors by 8. The above corrections have been requested since the 2004/2005 biennium. **Increase for expansion of TWPP and VFD Assistance (59 FTE's)** 1. The 81st Legislature provided additional funding to expand TWPP and the VFD Assistance Program. The agency's LAR indicated 65 new FTE's associated with this funding. The agency's FTE cap was increased by 5.8. **Decrease for TFS elimination of positions (10 FTE's)** 1. As part of the 2010-11 and 2012-13 budget reductions, TFS eliminated 10 positions.

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2013

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
Texas Veterinary Medical Diagnostic Laboratory	155.0	0.0	155.0	Appropriated	No additional FTE's are requested for FY 2013.

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2013

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
Texas Engineering Experiment Station	840.7	0.0	840.7	Appropriated	No additional FTE's are requested for FY 2013.

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2013

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
Texas Engineering Extension Service	608.1	0.0	608.1	Appropriated	No additional FTE's are requested for FY 2013.

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2013

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
Texas Transportation Institute	428.7	0.0	428.7	State Highway Fund No. 006	No additional FTE's are requested for FY 2013.

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2013

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
Texas A&M University System - Office of Sponsored Research Services	n/a	n/a	n/a	Appropriated	Not applicable.

The Texas A&M University System
Request to Exceed Limitation on State Employment Levels
Article IX, Part 6, Section 6.10
FY 2013

MEMBER	FTE Cap	Requested FTE Increase	Revised FTE Level	Source of Funds	Justification
System Offices	171.1	0.0	171.1	Appropriated	No additional FTE's are requested for FY 2013.

ITEM
EXHIBIT

FY 2013 – FY 2017
Capital Plan
August 2012

Exhibit H (Item 11)

EXECUTIVE SUMMARY

Members of The Texas A&M University System each prepare a five-year capital plan as part of the overall planning process. These plans are then compiled into a System Capital Plan. Whenever borrowing is considered for a project, a financing application is submitted to the System Offices for review. Revenue streams are examined and debt service projections are calculated to determine if the Member has the revenue capacity to proceed with financing. The Members also certify the adequacy of the debt repayment revenue resources.

The $1.85 billion System Capital Plan includes $1.11 billion of previously approved projects that are either in design or under construction and $742.3 million in proposed future projects. After cumulative expenditures through May 2012 of $282.1 million, the remaining balance to be expended on approved projects is $1.57 billion. Included in the proposed future projects are $329.1 million of Revenue Financing System debt projects, $56.2 million of HEF projects and $357 million of projects to be funded by cash sources including federal funds, gifts, auxiliary enterprise funds, and grants.

Fiscal year 2013 proposed projects total $200.5 million and include $75.8 million of RFS debt projects, $14.5 million of HEF projects, and $110.2 million of projects to be funded by cash sources including federal funds, gifts, and auxiliary enterprise funds.

THE TEXAS A&M UNIVERSITY SYSTEM
CAPITAL PLAN
FY 2013 - FY 2017

System Member	Previously Approved Projects	Proposed Projects	Total Project Planning Amounts
Texas A&M University	585,269,278	366,848,788	952,118,066
Texas A&M University at Galveston	36,695,813	6,500,000	43,195,813
Texas A&M Health Science Center	23,627,491	-	23,627,491
Prairie View A&M University	89,690,000	67,550,000	157,240,000
Tarleton State University	39,618,609	27,653,480	67,272,089
Texas A&M University - Corpus Christi	36,394,523	6,000,000	42,394,523
Texas A&M International University	7,575,000	5,000,000	12,575,000
Texas A&M University - Kingsville	29,174,268	49,450,000	78,624,268
West Texas A&M University	54,723,000	101,350,000	156,073,000
Texas A&M University - Texarkana	24,200,000	3,750,000	27,950,000
Texas A&M University - Commerce	40,330,000	15,033,980	55,363,980
Texas A&M University - Central Texas	50,500,000	-	50,500,000
Texas A&M University - San Antonio	75,500,000	-	75,500,000
Texas AgriLife Research	5,822,057	-	5,822,057
Texas AgriLife Extension Service	400,000	-	400,000
Texas Forest Service	600,000	-	600,000
Texas Veterinary Medical Diagnostic Laboratory	-	-	-
Texas Engineering Experiment Station	3,684,000	50,000,000	53,684,000
Texas Engineering Extension Service	3,100,000	29,500,000	32,600,000
Texas Transportation Institute	4,914,691	11,500,000	16,414,691
System Offices	1,622,000	2,166,170	3,788,170
	1,113,440,730	742,302,418	1,855,743,148

THE TEXAS A&M UNIVERSITY SYSTEM
CAPITAL PLAN
FY 2013 - FY 2017

System Member	Total Project Planning Amounts	Cumulative Prior Years Expenditures to 5/31/12	Remaining Planning Amounts
Texas A&M University	952,118,066	208,445,505	743,672,561
Texas A&M University at Galveston	43,195,813	23,188,732	20,007,081
Texas A&M Health Science Center	23,627,491	15,132,620	8,494,871
Prairie View A&M University	157,240,000	3,499,374	153,740,626
Tarleton State University	67,272,089	4,951,848	62,320,241
Texas A&M University - Corpus Christi	42,394,523	301,170	42,093,353
Texas A&M International University	12,575,000	-	12,575,000
Texas A&M University - Kingsville	78,624,268	3,764,142	74,860,126
West Texas A&M University	156,073,000	9,370,786	146,702,214
Texas A&M University - Texarkana	27,950,000	1,614,001	26,335,999
Texas A&M University - Commerce	55,363,980	3,181,839	52,182,141
Texas A&M University - Central Texas	50,500,000	261,792	50,238,208
Texas A&M University - San Antonio	75,500,000	85,601	75,414,399
Texas AgriLife Research	5,822,057	3,161,882	2,660,175
Texas AgriLife Extension Service	400,000	167,877	232,123
Texas Forest Service	600,000	62,044	537,956
Texas Veterinary Medical Diagnostic Laboratory	-	-	-
Texas Engineering Experiment Station	53,684,000	2,666,269	51,017,731
Texas Engineering Extension Service	32,600,000	429,050	32,170,950
Texas Transportation Institute	16,414,691	1,805,443	14,609,248
System Offices	3,788,170	-	3,788,170
	1,855,743,148	282,089,975	1,573,653,173

THE TEXAS A&M UNIVERSITY SYSTEM
CAPITAL PLAN
PROPOSED PROJECTS - FISCAL YEAR 2013

System Member	Planning Amounts	Resource Allocation			
		PUF Debt Proceeds	HEF	RFS Debt Proceeds	Other
Texas A&M University	140,223,788			56,385,121	83,838,667
Texas A&M University at Galveston	1,300,000				1,300,000
Texas A&M Health Science Center	-				
Prairie View A&M University	7,550,000				7,550,000
Tarleton State University	1,228,170				1,228,170
Texas A&M University - Corpus Christi	-				
Texas A&M International University	-				
Texas A&M University - Kingsville	9,450,000			9,450,000	
West Texas A&M University	13,900,000		10,900,000		3,000,000
Texas A&M University - Texarkana	750,000		750,000		
Texas A&M University - Commerce	2,901,882		2,901,882		
Texas A&M University - Central Texas	-				
Texas A&M University - San Antonio	-				
Texas AgriLife Research	-				
Texas AgriLife Extension Service	-				
Texas Forest Service	-				
Texas Veterinary Medical Diagnostic Laboratory	-				
Texas Engineering Experiment Station	10,000,000				10,000,000
Texas Engineering Extension Service	7,500,000			6,250,000	1,250,000
Texas Transportation Institute	3,500,000			1,500,000	2,000,000
System Offices	2,166,170			2,166,170	
	200,470,010	-	14,551,882	75,751,291	110,166,837

THE TEXAS A&M UNIVERSITY SYSTEM
Capital Plan

Funding Codes

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

TEXAS A&M UNIVERSITY
CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/12	PUF Debt Proceeds	RFS Debt Proceeds		Other	
APPROVED PROJECTS									
2-3000		Liberal Arts and Arts & Humanities Building	46,000,000	29,060,254		16,939,746	g		
2-3001		Wellborn Road Grade Separations	34,000,000	10,842,390				23,157,610	f
2-3035		Rehabilitate Runway 10/28	4,400,000	2,862,427				1,537,573	f,x
2-3045		* Renovate the MSC and University Complex	120,039,981	109,327,935		2,874,101	b,g,s,x	7,837,945	b
2-3067		Northside Residence Hall	68,000,000	15,308,171		51,691,829	h	1,000,000	o
2-3070		Luedecke Cyclotron Building Expansion	3,550,000	397,334	1,000,000			2,152,666	o
2-3073		New Taxiway G and ARFF Access Road	4,647,529	908,722				3,738,807	f,x
2-3077		Interdisciplinary Life Sciences Building Build Out	3,529,612	2,559,593				970,019	c
2-3080		Energy Consumption Reduction Project Phase II	5,135,166	4,414,816				720,350	o
2-3085		Corps Dorm Renovation - FY2011	13,750,000	6,402,127		7,347,873	h		
2-3089		Joint Library Facility with The University of Texas	7,000,000	286,189	1,713,811			5,000,000	o
2-3098		Player Development Center	9,369,000	4,444,122				4,924,878	b,p
2-3110		Corps Dorm Renovation - FY2012	9,095,000	340,682		8,754,318	h		
2-3112		Capital Renewal - Scoates Hall	6,503,790		4,016,748	1,147,743	g	1,339,299	a,g
2-3113		Capital Renewal - Jack K Williams Building	7,877,638		5,541,217			2,336,421	g,o
2-3114		Capital Renewal - Francis Hall	8,000,000		2,329,944	1,425,164	g	4,244,892	g,o
2-3118		Physical Education Activity Program (PEAP) Facility	23,079,665	38	12,000,000	11,079,627	o,p,r		
2-3121		Kyle Field District Plan Phase 2	16,000,000	132,295		15,867,705	b		
2-3125		Veterinary Medicine and Biomedical Sciences Education Bldg	120,000,000		120,000,000				
2-3132		General Aviation Ramp Rehabilitation - Final Phase	5,482,000	17,100				5,464,900	f,x
2-3135		Corps Dorm Renovation - FY2013 (Leonard)	15,200,000			15,200,000	h		
		Capital Renewal	12,728,170		12,728,170				
		Physical Plant Projects/Equipment/Other	41,881,727	21,141,310	16,674,473	4,065,944			
		Total Construction/Acquisitions in Progress	585,269,278	208,445,505	176,004,363	136,394,050		64,425,360	

* Total Project Costs: $121,039,981 (Texas A&M: $120,039,981 System: $1,000,000)

TEXAS A&M UNIVERSITY
CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/12	PUF Debt Proceeds	RFS Debt Proceeds		Other	
PROPOSED PROJECTS									
	2013	Student Recreation Center Addition	25,000,000			25,000,000	r		
	2013	FY13 Utility Production Upgrade	15,410,000			15,410,000	u		
	2013	Corps Dorm Renovation - Gainer	9,500,000			9,500,000	h		
	2013	Donald L. Houston Building Renovation	4,522,820			1,130,705	o	3,392,115	c
	2013	NCTM Core Retrofit	30,872,836			3,952,323	o	26,920,513	c
	2013	NCTM Live Virus Wing	53,526,039					53,526,039	c
	2014	FY14 Utility Production Upgrade	18,170,000			18,170,000	u		
	2014	Corps Dorm Renovation - Phase 5	9,800,000			9,800,000	h		
	2014	Kyle Field Renovation - Phase I	50,000,000					50,000,000	b
	2014	New Airport Tower	5,400,000					5,400,000	f,x
	2015	FY15 Utility Production Upgrade	9,745,000			9,745,000	u		
	2015	New Campus Parking Garage	32,500,000			32,500,000	p		
	2015	Student Health Center Building	40,000,000			40,000,000	s		
	2015	Corps Dorm Renovation - Phase 6	10,300,000			10,300,000	h		
	2015	Kyle Field Renovation - Phase II	50,000,000					50,000,000	b
		Physical Plant Projects/Equipment/Other	2,102,093			2,102,093			
		Total Proposed Construction/Acquisitions	366,848,788	-	-	177,610,121		189,238,667	
TOTAL CAPITAL PLAN			952,118,066	208,445,505	176,004,363	314,004,171		253,664,027	

TEXAS A&M UNIVERSITY at GALVESTON
CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/12	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS							
10-3088		New Student Housing	27,998,410	17,303,860		9,694,550 h,p	1,000,000 h
		Physical Plant Projects/Equipment/Other	8,697,403	5,884,872	245,813	1,266,718	1,300,000
		Total Construction/Acquisitions in Progress	36,695,813	23,188,732	245,813	10,961,268	2,300,000
PROPOSED PROJECTS							
		Physical Plant Projects/Equipment/Other	6,500,000				6,500,000
		Total Proposed Construction/Acquisitions	6,500,000	0	0	0	6,500,000
TOTAL CAPITAL PLAN			43,195,813	23,188,732	245,813	10,961,268	8,800,000

TEXAS A&M HEALTH SCIENCE CENTER
CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/12	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS							
		Physical Plant Projects/Equipment/Other	23,627,491	15,132,620	7,171,535	1,323,336	
		Total Construction/Acquisitions in Progress	23,627,491	15,132,620	7,171,535	1,323,336	0
TOTAL CAPITAL PLAN			23,627,491	15,132,620	7,171,535	1,323,336	0

PRAIRIE VIEW A&M UNIVERSITY
CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date		Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/12	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS								
5-3092		*	2011 Capital Renewal	11,067,000	1,657,698	7,500,000	1,909,302 g	
5-3126			Agriculture and Business Multipurpose Classroom Building	37,800,000		35,000,000		2,800,000 c
5-3127			Student Recreation Center	31,390,000			28,590,000 s	2,800,000 s
			Physical Plant Projects/Equipment/Other	9,433,000	1,841,676		3,591,324	4,000,000
			Total Construction/Acquisitions in Progress	89,690,000	3,499,374	42,500,000	34,090,626	9,600,000
PROPOSED PROJECTS								
	2016		Football Stadium and Athletic Field House	47,000,000			14,100,000 b	32,900,000 b
			Physical Plant Projects/Equipment/Other	20,550,000				20,550,000
			Total Proposed Construction/Acquisitions	67,550,000	0	0	14,100,000	53,450,000
TOTAL CAPITAL PLAN				157,240,000	3,499,374	42,500,000	48,190,626	63,050,000

* $7.5 million PUF matching funds will be used for 2011 Capital Renewal project and 2011 Campus Capital Renewal Projects reflected on page 4.

TARLETON STATE UNIVERSITY
CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/12	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS							
4-3128		O A Grant Humanities Building Rehabilitation and Expansion	12,000,000		12,000,000		
4-3129		Clyde H. Wells Fine Arts Center Rehabilitation	8,000,000		8,000,000		
		Physical Plant Projects/Equipment/Other	19,618,609	4,951,848	12,296,145	287,386	2,083,230
		Total Construction/Acquisitions in Progress	39,618,609	4,951,848	32,296,145	287,386	2,083,230
PROPOSED PROJECTS							
	2015	New Student Housing Phase III	14,000,000			14,000,000 h	
		Physical Plant Projects/Equipment/Other	13,653,480				13,653,480
		Total Proposed Construction/Acquisitions	27,653,480	0	0	14,000,000	13,653,480
TOTAL CAPITAL PLAN			67,272,089	4,951,848	32,296,145	14,287,386	15,736,710

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

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/12	HEF	RFS Debt Proceeds	Other
APPROVED PROJECTS							
15-3087		Momentum Sports Complex - Phase I	8,800,000	228,355		6,325,645 s	2,246,000 o
15-3142		University Center Expansion	26,000,000			22,000,000 s	4,000,000 s,x
		Physical Plant Projects/Equipment/Other	1,594,523	72,815	1,500,000	21,708	
		Total Construction/Acquisitions in Progress	36,394,523	301,170	1,500,000	28,347,353	6,246,000
PROPOSED PROJECTS							
		Physical Plant Projects/Equipment/Other	6,000,000		6,000,000		
		Total Proposed Construction/Acquisitions	6,000,000	0	6,000,000	0	0
TOTAL CAPITAL PLAN			42,394,523	301,170	7,500,000	28,347,353	6,246,000

TEXAS A&M INTERNATIONAL UNIVERSITY
CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/12	HEF	RFS Debt Proceeds	Other
APPROVED PROJECTS							
		Physical Plant Projects/Equipment/Other	7,575,000		3,625,000	3,950,000	
		Total Construction/Acquisitions in Progress	7,575,000	0	3,625,000	3,950,000	0
PROPOSED PROJECTS							
	2014	WHTC Large Classroom Addition	5,000,000				5,000,000 b
		Total Proposed Construction/Acquisitions	5,000,000	0	0	0	5,000,000
TOTAL CAPITAL PLAN			12,575,000	0	3,625,000	3,950,000	5,000,000

TEXAS A&M UNIVERSITY - KINGSVILLE
CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/12	HEF	RFS Debt Proceeds	Other
APPROVED PROJECTS							
17-3082		New Student Housing Phase III	16,000,000	580,513		15,419,487 h	
		Physical Plant Projects/Equipment/Other	13,174,268	3,183,629	5,302,334	2,147,609	2,540,696
		Total Construction/Acquisitions in Progress	29,174,268	3,764,142	5,302,334	17,567,096	2,540,696
PROPOSED PROJECTS							
	2014	New Student Housing Phase IV	14,000,000			14,000,000 h	
		Physical Plant Projects/Equipment/Other	35,450,000		8,600,000	9,450,000	17,400,000
		Total Proposed Construction/Acquisitions	49,450,000	0	8,600,000	23,450,000	17,400,000
TOTAL CAPITAL PLAN			78,624,268	3,764,142	13,902,334	41,017,096	19,940,696

WEST TEXAS A&M UNIVERSITY
CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/12	HEF	RFS Debt Proceeds	Other
APPROVED PROJECTS							
18-3093		Jack B Kelley Student Center Expansion	10,900,000	4,836,802		6,063,198 s	
18-3106		Underclassmen Residence Hall - Phase II	35,000,000	1,949,308		33,050,692 h	
		Physical Plant Projects/Equipment/Other	8,823,000	2,584,676	2,400,000	838,324	3,000,000
		Total Construction/Acquisitions in Progress	54,723,000	9,370,786	2,400,000	39,952,214	3,000,000
PROPOSED PROJECTS							
	2015	Field House	10,000,000			10,000,000 b	
	2016	Underclassmen Residence Hall - Phase III	35,000,000			35,000,000 h	
	2017	Enrichment Center	25,000,000			25,000,000 b	
		Physical Plant Projects/Equipment/Other	31,350,000		22,850,000		8,500,000
		Total Proposed Construction/Acquisitions	101,350,000	0	22,850,000	70,000,000	8,500,000
TOTAL CAPITAL PLAN			156,073,000	9,370,786	25,250,000	109,952,214	11,500,000

TEXAS A&M UNIVERSITY - TEXARKANA
CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/12	HEF	RFS Debt Proceeds	Other
APPROVED PROJECTS							
22-3116		Bringle Lake Village Housing Phase II and Dining Facility	15,750,000	314,001		15,435,999 h,x	
		Physical Plant Projects/Equipment/Other	8,450,000	1,300,000	450,000	4,700,000	2,000,000
		Total Construction/Acquisitions in Progress	24,200,000	1,614,001	450,000	20,135,999	2,000,000
PROPOSED PROJECTS							
		Physical Plant Projects/Equipment/Other	3,750,000		3,750,000		
		Total Proposed Construction/Acquisitions	3,750,000	0	3,750,000	0	0
TOTAL CAPITAL PLAN			27,950,000	1,614,001	4,200,000	20,135,999	2,000,000

TEXAS A&M UNIVERSITY - COMMERCE
CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/12	HEF	RFS Debt Proceeds	Other
APPROVED PROJECTS							
21-3105		New Student Housing Phase II	26,900,000	752,582		26,147,418 h	
21-3133		Sam Rayburn Student Center Expansion	10,300,000			8,000,000 x	2,300,000 x
		Physical Plant Projects/Equipment/Other	3,130,000	2,429,257	700,743		
		Total Construction/Acquisitions in Progress	40,330,000	3,181,839	700,743	34,147,418	2,300,000
PROPOSED PROJECTS							
		Physical Plant Projects/Equipment/Other	15,033,980		15,033,980		
		Total Proposed Construction/Acquisitions	15,033,980	0	15,033,980	0	0
TOTAL CAPITAL PLAN			55,363,980	3,181,839	15,734,723	34,147,418	2,300,000

TEXAS A&M UNIVERSITY - CENTRAL TEXAS
CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/12	PUF	RFS Debt Proceeds	Other
APPROVED PROJECTS							
24-3124		Multipurpose and Library Building	50,000,000	261,792	49,738,208		
		Physical Plant Projects/Equipment/Other	500,000		500,000		
		Total Construction/Acquisitions in Progress	50,500,000	261,792	50,238,208	0	0
TOTAL CAPITAL PLAN			50,500,000	261,792	50,238,208	0	0

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

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/12	PUF	RFS Debt Proceeds	Other
APPROVED PROJECTS							
25-3122		Central Academic Building and Patriots' Casa	75,000,000	85,601	74,914,399		
		Physical Plant Projects/Equipment/Other	500,000		500,000		
		Total Construction/Acquisitions in Progress	75,500,000	85,601	75,414,399	0	0
TOTAL CAPITAL PLAN			75,500,000	85,601	75,414,399	0	0

TEXAS AGRILIFE RESEARCH
CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/2012	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS							
		Physical Plant Projects/Equipment/Other	5,822,057	3,161,882	2,660,175		
		Total Construction/Acquisitions in Progress	5,822,057	3,161,882	2,660,175	0	0
TOTAL CAPITAL PLAN			5,822,057	3,161,882	2,660,175	0	0

TEXAS AGRILIFE EXTENSION SERVICE
CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/2012	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS							
		Physical Plant Projects/Equipment/Other	400,000	167,877	232,123		
		Total Construction/Acquisitions in Progress	400,000	167,877	232,123	0	0
TOTAL CAPITAL PLAN			400,000	167,877	232,123	0	0

TEXAS FOREST SERVICE
CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/2012	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS							
		Physical Plant Projects/Equipment/Other	600,000	62,044	142,081		395,875
		Total Construction/Acquisitions in Progress	600,000	62,044	142,081	0	395,875
TOTAL CAPITAL PLAN			600,000	62,044	142,081	0	395,875

TEXAS VETERINARY MEDICAL DIAGNOSTIC LABORATORY
CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/2012	PUF Debt Proceeds	RFS Debt Proceeds	Other

No projects identified at this time for FY 2013 - 2017.

TEXAS ENGINEERING EXPERIMENT STATION
CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/2012	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS							
		Physical Plant Projects/Equipment/Other	3,684,000	2,666,269	1,017,731		
		Total Construction/Acquisitions in Progress	3,684,000	2,666,269	1,017,731	0	0
PROPOSED PROJECTS							
		Physical Plant Projects/Equipment/Other	50,000,000				50,000,000
		Total Proposed Construction/Acquisitions	50,000,000	0	0	0	50,000,000
TOTAL CAPITAL PLAN			53,684,000	2,666,269	1,017,731	0	50,000,000

TEXAS ENGINEERING EXTENSION SERVICE
CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/2012	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS							
		Physical Plant Projects/Equipment/Other	3,100,000	429,050	448,965	1,777,472	444,513
		Total Construction/Acquisitions in Progress	3,100,000	429,050	448,965	1,777,472	444,513
PROPOSED PROJECTS							
	2014	Fire Field Expansion	10,000,000			10,000,000 e	
	2016	San Antonio Facility Expansion	5,000,000			5,000,000 e	
	2016	Mesquite Facility Expansion	5,000,000			5,000,000 e	
		Physical Plant Projects/Equipment/Other	9,500,000			6,250,000	3,250,000
		Total Proposed Construction/Acquisitions	29,500,000	0	0	26,250,000	3,250,000
TOTAL CAPITAL PLAN			32,600,000	429,050	448,965	28,027,472	3,694,513

TEXAS TRANSPORTATION INSTITUTE
CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/2012	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS							
		Physical Plant Projects/Equipment/Other	4,914,691	1,805,443	1,109,248		2,000,000
		Total Construction/Acquisitions in Progress	4,914,691	1,805,443	1,109,248	0	2,000,000
PROPOSED PROJECTS							
		Physical Plant Projects/Equipment/Other	11,500,000			1,500,000	10,000,000
		Total Proposed Construction/Acquisitions	11,500,000	0	0	1,500,000	10,000,000
TOTAL CAPITAL PLAN			16,414,691	1,805,443	1,109,248	1,500,000	12,000,000

SYSTEM OFFICES
CAPITAL PLAN
SUMMARY INFORMATION

Project #	Projected FY Start Date	Project Name	Total Planning Amount	Cumulative Expenditures Prior Years to 5/31/2012	PUF Debt Proceeds	RFS Debt Proceeds	Other
APPROVED PROJECTS							
2-3045		* Renovate the MSC & University Complex	1,000,000			1,000,000 o	
		Physical Plant Projects/Equipment/Other	622,000		622,000		
		Total Construction/Acquisitions in Progress	1,622,000	0	622,000	1,000,000	0
PROPOSED PROJECTS							
		Physical Plant Projects/Equipment/Other	2,166,170			2,166,170	
		Total Proposed Construction/Acquisitions	2,166,170	0	0	2,166,170	0
TOTAL CAPITAL PLAN			3,788,170	0	622,000	3,166,170	0

* Total Project Costs: $121,039,981 (Texas A&M: $120,039,981 System: $1,000,000)

Exhibit I (Item 22)

REVISED

Founder's Hall Naming Project
Donor List

Founders Hall Location	Donor(s)	Location to be Named As:
Lecture Hall First Floor	Sis and Coleen Beck (Union State Bank)	Bernie Beck Lecture Hall
Presidential Conference Room, Fourth Floor	Yowell Family	Yowell Family Presidential Conference Room
Large Conference Room Third Floor	Bill and Mary Kliewer	BKCW Insurance Conference Room
Library Services Fourth Floor	Lt. Gen. (Ret.) Pete Taylor and Family	Mary Jane Taylor Library Services
Small Conference Room Fourth Floor	First State Bank Central Texas	First State Bank Central Texas Conference Room
Large Classroom Fourth Floor	Paula Lohse	Toyota of Killeen Classroom
Office of Veterans Affairs Second Floor	Diane Connell	Ted and Diane Connell Veterans Affairs Center
Alcove, West Wing Fourth Floor	Stephen A. Hanik	CenturyLink Alcove
Large Technology Teaching Classroom, Third Floor	Scott Cosper	Cosper Family Technology Classroom
Large Computer Lab First Floor	Carlyle Walton	Metroplex Computer Lab
Alcove, West Wing Third Floor	Jerry and Martha Tyroch	Mary Shipp Lewis Alcove
Alcove, East Wing Third Floor	Radford and Virginia McCauley	McCauley Family Alcove
Alcove, East Wing Fourth Floor	Karén Clos Bleeker	Santos Maria Urrabazo Rodriguez Alcove
Alcove, West Wing Second Floor	Tracy Teaff	Teaff/Curtis Family Alcove
Student Commons Area Fourth Floor	Peg Gray-Vickrey	Peg & Scott Gray-Vickrey Student Commons Area
Alcove, East Wing Second Floor	Tony and Jerrie Cleaver	Cleaver Family Alcove
Outdoor Courtyard Founder's Hall, Southside	Jerold B. Katz Foundation, Represented by Terry Tuggle	Jerold B. Katz Courtyard

ITEM
EXHIBIT

The Texas A&M University System Campuses: Freshmen Admission Standards
Year 2013-14

Campus/ Program	Application Fee	Admission Under Uniform Admission Policy*+	Standards for Full Admission+	Conditional Admission and Requirements for Full Admission+	TOEFL **	Other Requirements
Prairie View A&M	$25 non-refundable Fee $50.00 non-refundable fee – International students	Top 10%	**Honors Admission:** 3.50 GPA or higher; passage of any state mandated HS exit examination. 1200 SAT Score (CR+M) or ACT Composite score of 25; **Unconditional Admission:** 820 SAT score (CR+ M) or ACT Composite score of 17; 2.50 GPA or above on a 4.0 scale	**Conditional Admission:** 710 SAT score (CR+M) or ACT Composite score of 15 ***GPA 2.0 - 2.5*** ***Students who do not meet Unconditional Requirements are eligible to apply for our Summer Panther Pride Bridge Program which is structured for five (5) weeks. It is designed for incoming First-Year Students who want to advance their academic career by completing six (6) semester credit hours during this period.***	500 or greater; Graduate of US HS or applicant with score of 18 on English section of ACT or 400 critical reading section of SAT exempt	
Texas A&M International	No fee required	Top 25%	Rank first 40% of HS class must have official SAT/ACT scores; Lower 60% must have a 900 SAT, or an 19 ACT	**Provisional Admissions:** Lower 60% of HS class with 840 SAT (V+M) or 17 ACT composite.	~~550~~ ***523*** Paper; ~~213~~ ***193*** Computer; ~~79~~ ***69*** Internet based ***5.5 IELTS***	

Exhibit J (Item 28)

Campus/ Program	Application Fee	Admission Under Uniform Admission Policy*+	Standards for Full Admission+	Conditional Admission and Requirements for Full Admission+	TOEFL **	Other Requirements
Tarleton State University	$30 non-refundable fee	Top 25%	2nd Quarter (QTR) of HS: no min with REC HS program; **950** SAT or 20 ACT without REC HSP; 3rd QTR: – 950 SAT or 20 ACT with REC HSP; 1030 SAT or 22 ACT without REC HSP; 4th QTR: 1030 SAT or 22 ACT with REC HSP, 1110 SAT or 24 ACT without REC HSP	**Texan Gateway Program** or Texan Transition Program: Applicants near the requirements for regular admission may be considered. The number of students granted into program may be limited. Students are granted one-year enrollment to meet conditions for full admission.	520 – Paper based; 190 – Computer based; 68 Internet based	Essay writing component from SAT or ACT required.
TAMU-Corpus Christi	$40 non-refundable Fee $75 non-refundable fee for international students	Top 10%	Next 15% 900 SAT/19 ACT 2nd QTR: 1000 SAT/21 ACT 3rd QTR: 11 SAT/23 ACT 4th QTR: 1200 SAT/27 ACT	Students who do not meet institutional requirements for automatic admissions are offered consideration through the Alternative Admissions process.	550 paper exam 213 computer exam 79-80 internet based ***IELTS: 6.5***	

Campus/ Program	Application Fee	Admission Under Uniform Admission Policy* +	Standards for Full Admission+	Conditional Admission and Requirements for Full Admission+	TOEFL **	Other Requirements
TAMU - Commerce	None $60 enrollment fee charged upon enrollment.	Top 25%	SAT: 950 ACT: 20	Applicants who do not meet automatic admission requirements based on ranking and/or SAT/ACT scores will be reviewed by the university's Admission Committee. The committee will consider other factors including academic performance in the high school, socioeconomic status, extracurricular involvement, performance level of high school/district or any other information that might be helpful To be reviewed by the Admissions Committee the applicant should submit a personal statement and at least two letters of recommendation. Information should be sent to the Director of Undergraduate Admissions.	550 paper exam 213 computer exam or 79 internet based IELTS: 6.0	
West Texas A&M University	$40.00 non-refundable Fee $75 non-refundable fee for international applicants	Top 10%	Next 15%: 850 SAT/18 ACT 2nd QTR: 890 SAT/ 19 ACT 3rd QTR: 930 SAT/ 20 ACT 4th QTR: 971 SAT/ 21 ACT	Students who do not meet the class rank + ACT/SAT requirements will be reviewed for admission on a competitive, individual basis, with weighted consideration of class rank and standardized test scores (ACT or SAT.)	525 Paper based 197 Computer based 71 internet based IELTS: 6.0.	

Campus/ Program	Application Fee	Admission Under Uniform Admission Policy* +	Standards for Full Admission+	Conditional Admission and Requirements for Full Admission+	TOEFL **	Other Requirements

TAMU-Kingsville	$25 non-refundable fee $50 non-refundable fee for international applicants	Top 25%	2nd QTR: 790 SAT/16 ACT 3rd QTR: ~~870~~ ***910*** SAT/~~18~~ ***19*** ACT 4th QTR: ~~950~~ ***1030*** SAT/~~20~~ ***22*** ACT	**Alternative Admission Review:** Applicants who do not meet the Regular Admission Requirements will automatically be reviewed using a holistic review that includes academic performance and rigor as well as, extracurricular activities, community service, talents and awards, leadership skills, employment, and other factors that support a student's ability to succeed at the university. Students must complete 12 SCH fall and spring and earn a GPA > 2.00.	550 Paper Based 79 Internet Based	
TAMU-Texarkana	$30 non-refundable fee	Top 25%	~~20 ACT or 940 SAT;~~ ~~2.50 HS GPA with 18-19 ACT or 860-930 SAT~~ ***2nd QTR: 890 SAT/19 ACT*** ***3rd QTR: 930 SAT/20 ACT*** ***4th Qtr: 971 SAT/21 ACT***	~~Eagle Access:~~ ~~2.00 – 2.50 HS GPA with 17-19 ACT or 820-930 SAT or a 2.50 or higher HS GPA with a 16 ACT or 770-810.~~ ~~Students granted conditional admission must complete 12 or more hours of course work in their first semester, and achieve a cumulative GPA of 2.50 or higher to be granted full admission.~~ ***Students who do not meet institutional requirements for automatic admissions are offered consideration through the Alternative Admissions process.***	550 paper based 213 computer based 79 internet based	
Campus/ Program	**Application Fee**	**Admission Under Uniform Admission Policy* +**	**Standards for Full Admission +**	**Conditional Admission and Requirements for Full Admission+**	**TOEFL ******	**Other Requirements**

TAMU & Galveston campus	~~$60~~ ***$75*** non-refundable Fee – main campus ~~$45~~ ***$75*** non-refundable fee – Galveston campus	Top 10%	**Academic Admit:** Top 25% -1300 SAT (CR+M) with at least 600 in each section or 30 ACT with at least 27 in Math and Engl. **Other Admits:** A holistic assessment of a complete application includes recognizing elements of excellence through extracurricular involvement, leadership, community service, achievement, and various perspectives.	**Aggie Gateway:** Students not granted full admission out of review pool may be selected for program. Must attend 6-week summer session and complete 7 hours of assigned course work. Students who earn at least a 2.0 GPA are granted full admission for the fall. **Blinn TEAM:** Participating students are initially admitted to TAMU on a part-time basis, and may earn full admission by several methods. Students are enrolled in one academic course at TAMU each semester, and the remainder of courses at the Bryan Campus of Blinn College. Students who complete 45 Blinn credit hours and 15 A&M credit hours within a two-year period, while maintaining a 3.0 grade point ratio at each school, are automatically admitted. TEAM students who wish to transition to A&M sooner may compete for transfer admission when they meet transfer eligibility. Finally, students	550 paper; 213 computer; 80 internet based	Writing component required; Catalog has complete list of additional requirements

				who do not transition by the aforementioned methods may fully matriculate via the university's readmission process after their two year program has concluded. **Attend Galveston:** Students not admitted to the College Station campus may be offered admission at Galveston with the option of moving to the College Station after completing 30 hours with a 2.5 GPA through a Change of Curriculum. **Program for System Admission:** Students not admitted may select one of the A&M System Institutions and be admitted if they meet admission requirements for their selected institution. A student completes their first year at the System Institution. The program is limited to ~~3~~ 4 specific areas of study (Agriculture & Life Sciences, Geosciences, Liberal Arts and Science) and requires that applicants finish at least 24 transferable hours with a minimum 3.0 GPA for all courses attempted in the chosen Texas A&M degree plan.		

Campus/ Program	Application Fee	Admission Under Uniform Admission Policy* +	Standards for Full Admission +	Conditional Admission and Requirements for Full Admission+	TOEFL **	Other Requirements
TAMU – Qatar Campus	$90 non-refundable Fee – Qatar campus	Top 10%	**Academic Admit:** A minimum SAT Math score of 650 or ACT Math score of 29, a minimum TOEFL iBT score of 100 or IELTS score of 7.00, and a minimum school average of B; students who don't submit TOEFL or IELTS scores must submit a minimum SAT Critical Reading score of 600, and achieve a combined SAT Math and SAT Critical Reading score of at least 1300, or the ACT English and composite score equivalents. Students will be admitted according to availability of spots. **Other Admits:** A holistic assessment of a complete application includes recognizing elements of	**TAMUQ Aggie Gateway Program:** Students not granted full admission out of review pool may be selected for program. Must attend 2 semesters and complete 18 hours of assigned course work. Students who earn at least a 2.0 GPA and meet the criteria of the program are granted full admission for the next fall term.	550 paper; 213 computer; 80 internet based	Writing component required; Catalog has complete list of additional requirements

			excellence through extracurricular involvement, leadership, community service, achievement, and various perspectives.			

The following footnote/column heading explanations apply to all System campuses:

* The Uniform Admission Policy requires that Texas residents who graduate in the Top 10% of their high school class be granted automatic admission with no minimum standardized test scores. Institutions may grant automatic admission to Texas residents who graduate in the Top 25% of their high school class with no minimum standardized test scores.

\+ In accordance with Texas Education Code (TEC) Sections 51.801-51.809, in order to be eligible for admission to any Texas public university, a student must complete at least the Recommended High School Program (RHSP), or its equivalent if graduating from a private or out-of-state high school. Applicants can receive an exemption if they achieve college readiness scores on the ACT or an SAT score of 1500 out of 2400. Exceptions can also be made in cases in which all the required courses are not available to the student.

** TOEFL: Applicants whose native language is not English must take the Test of English as a Foreign Language (TOEFL). All international students (who are not citizens or permanent U.S. residents) are required to be covered under the Student Health Insurance Plan or have equivalent insurance coverage as described in System Regulation 26.99.01.

ITEM
EXHIBIT

The Texas A&M University System Campuses: Transfer Admission Standards
Year 2013-14

Campus/ Program	Application Fee	Admission Standards	Use of High School Record	Number of Articulation Agreements and Requirements for Admission	TOEFL **	Other
Prairie View A&M	$25 non-refundable fee $50 non-refundable fee –International student	Minimum GPA of 2.0 in at least 15 SCH of transferable college level coursework.	1-14 SCH – 2.0 GPA; must meet F-TF standard	~~None~~ ***Articulation and Reverse Transfer Agreement with Lone Star College System. Several other schools have pending agreements in progress.***	500 Paper; 173 Computer; 61 Internet based	Must be eligible to return to previous institution
Tarleton State University	$30 non-refundable fee	30 or more SCH – 2.0 GPA; Off-campus locations must have 30 or more SCH and 2.0 GPA 12-29 SCH – 2.8 GPA	1-11 SCH – 2.0 GPA; must meet F-TF standard; 12-29 SCH - 2.0 – 2.79 GPA must meet F-TF standard;	Top Academic Partner (TAP) agreements with Hill College and Weatherford College. Reverse Transfer agreement with Tarrant County College and McLennan Community College. Requirements are the same as our transfer requirements.	520 Paper; 190 Computer; 68 Internet based	Must be eligible to enroll at all institutions previously attended and submit all transcripts; 68 SCH from a 2-year institution will be used on a degree plan;
TAMU-Commerce	$60 enrollment fee (charged upon enrollment)	Minimum GPA of 2.0 in at least 21 SCH of college level course work (excluding developmental courses).	No	~~None~~ ***33 Articulation Agreements*** ***Admissions standards will be the same as transfer students.***	550 Paper; 213 Computer; 79 Internet based IELTS: ~~6.0~~ ***6.5***	Must be eligible to return to all previously attended institutions

Exhibit K (Item 28)

Campus/ Program	Application Fee	Admission Standards	Use of High School Record	Number of Articulation Agreements and Requirements for Admission	TOEFL **	Other
TAMU & Galveston campus	~~$60~~ ***$75*** non-refundable Fee – main campus ~~$45~~ ***$75*** non-refundable fee – Galveston campus $90 fee for international applicants.	2.5 GPA on at least 24 graded semester hours of transferable course work to be considered. Decision based on appropriate course work in the degree track. Admission criteria vary by college.	No	Transfer Articulation Program (TAP) with nine community colleges across the state. 24 hours post high school graduation with a 3.0 GPA. Limited to colleges of Agriculture and Life Sciences, ***Education***, ~~BIMS~~, Engineering, Geosciences, ~~Liberal Arts~~, Science and and TAMU-Galveston.	550 Paper; 213 Computer; 80 Internet based	Catalog has complete list of additional requirements
TAMU - Qatar campus	$90 non-refundable Fee	Transfer applicants must have at least a 2.5 GPR on at least 24 graded semester hours of transferable coursework at the time of application to be considered. Moreover, applicants must meet the minimum English proficiency requirements. Preference is given to the applicant with the highest GPR and the most courses completed in the Degree Track for the major designated on the application.	No	N/A	550 Paper; 213 Computer; 80 Internet based	Catalog has complete list of additional requirements

Campus/ Program	Application Fee	Admission Standards	Use of High School Record	Number of Articulation Agreements and Requirements for Admission	TOEFL **	Other
Texas A&M University-Central Texas	$30 non-refundable fee	Minimum GPA of 2.0 in at least 30 ***academic*** SCH ***(excludes developmental courses)***	No	~~3 are currently in process (awaiting final agreements and signatures).~~ ~~2~~ ***4*** with Central Texas College ~~and 1 with Palo Alto.~~ ***2 with Texas State Technical College*** ***Reverse Transfer Agreements with Central Texas College, Temple College, Texas State Technical College and Austin Community College*** Admissions standards for these participants will be the same as transfer students.	520Paper; 190 Computer; 68 Internet based	Student must be TSI Complete Students must be in Good Standing (eligible to enroll) at most recent institution to be admitted. ~~30 academic (college-level; non-remedial) hours must include ENGL 111 & MATH 107 or higher (College Algebra or higher).~~ ***Military credit is reviewed following completion of 6 credit hours***
Texas A&M University-San Antonio	$15 non-refundable fee $50 non-refundable fee for international applicants	Minimum 2.0 cumulative GPA. Students must have 45 SCH of transferrable college credit to enroll at the university; Certain conditions allow admission with 30 SCH college credit.	No	None	500 Paper;	Must be TSI (Texas Success Initiative) Compliant Must be in good standing with previous college or university.

Campus/ Program	Application Fee	Admission Standards	Use of High School Record	Number of Articulation Agreements and Requirements for Admission	TOEFL **	Other
TAMU-Corpus Christi	$40 non-refundable Fee $75 non-refundable fee for international students	Cumulative 2.0 GPA or greater on a 4.0 scale with 30+ transferable college level hours. No remedial or duplicate courses may be transferred.	1-29 SCH cumulative 2.0 GPA on a 4.0 scale and must meet freshmen admission standards	❖+*^Del Mar College + Alamo Colleges (San Antonio College, St. Philip's College, Northwest Vista College, ***Northeast Lakeview College*** & Palo Alto College) ❖Victoria College ❖Temple College ❖Wharton College Note: Details regarding program eligibility requirements are provided below.	Waived for international transfer students who have earned an associate's degree from an accredited institution in the United States	Eligible to return to previous institution. .

The University holds several articulation agreements with numerous institutions. General university articulation agreements may overlap with agreements that are specific to an individual academic program.

❖ Institutions with articulation agreements with the College of Nursing and Health Sciences. The College of Nursing and Health Sciences adheres to the Texas Nursing Articulation Model published by the Texas Nurses Association.

\+ General articulation agreements with Texas A&M University-Corpus Christi

* Articulation agreements specific to the academic program of Mechanical Engineering. The Mechanical Engineering program at TAMU-CC requires Del Mar Community College (DMC) students to have a minimum grade point average of 2.5 for all coursework taken and a minimum GPA of 2.5 in all science, math, and engineering classes undertaken at DMC for admission into the BSME degree curriculum.

^ Articulation agreements specific to the academic program of Computer Science

Campus/ Program	Application Fee	Admission Standards	Use of High School Record	Number of Articulation Agreements and Requirements for Admission	TOEFL **	Other
TAMIU	No	Minimum GPA of 2.0 in at least 30 SCH of college level course work.	~~No~~ ***If less than 30 transferable college-level credit hours earned after leaving high school, criteria for freshmen admission will be utilized.***	~~None~~ ***Laredo Community College***	***523 Paper; 69 Internet based; 193 Computer based; 5.5 IELTS***	
TAMU-Kingsville	$25 non-refundable fee $50 non-refundable fee for international applicants	Cumulative 2.0 GPA for applicants with more than one semester of transfer work. To be accepted to the College of Engineering applicant must have 2.5 GPA.	Applicants with no more than one semester's work and less than 2.0 GPA may be considered on scholastic probation if they meet unconditional freshmen admission standards	None	College of Arts & Sciences and College of Engineering: 550 Paper; 79 Internet based Other Colleges: 500 Paper 61 Internet based	Must be eligible to return to previous institution.

Campus/ Program	Application Fee	Admission Standards	Use of High School Record	Number of Articulation Agreements and Requirements for Admission	TOEFL **	Other
TAMU-Texarkana	$30 for International Students	Completion of at least ~~22~~ ***21*** SCH with 2.0 cumulative GPA in all college level work	No	~~None~~ ***Four articulation agreements that indicate admissions requirements as established for all students***	550 Paper; 213 computer; 79 Internet based	
WTAMU	$40 non-refundable Fee	Must have a 2.0 GPA in at least 12 graded semester hours of transferable course work. Only courses with grades of C or better will transfer.	If less than 12 transferable college-level credit hours earned after leaving high school, criteria for freshman admission will be utilized.	~~None~~ ***Destination WT with Amarillo College, Clarendon College, Frank Phillips College and South Plains College.***	525 Paper; 197 Computer; 71 Internet based IELTS: 6.0	Must not be suspended from another college or university.

The following footnote/column heading explanations apply to all System campuses:

** TOEFL: Applicants whose native language is not English must take the Test of English as a Foreign Language (TOEFL).
All international students (who are not citizens or permanent U.S. residents) are required to be covered under the Student Health Insurance Plan or have equivalent insurance coverage as described in System Regulation 26.99.01.

ITEM
EXHIBIT

The Texas A&M University System Campuses: Graduate and Professional Admission Requirements
Year 2013-14

CAMPUS/ Programs	Application Fee	Previous Degree	Undergraduate Cumulative GPA	GRE +	GMAT + (Business)	International Requirements ++	Letters of Recommendation /Other
PVAMU	$50 non-refundable fee	Must hold baccalaureate degree or higher from a regionally accredited college or university (degrees from institutions out-side the U.S. are evaluated for equivalency to U.S. degrees)	Minimum 2.75 GPA for regular graduate status. Minimum 2.45 GPA for provisional status or non-degree status.	Official scores required. May not be more than 10 years old at time of enrollment. Must be submitted by completion of 12 semester credit hours.	Official scores required. May not be more than 10 years old at time of enrollment. Must be submitted by completion of 12 semester credit hours.	TOEFL: 550 Paper; 79 Internet based Immigration Forms, Notarized Affidavit of Financial Support.	Three letters from persons in field of graduate's academic major.
PVAMU Ph.D. (Juvenile Justice)	$50 non-refundable fee	Bachelors and Masters degrees from an accredited college or university.	Overall 3.0 GPA in undergraduate work and 3.5 GPA in all previous graduate work.	Official scores required.	Not applicable	TOEFL: 550 Paper; 79 Internet based Immigration Forms; Notarized Affidavit of Financial Support.	Three letters from persons in field of applicant's academic major. 1000 word essay and a copy of the master's thesis or other lengthy report or paper.
PVAMU Ph.D. (Clinical Adolescent Psychology)	$50 non-refundable fee	Bachelors and Masters degrees in Psychology from an accredited college or university.	Overall 3.0 GPA in undergraduate work and 3.5 GPA in all previous graduate work.	Official scores required.	Not applicable	TOEFL: 550 Paper; 79 Internet based Immigration Forms; Notarized Affidavit of Financial Support.	Three letters from persons in field of applicant's academic major. Writing sample. Submit to an interview.

Exhibit L (Item 28)

CAMPUS/ Programs	Application Fee	Previous Degree	Undergraduate Cumulative GPA	GRE +	GMAT + (Business)	International Requirements ++	Letters of Recommendation /Other
PVAMU Ph.D. Program (Educational Leadership)	$50 non-refundable fee	From an accredited college or university. Master Degree prior to entering doctoral course.	Minimum of 2.75 GPA in undergraduate work. Minimum of 3.2 on all completed graduate work.	Official scores required	Not applicable	TOEFL: 600 Paper; 100 Internet based Immigration Forms; Notarized Affidavit of Financial Support.	Three letters from persons acquainted with the applicant's abilities. Original 500-1000 written essay. Minimum three years teaching experience.
PVAMU Ph.D. Program (Electrical Engineering)	$50 non-refundable fee	In Engineering, Mathematics or the Physical Sciences from a regionally accredited institute. MS in Elec. Eng. or related discipline.	2.75 GPA in undergraduate work. Minimum of 3.2 on all completed graduate work.	Official scores required (verbal and quantitative scores in the higher percentiles)	Not applicable	TOEFL: 550 Paper; 79 Internet based Immigration Forms; Notarized Affidavit of Financial Support.	Three letters preferably from faculty familiar with the applicant. Essay describing research goals and/or professional accomplishments.
PVAMU Nursing Program	$50 non-refundable fee	Minimum of BSN degree from an NLNAC or CCNE accredited program.	Overall minimum GPA of 3.0 on a 4.0 scale for regular graduate status.	Official scores required. GRE	Not applicable	TOEFL: 550 Paper; 79 Internet based Immigration Forms; Notarized Affidavit of Financial Support. Meet Comm. on Graduates of Foreign Nursing Schools admission requirements.	Current license as a RN in Texas or application in progress for licensure. Employed as a Professional nurse for one year. Three letters of recommendation, one must be a former nursing faculty. Personal Interview, Meet Nursing health requirements, $ 3 M minimum. Complete individual interview with graduate faculty. Criminal background and drug screening.

CAMPUS/ Programs	Application Fee	Previous Degree	Undergraduate Cumulative GPA	GRE +	GMAT + (Business)	International Requirements ++	Letters of Recommendation /Other
TSU	$30 non-refundable fee	Must hold baccalaureate degree or higher from a regionally accredited college or university (degrees from institutions outside the U.S. are evaluated for equivalency to U.S. degrees)	Minimum 2.5 GPA, writing sample.	Official scores required	Official scores required	TOEFL: 550 Paper; 213Computer ; 80 Internet based. Foreign credentials must be evaluated by an accrediting agency that is recognized by the U.S. Must have a reliable U.S. sponsor with their Advisory Letter on File.	See individual department for additional specific requirements.
TSU EdD (Educational Leadership)	$30 non-refundable fee	MS degree from accredited college or university.	3.5 GPA on all course work. Minimum of 18 hrs of graduate or undergraduate course work in admin., mgmt. or leadership.	Official scores required	Not applicable	Same as for University (above)	4 letters from persons other than Tarleton Educational Administration Faculty. Application interview. Writing sample. Leadership portfolio.
TAMIU	$35 non-refundable fee	Must hold baccalaureate degree or higher from a regionally accredited college or university	Composite of undergraduate GPA (last 60 hrs towards bachelor's degree) and GRE or GMAT score used to determine admission.	Official scores required	Official scores required	TOEFL: 550 Paper; 213 computer; 79 Internet based Proof of ability to meet required expenses.	Statement of purpose. See individual department for additional requirements. Degrees from institutions outside the U.S. are evaluated for equivalency to U.S. degrees

CAMPUS/ Programs	Application Fee	Previous Degree	Undergraduate Cumulative GPA	GRE +	GMAT + (Business)	International Requirements ++	Letters of Recommendation /Other
TAMIU Ph.D. (International Business)	$25 non-refundable (N-R) fee	Must hold baccalaureate degree or higher from a regionally accredited college or university (degrees from institutions outside the U.S. are evaluated for equivalency to U.S. degrees)	Composite of undergraduate GPA (last 60 hours towards bachelor's degree) and GRE or GMAT score used to determine admission.	Official scores required	Official scores required	TOEFL: 600 Paper; 250 computer; 100 Internet based Proof of ability to meet required expenses.	3 letters. Statement of purpose. Current resume.
TAMU	$50 N-R fee. $90 fee for international applicants.	Must hold baccalaureate degree or higher from a regionally accredited college or university (degrees from institutions outside the U.S. are evaluated for equivalency to U.S. degrees)	See individual department for additional specific requirements.	Official scores required ***(no more than five years old)***	Official scores required ***(no more than five years old)***	See individual departments for additional specific requirements.	~~Minimum of three letters required.~~ ***See individual departments for additional specific requirements***
TAMU-Vet. Med. Professional Program	$75 N-R fee. $100 N-R fee to TMDSAS.	Minimum of 73 credit hours including specific subject requirements.	Minimum of 2.90 overall or 3.10 (last 45 SCH). Completion of set core curriculum with GPA as high as possible.	Official scores required	Not applicable	Priority consideration is given to qualified applicants who are residents of Texas & U.S. citizens, or residents of Texas who live in the U.S. under a visa permitting permanent residence.	. Three letters required. Application interview at the option of the Selection Committee.

CAMPUS/ Programs	Application Fee	Previous Degree	Undergraduate Cumulative GPA	GRE +	GMAT + (Business)	International Requirements ++	Letters of Recommendation /Other
TAMU at Galveston & Qatar	$50 N-R fee. $90 fee for international applicants.	Must hold baccalaureate degree or higher from a regionally accredited college or university (degrees from institutions outside the U.S. are evaluated for equivalency to U.S. degrees)	See individual department for additional specific requirements.	Official scores required ***(no more than five years old)***	Official scores required ***(no more than five years old)***	See individual departments for additional specific requirements.	~~Minimum of three letters required.~~ ***See individual departments for additional specific requirements***
Texas A&M University-Central Texas	$30 non-refundable fee ***$130 fee for international students***	Must hold baccalaureate degree or higher from a regionally accredited college or university (degrees from institutions outside the U.S. are evaluated for equivalency to U.S. degrees)	Minimum ~~2.5~~ ***3.0*** GPA ***on last 60 SCH or GPA of 2.5 to 2.99 with GRE/GMAT taken prior to being admitted***	Official scores required.	Official scores required.	TOEFL: ~~550~~ ***520*** Paper; ~~213~~ ***190*** Computer; ~~80~~ ***69*** Internet-based. ***6.0 IELTS*** Foreign credentials must be evaluated by an accrediting agency that is recognized by the U.S. Must have a reliable U.S. sponsor with their Advisory Letter on File.	~~Comprehensive examination prior to graduation is required of all students.~~ Writing Sample. See individual program for additional specific requirements.

CAMPUS/ Programs	Application Fee	Previous Degree	Undergraduate Cumulative GPA	GRE +	GMAT + (Business)	International Requirements ++	Letters of Recommendation /Other
Texas A&M University-San Antonio	$35 non-refundable fee for U.S. applicants. $50 non-refundable fee for international applicants	Must hold baccalaureate degree or higher from a regionally accredited college or university (degrees from institutions outside the U.S. are evaluated for equivalency to U.S. degrees)	Minimum of 2.6 undergraduate cumulative GPA or 3.0 last 60 hours;	Official scores required.	Official scores required.	TOEFL: 550 Paper; 213 Computer; 79 Internet based See admissions department for additional SEVIS requirements.	See individual department for additional requirements.
WTAMU	$40 non-refundable fee for U.S. and permanent resident applicants. $75 International. student application/ transcript analysis fee	Must hold baccalaureate degree or higher from a regionally accredited college or university (degrees from institutions outside the U.S. are evaluated for equivalency to U.S. degrees)	For Master's level, Composite score of undergraduate GPA (overall or last 60 SCH) For Doctoral level, Master's GPA.	For programs requiring the GRE, official scores required. See individual department for specific requirements.	Official scores required before 1st semester of enrollment.	TOEFL: 550 Paper; 213 Computer 79 Internet based IELTS 6.0 Students funded by agency requiring special billing (Saudi Cultural Mission, MUSKIE, IREX, Fulbright). Charged	See Individual department for additional specific requirements.
TAMU-Kingsville	$35 non-refundable fee for U.S. applicants. $50 non-refundable fee for international applicants.	Must hold baccalaureate degree or higher from a regionally accredited college or university (degrees from institutions outside the U.S. are evaluated for equivalency to U.S. degrees)	Minimum of 2.6 undergraduate cumulative GPA or 3.0 last 60 hours; GPA below 2.6 GRE/GMAT score used to determine admission.	Official scores required	Official scores required	TOEFL: 550Paper; 213 Computer; 79 Internet based	See individual department for additional requirements.

CAMPUS/ Programs	Application Fee	Previous Degree	Undergraduate Cumulative GPA	GRE +	GMAT + (Business)	International Requirements ++	Letters of Recommendation /Other
TAMU-Texarkana	$30 Fee for international students.	Must hold baccalaureate degree or higher from a regionally accredited college or university (degrees from institutions outside the U.S. are evaluated for equivalency to U.S. degrees)	Minimum 2.5 GPA on last 60 hours toward Bachelor's degree. Exceptions: ***MS in Licensed Professional Counseling: MS in School Psychology; and MS in Instructional Technology*** ~~MS in CounPsy~~ requires min. 3.00 GPA on last 60 hours towards bachelor's degree	Official scores (not over 5 years old) required during first semester of enrollment. MS in ***Licensed Professional Counseling, MS in School Counseling, and MS in Nursing*** ~~CounPsy and MSN~~ may use GRE or MAT Scores for ***both counseling degrees*** ~~the MS CounPsy~~ are due before enrollment	Official scores (not over 5 years old) required during first semester of enrollment. ***For*** MBA, ~~may use~~ GMAT ***waived for cumulative GPA of 3.0 on baccalaureate degree*** ~~or GRE.~~	TOEFL: 550 Paper Notarized Affidavit of Sponsor Support and Visa Status Documentation.	Three letters of academic recommendation. Resume Letter summarizing professional interest and commitment to chosen program. ***Students who do not meet institutional requirements for admissions may request consideration through an Alternative Admissions process.***
TAMU-Texarkana MBA and MSA Programs	None	Must hold a baccalaureate degree or higher from a regionally accredited college or university.	Minimum 2.5 GPA in last 60 SCH's of coursework.	N/A	Official Scores Requested		Three letters required along with a resume and letter of interest.

CAMPUS/ Programs	Application Fee	Previous Degree	Undergraduate Cumulative GPA	GRE +	GMAT + (Business)	International Requirements ++	Letters of Recommendation /Other
TAMU-Commerce	$50 fee for domestic students. $75 fee for international students.	Must hold baccalaureate degree or higher from a regionally accredited college or university (degrees from institutions outside the US are evaluated for equivalency to US degrees)	Master's Minimum of 2.75 overall or 3.0 (last 60 SCH). Doctoral Minimum of 2.75 overall or 3.0 (last 60 SCH or 3.40 overall on graduate work.	Official score is required. Some master's programs use other standardized test scores or a higher minimum GPA.	Required if under-graduate GPA less than 2.75 or 3.0 on last 60 hours	***TOEFL: 550 Paper 213 Computer 79 Internet based IELTS 6.0 6.5*** ***Sponsor statement with current bank statement. Immigration documents.***	See individual department for additional specific requirements.
TAMU-Corpus Christi	$50 non-refundable fee. $70 for international students.	Must hold baccalaureate* degree or higher from a regionally accredited college or university (degrees from institutions outside the U.S. are evaluated for equivalency to U.S. degrees) *(Does not apply to students enrolled in the RN to MSN option.)	GPA last 60 SCH (See individual department for specific requirements.)	Official scores See individual department for specific requirements.	Official scores required	***TOEFL: 550 Paper; 213 Computer; 79-80 Internet based IELTS: 6.5 Notarized Affidavit of Support. Approved evaluation of credentials. Visa status documentation. Official scores on GRE or GMAT, depending on program***	See individual department for additional specific requirements.

Column Heading Explanations

+ **GRE and GMAT:** Evaluated in a manner that complies with Statute 51.842 (per HB 1641, 77th Texas Legislature)

++ **International Requirements:** Applicants whose native language is not English must take the Test of English as a Foreign Language (TOEFL). All international students (who are not citizens or permanent U.S. residents) are required to be covered under the Student Health Insurance Plan or have equivalent insurance coverage as described in System Regulation *26.99.01*.

ITEM
EXHIBIT

The Texas A&M University System Health Science Center
Undergraduate, Graduate and Professional Admission Standards
Academic Year 2013-14

CAMPUS/ Programs	Application Fee	Bachelor's Degree	Official College Transcripts	Undergraduate Cumulative GPA	GRE+	GMAT+ (Business)	International Requirements++	Letters of Recommendation (LOR) / Other
Under-graduate								
Baylor College of Dentistry **Dental Hygiene Program** **(B.S.)**	$35 non-refundable (NR) fee	Not applicable	Official transcript from all institutions of higher education attended	Completion of required courses with GPA as high as possible. Admission is competitive	Not applicable	Not applicable	Not applicable	Three LOR required and TSI assessment; Also, interview; comprehensive biographical sketch; and 16 hours of verified observation of a dental hygienist

Exhibit M (Item 28)

CAMPUS/ Programs	Application Fee	Bachelor's Degree	Official College Transcripts	Undergraduate Cumulative GPA	GRE+	GMAT+ (Business)	International Requirements++	Letters of Recommendation (LOR) / Other
Under-graduate								
College of Nursing **Traditional, Second Degree, and RN to BSN Tracks** **(B.S.N.)**	Nursing application service fee - $45 for first school TAMHSC Supplemental app. Fee - $50 non-refundable	Not required for traditional or RN to BSN applicants but must complete prerequisite coursework. Required for second degree applicants	Official transcript of all undergraduate work from previously attended institutions	Admission is competitive. It is strongly recommended that applicants present an overall grade point average of 2.75 (on a 4.0 scale) and a minimum grade of "C" in each of the prerequisite courses	Not applicable	Not applicable	TOEFL: Minimum score of 587; (587 paper; 240 computer; 95 or higher internet). Score a 6.0 overall band score on the Academic Module of the IEL Testing Exam	One letter of recommenda-tion required; up to 3 can be submitted Essay Admissions Assessment (HESI) entrance exam

CAMPUS/ Programs	Application Fee	Bachelor's Degree	Official College Transcripts	Undergraduate Cumulative GPA	GRE+	GMAT+ (Business)	International Requirements++	Letters of Recommendation (LOR) / Other
Graduate/ Professional								
Baylor College of Dentistry **Graduate Dentistry (Cert./M.S.)**	(MATCH, PASS applications required for some programs) $35 NR fee; a $100 NR fee is required of international applicants	Requirements vary for specific graduate programs	Official transcript of all undergraduate & graduate work from previously attended institutions	A minimum total GPA of 2.7 & a record of study & experience which is predictive of success in advanced education; for some programs, acceptable scores on the National Board Examination	Acceptable scores required on GRE or on other national tests approved by graduate program	Not applicable	TOEFL: Minimum score of 550; (550 paper; 213 computer; 80 or higher internet). Score a 6.0 overall band score on the Academic Module of the IEL Testing Exam ECE: International applicants required to have independent grade audit conducted by ECE	LOR Required; Approval for admission from the Program Admissions Committee and the Associate Dean for Research and Graduate Studies

Baylor College of Dentistry **D.D.S.**	TMDSA*S*.[2] ($75 for the first school for Texas residents) ***For Non-Texas residents: ADEA Associated American Dental Schools Application Service (AADSAS)*** ($238 for the first dental school) College of Dentistry Secondary Application for Non-Texas residents only $50 NR Fee	Not required but current competitive level dictates BA or BS from accredited college or university prior to matriculation	Official transcript of all undergraduate & graduate work from previously attended institutions	Completion of required courses with GPA as high as possible (90 SCH's minimum/ BA or BS degree recommended); Dental Admission Test (DAT) scores; admission is competitive	Not applicable	Not applicable	At least 90 SCHs from a fully accredited college or university in the U.S. or its territories including specific subject requirements. Degree preferred. TOEFL: Minimum score: of 550 (550 paper; 213 computer; 80 or higher internet). Score a 6.0 overall band score on the Academic Module of the IEL Testing Exam	LOR from practicing dentist, health professions advisor or committee letter; Also interview; Comprehensive bio-graphical sketch; Observation of a general dentist; and community service experiences.

CAMPUS/ Programs	Application Fee	Bachelor's Degree	Official College Transcripts	Undergraduate Cumulative GPA	GRE+	GMAT+ (Business)	International Requirements++	Letters of Recommendation (LOR) / Other
College of Medicine **Combined M.D./Ph.D.**	AMCAS[1] ($160 for the first school) College of Medicine Secondary Application $60 NR fee	At least 90 SCHs from a fully accredited college or university in the US or its territories including specific subject requirements Degree preferred	Official transcript of all undergraduate & graduate work from previously attended institutions	Completion of set core curriculum with competitive GPA & MCAT scores required Admission is competitive	Not applicable	Not applicable	At least 90 semester credit hours from a fully accredited college or university in the US or its territories. Degree preferred. TOEFL: Minimum score of 550 (550 paper; 213 computer; 80 or higher internet). Score a 6.0 overall band score on the Academic Module of the IEL Testing Exam	Three letters of recommend-ation, at least one of which is from a research mentor Personal interview required
College of Medicine **M.D.**	TMDSAS[2] $75 for the first school for Texas residents; $120 for non-residents College of Medicine Secondary Application $60 NR fee	At least 90 semester credit hours from a fully accredited college or university or university in the US or its territories including specific subject requirements. Degree preferred.	Official transcript of all undergraduate & graduate work from previously attended institutions	Completion of set core curriculum with competitive GPA & MCAT scores required Admission is competitive	Not applicable	Not appli-cable	At least 90 SCH's from a fully accredited college or university in the US or its territories including specific subject requirements. Degree preferred from a US accredited college or university. Preference given to US permanent residents.	One composite letter from health professions advisory committee; or at least two letters from current/former professors. Personal interview required.

AMCAS[1] = American Medical College Admission Service

TMDSAS[2] = Texas Medical Dental School Application Service

CAMPUS/ Programs	Application Fee	Bachelor's Degree	Official College Transcripts	Undergraduate Cumulative GPA	GRE+	GMAT+ (Business)	International Requirements++	Letters of Recommendation (LOR) / Other
Graduate/ Professional								
Irma Lerma Rangel College of Pharmacy (COP) **Pharm.D.**	$100 NR fee	Degree not required. Minimum of 72 SCHs college credit from a regionally-accredited college or university.	Official transcripts from each academic institution attended. **Transcripts in English as stated below	Minimum cumulative GPA of 2.75 or higher and a 40 percent minimum score on the Pharmacy College Admission Test (PCAT)	Not applicable	Not appli-cable	An official TOEFL score of 550 (213 or higher computer-based, 80 or higher internet) Score a 6.0 overall band score on the Academic Module of the I E L Testing Exam	Three completed LOR forms in sealed envelopes; at least two of these references should be from college professors. Personal interview required.

CAMPUS/ Programs	Application Fee	Bachelor's Degree	Official College Transcripts	Undergraduate Cumulative GPA	GRE+	GMAT+ (Business)	International Requirements++	Letters of Recommendation (LOR) / Other
Graduate/ Professional								
School of Graduate Studies **Ph.D. or M.S.**	ApplyTexas application form Bryan/College Station, Houston, Temple: Domestic Application fee waived. International: $75 NR fee Dallas: Domestic/International: $35 NR fee	Baccalaureate, graduate, or clinical degree from an accredited institution	Official college transcripts from each academic institution attended beyond high school	Minimum GPA of 3.0 or better in an appropriate discipline expected; specific requirements vary slightly by component	Required Verbal + Quantitative	Not applicable	TOEFL of 550 or better OR 213 (computer based; 80 or higher internet) or 150 (verbal GRE) OR Score a 6.0 overall band score on the Academic Module of the I E L Testing Exam	Three LOR Forms Required

CAMPUS/ Programs	Application Fee	Bachelor's Degree	Official College Transcripts	Undergraduate Cumulative GPA	GRE+	GMAT+ (Business)	International Requirements++	Letters of Recommendation (LOR) / Other
Graduate/ Professional								
School of Rural Public Health **M.H.A**	SOPHAS/ HAMPCAS SRPH Graduate Admissions Form; $115 NR fee; $115 NR fee for international students	Bachelor's or professional degree from an accredited college or university	Official transcripts from each academic institution attended since high school	Minimum GPA of 3.0 or better in the last 60 semester hours or cumulative, or upper division	Official scores required	Official scores required	TOEFL score of 587 or higher (paper); 95 or higher (internet); 240 or higher (computer) Exempt from TOEFL if GRE verbal score is 153 or higher or if applicant earned at least a Bachelors degree from a U.S. institution, ECFMG certified, or US licensed physician Transcripts in English & WES Transcript Analysis	Three LOR forms required from persons who are familiar with the applicant's professional and/or academic performance Resume Statement of purpose Interviews are required

CAMPUS/ Programs	Application Fee	Bachelor's Degree	Official College Transcripts	Undergraduate Cumulative GPA	GRE+	GMAT+ (Business)	International Requirements++	Letters of Recommendation (LOR) / Other
Graduate/ Professional								
School of Rural Public Health **M.P.H.**	SOPHAS/ SRPH Graduate Admissions Form; $115 NR fee; $115 NR fee for international students	Bachelors or professional degree from an accredited college or university	Official transcripts from each academic institution attended since high school	Minimum GPA of 3.0 or better in the last 60 semester hours or cumulative, or upper division	Official scores required from one of GRE, GMAT, LSAT, MCAT, DAT, or PCAT (GRE Preferred) ***Exempt from test score if applicant has Master or Doctoral degree from US accredited institution, ECFMG Certificate, or licensed US physician.***	Will accept GMAT for M.P.H. ***Exempt from test score if applicant has Master or Doctoral degree from US accredited institution, ECFMG Certificate, or licensed US physician***	TOEFL score of 587 or higher (paper); 95 or higher (internet); 240 or higher (computer) Exempt from TOEFL if GRE verbal score is 153 or higher or if applicant earned at least a Bachelors degree from a U.S. institution, ***ECFMG certified, or US licensed physician***. Transcripts in English & WES Transcript Analysis	Three LOR forms are required from persons who are familiar with the applicant's professional and/or academic performance. Resume Statement of purpose. Interviews highly likely and encouraged but not required.

CAMPUS/ Programs	Application Fee	Bachelor's Degree	Official College Transcripts	Undergraduate Cumulative GPA	GRE+	GMAT+ (Business)	International Requirements++	Letters of Recommendation (LOR) / Other
Graduate/ Professional								
School of Rural Public Health **M.S.P.H**	SOPHAS/ SRPH Graduate Admissions Form; $115 NR fee; $115 NR fee for international students	Bachelors or professional degree from an accredited college or university	Official transcripts from each academic institution attended since high school	Minimum GPA of 3.0 or better in the last 60 semester hours or cumulative, or upper division	Official scores required	Not applicable	TOEFL score of 587 or higher (paper); 95 or higher (internet); 240 or higher (computer) Exempt from TOEFL if GRE verbal score is 153 or higher or if applicant earned at least a Bachelors degree from a U.S. institution Transcripts in English & WES Transcript Analysis	Three LOR forms required from persons who are familiar with the applicant's professional and/or academic performance Resume Statement of purpose
School of Rural Public Health **Ph.D.**	SOPHAS/ SRPH Graduate Admissions Form $115 NR fee $115 NR fee for international students	Bachelors or professional degree and relevant degree containing research training from an accredited college or university	Official transcripts from each academic institution attended since high school	Competitive GPA	Official scores required	Official scores required	TOEFL score of 587 or higher (paper); 95 or higher (internet) 240 or higher (computer) Exempt from TOEFL if GRE verbal score is 153 or higher or if applicant earned at least a Bachelors degree from a U.S. institution Transcripts in English & WES Transcript Analysis	At least three LOR forms required from persons who are familiar with the applicant's professional and/or academic performance

CAMPUS/ Programs	Application Fee	Bachelor's Degree	Official College Transcripts	Undergraduate Cumulative GPA	GRE+	GMAT+ (Business)	International Requirements++	Letters of Recommendation (LOR) / Other
Graduate/ Professional								
School of Rural Public Health **Dr. P.H.**	SOPHAS/ SRPH Graduate Admissions Form $115 NR fee $115 NR fee for international students	Bachelors or professional degree and relevant Masters degree from an accredited college or university	Official transcripts from each academic institution attended since high school	Competitive GPA	Official scores required	Not applicable	TOEFL score of 587 or higher (paper); 95 or higher (internet) 240 or higher (computer) Exempt from TOEFL if GRE verbal score is 153 or higher or if applicant earned at least a Bachelors degree from a U.S. institution Transcripts in English & WES Transcript Analysis	At least three LOR forms required from persons who are familiar with the applicant's professional and/or academic performance

SOPHAS=Schools of Public Health Application Service

Column Heading Explanations

[2]WES = World Education Services

NOTE: Special Program:

Partnership for Primary Care. Entrance into the A&M System HSC medical school is assured at the time of entrance into one of the seven A&M System partner schools provided that the student has a high school GPA of 3.50 or higher, be predicted to graduate in the top 10% of the high school class, and present SAT scores of at least 1200 or an ACT equivalent. Students also need to maintain a yearly 3.50 GPA while in College and complete the required courses for medical school. Students must complete an undergraduate degree. The MCAT test is waived for students in the Partnership for Primary Care program.

\+ GRE and GMAT: Evaluated in a manner which complies with HB 1641 (77th Session, Texas Legislature)

++ International Requirements: Applicants whose native language is not English must take the Test of English as a Foreign Language (TOEFL). All international students (who are not citizens or permanent US residents) are required to be covered under the Student Health Insurance Plan or have equivalent insurance coverage as described or internet (Skills scores are under review and applicants taking the internet based test will have their scores reviewed on a case by case basis in concert with the remainder of their file.) In order to be admitted to graduate studies, submit international transcripts translated in English by a certified English translator, which can usually be accomplished at the nearest American Embassy in the student's country. International transcripts for all HSC components are evaluated by and any required fees are paid to the Texas A&M University International Students and Services Office (http://international.tamu.edu/iss/).

17.01 Intellectual Property Management and Commercialization

Approved May 25, 2001 (MO 98-2001)
Revised May 26, 2006 (MO 143-2006)
Revised March 26, 2009 (MO 070-2009)
Revised August 3, 2012 (MO -2012)
Next Scheduled Review: August 3, 2014

Policy Statement

This policy ensures that the new ideas, discoveries and technologies arising from research conducted as a part of the educational process are used in the best interest of The Texas A&M University System (system), its members and the public it serves.

Reason for Policy

This policy addresses the ownership and management of intellectual and tangible research property.

Procedures and Responsibilities

1. GENERAL POLICY STATEMENTS

1.1 Introduction

The system is committed to teaching, inquiry-driven learning and the research associated with it, and public service. Research is one of the most important and rewarding aspects of the educational process, regularly leading to the development of new ideas, discoveries and technologies with the potential to benefit the public at large.

This policy is based on three fundamental principles: enhancing academic freedom, providing a clear pathway for pursuing technology commercialization and protecting all interested parties. To that end, the purposes of this policy are to:

(a) ensure that the commercial development of research results enhances the system's education, research and public service missions;

(b) protect the academic freedom of faculty with respect to the publication of their research findings;

(c) foster an entrepreneurial environment through incentives and protections that encourages the creation, discovery, development and rapid transfer of new knowledge for the public benefit;

(d) educate and assist faculty, staff and others in the use of the intellectual property process with respect to their discoveries and inventions; and

(e) establish the principles for determining and protecting the interests of the system, creator, and sponsor with respect to discoveries and inventions created by faculty, staff and others in a manner that is equitable to all parties.

The Office of Technology Commercialization (OTC) was created in December 2005 to facilitate technology transfer for the system. It is the mission of the OTC to encourage broad practical application of system research for public benefit; to encourage and assist those associated with the system in the protection, licensing and commercialization of their discoveries; to ensure the equitable distribution of royalties and other monetary benefits resulting from the commercial application of intellectual property; and to see that commercialization activities benefit the research, education and outreach missions of the system into the future.

1.2 Applicability

This policy applies to all employees of the system and its members including, but not limited to, full and part-time faculty and staff and all persons using system facilities under the supervision of system personnel including visiting and adjunct faculty and researchers, undergraduate students, candidates for master's and doctoral degrees, post-doctoral students, and non-degree seeking graduate students, provided that visiting and adjunct faculty may be excluded in a written agreement negotiated by the system or its member in advance of employment or visitation. The ownership and rights to technology-mediated materials are governed by System Regulation *17.02.02, Technology-Mediated Instruction*.

2. OWNERSHIP OF INTELLECTUAL PROPERTY AND TANGIBLE RESEARCH PROPERTY (TRP)

Rights in intellectual property and TRP are as follows:

2.1 Creator or Third Party-owned

2.1.1 Intellectual property which is unrelated to an individual's employment responsibilities and developed on his or her own time without the support of the system or any of its members or significant use of their facilities as defined in Section 2.2.3 of this policy, is owned by the creator, subject to the rights of third parties.

2.1.2 The system recognizes and affirms the traditional academic freedom of its faculty and staff to publish pedagogical, scholarly or artistic works without restriction. In keeping with this philosophy, the system does not claim copyright to pedagogical, scholarly or artistic works, regardless of their form of expression, unless required by a funding or research contract. Such works

include, but are not limited to, faculty-prepared works such as textbooks, course materials and refereed literature, and copyrightable works of students created in the course of their education, such as dissertations, papers and journal articles. Furthermore, the system claims no ownership in popular nonfiction, novels, poems, musical compositions or other works of artistic imagination that do not constitute significant use of resources and/or are not works for hire as defined in Section 2.3.1 of this policy.

2.1.3 If an author retains title to copyright in teaching or course materials that are not works for hire, such as class notes, curriculum guides and laboratory notebooks, the system will retain a royalty-free right to use the materials for educational purposes.

2.1.4 Authors of copyrightable works that are not owned by the system, its members or another party such as a research sponsor, own the copyright in their works and are free to publish them, register the copyright and receive any revenues which may result.

2.2 System-owned

2.2.1 Except as otherwise expressly provided in this policy, intellectual property conceived or developed (1) as a result of activities related to an individual's employment responsibilities, and/or (2) with support from the system or any of its members in the form of administered funds, and/or (3) with significant use of resources as defined in Section 2.2.3 of this policy, shall be owned by and is hereby assigned to the system by such individuals.

2.2.2 Intellectual property that is conceived or developed in the course of or resulting from research supported by a grant or contract with the federal government (or an agency thereof) or a nonprofit or for-profit nongovernmental entity or by a private gift or grant to the system or its members, shall be determined in accordance with the terms of the sponsored grant or contract or, in the absence of such terms and to the extent consistent with applicable law, shall be owned by and is hereby assigned to the system by such individuals.

2.2.3 Intellectual property that is not institutional work or work for hire as defined in Section 2.3.1 of this policy, but is work that is developed with significant use of funds, space, hardware or facilities administered by a member, where use was essential and substantial rather than incidental, shall be owned by and is hereby assigned to the system by such individuals. The system will not construe the provision of salaries, offices or library facilities as constituting significant use of system resources, and therefore these works may be owned by the creator in accordance with Section 2.1.2.

2.3 Member-owned

2.3.1 Intellectual property that is either (1) created by an employee who was hired by a member specifically or required as part of his or her employment to produce intellectual property for institutional purposes, or (2) commissioned or

contracted by the member and assigned to the member in writing, will be owned by the member and is hereby assigned to the member on whose behalf the work was performed. For example, work assigned to programmers is institutional work or work for hire as defined by law, as is software developed for the member by staff working collaboratively. Brochures, training programs, CD-ROMs, videos and manuals developed by staff are other examples of institutional works or works for hire. The general expectation that faculty teach, research and publish does not by itself make intellectual property an institutional work or work for hire under this Section 2.3.1. The member is responsible for the commercialization of all institutional works or works for hire.

2.3.2 The member that first adopts and uses a trademark in connection with its goods or services will own and is hereby assigned that trademark.

2.4 Intellectual Property Involving Sponsored Research

2.4.1 Except as provided by Section 2.4.3, intellectual property conceived or developed in the course of or resulting from research supported by a grant or contract with governmental entities or a nonprofit or for-profit nongovernmental entity shall be owned by the system as provided in Section 2.2. The research sponsor should be offered an option to acquire license rights to develop and commercialize any intellectual property resulting from the project, subject to system policy and in accordance with the licensing guidelines in Section 4.3 of this policy.

2.4.2 The OTC, in coordination with the sponsored research offices of the members, shall ensure that all reporting requirements and other obligations to research sponsors regarding intellectual property including, but not limited to, obligations to the U.S. government under 37 CFR 401, are met. Intellectual property developed under sponsored research should be promptly disclosed to the OTC through the relevant member chief executive officer (CEO) or designee so all sponsor requirements and obligations can be met.

2.4.3 The acceptance of a contract, grant or agreement which does not require ownership of intellectual property by the system may be approved by the OTC or by a member CEO or designee with notification to the OTC if the benefit from the level of funding for proposed research and/or other consideration from the sponsor, licensee or other party outweighs the potential value of system ownership.

2.5 Intellectual Property Arising from Consulting Activities

The system recognizes that external faculty consulting can be an effective mechanism for professional development and for establishing good relationships with industry. Notwithstanding anything to the contrary in this policy, System Policy *31.05, External Employment and Expert Witness,* and regulations promulgated pursuant to such policy shall solely govern all intellectual property arising under consulting or external employment subject to any of the system's prior legal obligations to third parties.

2.6 Tangible Research Property

The system owns TRP related to an individual's employment responsibilities and/or developed with support from system-administered funds, facilities, equipment or personnel. Prior to the transfer, distribution and/or sale of system-owned TRP, the creator of the TRP must notify the OTC through his or her CEO or designee. The member and the OTC will review the developmental history of the TRP to assess any obligations and to determine the conditions of such proposed transfer, distribution or sale.

If the TRP is determined by the member and the OTC to have commercial value, it will be managed by the OTC as system intellectual property, including licensing and distribution of income from commercialization in accordance with Sections 4.2, 4.8.1 and 4.8.2.

If the member and the OTC determine that the TRP can be distributed or sold outside of the system for non-commercial research purposes with no financial consideration beyond the recovery of costs associated with shipping and handling, the member will manage and facilitate the transfer and distribution with assistance from the OTC as needed.

Any transfer, distribution or sale of TRP for commercial purposes must include a written agreement between the system and the recipient of the TRP, and any transfer or distribution of TRP for non-commercial purposes must include a written agreement between the member and the recipient of the TRP.

2.7 Multiple Creators

In the event of multiple creators, the creators will agree between or among themselves as to their relative contributions and how they will share any benefits accruing to the creators consistent with the terms of this policy. Final determination of each creator's share shall be made only upon receipt by the OTC of a signed agreement between or among the creators. In the event that the creators cannot agree upon an appropriate sharing arrangement as evidenced by a clear and unequivocal written agreement within three months of the submission of a completed invention disclosure form, that portion of income to which the creators are entitled under Section 4.8 of this policy will be distributed amongst the creators as the member CEO may deem appropriate under the circumstances. Such a decision shall be binding on the creators.

2.8 Joint Employment

In the event that a creator is a joint employee of two or more members or in the event that multiple creators represent two or more members, the member CEOs will agree as to the relative contribution of each member and how the members will share any benefits accruing to the members, considering such factors as annualized FTE by member and level of financial support by the member. If the member CEOs cannot agree upon the appropriate sharing arrangement, the chancellor or designee will make

the decision as deemed appropriate under the circumstances and such decision shall be binding on the members.

2.9 Offers of Intellectual Property

2.9.1 If an owner of intellectual property chooses to offer to the system intellectual property in which the system has no claim, the system may accept ownership of the intellectual property provided that (1) the owner makes the offer through the system or one of the members as if the intellectual property had been created within the system; (2) the owner agrees to all provisions (including distribution of income provisions) of this policy; (3) the owner warrants that he or she owns all right, title and interest to the intellectual property and that, to the best of his or her knowledge, the intellectual property does not infringe upon any existing intellectual property legal rights; and (4) the gift is accepted by the Board of Regents (board) pursuant to System Policy *21.05, Gifts, Donations, Grants and Endowments*.

2.9.2 The member CEOs shall advise the OTC of all such offers.

2.9.3 Should the board agree to accept the offer of intellectual property on behalf of the system, the owner will execute an assignment agreement transferring all right, title and interest in the intellectual property to the system, and acknowledging that the owner agrees to all provisions of this policy. In cases in which the owner has already expended funds toward obtaining patent or other legal protection for the intellectual property, the owner and the member may negotiate terms to allow recovery of legal and/or patent expenses from license fees and/or royalty income. Such an agreement would modify normal royalty-sharing provisions until such expenses are recovered by the party entitled to recovery of the expenses.

2.9.4 The board may accept charitable donations of intellectual property from governmental or private organizations in accordance with System Policy *21.05*. Upon the transfer of title in the intellectual property to the system, the intellectual property will be managed in accordance with this policy.

2.9.5 OTC, in consultation with the relevant member, will determine the distribution of income at the time of donation.

2.10 Software Ownership

Except as otherwise stated in this policy, the system may assert ownership in software as an invention and/or as a copyrightable work consistent with the other provisions of this policy.

3. EVALUATION AND PROTECTION OF INTELLECTUAL PROPERTY

3.1 Responsibility

The OTC is responsible for administering the system's rights and obligations, evaluating the commercial potential, determining inventorship, obtaining the necessary legal protection and taking the required actions to maximize the benefits of any intellectual property to the public, the creator(s), the system and its members. The OTC will also advise the creator(s) and the members on the process and best practices of protecting and commercializing intellectual property.

3.2 Disclosure

Individuals subject to this policy are required to promptly disclose to the OTC, through their CEO, all inventions, copyrightable work and tangible research property in which the system has an ownership interest under the provisions of Section 2 of this policy or for which disclosure is required by contract or law. Prompt disclosure is especially important for inventions conceived and/or made with federal or state agency funding so that the system may meet its legal obligations under such funding agreements.

Questions about whether an idea or discovery constitutes an invention, and is therefore patentable, can be complex. Any publication or verbal disclosure that describes a patentable invention prior to filing for patent protection may entirely preclude patenting in foreign countries and may also preclude protection in the United States unless a patent is filed within one year of publication. In recognition of this complexity, individuals covered by this policy are encouraged to disclose as soon as possible after the conception of the invention or seek guidance from a technology licensing professional at the OTC as soon as questions arise as to what is patentable and what must be disclosed to the OTC.

Disclosure shall be made in a form prescribed by and available from the OTC, include a full and complete description of the discovery or development, and identify all contributing participants. Disclosure will initiate the evaluation process. Disclosure forms are available on the OTC website.

3.3 Disclosure Evaluation Process

Upon receipt of a completed disclosure form, the OTC will conduct a review of the disclosure to determine the rights and obligations of all parties concerned and the commercial significance of the discovery, and will evaluate patentability issues. The first step in this process is typically a meeting with the creator(s) to better understand the disclosure's scientific and commercial merit and, if necessary, devise strategies for protection, development and commercialization. It is the obligation of the creator(s) to make available to the OTC additional information as needed in all stages of this process.

The OTC will inform the creator of the outcome of its review regarding rights and obligations as soon as practical, but no later than 90 calendar days from receipt of a complete disclosure in the case of inventions and tangible research property and no later than 60 days in the case of works subject to copyright.

Members are encouraged to review disclosures for scientific and commercial merit and share the results with the OTC to assist in the management of intellectual property owned by the system.

3.4 Assignment of Rights

All persons subject to this policy shall, upon request by the chancellor, the CEO or designee of the respective member, or the OTC, execute an assignment agreement available through the OTC to set forth effectively the ownership and rights to intellectual property of the system or member. Such written assignment is to confirm, in a specific instance, the allocation and present assignment of intellectual property rights mandated by this policy and shall not be construed as making the present assignment of rights in this policy conditional upon the execution of such written agreement.

3.5 Protection of Intellectual Property

3.5.1 The system will not generally seek protection for innovations that the OTC determines are not commercially attractive even if the intellectual property has intellectual merit, unless required by the sponsor or the member CEO, in which case the sponsor or the member shall reimburse the OTC for all related costs associated with protecting the intellectual property. The associate vice chancellor for commercialization (AVCC) or designee, through the vice chancellor for federal and state relations of the system (VCFSR), shall notify the relevant member CEO of his/her decision; if the decision is not to seek protection, the CEO or designee shall notify the OTC if the member requires the OTC to seek protection.

3.5.2 The OTC may fund all of the costs associated with the protection of intellectual property subject to ownership by the system or it may request funding at any time from the member originating the intellectual property. Unless the member is requiring protection of the intellectual property, the decision whether to provide such funding shall be at the discretion of the member CEO or designee. In either case, costs associated with the protection of the intellectual property will be recovered for the funding party before distributing royalties, license fees or sale proceeds as outlined in Section 4.8.

4. COMMERCIAL DEVELOPMENT

4.1 Creator Assistance

With few exceptions, the involvement of the creator(s) in the commercialization process is critical to success. The subject matter expertise, industry contacts and ongoing research of the creator(s) often facilitate commercialization. Successful commercialization requires that the OTC, member and the creator(s) all work in consultation with one another.

4.2 Licensing of Inventions and Copyright to Third Parties

Licensing intellectual property to third parties is the most common strategy for technology transfer. In the case of exclusive licensing, the third party is given the necessary rights to justify the often significant investment of time and resources in the commercial development of the technology. Given the breadth of research taking place within the system and the diversity of the intellectual property created, each license agreement is somewhat unique to the technology being licensed. However, there is a need to ensure consistency with respect to certain legal principles in each agreement.

4.2.1 The OTC and the Office of General Counsel (OGC) shall cooperatively develop a model license agreement for licensing system intellectual property which shall include, as a minimum, the guidelines set forth below. The model agreement shall be submitted to all potential licensees for system intellectual property, and individuals involved in negotiation of license agreements shall endeavor to achieve utilization of the significant aspects of the model agreement for all licenses of system intellectual property under the administration of the OTC. Any exceptions to the model agreement, other than special terms set out in a member-approved sponsored research agreement, must be approved by the VCFSR or designee and the OGC.

4.2.2 In the case of member-owned intellectual property, the licensing guidelines in Section 4.3 do not apply. The member has the primary responsibility and authority, with assistance from the OGC, for negotiating with third parties having an interest in using, developing or otherwise commercializing intellectual property resulting from institutional works or works for hire and trademarks. The member CEO or designee may also request that the OTC conduct the commercialization of certain intellectual property resulting from institutional works or works for hire.

4.3 Licensing Guidelines

The following guidelines are applicable to license agreements with private entities including those formed primarily for the purpose of developing and/or commercializing system-owned intellectual property. The VCFSR or designee may approve exceptions to these guidelines from time to time.

(a) No entity shall be granted the exclusive right to the development and/or commercialization of all intellectual property created at a member. Agreements should grant rights only under specified projects.

(b) If an entity is granted the exclusive rights with respect to a particular invention, product, process, utility, methodology or other item of intellectual property, the agreement should provide that such rights will revert to the system in the event the entity fails to develop and commercialize the property within a specified period of time that is appropriate to the particular circumstances as determined by the OTC.

(c) An entity that is granted exclusive rights to develop or commercialize intellectual property that is patentable should be required to reimburse or bear all expenses incurred by the system in obtaining the licensed patent(s).

(d) The system, the member and the employees of each should be protected and indemnified from all liability arising from the development, marketing or use of the particular intellectual property.

(e) The OTC will work with the creator to ensure that the licensing process does not restrict publication rights of the creator.

(f) Commitments should not be made for future inventions even when improvements are expected. The VCFSR or designee may make exceptions occasionally as appropriate including, without limitation, to handle subordinate patents and well-defined derivative works for software.

License agreements shall contain such other provisions as may be determined by the OTC and the OGC to be in the best interest of the system.

4.4 Licensing of System-owned Intellectual Property to Creators

Individuals subject to this policy may also request a license to commercially develop system-owned intellectual property they conceived where such licensing would best achieve the transfer of technology, is consistent with system obligations to third parties, does not involve a conflict of interest and follows the licensing guidelines set forth above. For additional information on conflicts of interest, see System Policies *07.01, Ethics,* and *07.03, Conflicts of Interest, Dual Office Holding and Political Activities*, System Regulation *31.05.01,* and Section 4.6 of this policy.

4.5 Waiver or Release of System Rights

Subject to any federal research or other sponsorship agreements and with appropriate approval from the sponsor, following notice and approval by the member, the OTC may waive or release the system's rights to specified intellectual property for or to the creator(s), clearing the way for the creator(s) to seek ownership. At any time, a creator(s) may request a waiver or release of system rights in writing to the OTC through the creator's member CEO or designee. The following provisions will apply to any waiver or release of system rights:

4.5.1 The system shall retain a perpetual, royalty-free license to use the intellectual property and any corresponding patents, copyrights, service marks or trademarks for research and educational purposes.

4.5.2 In the case of significant use of resources as defined in Section 2.2.3 of this policy, the system may elect to receive a share, to be negotiated at the time of waiver or release of system rights, of proceeds generated from commercialization of the intellectual property after the creator recovers documented out-of-pocket costs for obtaining legal protection for the intellectual property. If there was not a significant use of resources, no such share of proceeds shall be sought. Use of significant resources will be resolved by the member CEO or designee.

4.5.3 In the case of a waiver or release of system rights to the creator, the creator will not receive a share of the proceeds received by the system in consideration of the waiver or release of the system's rights.

4.5.4 Creators receiving a waiver or release of system rights should review potential conflicts of interest with their department head. For additional information on conflicts of interest, see System Policies *07.01* and *07.03* and System Regulations *31.05.01* and *15.01.03, Conflict of Interest in the Design, Conduct and Reporting of Sponsored Research and Educational Activities*.

4.6 Board of Regents Approval Requirement

In accordance with Texas Education Code, Section 51.912, a creator of intellectual property who wishes to participate as an employee, officer or member of the governing board or authority of a business entity that has agreements with the system relating to the research, development, licensing or exploitation of the creator's intellectual property, must obtain approval from the board. See also System Regulation *31.05.01* for additional information.

4.7 Tangible Research Property

Commercial distribution of system-owned tangible research property will be managed by the OTC. The OTC shall ensure that the TRP distribution agreement contains provisions which address proper use, limits on creator's and member's liability for the TRP or products derived therefrom and other necessary terms. Sharing of any income resulting from the distribution of TRP will be made in accordance with Sections 4.8.1 and 4.8.2 of this policy.

4.8 Distribution of Royalties, License Fees and Sale Proceeds from Licensing

Royalties, license fees and sale proceeds received by the system from the licensing or sale of intellectual property will be distributed at the end of each quarter in which they were collected.

The chancellor, subject to approval by the board, may adjust the allocation of royalties, license fees and sale proceeds set forth herein.

4.8.1 Distribution of Royalties, License Fees and Sale Proceeds from Licensing or Sale of Patentable Inventions, Plant Varieties and TRP, Licensed or Sold Before June 1, 2006

Step 1 – Deduct from gross royalties, license fees or sale proceeds the cost of obtaining legal protection for the intellectual property (when such costs are not already paid in full by another source at the time of distribution) and payments to any third parties to arrive at net income.

Step 2 – Distribute forty-two and one-half percent (42.5%) of net income to the creator(s) as personal income.

Step 3 – Distribute thirty-nine and one-half percent (39.5%) of net income to the member supporting the research leading to the disclosure.

Step 4 – Distribute eighteen percent (18%) of net income to the OTC. This deduction is directed toward covering the administrative costs associated with evaluating, protecting, marketing and managing intellectual property.

4.8.2 Distribution of Royalties, License Fees and Sale Proceeds from Licensing or Sale of Patentable Inventions, Plant Varieties and TRP, Licensed or Sold On or After June 1, 2006

Step 1 – Deduct from gross royalties, license fees or sale proceeds the cost of obtaining legal protection for the intellectual property (when such costs are not already paid in full by another source at the time of distribution) and payments to any third parties to arrive at net income.

Step 2 – Distribute thirty-seven and one-half percent (37.5%) of net income to the creator(s) as personal income.

Step 3 – Distribute thirty-seven and one-half percent (37.5%) of net income to the member supporting the research leading to the disclosure.

Step 4 – Distribute twenty-five percent (25%) of net income to the OTC. This deduction is directed toward covering the administrative costs associated with evaluating, protecting, marketing and managing intellectual property.

4.8.3 Distribution of Royalties, License Fees and Sale Proceeds from Copyrightable Works Licensed or Sold On or After June 1, 2006

Step 1 – Deduct from gross royalties, license fees or sale proceeds the cost of obtaining legal protection for the intellectual property (when such costs are not already paid in full by another source at the time of distribution) and payments to any third parties to arrive at net income.

Step 2 – Distribute forty percent (40%) of net income to the creator(s) as personal income.

Step 3 – Distribute forty percent (40%) of net income to the member supporting the research leading to the disclosure.

Step 4 – Distribute twenty percent (20%) of net income to the OTC. This deduction is directed toward covering the administrative costs associated with evaluating, protecting, marketing and managing intellectual property.

4.8.4 In those cases in which the OTC and the member originating the copyrightable work agree that the member will conduct the commercialization, the distribution of royalties, license fees and sale proceeds shall be determined by the member.

4.8.5 Notwithstanding the provisions of Sections 4.8.1, 4.8.2, 4.8.3 and 4.8.4, the member shall be entitled to all income from the distribution or

commercialization of institutional works, works for hire and trademarks as defined in Section 2.3.1 of this policy.

4.9 Equity as a Consideration in Licensing

The OTC may negotiate an equity interest in lieu of or in addition to royalty and/or other monetary consideration as a part of an agreement relating to rights in intellectual property owned by the system. The system is not restricted in the percentage of equity it may take in a company as a part of an agreement relating to rights in intellectual property owned by the system.

The distribution of income from equity received as consideration for a license agreement will be distributed in the same manner as royalties and license fees as described in Section 4.8 of this policy. The system may, in its discretion, distribute shares of equity when appropriate. Should the system elect not to distribute shares, it shall control the disposition of equity at its sole discretion. This may include agreeing to receive the equity interest under terms that restrict its ability to sell, distribute or otherwise deal with the equity interests.

As stated in Texas Education Code, Section 153.007, and except as otherwise provided by law, the board, the system, members and employees of the system do not owe a fiduciary duty to any person claiming an interest in consideration received by the system or a member in exchange for technology.

Individuals subject to this policy should also refer to System Regulation *31.05.01* regarding equity ownership.

4.10 Revenue from Enforcement of Intellectual Property Rights

If the system receives revenue from third parties as a result of settlement or litigation related to the enforcement of system rights in intellectual property, such revenue will be first used to reimburse the system (or the sponsor or licensee, if appropriate) for expenses related to such actions. The creator(s) and the member are entitled to the recovery of lost royalties from the remaining net revenue according to the distribution formula outlined in Section 4.8 of this policy.

4.11 Research Support as Consideration in Licensing

If the system accepts research support in the form of a sponsored research agreement or unrestricted grant as part of an agreement relating to rights in intellectual property owned by the system in addition to or in lieu of royalties, license fees, equity and/or other monetary consideration, the creator shall have no entitlement to receive a share of the research support or grant as personal income.

4.12 Distribution of Income from Intellectual Property in Case of Death

In the case of death or incapacitation of a creator, royalty distributions, including any equity to which the creator was entitled, shall be made pursuant to the Texas Probate Code and the United States Internal Revenue Code.

5. FORMATION AND INVESTMENT IN OR ASSISTANCE PROVIDED TO VENTURES DEVELOPING OR COMMERCIALIZING SYSTEM INTELLECTUAL PROPERTY OR ESTABLISHED TO ASSIST INDIVIDUALS COVERED BY THIS POLICY TO COMMERCIALIZE INTELLECTUAL PROPERTY

5.1 General

5.1.1 Following disclosure, evaluation and protection of intellectual property, the OTC may elect to form and operate a business entity or assist with the formation and operation of a business entity, or enter into a new venture with another party for the purpose of developing and/or commercializing system intellectual property.

5.1.2 The commercialization process should include the means by which the system and members will be able to receive a return on investment of system and member resources. If monetary or non-monetary support is exchanged in part or in whole for equity, the exchange of equity must comply with this policy and Texas Education Code, Chapter 153. Equity received by the system or member in exchange for monetary or non-monetary support will not be subject to distribution of funds in Section 4.8.

5.1.3 Creators of intellectual property covered by this policy or members from which the intellectual property originated shall be offered equity in a company formed or business venture entered into by the OTC or any of its centers based on their level of involvement in the formation and ongoing operations of the company or venture. Offers of equity in OTC ventures will be recommended by the AVCC through the VCFSR and approved by the chancellor.

5.2 Company Formation by the OTC

5.2.1 The OTC is responsible for determining the organizational structure and the financing strategy, executing a license agreement subject to the guidelines set forth in this policy between the company and the system, and other activities related to company formation, such as selection of a CEO, other company officers and members of the governing board or authority. The system will obligate the company to comply with applicable laws, regulations and system requirements.

5.2.2 Outside counsel services may be contracted to assist with the formation of a company or to review and prepare documents associated with a venture whose purpose is to develop and commercialize system intellectual property with the consent of the VCFSR or designee and the OGC and, as required by law, the attorney general of the state of Texas. Outside counsel contracts are subject to System Regulation *09.04.01, Legal Counsel and Attorney General Opinion Requests*.

5.2.3 The OTC and the OGC shall review all shareholder or member agreements for the protection of the system's interest in a company subject to this policy.

5.2.4 A license agreement will be executed with the company following the licensing guidelines set forth in Section 4.3 of this policy.

5.2.5 The system is not restricted in the percentage of equity it may own in an entity formed for the purpose of developing and/or commercializing system intellectual property.

5.3 Due Diligence Process

Before the OTC elects to form a business venture or assist with the formation of a business venture, or enter into a business venture with an existing company for the purpose of developing and/or commercializing system intellectual property, the OTC will perform due diligence on the proposed business venture. OTC shall determine the extent of the due diligence to be performed which will depend on the extent to which system resources are involved.

5.3.1 To guide the consideration of OTC business ventures, the OTC will be responsible for the development and maintenance of the minimum requirements for OTC business ventures, subject to approval by the VCFSR and chancellor. Business ventures may not be considered unless they meet the minimum requirements.

5.3.2 The OTC is responsible for submitting a commercialization plan for review including (1) an analysis of the potential business venture's business model and financial plan; (2) its probability of succeeding in commercialization; (3) a plan for addressing conflicts of interest; and (4) potential return to the system in terms of investment return or increased research revenue. The AVCC, subject to approval of the VCFSR and chancellor, will have authority for approving the commercialization plan, consistent with the results of the review and analysis, and the responsibility for setting milestones for the business venture.

5.3.3 Due diligence documents for OTC business ventures will include (1) a review of the manner in which conflicts of interest will be addressed; (2) background checks on the CEO and other corporate officers; (3) evaluation of the competence of management to execute the business plan; (4) evaluation of the financial risk and reward profile of the company and (5) a review of legal risks by the OGC, including a review of the commercialization plan.

5.3.4 The OTC is responsible for reviewing the business venture's progress every six months. If the venture receives a financial investment from the OTC, the initial review shall be conducted in three months. Review will focus on compliance with the commercialization plan and the achievement of established milestones. Results of all reviews will be provided to the VCFSR, chancellor and the chief financial officer and treasurer.

5.3.5 OTC business ventures must have an exit strategy which indicates how any financial interest will be returned to investors. In the event a business venture distributes publicly traded securities to the system, securities will be

immediately transferred to the Office of the Chief Financial Officer and Treasurer for management.

5.3.6 To ensure that potential and actual conflicts of interest are promptly identified and resolved, the OTC shall provide to the OGC the information required by this subsection.

(a) The OTC shall obtain annual financial disclosures from all individuals who serve, at the request of the system, as a member of the governing board of business entities that have agreements with the system relating to the research, development, licensing or exploitation of intellectual property in which the system has an ownership interest.

(b) The OTC shall promptly disclose to the OGC information revealing the existence of a potential or actual conflict of interest regarding OTC employees or the individuals listed in a) of this subsection. The OGC, in consultation with the Office of the Chief Financial Officer and Treasurer and the System Internal Audit Department, shall review information provided by the OTC in this subsection and shall report to the board, the chancellor, and the OTC the status of its review and recommendations for resolving any potential or actual conflicts. The OGC's recommendations shall be implemented to the satisfaction of the board chairman and the chancellor.

5.4 Assistance Programs Offered by the OTC

As described by the Texas Education Code, Section 153.004, the OTC may operate programs to provide assistance to individual persons and companies in commercializing technology owned wholly or in part by the system or in which the system has an interest, including individuals covered by this policy. Assistance may include providing monetary support or non-monetary support, including the use of premises, computers, computer software, telecommunications terminal equipment, office equipment and supplies, machinery, custodial services, utilities or other services that are customarily treated as overhead expenses.

5.5 Technology Commercialization Funds

5.5.1 The chancellor may establish one or more technology commercialization funds at the system level to aid in the establishment, maintenance and operation of the OTC or to aid in the discovery, development, protection or commercialization of technology. The fund or funds may accept state appropriations, gifts, grants, contracts and donations. Members and their affiliates, at the discretion of the CEO or designee, may contribute to the fund or funds. All gifts, grants and donations from individuals and corporations outside of the system are subject to System Policy *21.05*. The OTC may solicit gifts to the system for the purpose of supporting commercialization efforts. The chancellor may delegate to the VCFSR or, with the prior approval of the board, may delegate to another employee of the System Offices, management oversight responsibility of the fund or funds.

5.5.2 Any additional financial, intellectual, administrative and/or infrastructure support for the OTC endeavors related to company formation may come from members or affiliated entities, at the discretion of each respective CEO or designee.

5.5.3 As provided in the Texas Education Code, each board member has the legal responsibilities of a fiduciary in the management of funds under the control of the system on behalf of the system.

5.5.4 Investment of fund assets into any single business venture will be limited to the greater of $250,000 or ten percent (10%) of a fund's total value consistent with System Policy *22.02, System Investment.*

6. CONFLICTS OF INTEREST

In all activities addressed by this policy, system employees are responsible for avoiding (or, if applicable, disclosing/managing) potential and actual conflicts of interest and conflicts of commitment in compliance with federal and state requirements and applicable system policies and regulations, such as System Policies *07.01; 07.03; 07.04, Benefits, Gifts and Honoraria; 31.05; 33.03, Nepotism; 33.04, Use of System Resources;* and System Regulations *15.01.03; 31.05.01;* and *33.04.01, Use of System Resources for External Employment.* The reporting requirements listed in Section 7.4 are in addition to the requirements of System Policy *07.03.*

7. ADMINISTRATION

7.1 Operation and Support of the OTC

The OTC was established by the board under Texas Education Code, Chapter 153, to manage, transfer, market and otherwise commercialize technology owned by the system or in which it owns an interest. The board authorizes the system, through the OTC and/or through any other center created by the board for the commercialization of technology, to undertake all of the activities described in Sections 153.004 and 153.006 of the Texas Education Code.

7.2 Delegation of Authority

Chapter 153 of the Texas Education Code authorizes the system to engage in technology development and transfer activities under authority provided to the board and other state and federal law.

7.2.1 The board delegates to the chancellor responsibility for the management of intellectual property subject to ownership by the system to include the authority to negotiate and execute, on behalf of the system, legal documents relating to the system's rights in intellectual property, including, but not limited to, license agreements, assignments of intellectual property, letter agreements, option agreements, inter-institutional agreements, commercial material transfer agreements, shareholder agreements, corporate agreements, applications, declarations, affidavits, powers of attorney, disclaimers, non-disclosure

agreements and other such documents related to patents, copyrights and trademarks and the formation and operation of companies for the commercialization of system technologies including, without limitation, the authority to do all things necessary to effectuate the operation of such companies.

7.2.2 The chancellor may delegate to the VCFSR or designee the authority to negotiate and execute, on behalf of the system, legal documents relating to the system's rights in intellectual property including, but not limited to, license agreements, assignments of intellectual property, letter agreements, option agreements, inter-institutional agreements, commercial material transfer agreements, shareholder agreements, corporate agreements, applications, declarations, affidavits, powers of attorney, disclaimers, non-disclosure agreements and other such documents related to patents, copyrights and trademarks and the formation and operation of companies for the commercialization of system technologies. Furthermore, the chancellor may delegate to the VCFSR or designee the authority to do all things necessary to effectuate the operation of companies that the system forms or in which the system has an equity interest.

7.2.3 The AVCC is responsible for the day-to-day operations of the OTC and reports directly to the VCFSR. The AVCC shall file annually with the chancellor an Annual Financial Disclosure Report as required for vice chancellors in System Policy *07.03.*

7.2.4 The chancellor or designee is authorized to serve, in his or her official capacity, on the governing board or as an officer of entities formed for the purpose of development and commercialization of technology owned by the system that have met the requirements of this policy. At the next regular meeting of the board, following the date on which the chancellor or designee becomes a member of the governing board, the AVCC through the VCFSR will provide information concerning the company and the system's involvement to the board with a request for authorization for the chancellor or designee to continue serving or serve as a member of the governing board.

7.3 Intellectual Property Committees

The Intellectual Property Oversight Committee (Oversight Committee) is chaired by the chancellor and comprised of the VCFSR, the AVCC, the CEO from each member principally involved in research and commercialization as determined by the chancellor, and one faculty representative who is the chair of the Intellectual Property Constituent Committee (Constituent Committee). The Oversight Committee shall advise the chancellor on matters related to intellectual property and may be expanded by the chancellor to include additional members.

The Constituent Committee is chaired by a faculty representative and comprised of no fewer than three faculty or research representatives, three deans and three administrators within the system. This committee shall review quarterly reports

provided by the OTC and make recommendations on policies and other matters relating to intellectual property affecting faculty to the Oversight Committee.

7.4 Reporting Requirements

The chancellor shall ensure that the following reports are prepared and submitted:

7.4.1 Annually, within 60 days of the end of each fiscal year, the AVCC shall prepare and route through the VCFSR a report listing the titles and a brief description of each disclosure received under Section 3.2 of this policy since the last report for the board, chancellor and the participating member CEO.

7.4.2 The AVCC shall prepare a semi-annual report on all license agreements and commercialization activities involving system intellectual property. The AVCC through the VCFSR shall present the semi-annual report to the Oversight and Constituent Committees. For third party license agreements, the report should include an overview of each licensee's compliance with license terms and resulting gains to the system through financial return or increased research funding.

7.4.3 In compliance with Section 51.912 of the Texas Education Code, the board must file a report identifying (a) all employees who conceive, create, discover, invent or develop intellectual property and have an equity interest in or serve as an employee, officer or member of the governing board of business entities that have agreements with the system relating to the research, development, licensing or exploitation of intellectual property for which they are the creator and in which the system has an ownership interest, and (b) all individuals who serve, at the request of the system, as a member of the governing board of business entities that have agreements with the system relating to the research, development, licensing or exploitation of intellectual property in which the system has an ownership interest. The report will be filed in accordance with the requirements of Section 51.005 of the Texas Education Code.

7.4.4 The AVCC through the VCFSR will submit to the board's Committee on Finance and the Oversight and Constituent Committees an annual report on technology commercialization investments within 60 days of the end of each fiscal year. The investment report will include detailed investment holdings, transaction reports, valuation of holdings and material events that will affect the value of the investments since the last report.

7.5 Dispute Resolution

Disputes related to this policy can be made in writing to the chancellor who will submit the dispute to a panel, chaired by the faculty representative on the Oversight Committee and composed of no less than three disinterested members of the Oversight Committee. This panel may be expanded by the chancellor as needed. Once the panel has conducted its review of the dispute, it will forward its recommendation to the full Oversight Committee for consideration. The chancellor will be the final arbiter in

matters relating to this policy. The OGC will provide legal advice to the panel and to the Oversight Committee.

Related Statutes, Policies, or Requirements

37 CFR 401

Tex. Educ. Code §51.004

Tex. Educ. Code §51.005

Tex. Educ. Code §51.912

Tex. Educ. Code Ch. 153

Office of Technology Commercialization Disclosure Form

System Policy *07.01, Ethics*

System Policy *07.03, Conflicts of Interest, Dual Office Holding and Political Activities*

System Policy *07.04, Benefits, Gifts and Honoraria*

System Regulation *09.04.01, Legal Counsel and Attorney General Opinion Requests*

System Regulation *15.01.03, Conflict of Interest in the Design, Conduct and Reporting of Sponsored Research and Educational Activities*

System Regulation *17.02.02, Technology-Mediated Instruction*

System Policy *21.05, Gifts, Donations, Grants and Endowments*

System Policy *22.02 System Investment*

System Policy *31.05, External Employment and Expert Witness*

System Regulation *31.05.01, Faculty Consulting, External Employment and Conflicts of Interest*

System Policy *33.03, Nepotism*

System Policy *33.04, Use of System Resources*

System Regulation *33.04.01, Use of System Resources for External Employment*

The May 2006 version of this policy superseded

System Policy *17.02, Patents*

Definitions

Copyrightable Work – An original work of authorship which has been fixed in any tangible medium of expression from which it can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device, such as books, journals, software, computer programs, musical works, dramatic works, videos, multimedia products, sound recordings, pictorial and graphical works. A copyrightable work may be the product of a single author or a group of authors who have collaborated on a project.

Creator – A person who invents, authors or otherwise creates intellectual property.

Intellectual Property – Collectively, all forms of intellectual property including but not limited to issued patents, patentable inventions, copyrightable works, trademarks, mask works, and trade secrets.

Invention – Any art or process *(way of doing or making things)*, machine, manufacture, design, or composition of matter, or any new and useful improvement thereof, or any variety of plant, which is or may be patentable under the patent laws of the United States.

Patent – A property right granted by a government to an inventor to exclude others from making, using, offering for sale, or selling the invention in a territory, or importing the invention into a territory, for a limited time in exchange for public disclosure of the invention when the patent is granted.

Tangible Research Property (TRP) – Tangible items produced in the course of system research that can be physically distributed, including such items as biological materials, engineering drawings, integrated circuit chips, software, computer databases, prototype devices, circuit diagrams, and equipment. Individual items of tangible research property may be associated with one or more intangible properties, such as inventions, copyrightable works and trademarks.

Trademark (including Service Mark) – A distinctive word, design or graphic symbol, or combination word and design, that distinguishes and identifies the goods and services of one party from those of another, such as names or symbols used in conjunction with plant varieties or computer programs.

Contact Office

Office of Technology Commercialization
(979) 847-8682

29.01 Information Resources

Approved January 22, 2009 (MO 028-2009)
Revised August 3, 2012 (MO -2012)
Next Scheduled Review: August 3, 2014

Policy Statement

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

Reason for Policy

This policy establishes the authority and responsibilities of the SCIO and provides the minimum procedures to be used by members, as coordinated by the SCIO, to govern the use of information resources.

Procedures and Responsibilities

1. SYSTEM INFORMATION RESOURCES GOVERNANCE

   1.1 The efficient and effective use of information resources is critical to the long-term success of the system. To that end, the SCIO is responsible for ensuring that all members have implemented rules and/or procedures for the appropriate management of information resources, including provisions designed to guarantee that information resources expenditures from any funding source are efficient and serve to improve system services. The SCIO is also responsible for coordinating member information resources purchases, regardless of the funding source.

   1.2 New or revised member information resources rules will not become effective until approved by the SCIO or designee, in addition to other approvals required by the system or member. New or revised member information resources procedures will be developed in consultation with the SCIO or designee.

1.3 The SCIO, with the chancellor's approval, shall establish an information resources governance structure at the system level that accomplishes the following:

(a) identifies and coordinates the best source(s) of information technology hardware, software and services;

(b) reduces non-productive redundancy across the system;

(c) when in the best interest of the system, and strategic objectives of the member(s), consolidates resources including networks, hardware, systems and applications;

(d) improves the security of the system's technology infrastructure; and

(e) determines appropriate thresholds for delegating purchasing authority to member CEOs.

2. USE OF SYSTEM INFORMATION RESOURCES

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

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

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

(c) adhere to all laws, regulations and policies that refer to the use of information resources; and

(d) endeavor to avoid any actions that would create the appearance that the user is violating the law or the system's ethical standards.

2.2 Privacy policies are mechanisms used to establish the responsibilities and limits for system administrators and users in providing privacy in information resources. There is no expectation of privacy when using system information resources beyond that which is expressly provided by applicable privacy laws. Information created, stored or transmitted on system information resources may be subject to disclosure under the Texas Public Information Act or through legal or administrative proceedings. While the system does not routinely monitor individual usage of system information resources, members have the right to examine information created, stored or transmitted on system information resources for general business purposes, including but not limited to the normal operation and maintenance of such resources.

2.3 In accordance with Section 1.2, each member will develop and implement rules and/or procedures to ensure compliance with applicable Texas Department of Information Resources' rules; for example, Texas Administrative Code, Title 1, Ch. 202, *Information Security Standards*, Ch. 206, *State Web Sites*, and Ch. 213, *Electronic and Information Resources*.

Related Statutes, Policies, or Requirements

Tex. Educ. Code § 51.9335, *Acquisition of Goods and Services*

Tex. Gov't Code Ch. 2054, *Information Resources*

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

1 Tex. Admin. Code Ch. 206, *State Websites*

1 Tex. Admin. Code Ch. 211, *Information Resources Managers*

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

1 Tex. Admin. Code Ch. 216, *Project Management Practices*

System Policy *21.04, Control of Fraud, Waste and Abuse*

System Policy *33.04, Use of System Resources*

System Regulation *25.99.08, Use of Telecommunication Service*

System Regulation *29.01.02, Use of Licensed Commercial Software*

Definitions

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

Contact Office

Office of the System Chief Information Officer
(979) 458-6450

31.05 External Employment and Expert Witness

Approved February 27, 1995 (MO 44-95)
Revised January 25, 2002 (MO 18-2002)
Revised December 5, 2008 (MO 413-2008)
Revised August 3, 2012 (MO -2012)
Next Scheduled Review: August 3, 2014

Policy Statement

The primary responsibility of employees of The Texas A&M University System (system) or any of its members is the accomplishment of the duties and responsibilities assigned to one's position of appointment. External consulting or other outside employment should not interfere with those duties and responsibilities.

Reason for Policy

External consulting or other outside employment should not prevent an employee from accomplishing employment duties and responsibilities.

Procedures and Responsibilities

1. Full-time employees are expected to devote their time to their assigned duties and responsibilities on a full-time basis. Permission to engage in external consulting or other outside employment may be granted in accordance with regulations and rules adopted by the system and the employing member as long as **all** of the following conditions are met:

   (a) Permission to engage in the employment is requested and received prior to the time the employee accepts external employment;

   (b) Activities related to the external employment are not reasonably expected to interfere with the regular work of the employee;

   (c) The employee complies with all applicable laws and professional standards of conduct, including conflicts of interest standards;

   (d) The employee certifies that research performed in connection with the external employment will be conducted in an objective and scientific manner and in accordance with the highest ethical standards of the employee's profession; and

(e) The member uses an approval process for consulting or other outside employment related to a faculty member's field or discipline that is adopted in accordance with the regulation developed under Section 3.

Failure to comply with any of these conditions may result in withdrawal of permission to engage in external employment.

2. For purposes of this policy, activities which are traditionally compensated by payment of an honorarium are not external employment unless they are reasonably expected to require more than a minimal amount of the employee's time.

3. The chancellor shall develop a regulation that provides standards and guidelines for member approval processes for faculty consulting or other outside employment that ensures the appropriate preservation of any system and member rights that might exist in relation to intellectual property arising from consulting.

Related Statutes, Policies, or Requirements

Tex. Gov't. Code § 572.051

System Policy *07.01, Ethics*

System Policy *07.03, Conflicts of Interest, Dual Office Holding and Political Activities*

Contact Office

Office of General Counsel
(979) 458-6120

SAP 18.03.99.T0.T1 Post-Season Athletics Competition

Approved: MO XX, 2012
Revised: New
Next Scheduled Review: MO XX, 2014

Procedure Statement

This Standard Administrative Procedure (SAP) establishes the process by which Tarleton State University coaches and administrators are compensated for post-season successes. This SAP applies to all sports.

Reason for Procedure

This procedure is required by System Policy *18.03, Post-Season Athletics Competition.*

Procedures and Responsibilities

1.1 Post-season bonuses are not guaranteed. If approved, bonuses are awarded according to the matrix in Appendix A.

1.2 Each one-time bonus is determined by the coaching position and the highest level of team championship won in an academic year.

1.3 If funds are available, the athletics director will submit recommendations for post-season bonuses to the university president.

1.4 The president shall approve all bonuses based on post-season success.

Related Statutes, Policies, or Requirements

System Policy *18.03, Post-Season Athletics Competition*

Appendix

Appendix A: One-Time Athletic Post-Season Performance Bonuses Matrix

Contact Office

Athletics Department
254-968-9178

Appendix A: One-Time Athletic Post-Season Performance Bonuses Matrix

Tarleton State University

Position	Conference Championship	NCAA II Regional Championship	NCAA II National Championship
Head Coach	Not to exceed 5% of contracted salary	Not to exceed 7.5% of contracted salary	Not to exceed 10% of contracted salary
Full-Time Assistant Coach	Not to exceed 5% of contracted salary	Not to exceed 7.5% of contracted salary	Not to exceed 10% of contracted salary
Part-Time Assistant Coach, Graduate Assistant Coach	Not to exceed 5% of contracted salary	Not to exceed 7.5% of contracted salary	Not to exceed 10% of contracted salary
Director of Athletic Performance, Head Trainer	Not to exceed 3% of contracted salary	Not to exceed 4% of contracted salary	Not to exceed 5% of contracted salary

ITEM
EXHIBIT

FACULTY DEVELOPMENT LEAVE LIST
FY 2013
TARLETON STATE UNIVERSITY

Name/ Title/ Department	Years of Tarleton State University Tenured, Tenure-Track Service	Semester of Leave	Location and Brief Description of Leave
Shaukat Goderya, Associate Professor Engineering and Physics	6	Fall 2012	Dr. Shaukat Goderya, associate professor in engineering and physics, is requesting leave for fall 2012. As associate professor of physics and director of programs for astronomy education and research at Tarleton, Dr. Goderya's leave is requested to contribute his knowledge and skills of astronomy to teach and train young and talented youth at the Institute of Space Technologies in his native country of Pakistan where Dr. Goderya would offer courses and help initiate a research program. This activity is sponsored by a Fulbright award. The benefits for Tarleton are related to the opportunities for collaboration and research outside the university.

TEXAS A&M UNIVERSITY-COMMERCE
RECOMMENDATIONS FOR TENURE
TENURE LIST NO. 12-04

Name	Present Rank Department	Years Teaching Univ./	 Other Inst.	Effective Date/Tenure
COLLEGE OF HUMANITIES, SOCIAL SCIENCES & ARTS				
* Dr. David E. Scott	Professor Music	0	24	Upon Approval by the Board
COLLEGE OF SCIENCE, ENGINEERING & AGRICULTURE				
* Dr. Tingxiu Wang	Professor Mathematics	0	29	Upon Approval by the Board and Faculty Arrival
* Dr. Matthew A. Wood	Professor Physics and Astronomy	0	22	Upon Approval by the Board

* Tenure on Arrival.

TEXAS A&M UNIVERSITY-COMMERCE
BACKGROUND OF FACULTY
RECOMMENDED FOR ACADEMIC TENURE

COLLEGE OF HUMANITIES, SOCIAL SCIENCES & ARTS

Name	Department	Present Rank	Effective Date
Dr. David E. Scott	Music	Professor	Upon Approval by the Board

Dr. David Scott formerly held the tenured position of professor of Music and head, Department of Art and Music at Angelo State University. Dr. Scott received a B.M.E. (1982) and B.M. (1983) from Baylor University, and an M.M. (1989) and Ph.D. (1992) from Ohio State University. Prior to coming to Texas A&M University-Commerce as head of the Department of Music, he served 14 years at Angelo State University in various capacities, including department head, professor, associate professor and director of bands. He served six years at the University of Wisconsin-Superior as director of bands, associate professor of Music, assistant professor and academic staff. He served four years at Ohio State University (OSU) as a Graduate Teaching Associate. During that time, he served in the following capacities: Acting Instructor of Euphonium, Graduate Assistant Director of the Ohio State University Marching Band, Graduate Assistant Director of OSU Basketball Band, Conductor of OSU Band, Creator and Conductor for OSU Winds, Instructor of Beginning and Intermediate Conducting courses, Director of the OSU Spring Varsity Band and Chamber Ensemble Coach. Dr. Scott also served at J. Frank Dobie High School in Houston as Assistant Band Director. He has had 15 presentations, edited publications and recordings; 18 compositions and transcriptions premiered; and 132 school and community guest conducting and clinic presentations. Dr. Scott holds membership in several professional organizations and has served as Conducting/Music Education Artist for the Yamaha Corporation since 2001.

COLLEGE OF SCIENCE, ENGINEERING & AGRICULTURE

Name	Department	Present Rank	Effective Date
Dr. Tingxiu Wang	Mathematics	Professor	Upon Approval by the Board and Faculty Arrival

Dr. Tingxiu Wang formerly held the tenured position of professor of Mathematics and assistant dean of the College of Liberal Arts and Sciences at Missouri Western State University. Dr. Wang received a B.S. (1982) in Mathematics from Shandong University (P.R. China), and an M.S. (1988) and Ph.D. (1991) in Mathematics from Southern Illinois University. Dr. Wang has accepted the position of head of the Department of Mathematics and will arrive before the start of the fall semester. Before coming to Texas A&M University-Commerce, he served three years

COLLEGE OF SCIENCE, ENGINEERING & AGRICULTURE (Continued)

Dr. Tingxiu Wang (continued)

as professor of Mathematics and one year as Assistant Dean of College of Liberal Arts and Sciences at Missouri Western State University. He served nine years as professor, four years as associate professor, and four years as assistant professor of Mathematics at Oakton Community College in Illinois. He also taught for four years in the Math Department at Nanjing University of Science and Technology. He has 28 authored or co-authored peer-refereed papers, 10 article publications and 43 national and international conference presentations. He has been a principal investigator for three (and co-PI for two) NSF grants, totaling $2.09 million. He is a member of the following professional organizations: American Mathematical Association of Two-Year Colleges, American Mathematical Society, Mathematical Association of America, founding member of the Society of Chinese American Professors and Scientists and former President and Vice President of the Overseas Chinese Society for Industrial and Applied Mathematics. Dr. Wang received the Outstanding Faculty Member Award of the Illinois Community College Trustee Association and the Excellence Award of the National Institute for Staff and Organizational Development.

Dr. Matthew A. Wood	Physics and Astronomy	Professor	Upon Approval by the Board

Dr. Matthew Wood formerly held the tenured position of professor of Physics & Space Sciences at Florida Institute of Technology. Dr. Wood received a B.S. (1983) in Physics from Iowa State University, and an M.A. (1985) and Ph.D. (1990) in Astronomy from the University of Texas at Austin. Before coming to Texas A&M University-Commerce as a head of the Department of Physics and Astronomy, Dr. Wood served 21 years at Florida Institute of Technology; eight years as professor, eight years as associate professor, and five years as assistant professor of Physics & Space Sciences. He also served a one year sabbatical as a Visiting Professor at Radboud University in The Netherlands and one year as a National Science Foundation (NSF)-NATO Postdoctoral Fellow in the department of Physics at Université de Montréal. Dr. Wood has 76 refereed and 77 non-refereed publications and has been a Principal Investigator and recipient of NSF and NASA grants totaling $1.9 million. Dr. Wood is a member of the following Societies: American Astronomical Society, International Astronomical Union, Royal Astronomical Society, Sigma Pi Sigma and Florida Academy of Sciences.

TEXAS A&M INTERNATIONAL UNIVERSITY
RECOMMENDATIONS FOR TENURE
TENURE LIST NO. 12-04

Name	Present Rank Department	Years Teaching Univ. / Other Inst.		Effective Date/Tenure
COLLEGE OF ARTS AND SCIENCES				
*Dr. Jose-Carlos Lozano	Professor Psychology and Communication	0	20	Upon Approval by the Board and Faculty Arrival

*Tenure on Arrival.

TEXAS A&M INTERNATIONAL UNIVERSITY
BACKGROUND OF FACULTY
RECOMMENDED FOR ACADEMIC TENURE

COLLEGE OF ARTS AND SCIENCES

Name	Department	Present Rank	Effective Date
Dr. Jose-Carlos Lozano	Psychology and Communication	Professor	Upon Approval by the Board and Faculty Arrival

Dr. Jose-Carlos Lozano is currently a professor with tenure in the Department of Communication and Journalism at Tecnológico de Monterrey in Monterrey, Mexico. Dr. Lozano received his Ph.D. in Journalism in 1992 from the University of Texas at Austin. He also received an M.A. in Mass Communication from the University of Leicester in 1982 and a B.Sc. in Communication at the Universidad Regiomontana (Monterrey, Mexico) in 1977. Dr. Lozano first joined the faculty at the Tech de Monterrey in 1992. He has taught a number of courses in mass communication and media studies and has held several administrative positions including Director of Undergraduate programs, Head of the graduate program in Communication and Director of the Center for Communication and Information Research. Dr. Lozano published 42 peer-reviewed journal articles and has authored or co-authored 27 book chapters. He is a Fellow of the Mexican Academy of Science and a Fellow of the National System of Researchers in Mexico. He serves on the editorial boards of several national and international journals.

TEXAS A&M UNIVERSITY
RECOMMENDATIONS FOR TENURE
TENURE LIST NO. 12-04

Name	Present Rank	Years Teaching Univ./Other Inst.		Effective Date/Tenure
COLLEGE OF EDUCATION AND HUMAN DEVELOPMENT				
*Dr. Nicolaas Deutz	Professor Health & Kinesiology	0	29	Upon Approval by the Board and Faculty Arrival
*Dr. Mariëlle P. Engelen	Associate Professor Health & Kinesiology	0	12	Upon Approval by the Board and Faculty Arrival
MAYS BUSINESS SCHOOL				
*Dr. Chelliah Sriskandarajah	Professor Information and Operations Management	0	22	Upon Approval by the Board and Faculty Arrival
COLLEGE OF SCIENCE				
*Dr. Valen Johnson	Professor Statistics	0	18	09/01/12
*Dr. Guoliang Yu	Professor Mathematics	0	20	Upon Approval by the Board and Faculty Arrival
COLLEGE OF VETERINARY MEDICINE				
*Dr. Joe Kornegay	Professor Veterinary Integrative Biosciences	0	30	Upon Approval by the Board and Faculty Arrival

*Tenure on Arrival

TEXAS A&M UNIVERSITY
BACKGROUND OF FACULTY
RECOMMENDED FOR ACADEMIC TENURE

Name	Department	Present Rank	Effective Date
COLLEGE OF EDUCATION AND HUMAN DEVELOPMENT			
Dr. Nicolaas Deutz	Health & Kinesiology	Professor	Upon Approval by the Board and Faculty Arrival

Dr. Nicolaas Deutz formerly held the tenured position of professor at the University of Arkansas for Medical Sciences (UAMS). Dr. Deutz obtained his M.D. from the University of Amsterdam, the Netherlands, in 1983 and his Ph.D. from the Department of Experimental Medicine, University of Amsterdam, in 1988. Dr. Deutz joined Texas A&M University (Texas A&M) in April 2012 as a professor in the Department of Health & Kinesiology at the College of Education and Human Development. Dr. Deutz joined the Clinical Nutrition and Metabolism Group of the Department of Surgery of Maastricht University, the Netherlands, as assistant professor and was promoted to associate professor in 2000. He moved to UAMS, Little Rock, in 2006 and became professor of Geriatrics in the Center for Translational Research in Aging & Longevity at the Donald W. Reynolds Institute on Aging. Dr. Deutz has mentored numerous Ph.D. students and has been co-organizer of a number of international post-graduate courses. His research interest has been in clinical nutrition and metabolism in animals and humans and he has published over 250 papers in this field. His clinical interest is using nutritional supplements to treat malnutrition in the elderly and during acute and chronic disease states. Dr. Deutz holds nine patents. Since 1988 he has been an active member of the European Society of Parenteral and Enteral Nutrition (ESPEN) and chaired the scientific committee from 2000 to 2005. Since 2006, he has served as editor-in-chief of the society's journals: *Clinical Nutrition*, *Clinical Nutrition Supplements* and *e-SPEN*.

Dr. Mariëlle P. Engelen	Health & Kinesiology	Associate Professor	Upon Approval by the Board and Faculty Arrival

Dr. Mariëlle P. Engelen formerly held the tenured position of associate professor at the University of Arkansas for Medical Sciences (UAMS). Dr. Engelen obtained her Ph.D. from Maastricht University, the Netherlands, in 2000. Before she joined Texas A&M in April 2012 as an associate professor in the Department of Health & Kinesiology at the College of Education and Human Development, she held a faculty position as assistant professor at the Department of Geriatrics, UAMS at Little Rock in 2006, where she was promoted to associate professor with tenure in 2011. She has supervised research assistants and mentored many Ph.D. students. Her interests are translational research on alterations in protein and amino acid metabolism underlying muscle loss and the anabolic effects of clinical nutrition and exercise in the elderly and in chronic wasting diseases. She has published over 45 articles in this research field. She was awarded the American Society for Nutrition's Vernon Young International Award for amino acid research in 2007 for her work in chronic obstructive pulmonary disease (COPD). She has been principal investigator in several research projects in COPD, cystic fibrosis, cancer, sepsis and aging including projects from the National Institutes of Health.

MAYS BUSINESS SCHOOL

Dr. Chelliah Sriskandarajah	Information and Operations Management	Professor	Upon Approval by the Board and Faculty Arrival

Dr. Chelliah Sriskandarajah is currently a chaired full professor with tenure at the University of Texas-Dallas. Dr. Sriskandarajah earned his Ph.D. in 1986 in Operations Research at the National Polytechnic Institute of Grenoble, France. He will join Texas A&M as a chaired full professor in August 2012 and will teach courses in supply chain management. In terms of teaching philosophy, in his own words: "I believe that teaching with passion can make learning experience enjoyable for a student. An interesting, engaging and well-communicated presentation nurtures a student's desire to learn. I also believe that quality teaching requires not only ability, but also patience, creativity, hard work, and ample preparation." His area of research is in supply chain management in businesses and he is an expert in production planning and scheduling, logistics and performance evaluation of production systems. A number of his publications have been finalists or semi-finalists for the Daniel Wagner and Franz Edelman awards given by the Institute for Operations Research and Management Sciences.

COLLEGE OF SCIENCE

Dr. Valen Johnson	Statistics	Professor	09/01/12

Dr. Valen Johnson is currently a professor with tenure at the University of Texas M.D. Anderson Cancer Center. Dr. Johnson received a Ph.D. in Statistics from the University of Chicago (1989). He joined the Institute of Statistics and Decision Sciences at Duke University as an assistant professor in August 1989 and was promoted to associate professor in September 1993 and to professor in 2000. Dr. Johnson was hired as a professor in the Department of Biostatistics, University of Texas M.D. Anderson Cancer Center, in 2004. While at Duke he served separate terms as the Director of Graduate Studies and the Director of Undergraduate Studies. He has developed an excellent reputation in mentoring and teaching. Dr. Johnson has been actively engaged in both collaborative and methodological research and is internationally recognized as having made fundamental contributions to the theory and practice of Bayesian Statistics. His research has focused on the areas of Bayesian testing procedures and ordinal data modeling and is published in top-tier statistical journals. Dr. Johnson has a very strong record of funding from the National Science Foundation and the National Institutes of Health. He is a Fellow of the American Statistical Association and the Royal Statistical Society and an elected member of the International Statistical Institute. He is an associate editor or co-editor of several top-tier journals including the *Journal of the American Statistical Association*, the premier journal of statistical science.

Dr. Guoliang Yu	Mathematics	Professor	Upon Approval by the Board and Faculty Arrival

Dr. Guoliang Yu is currently a professor with tenure at Vanderbilt University. Dr. Yu received his Ph.D. in Mathematics from the State University of New York at Stony Brook in 1991. He was a post-doctoral fellow at the Mathematical Sciences Research Institute at the University of California at Berkeley in 1991 and 1992. In 1992 he joined the University of Colorado at

COLLEGE OF SCIENCE (Continued)

Dr. Guoliang Yu (continued)

Boulder as an assistant professor and was promoted to associate professor in 1998. In 2000 he joined Vanderbilt University as an associate professor. Dr. Yu was promoted to professor in 2001 and has also had visiting appointments at some of the world's most prestigious research institutes. Dr. Yu has supervised eight Ph.D. students and six post-doctoral researchers since 2000. Dr. Yu's area of expertise is non-commutative geometry. His work draws from, and is relevant for, several specialties such as functional analysis, differential geometry, geometric group theory and topology. Dr. Yu has the ability to bring techniques from one area to bear on the pressing problems of another. Time and again he has introduced surprising tools into the study of a set of important problems connected to the Novikov conjecture. Not only has he far surpassed what other researchers were able to do, but his ideas turned out to be so influential that he is now credited with founding a new field, the study of uniform embeddings of metric spaces. He is on the editorial board of three journals and is the managing editor for another.

COLLEGE OF VETERINARY MEDICINE

Dr. Joe Kornegay	Veterinary Integrative Biosciences	Professor	Upon Approval by the Board and Faculty Arrival

Dr. Joe Kornegay formerly held the tenured position of professor at the University of North Carolina-Chapel Hill. Dr. Kornegay received his D.V.M. degree from Texas A&M in 1973 and his Ph.D. from the University of Georgia in 1982. Dr. Kornegay joined the Department of Veterinary Integrative Biosciences on April 1, 2012. As an educator Dr. Kornegay has emphasized active learning, frequently incorporating case discussions. He has received multiple class teaching awards for his instruction of D.V.M. students. His teaching will occur principally at the graduate level and focus on mechanisms of disease and preclinical testing for investigative therapeutics. For the past 30 years Dr. Kornegay has studied a spontaneous canine disease termed golden retriever muscular dystrophy (GRMD), which serves as an animal model for Duchenne muscular dystrophy of humans. These studies have established GRMD as the "standard" large animal model for preclinical testing and have largely been funded by the National Institutes of Health and foundations such as the Muscular Dystrophy Association. Awards given in recognition of his clinical and more basic scholarship include an Honors Cause Doctor, University of Liege (Belgium, 2011); Robert W. Kirk Award for Professional Excellence, American College of Veterinary Internal Medicine (2008); Certificate of Appreciation, Muscular Dystrophy Association (Central Missouri Chapter, 1998); Pfizer Award for Research Excellence (Pfizer Animal Health, College of Veterinary Medicine, University of Missouri-Columbia, 1998); and the Bourgelat Award, British Small Animal Veterinary Association (1995).

Exhibit V (Item 62)

TEXAS A&M UNIVERSITY-KINGSVILLE
RECOMMENDATIONS FOR TENURE
TENURE LIST NO. 12-04

Name	Present Rank	Years Teaching Univ. /Other Inst.		Effective Date/Tenure
COLLEGE OF ARTS AND SCIENCES				
*Dr. Abbey Zink	Professor Language and Literature	0	11	Upon Approval by the Board and Faculty Arrival

*Tenure on Arrival.

TEXAS A&M UNIVERSITY-KINGSVILLE
BACKGROUND OF FACULTY
RECOMMENDED FOR ACADEMIC TENURE

COLLEGE OF ARTS AND SCIENCES

Name	Department	Present Rank	Effective Date
Dr. Abbey Zink	Language and Literature	Professor	Upon Approval by the Board and Faculty Arrival

Dr. Abbey Zink formerly held the tenured position of Associate Professor in the Department of Writing, Linguistics, and Creative Process and Interim Dean of the School of Arts and Sciences at Western Connecticut State University. Dr. Zink received a B.A. degree in Journalism (1989) and an M.A. degree in English (1995) from Marshall University; she received a Ph.D. degree in English (2001) from Northern Illinois University. Dr. Zink taught as an Assistant Professor (2001-2006) and as an Associate Professor (2006-2012) at Western Connecticut State University. She comes to Texas A&M University-Kingsville as a Professor in the Department of Language and Literature and, pending board approval, Dean of the College of Arts and Sciences. During the past five years, Dr. Zink received external funding in the amount of $526,894.00; much of the money granted was for "Building a Bridge to Improve Student Success." Dr. Zink authored and co-authored three refereed journal articles and one book. She presented numerous professional papers and presentations at the international, national and regional levels. Professional memberships include the American Conference of Academic Deans, the National Council for Teachers of English and the Society of Professional Journalists.

THE TEXAS A&M UNIVERSITY SYSTEM
CONFIRMATION OF EMERITUS/EMERITA TITLES
EMERITUS/EMERITA TITLE LIST NO. 12-04

System Member Honoree	Years of Service	Current Rank	Title Conferred	Effective Date
TARLETON STATE UNIVERSITY				
Mr. Jerry Graham	42	Vice President for Finance & Administration	Vice President Emeritus for Finance & Administration	Upon Approval by the Board

THE TEXAS A&M UNIVERSITY SYSTEM
CONFIRMATION OF EMERITUS/EMERITA TITLES
EMERITUS/EMERITA TITLE LIST NO. 12-04

System Member Honoree	Years of Service	Current Rank	Title Conferred	Effective Date
TEXAS A&M UNIVERSITY				
Dr. Evan Anderson	14	Professor	Professor Emeritus of Information and Operations Management	09/01/12
Dr. Donald K. Friesen	33	Professor	Professor Emeritus of Computer Science and Engineering	Upon Approval by the Board
Dr. Robert Popp	33	Professor	Professor Emeritus of Geology and Geophysics	Upon Approval by the Board
Dr. Carolyn J. Smith	18	Associate Professor	Associate Professor Emerita of TAMU Libraries	Upon Approval by the Board

THE TEXAS A&M UNIVERSITY SYSTEM
CONFIRMATION OF EMERITUS/EMERITA TITLES
EMERITUS/EMERITA TITLE LIST NO. 12-04

System Member Honoree	Years of Service	Current Rank	Title Conferred	Effective Date
TEXAS A&M UNIVERSITY-COMMERCE				
Dr. John Hanners	20	Professor	Professor Emeritus of Theatre	Upon Approval by the Board
Dr. Janet Walker	38	Professor	Professor Emerita of Business Administration and MIS	Upon Approval by the Board

THE TEXAS A&M UNIVERSITY SYSTEM
CONFIRMATION OF EMERITUS/EMERITA TITLES
EMERITUS/EMERITA TITLE LIST NO. 12-04

System Member Honoree	Years of Service	Current Rank	Title Conferred	Effective Date
WEST TEXAS A&M UNIVERSITY				
Dr. James Clark	18	Dean and Professor	Dean and Professor Emeritus of Animal Science	Upon Approval by the Board
Dr. Ted Guffy	15	Dean and Professor	Dean and Professor Emeritus of Education	Upon Approval by the Board
Dr. Ed Maloy	11	Associate Professor	Associate Professor Emeritus of Public Administration	Upon Approval by the Board
Dr. George Mann	13	Professor	Professor Emeritus of Education	Upon Approval by the Board
Ms. Allene Stovall	40	Assistant Professor	Assistant Professor Emerita of Sports and Exercise Sciences	Upon Approval by the Board
Dr. Hellon Wilbur	34	Professor	Professor Emerita of Education	Upon Approval by the Board
Mr. Dave Wohlfarth	16	Instructor	Instructor Emeritus of Mass Communication	Upon Approval by the Board

THE TEXAS A&M UNIVERSITY SYSTEM
CONFIRMATION OF EMERITUS/EMERITA TITLES
EMERITUS/EMERITA TITLE LIST NO. 12-04

System Member Honoree	Years of Service	Current Rank	Title Conferred	Effective Date
TEXAS AGRILIFE EXTENSION SERVICE				
Mr. Dwight Callis	33	County Extension Agent – 4-H and Youth Development	County Extension Agent Emeritus	Upon Approval by the Board
Dr. Edward G. Smith	39	Director and Professor	Director and Professor Emeritus, Texas AgriLife Extension Service	Upon Approval by the Board

Exhibit X (Item 69-C)

The Texas A&M University System
Appointed and Commissioned Peace Officers
June 22, 2012

University Officer's Name	Title	Hire Date
PRAIRIE VIEW A&M UNIVERSITY		
Jones, Jerry D.	Police Officer	08/15/11
TEXAS A&M INTERNATIONAL UNIVERSITY		
Castillejos, Carlos.	Police Officer	03/22/12
Ramirez, Jr., Jose L.	Police Officer	03/22/12
TEXAS A&M UNIVERSITY		
Adcock, Jr., James L.	Police Officer	02/02/12
Blauser, Andrew D.	Police Officer	02/02/12
Hickman, Yolanda M.	Police Officer	02/02/12
Lopez, Felipe	Police Officer	02/02/12
McWhinney, Charles D.	Police Officer	02/02/12
Pruitt, Kimberly D.	Police Officer	02/02/12
Sullivan, Christopher R.	Police Officer	02/28/12
White, Christopher D.	Police Officer	02/28/12
TEXAS A&M UNIVERSITY–CENTRAL TEXAS		
Estrada, Erick R.	Police Officer	05/31/12
Little-Salas, Tanya M.	Police Officer	05/30/12
Overstreet, John S.	Police Officer	06/04/12
Rodriguez, Charles E.	Police Officer	05/21/12
Todd, Harold	Police Chief	03/01/12
TEXAS A&M UNIVERSITY–CORPUS CHRISTI		
Gutierrez, Brandy M.	Police Officer	02/27/12
Herrera, George R.	Police Officer	03/12/12
TEXAS A&M UNIVERSITY–SAN ANTONIO		
Gonzales, Susan M.	Police Officer	03/22/12
Grossman, Jeffrey	Police Officer	04/11/12
WEST TEXAS A&M UNIVERSITY		
Price, Aaron K.	Police Officer	06/06/12