

OFFICIAL STATEMENT DATED APRIL 30, 2024

NEW ISSUE - BOOK-ENTRY ONLY

RATINGS: (See "RATINGS" herein)

In the opinion of Winstead PC and Cantu Harden Montoya LLP, (collectively, "Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds (as defined below) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.

UNIVERSITIES

- Texas A&M University
- Texas A&M University - Central Texas
- Texas A&M University - Commerce
- Texas A&M University - Corpus Christi
- Texas A&M International University
- Texas A&M University - Kingsville
- Texas A&M University - San Antonio
- Texas A&M University - Texarkana
- Prairie View A&M University
- Tarleton State University
- West Texas A&M University



AGRICULTURAL AGENCIES

- Texas A&M AgriLife Research
- Texas A&M AgriLife Extension Service
- Texas A&M Forest Service
- Texas A&M Veterinary Medical Diagnostic Laboratory

ENGINEERING AGENCIES

- Texas A&M Engineering Experiment Station
- Texas A&M Engineering Extension Service
- Texas A&M Transportation Institute

OTHER AGENCY

- Texas Division of Emergency Management

\$427,395,000

**BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM BONDS,
SERIES 2024A**

Dated: May 30, 2024 (Interest accrues from the Date of Delivery (defined below))

Due: May 15, as shown herein

The Board of Regents of The Texas A&M University System Revenue Financing System Bonds, Series 2024A (the "Bonds") are special obligations of the Board of Regents (the "Board") of The Texas A&M University System (the "A&M System") issued pursuant to a Master Resolution, as amended, and a Thirty-Third Supplemental Resolution adopted by the Board (collectively, the "Resolution"). The Bonds are payable from and secured solely by the "Pledged Revenues" (as defined herein). THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE BOARD, THE A&M SYSTEM OR ANY PART THEREOF, THE STATE OF TEXAS, OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF. THE BOARD HAS NO TAXING POWER, AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED AS SECURITY FOR THE BONDS. See "SECURITY FOR THE BONDS."

The proceeds of the Bonds will be used for purposes of (i) providing funds for eligible projects for Participants (defined herein) within the A&M System, (ii) refunding a portion of the Board's outstanding Commercial Paper Notes (defined herein), and (iii) paying the cost of issuing the Bonds. See "PLAN OF FINANCING."

Interest on the Bonds will accrue from their Date of Delivery and will be calculated on the basis of a 360-day year composed of twelve 30-day months. Interest on the Bonds is payable on each May 15 and November 15, commencing November 15, 2024, and continuing thereafter until maturity or prior redemption. The Bonds are initially issuable only to Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), pursuant to the book-entry only system described herein. Beneficial ownership of the Bonds may be acquired in principal denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the purchasers thereof. Interest on and principal of the Bonds will be payable by BOKF, NA, Dallas, Texas, the initial paying agent/registrar (the "Paying Agent/Registrar"), to Cede & Co., as nominee for DTC, which will make distribution of the amounts so paid to DTC Participants (as defined herein) who will make payments to the beneficial owners of the Bonds. See "DESCRIPTION OF THE BONDS – Clearing Systems."

The Bonds are subject to redemption prior to maturity as described herein. See "DESCRIPTION OF THE BONDS – Redemption Provisions."

MATURITY SCHEDULE
See Schedule on inside front cover
CUSIP Prefix: 88213A

The Bonds are offered for delivery when, as and if issued and received by the Underwriters therefor named below and are subject to an approving opinion of the Attorney General of the State of Texas and of Winstead PC, Austin, Texas, and Cantu Harden Montoya LLP, Houston and San Antonio, Texas, Bond Counsel. See "APPENDIX E – FORM OF BOND COUNSEL OPINION." Certain legal matters will be passed upon for the Board by Winstead PC, Austin, Texas, Disclosure Counsel. Certain matters will be passed upon for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, Austin, Texas. It is expected that the Bonds will be delivered through DTC on or about May 30, 2024 (the "Date of Delivery").

JEFFERIES

CABRERA CAPITAL MARKETS

FROST BANK

RAMIREZ & Co., INC.

RBC CAPITAL MARKETS

**RICE FINANCIAL PRODUCTS
COMPANY**

TRUIST SECURITIES

MATURITY SCHEDULE

CUSIP PREFIX: 88213A⁽¹⁾

\$427,395,000
BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM BONDS, SERIES 2024A

\$402,285,000 Serial Bonds

Stated Maturity (May 15)	Principal Amount (\$)	Interest Rate (%)	Initial Yield/Price (%)	CUSIP Suffix⁽¹⁾	Stated Maturity (May 15)	Principal Amount (\$)	Interest Rate (%)	Initial Yield/Price (%)	CUSIP Suffix⁽¹⁾
2025	29,335,000	5.000	3.460 ⁽³⁾	TD7	2035 ⁽²⁾	19,640,000	5.000	3.120 ⁽³⁾	TP0
2026	30,805,000	5.000	3.290 ⁽³⁾	TE5	2036 ⁽²⁾	20,620,000	5.000	3.190 ⁽³⁾	TQ8
2027	32,350,000	5.000	3.130 ⁽³⁾	TF2	2037 ⁽²⁾	21,630,000	5.000	3.300 ⁽³⁾	TR6
2028	14,450,000	5.000	3.020 ⁽³⁾	TG0	2038 ⁽²⁾	22,725,000	5.000	3.380 ⁽³⁾	TS4
2029	15,165,000	5.000	3.020 ⁽³⁾	TH8	2039 ⁽²⁾	23,845,000	5.000	3.460 ⁽³⁾	TT2
2030	15,940,000	5.000	3.000 ⁽³⁾	TJ4	2040 ⁽²⁾	24,465,000	5.000	3.570 ⁽³⁾	TU9
2031	16,715,000	5.000	2.980 ⁽³⁾	TK1	2041 ⁽²⁾	25,675,000	5.000	3.680 ⁽³⁾	TV7
2032	17,560,000	5.000	2.990 ⁽³⁾	TL9	2042 ⁽²⁾	26,960,000	5.000	3.730 ⁽³⁾	TW5
2033	18,435,000	5.000	3.030 ⁽³⁾	TM7	2043	3,250,000	4.000	4.130 ⁽³⁾	TX3
2034	19,355,000	5.000	3.040 ⁽³⁾	TN5	2044	3,365,000	4.000	97.750 ⁽⁴⁾	TY1

\$25,110,000 Term Bonds

\$11,310,000 4.000% Term Bonds due May 15, 2049, Priced at 95.625%⁽⁴⁾, CUSIP Suffix TZ8⁽¹⁾
\$13,800,000 4.125% Term Bonds due May 15, 2054, Priced at 95.750%⁽⁴⁾, CUSIP Suffix UA1⁽¹⁾

(Interest accrues from the Date of Delivery)

REDEMPTION. . . The Bonds are subject to redemption prior to stated maturity as described herein. (See “DESCRIPTION OF THE BONDS – Redemption Provisions”).

⁽¹⁾ The CUSIP number is included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the Board, the Financial Advisor, or the Underwriters are responsible for the selection or correctness of the CUSIP numbers set forth herein.

⁽²⁾ Priced to first optional call date of May 15, 2034.

⁽³⁾ Amount shown is the initial yield.

⁽⁴⁾ Amount shown is the initial price.

SALE AND DISTRIBUTION OF THE BONDS

Use of Official Statement

No dealer, broker, salesman or other person has been authorized by the Board of Regents (the “Board”) of The Texas A&M University System (the “A&M System”) to give any information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Board. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement, nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the Board since the date hereof. This Official Statement is submitted in connection with the sale of securities referred to herein and in no instance may this Official Statement be reproduced or used for any other purpose.

THIS OFFICIAL STATEMENT IS INTENDED TO REFLECT FACTS AND CIRCUMSTANCES ON THE DATE OF THIS OFFICIAL STATEMENT OR ON SUCH OTHER DATE OR AT SUCH OTHER TIME AS IDENTIFIED HEREIN. NO ASSURANCE CAN BE GIVEN THAT SUCH INFORMATION MAY NOT BE MISLEADING AT A LATER DATE. CONSEQUENTLY, RELIANCE ON THIS OFFICIAL STATEMENT AT TIMES SUBSEQUENT TO THE ISSUANCE OF THE BONDS DESCRIBED HEREIN SHOULD NOT BE MADE ON THE ASSUMPTION THAT ANY SUCH FACTS OR CIRCUMSTANCES ARE UNCHANGED.

THE BOARD MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY NEW YORK, NEW YORK (“DTC”) OR ITS BOOK-ENTRY-ONLY SYSTEM, AS SUCH INFORMATION WAS FURNISHED BY DTC.

Marketability

The prices and other terms with respect to the offering and sale of the Bonds may be changed from time to time by the Underwriters after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts. IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Securities Laws

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (“SEC”) NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

No registration statement relating to the Bonds has been filed with the SEC under the Securities Act of 1933, as amended, in reliance upon an exemption provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities laws of any other jurisdiction (domestic or foreign). The Board assumes no responsibility for the registration or qualification for sale or other disposition of the Bonds under the securities laws of any jurisdiction (domestic or foreign) in which the Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

The statements contained in this Official Statement, and in other information provided by the Board, that are not purely historical are forward-looking statements, including statements regarding the Board’s expectations, hopes, intentions or strategies regarding the future. All forward-looking statements included in this Official Statement are based on information available to the Board on the date hereof, and the Board assumes no obligation to update any such forward-looking statements.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal

securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, the Rule.

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THE TEXAS A&M UNIVERSITY SYSTEM ADMINISTRATION

Board of Regents of The Texas A&M University System

Name	Residence	Term Expiration
Mr. William Mahomes, Jr., Chairman	Dallas	February 1, 2027
Mr. Robert L. Albritton, Vice Chairman	Fort Worth	February 1, 2027
Mr. David Baggett	Houston	February 1, 2029
Mr. John Bellinger	San Antonio	February 1, 2029
Mr. James R. Brooks	San Angelo	February 1, 2027
Mr. Jay C. Graham	Houston	February 1, 2025
Mr. Michael A. Hernandez, III	Fort Worth	February 1, 2025
Mr. Michael J. Plank	Houston	February 1, 2025
Mr. Sam Torn	Houston	February 1, 2029

Ms. Vickie Burt Spillers, Executive Director to the Board

Officers and Staff of The Texas A&M University System

Mr. John Sharp	Chancellor
Mr. Billy C. Hamilton	Deputy Chancellor and Chief Financial Officer
Dr. James Hallmark	Vice Chancellor for Academic Affairs
Mr. Phillip Ray	Vice Chancellor for Business Affairs
Mr. Laylan Copelin	Vice Chancellor of Marketing and Communications
Mr. W. Nim Kidd	Vice Chancellor for Disaster and Emergency Services
Dr. Mark Stone	Chief Information Officer
Mr. Ray Bonilla	General Counsel
Dr. Joe Elabd	Vice Chancellor for Research
Mr. Charlie Hrcir	Chief Auditor
Ms. Maria L. Robinson	Chief Investment Officer and Treasurer

Chief Executive Officers of Universities and Agencies

General (Ret.) Mark A. Welsh III, President	Texas A&M University
Dr. Jeffrey W. Savell	Vice Chancellor of Agriculture and Life Sciences
Dr. Robert Bishop	Vice Chancellor for Engineering
Dr. Richard Rhodes, President	Texas A&M University - Central Texas
Dr. Mark J. Rudin, President	Texas A&M University - Commerce
Dr. Kelly M. Miller, President	Texas A&M University - Corpus Christi
Mr. Pablo Arenaz, President	Texas A&M International University
Dr. Robert H. Vela, Jr., President	Texas A&M University - Kingsville
Dr. Salvador Hector Ochoa, President	Texas A&M University - San Antonio
Dr. Ross C. Alexander, President	Texas A&M University - Texarkana
Dr. Tomikia P. LeGrande, President	Prairie View A&M University
Dr. James L. Hurley, President	Tarleton State University
Dr. Walter Wendler, President	West Texas A&M University
Dr. Cliff Lamb, Director	Texas A&M AgriLife Research
Dr. Rick Avery, Director	Texas A&M AgriLife Extension Service
Dr. Robert Bishop, Director	Texas A&M Engineering Experiment Station
Mr. David E. Coatney, Director	Texas A&M Engineering Extension Service
Mr. Al Davis, Director	Texas A&M Forest Service
Mr. Gregory D. Winfree, Director	Texas A&M Transportation Institute
Dr. Amy K. Swinford, Director	Texas A&M Veterinary Medical Diagnostic Laboratory

Bond Counsel
Winstead PC
Austin, Texas
Cantu Harden Montoya LLP
Houston and San Antonio, Texas

Disclosure Counsel
Winstead PC
Austin, Texas

Financial Advisor
Hilltop Securities Inc.
Dallas, Texas

For additional information regarding The Texas A&M University System, please contact:

Ms. Maria L. Robinson
Chief Investment Officer and Treasurer
The Texas A&M University System
301 Tarrow, 5th Floor
College Station, Texas 77840-7896
(979) 458-6330

or

Ms. Mary M. Williams
Managing Director
Hilltop Securities Inc.
717 North Harwood, Suite 3400
Dallas, Texas 75201
(214) 953-4021

OFFICIAL STATEMENT

relating to

\$427,395,000

BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM BONDS, SERIES 2024A

INTRODUCTION

This Official Statement, which includes the cover page and the appendices hereto, provides certain information regarding the issuance by the Board of Regents of The Texas A&M University System (the “Board”) of its Revenue Financing System Bonds, Series 2024A (the “Bonds”). Capitalized terms used in this Official Statement and not otherwise defined have the same meanings assigned to such terms in “APPENDIX C – DEFINED TERMS” and in the Resolution described below under “PLAN OF FINANCING – Authority for Issuance of the Bonds.”

The Texas A&M University System (the “A&M System”) was established pursuant to the provisions of the Constitution and the laws of the State of Texas (the “State” or “Texas”) as an agency of the State. The A&M System presently consists of eleven State-supported academic institutions and eight research and service agencies. For the 2023 Fall semester the general academic institutions had a total enrollment of approximately 157,916 students, of which approximately 69,524 attended Texas A&M University in College Station, Texas (including Texas A&M University School of Law and excluding Texas A&M Health Science Center). The service and research agencies are engaged in a wide variety of research and public service activities, as well as disaster response, in facilities located throughout the State. In addition, Texas A&M University’s Health Science Center combines the health components of the A&M System into a unit of Texas A&M University. The Fiscal Year 2024 budget of the A&M System is approximately \$7.8 billion, and the A&M System benefits from endowments, subject to certain restrictions, with a market value of approximately \$20.0 billion as of February 29, 2024. See “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – SELECTED FINANCIAL INFORMATION – Investment Policy and Procedures and Endowments.” The Board is the governing body of the A&M System and its members are officers of the State, appointed by the Governor with the advice and consent of the State Senate. For a general description of the A&M System and each of its member institutions see “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM.”

This Official Statement, including the appendices, contains summaries and descriptions of the plan of financing, the Resolution, the Bonds, the Revenue Financing System (defined herein), the Board, the A&M System, and other related matters. All references to and descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from Ms. Maria L. Robinson, Chief Investment Officer and Treasurer, The Texas A&M University System, 301 Tarrow, 5th Floor, College Station, Texas 77840-7896, (979) 458-6330.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. A copy of this Official Statement will be filed with the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access system (“EMMA”). See “CONTINUING DISCLOSURE OF INFORMATION” for a description of the Board’s undertaking to provide certain information on a continuing basis.

PLAN OF FINANCING

Authority for Issuance of the Bonds

The Bonds are being issued in accordance with the general laws of the State, including particularly Chapter 55, Texas Education Code, as amended, and Chapters 1207 and 1371, Texas Government Code, as amended. The Bonds are issued pursuant to a Master Resolution, adopted by the Board on November 19, 1990, as amended on September 17, 1993 and July 25, 1997 (collectively, the “Master Resolution”) and a Thirty-Third Supplemental Resolution to the Master Resolution, adopted by the Board on August 16, 2023 (the “Supplemental Resolution” and, together with the Master Resolution, the “Resolution”). As permitted by Chapters 1207 and 1371, Texas Government Code, as amended, in the Supplemental Resolution, the Board delegated to certain authorized officials of the A&M System the

authority to establish the final terms of sale of the Bonds, which final terms will be evidenced in an Award Certificate relating to the Bonds.

As of the date of this Official Statement, and excluding the Bonds, the Board had long-term Parity Obligations (defined herein) outstanding in the aggregate principal amount of \$3,205,940,000. In addition, the Board has previously authorized a commercial paper program pursuant to which short-term Parity Obligations in the form of commercial paper notes are authorized to be outstanding in the maximum principal amount of \$300,000,000 (the "Commercial Paper Notes"). As of the date of this Official Statement, Commercial Paper Notes were outstanding in the principal amount of \$239,576,000, of which \$84,552,000 will be refunded (the "Refunded Notes") with proceeds of the Bonds (see "PLAN OF FINANCING - Refunded Notes" below). Following the delivery of the Bonds, and related refunding as described below, \$155,024,000 in Commercial Paper Notes will be outstanding. See "DEBT SERVICE REQUIREMENTS," "APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – SELECTED FINANCIAL INFORMATION – Outstanding Indebtedness" and "APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM – Note 6: Bonded Indebtedness."

Purpose

The proceeds of the Bonds will be used for purposes of (i) providing funds for eligible projects for Participants (defined herein) within the A&M System, (ii) refunding the Refunded Notes and (iii) paying the cost of issuing the Bonds.

Refunded Notes

A portion of the proceeds from the issuance and sale of the Bonds will be applied to refund the Refunded Notes. The Board will make any necessary contribution sufficient, together with a portion of the proceeds of the Bonds, together with any investment earnings thereon, to provide for the refunding and defeasance of the Refunded Notes in accordance with the terms thereof.

The Resolution provides that from the proceeds of the sale of the Bonds and other available funds, if any, the Board will deposit with U.S. Bank Trust Company, National Association, in its capacity as issuing and paying agent for the Refunded Notes (the "Refunded Notes Paying Agent"), the amount, that together with any investment earnings thereon, will be sufficient to accomplish the discharge, defeasance and final payment of the Refunded Notes. Thereafter, the Refunded Notes, together with interest due thereon, will be paid on the scheduled maturity dates therefor, from the amounts deposited with the Refunded Notes Paying Agent, together with any investment earnings thereon. The amounts so deposited with the Refunded Notes Paying Agent will be in the form of cash and/or other lawful securities eligible to defease the Refunded Notes, and, together with any investment earnings thereon, will be sufficient to provide for payment of the principal of and interest on the Refunded Notes when due, as evidenced by a certificate of sufficiency executed by the Refunded Notes Paying Agent. Such funds will not be available to pay debt service on the Bonds.

By the deposit of cash and/or lawful eligible securities with the Refunded Notes Paying Agent, the Board will have effected the defeasance of the Refunded Notes in accordance with applicable laws and pursuant to the terms of the resolution authorizing their issuance. As a result of such defeasance, the Refunded Notes will no longer be payable from Pledged Revenues (defined herein) but will be payable solely from the assets held for such purpose by the Refunded Notes Paying Agent and the Refunded Notes will not be considered to be indebtedness of the Board for any other purpose.

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SOURCES AND APPLICATION OF FUNDS

The proceeds from the sale of the Bonds will be applied as follows:

Sources of Funds	<u>Total</u>
Par Amount of Bonds	\$427,395,000.00
Net Original Issue Premium	40,815,951.75
Total Sources of Funds	<u>468,210,951.75</u>
Application of Funds	
Project Fund Deposit	381,634,000.00
Deposit with Refunded Notes	
Paying Agent	84,552,000.00
Underwriters' Discount	1,275,754.74
Costs of Issuance	749,197.01
Total Application of Funds	<u>468,210,951.75</u>

DESCRIPTION OF THE BONDS

General

The Bonds will be issued as fully-registered bonds, without coupons, in any integral multiple of \$5,000 principal amount within a stated maturity, will be dated and will accrue interest from their delivery date (the "Date of Delivery"), anticipated to occur on or about May 30, 2024, and will bear interest at the per annum rates shown on page ii hereof.

Interest on the Bonds is payable semiannually on each May 15 and November 15, commencing November 15, 2024 and continuing thereafter to the maturity date or the date of redemption prior to maturity. Interest on the Bonds will be calculated on the basis of a 360-day year composed of twelve 30-day months. The Bonds mature on the dates and in the principal amounts set forth on page ii hereof and in the Debt Service Requirements table herein.

If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or 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, then the date for such payment will be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close, and payment on such later date shall have the same force and effect as if made on the original date payment was due.

Record Date for Interest Payment

The record date (the "Record Date") for determining the party to whom interest is payable on any interest payment date is the close of business on the last calendar day of the month preceding such interest payment date.

Limitation on Transfer of Bonds

Neither the Board nor the Paying Agent/Registrar shall be required to make any transfer or exchange of Bonds during a 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.

Redemption Provisions

Optional Redemption. The Bonds scheduled to mature on and after May 15, 2035 are subject to redemption prior to maturity at the option of the Board on May 15, 2034 or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and, if in part, the particular Bonds or portion thereof to be redeemed shall be selected by the Board) at a price of par plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. In addition to the optional redemption provisions described above, the Bonds scheduled to mature on May 15 in the years 2049 and 2054, respectively (the “Term Bonds”), are subject to mandatory sinking fund redemption, in part, at a redemption price equal to par, plus accrued interest to the dates of redemption, on the dates and in the principal amounts, as set forth in the following schedule:

Term Bonds

<u>Term Bonds Stated to Mature on May 15, 2049</u>		<u>Term Bonds Stated to Mature on May 15, 2054</u>	
<u>Redemption Date</u>	<u>Principal Amount (\$)</u>	<u>Redemption Date</u>	<u>Principal Amount (\$)</u>
May 15, 2045	2,085,000	May 15, 2050	2,545,000
May 15, 2046	2,170,000	May 15, 2051	2,645,000
May 15, 2047	2,265,000	May 15, 2052	2,755,000
May 15, 2048	2,355,000	May 15, 2053	2,870,000
May 15, 2049**	2,435,000	May 15, 2054**	2,985,000

** Stated Maturity.

The Term Bonds shall be redeemed in the manner described below under “DESCRIPTION OF THE BONDS – Selection of Bonds for Partial Redemption.” Any Term Bonds not selected for prior redemption shall be paid on the date of their stated maturity. At least thirty (30) days prior to each mandatory redemption date, the Paying Agent/Registrar shall cause a notice of redemption to be given in the manner provided in this Official Statement.

The principal amount of the Term Bonds required to be redeemed on 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 Term Bonds of the same maturity and bearing the same interest rate, which at least forty-five (45) days prior to the mandatory redemption date, (1) shall have been acquired by the Board and delivered to the Paying Agent/Registrar for cancellation, or (2) shall have been acquired and canceled by the Paying Agent/Registrar at the direction of the Board, in either case of (1) or (2) at a price not exceeding the par or principal amount of such Bonds, or (3) have been redeemed pursuant to the optional redemption provisions set forth above and not theretofore credited against a mandatory sinking fund redemption

Selection of Bonds for Partial Redemption

When the Paying Agent/Registrar is required or authorized to redeem the Bonds at the option of the Board, the Board will determine the maturity or maturities and the amounts thereof to be redeemed. If less than all of the Bonds within a single maturity are to be redeemed, the particular Bonds to be redeemed will be selected by lot or other random method by the Paying Agent/Registrar in such a manner as the Paying Agent/Registrar may determine. If the Bonds are no longer registered to DTC or its nominee, any redemption of less than all of a maturity of the Bonds shall be effected by the Paying Agent/Registrar among owners by lot, subject to minimum authorized denominations. The particular Bonds or portions thereof to be redeemed shall be determined by the Paying Agent/Registrar, using such method as it shall deem fair and appropriate. If the Bonds are registered in book-entry only form and so long as DTC, or a successor securities depository, is the sole registered owner of such Bonds and if less than all of the Bonds of a maturity are called for prior redemption, the particular Bonds or portions thereof to be redeemed shall be selected by lot, in accordance with DTC procedures.

However, so long as the Bonds are registered in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect. It is the Board’s intent that redemption allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the Board and the Beneficial Owners (defined herein), with respect to the Bonds be made by lot, as described above. However, the Board can provide no assurance that DTC, the DTC Participants or any other intermediaries will allocate redemptions among Beneficial Owners on such basis.

A portion of a single Bond of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. If such a Bond is to be partially redeemed, the Paying Agent/Registrar will treat each \$5,000 portion of the Bond as though it were a single Bond for purposes of selection for redemption.

Notice of Redemption

Not less than 30 days prior to a redemption date, a notice of redemption will be sent by the Paying Agent/Registrar by United States mail, first-class, postage prepaid, to each registered owner of each Bond, or portion thereof to be

redeemed in whole or in part at the address of each such owner appearing on the registration books of the Paying Agent/Registrar on the 45th day prior to such redemption date, and to major securities depositories, national bond rating agencies, and bond information services. Failure to send, mail, receive such notice will not affect the proceedings for redemption. 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 registered owners of Bonds subject to redemption at least 30 days but not more than 90 days prior to the actual redemption date. Any notice sent to registered securities depositories or national information services shall be sent so that they are received at least two 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 such Bonds in for redemption 60 days after the redemption date.

All redemption notices shall contain a description of the Bonds to be redeemed including the complete name of the Bonds, the date of issue, the interest rates, the maturity dates, the CUSIP numbers, the amounts of each maturity called, the publication and mailing dates for the notices, the dates of redemption or defeasance, the redemption prices, the name of the Paying Agent/Registrar and the address at which such Bonds may be redeemed, including a contact person and telephone number.

If at the time of mailing of notice of any optional redemption in connection with a refunding of the Bonds the Board has not 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.

Paying Agent/Registrar

The initial paying agent/registrar for the Bonds is BOKF, NA, Dallas, Texas (the “Paying Agent/Registrar”). In the Resolution, the Board reserves the right to replace the Paying Agent/Registrar for the Bonds. The Board covenants to maintain and provide a Paying Agent/Registrar for the Bonds at all times while the Bonds are outstanding, and any successor Paying Agent/Registrar shall be a competent and legally qualified bank, trust company, financial institution, or other qualified agency. In the event that the entity at any time acting as Paying Agent/Registrar should resign or otherwise cease to act as such, the Board has covenanted to promptly appoint a competent and legally qualified bank, trust company, financial institution or other qualified agency to act as Paying Agent/Registrar, as applicable. Upon any change in the Paying Agent/Registrar for the Bonds, the Board agrees promptly to cause a written notice thereof to be sent to each registered owner of the Bonds by United States mail, first-class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar, as applicable.

Book-Entry-Only System

This section describes how ownership of the Bonds is to be transferred and how the principal of and interest on the Bonds are to be paid to and credited by The Depository Trust Company, New York, New York (“DTC”), while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The Board, the Financial Advisors, and the Underwriters believe the source of such information to be reliable but take no responsibility for the accuracy or completeness thereof.

The Board cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement.

The current rules applicable to DTC are on file with the United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC. DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a

“clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship, with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of “AA+”. The DTC Rules applicable to its participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of the Bonds (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent/Registrar and request that copies of notices be provided directly to them. Redemption notices for the Bonds will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Board or the Paying Agent/Registrar on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name” and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. All payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or Paying Agent/Registrar; disbursement of such payments

to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Board or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Bonds are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates for the Bonds will be printed and delivered to DTC.

So long as Cede & Co. is the registered owner of the Bonds, the Board will have no obligation or responsibility to the DTC Participants or Indirect Participants, or to the persons for which they act as nominees, with respect to payment to or providing of notice to such DTC Participants, or the persons for which they act as nominees.

Defeasance

The Resolution allows for the defeasance of any Bonds to their respective date of prior redemption or stated maturity. See “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION – Defeasance.”

SECURITY FOR THE BONDS

The Bonds are Parity Obligations under the Master Resolution and constitute special obligations of the Board payable from and secured by a lien on and pledge of Pledged Revenues of the Revenue Financing System, subject only to the provisions of the Prior Encumbered Obligations. See “THE REVENUE FINANCING SYSTEM - Pledged Revenues.” The Master Resolution provides that the obligation of the Board to pay or cause to be paid the amounts payable under the Master Resolution and any supplement thereto is absolute, irrevocable, complete and unconditional, and the amount, manner and time of payment shall not be modified in any way regardless of any contingency.

Any owner of any of the Bonds or other Parity Obligations, in the event of default in connection with any covenant contained in the Master Resolution or in any supplement thereto, or default in the payment of Parity Obligations, or of any interest due thereon, or other costs and expenses related thereto, may require the Board, its officials and employees, and any appropriate official of the State, to carry out, respect, or enforce the covenants and obligations of the Master Resolution or any Supplement, by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings in any court of competent jurisdiction against the Board, its officials and employees, or any appropriate official of the State. The Resolution does not establish other remedies or specifically enumerate the events of default with respect to the Bonds. The Resolution does not provide for a trustee to enforce the covenants and obligations of the Board. In no event will the respective registered owners have the right to have the maturity of the Bonds accelerated as a remedy. The enforcement of the remedy of mandamus may be difficult and time consuming. Further, because there is no acceleration of maturity of the Bonds in the event of default the remedy of mandamus may have to be relied upon periodically. No assurance can be given that a mandamus or other legal action to enforce a default under the Resolution would be successful.

Under current State law, the Board is prohibited from waiving sovereign immunity from suit or liability with respect to the Bonds, and the owners thereof are prevented by operation of the Board’s sovereign immunity from bringing a suit against the Board in a court of law to adjudicate a claim to enforce the Bonds or for damages for breach of the Bonds. However, State courts have held that mandamus proceedings against a governmental unit, such as the Board, as discussed in the preceding paragraph, are not prohibited by sovereign immunity.

Chapter 1208, as amended, Texas Government Code, applies to the issuance of the Bonds and the pledge of the Pledged Revenues, and such pledge is therefore, valid, effective and perfected. Should State law be amended while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the Pledged Revenues is to be subject to the filing requirements of Chapter 9, Texas Business and Commerce Code, in order to preserve to the registered owners of the Bonds 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.

THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE BOARD, THE A&M SYSTEM OR ANY PART THEREOF, THE STATE OF TEXAS, OR ANY AGENCY OR POLITICAL SUBDIVISION OF THE STATE. THE BOARD HAS NO TAXING POWER, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED AS SECURITY FOR THE BONDS. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO

DEMAND PAYMENT OF THE BONDS FROM ANY SOURCE OTHER THAN PLEDGED REVENUES. See “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION.”

THE REVENUE FINANCING SYSTEM

Establishment

The Master Resolution created the Revenue Financing System (the “Revenue Financing System”) to provide a financing structure for revenue supported indebtedness of those institutions and agencies comprising the A&M System which are included, by Board action, as participants in the Revenue Financing System (“Participants”). The Revenue Financing System is intended to facilitate the assembling of all of the A&M System’s revenue-supported debt capacity into a single financing program in order to provide a cost-effective debt program to Participants and to maximize the financing options available to the Board. Presently, all member institutions and agencies of the A&M System are Participants. See “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM.”

Pledged Revenues

Under the Master Resolution, the Board has, with certain exceptions, combined all of the revenues, funds, and balances attributable to Participants of the Revenue Financing System and lawfully available to secure revenue-supported indebtedness into a system-wide pledge to secure the payment of “Parity Obligations” from time to time issued and outstanding under the Master Resolution (referred to herein collectively as “Parity Obligations”). Parity Obligations are special obligations of the Board, equally and ratably secured solely by and payable solely from a pledge of and lien on the Pledged Revenues. The A&M System has calculated that Pledged Revenues for the fiscal year ended August 31, 2023 totaled approximately \$4.5 billion.

	For Fiscal Year Ended August 31,				
	2023	2022	2021	2020	2019
Available Pledged Revenues, Not Including Pledged Unappropriated Fund and Reserve Balances ⁽¹⁾	\$3,119,289,746	\$2,833,827,575	\$2,784,850,759	\$2,568,612,320	\$2,620,690,321
Pledged Unappropriated Fund and Reserve Balances ⁽²⁾	1,377,465,110	1,432,360,851	841,575,293	887,823,482	61,885,669
Total Pledged Revenues ⁽³⁾	<u>\$4,496,754,856</u>	<u>\$4,266,188,426</u>	<u>\$3,626,426,052</u>	<u>\$3,456,435,802</u>	<u>\$2,682,575,990</u>

(1) Excludes State appropriations for the reimbursement of debt service on certain revenue bonds issued for Capital Construction Assistance Projects of the A&M System (formerly known as “Tuition Revenue Bonds”). See “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – Selected Financial Information – Funding for the A&M System – State Government Appropriations – Capital Construction Assistance Projects.”

(2) The Pledged Unappropriated Fund and Reserve Balances are impacted by the A&M System’s OPEB (as defined herein) and pension liabilities; these liabilities are calculated based on actuarial assumptions that are adjusted every year. For the Fiscal Year 2019, the A&M System recognized pension related expenses of \$33.59 million and OPEB related negative expenses of \$462.47 million, which resulted in a \$428.87 million increase to Pledged Unappropriated Fund and Reserve Balances for Fiscal Year 2020. For the Fiscal Year 2020, the A&M System recognized pension related expenses of \$68.67 million and OPEB related expenses of \$83.33 million, which resulted in a \$152.00 million increase to Pledged Unappropriated Fund and Reserve Balances for Fiscal Year 2021. For Fiscal Year 2021, the A&M System recognized pension related expenses of \$39.66 million and OPEB related expenses of \$121.27 million, which resulted in a \$160.93 reduction in Pledged Unappropriated Fund and Reserve Balances for Fiscal Year 2022. For Fiscal Year 2022, the A&M System recognized pension related negative expenses of \$41.93 million and OPEB related expenses of 168.43 million, which resulted in a \$126.50 million reduction in Pledged Unappropriated Fund and Reserve Balances for Fiscal Year 2023. For Fiscal Year 2023, the A&M System recognized pension related expenses of \$24.16 million and OPEB related expenses of \$118.28 million, which is expected to reduce Pledged Unappropriated Fund and Reserve Balances by approximately \$142.44 million, resulting in aggregate Pledged Unappropriated Fund and Reserve Balances of approximately \$1.54 billion for Fiscal Year 2024. See “SELECTED FINANCIAL INFORMATION – Retirement Plans” herein.

(3) The Fiscal Year 2020 and 2021 results reflect the operational and financial impact of the COVID-19 worldwide pandemic and measures implemented in response thereto.

Pledged Revenues do not include: (a) the interest of the A&M System in the Available University Fund under Article 7, Section 18 of the State Constitution; (b) amounts appropriated to any Participant from the Higher Education Fund under Article 7, Section 17 of the State Constitution; and (c) except to the extent so appropriated, general revenue funds appropriated to the A&M System by the State. See generally “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – Selected Financial Information – Funding for the A&M System – *State Government Appropriations.*”

Pledged Revenues not utilized to pay debt service on Parity Obligations are available to pay other costs of operating the A&M System. Continued operation of the A&M System at current levels is dependent upon general revenue appropriations from the State. See “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – Selected Financial Information – Funding for the A&M System – *State Government Appropriations.*”

The Board has covenanted in the Master Resolution that in each Fiscal Year it will use its reasonable efforts to collect revenues sufficient to meet all financial obligations of the Board relating to the Revenue Financing System, including all deposits or payments due on or with respect to outstanding Parity Obligations for such Fiscal Year. The Board has also covenanted in the Master Resolution that it will not incur any debt secured by Pledged Revenues unless such debt constitutes a Parity Obligation or is junior and subordinate to the Parity Obligations. The Board intends to issue most of its revenue-supported debt obligations which benefit members of the A&M System as Parity Obligations under the Master Resolution.

In establishing the annual budget of each Participant of the Revenue Financing System, the Board includes as the Annual Obligation (defined herein) of the Participant the amount necessary to provide for the satisfaction by the Participant of its proportionate share of debt service due by the Board in such budget year on outstanding Parity Obligations, plus the amount budgeted by the Board for such fiscal year to allow the Participant to retire its obligation for any intra-system advances made to it to satisfy part or all of a previous Annual Direct Obligation (defined herein) payment.

Parity Obligations

The Board reserves the right to issue or incur additional Parity Obligations for any purpose authorized by law pursuant to the provisions of the Master Resolution and a supplemental resolution. See “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – SELECTED FINANCIAL INFORMATION – Anticipated Issuance of Debt” and “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION.” The issuance of the Bonds represents the Board’s exercise of such right.

Anticipated Financings

The Board anticipates issuing approximately \$507 million in additional Revenue Financing System commercial paper notes or bonds for additional projects during Fiscal Year 2025. See “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – SELECTED FINANCIAL INFORMATION – Anticipated Issuance of Debt.”

Nonrecourse Debt and Subordinated Debt

Nonrecourse Debt and Subordinated Debt may be incurred by the Board without limitation.

Other Financings

The A&M System engages in public/private partnerships that allow private partners to construct, maintain or improve facilities used to support the A&M System’s core mission. Any debt issued by private partners or third parties related to such projects is not an obligation of the Board, the A&M System or any of its components. See “APPENDIX A – DESCRIPTION OF THE TEXAS A&M SYSTEM – Selected Financial Information – Other Financings – Public/Private Partnerships.”

For a discussion regarding other financings of the A&M System, see “APPENDIX A – DESCRIPTION OF THE TEXAS A&M SYSTEM – Selected Financial Information – Other Financings – Other Obligations.”

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DEBT SERVICE REQUIREMENTS

The following table is a summary of the total long-term debt service requirements on all outstanding Parity Obligations, including the Bonds, as of the Date of Delivery.

Fiscal Year Ending August 31	Outstanding Parity Obligations (\$) ⁽¹⁾	The Bonds		Total Annual Debt Service (\$)
		Principal (\$)	Interest (\$)	
2025	315,319,001	29,335,000	20,191,844	364,845,845
2026	301,341,446	30,805,000	19,603,000	351,749,446
2027	300,855,015	32,350,000	18,062,750	351,267,765
2028	293,228,529	14,450,000	16,445,250	324,123,779
2029	287,725,226	15,165,000	15,722,750	318,612,976
2030	258,873,492	15,940,000	14,964,500	289,777,992
2031	246,786,897	16,715,000	14,167,500	277,669,397
2032	208,944,439	17,560,000	13,331,750	239,836,189
2033	179,763,108	18,435,000	12,453,750	210,651,858
2034	172,703,390	19,355,000	11,532,000	203,590,390
2035	169,901,493	19,640,000	10,564,250	200,105,743
2036	164,796,435	20,620,000	9,582,250	194,998,685
2037	161,792,893	21,630,000	8,551,250	191,974,143
2038	154,617,560	22,725,000	7,469,750	184,812,310
2039	143,479,706	23,845,000	6,333,500	173,658,206
2040	131,454,764	24,465,000	5,141,250	161,061,014
2041	105,002,689	25,675,000	3,918,000	134,595,689
2042	99,521,591	26,960,000	2,634,250	129,115,841
2043	85,426,815	3,250,000	1,286,250	89,963,065
2044	54,799,319	3,365,000	1,156,250	59,320,569
2045	50,433,268	2,085,000	1,021,650	53,539,918
2046	40,887,466	2,170,000	938,250	43,995,716
2047	31,287,209	2,265,000	851,450	34,403,659
2048	17,694,177	2,355,000	760,850	20,810,027
2049	12,298,424	2,435,000	666,650	15,400,074
2050	7,991,194	2,545,000	569,250	11,105,444
2051	7,997,613	2,645,000	464,269	11,106,882
2052	6,861,963	2,755,000	355,162	9,972,125
2053	2,926,000	2,870,000	241,519	6,037,519
2054	2,924,800	2,985,000	123,131	6,032,931
2055	2,924,800	-	-	2,924,800
2056	2,925,800	-	-	2,925,800
2057	2,927,600	-	-	2,927,600
TOTAL	4,026,414,122	427,395,000	219,104,275	\$4,672,913,397

(1) As of May 30, 2024. Includes the Outstanding Parity Obligations shown in the table under "Outstanding Indebtedness."

In addition to debt service requirements in respect of the Outstanding Parity Obligations reflected in the foregoing table, the A&M System has incurred pecuniary obligations that are subject to annual appropriation by the Board in connection with certain public/private partnership financings described in Appendix A. See "APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – Selected Financial Information – Othering Financings."

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ABSENCE OF LITIGATION

Neither the Board nor the A&M System is a party to any litigation, investigation, inquiry or proceeding (whether or not purportedly on behalf of the Board) pending or threatened, in any court, governmental agency, public board or body or before any arbitrator or any governmental body which, if decided adversely to such parties, would have a material adverse effect on the Pledged Revenues or on the business, properties or assets or the condition, financial or otherwise, of the A&M System, and no litigation of any nature has been filed or threatened which seeks to restrain or enjoin the establishment of the Revenue Financing System, the issuance or delivery of the Bonds or the collection or application of Pledged Revenues to pay the principal of and interest on the Bonds, or in any manner questioning the validity of the Bonds.

LEGAL MATTERS

Legal matters relating to the Bonds are subject to approval of legality by the Attorney General of the State and of certain legal matters by Bond Counsel (as defined herein), whose opinion will be delivered at the closing of the sale of the Bonds in substantially the form attached hereto as APPENDIX E. Bond Counsel has not assumed any responsibility with respect thereto or undertaken to verify any of the information contained herein, except that, in their capacity as Bond Counsel, such firm has reviewed the information in this Official Statement under the captions “PLAN OF FINANCING,” “DESCRIPTION OF THE BONDS” (except for information under the subheading “Book-Entry-Only System”, as to which no opinion is expressed), “SECURITY FOR THE BONDS,” “THE REVENUE FINANCING SYSTEM” (except for the information under the subheadings “Anticipated Financings” and “Other Financings”, as to which no opinion is expressed), “LEGAL MATTERS” (except for the last sentence to the first paragraph and the entire second paragraph), “TAX MATTERS,” “LEGAL INVESTMENTS IN TEXAS,” “CONTINUING DISCLOSURE OF INFORMATION”, “APPENDIX C – DEFINED TERMS” and “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” (except for financial or statistical information contained under any such caption, as to which no opinion is expressed) and such firm is of the opinion that the information relating to the Revenue Financing System, the Bonds, and the Resolution contained under such captions and in such appendices accurately describe the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Resolution. The payment of legal fees to Bond Counsel in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds. Certain legal matters will be passed upon for the Board by Winstead PC, Austin, Texas, Disclosure Counsel. In connection with the issuance of the Bonds, Bond Counsel has been engaged by, and only represents, the Board. Certain legal matters will be passed upon for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, Austin, Texas.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

In the opinion of Winstead PC and Cantu Harden Montoya LLP (collectively, “Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest, including original issue discount, on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix E hereto.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Board has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these

representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Include this paragraph only if original issue premium. Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences. Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislature proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Board or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Board has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Board or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Board legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting

similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Board or the Beneficial Owners to incur significant expense.

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to “backup withholding.” Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Bonds may be subject to backup withholding with respect to “reportable payments,” which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number (“TIN”) to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a “notified payee underreporting” described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner’s federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

LEGAL INVESTMENTS IN TEXAS

The Bonds are legal and authorized investments for banks, savings banks, trust companies, building and loan associations, savings and loan associations, insurance companies, fiduciaries and trustees, and for the sinking funds of cities, towns, villages, school districts, and other political subdivisions or public agencies of the State. The Bonds are eligible to secure deposits of public funds of the State, its agencies and political subdivisions, and are legal security for those deposits to the extent of their market value. The Texas Public Funds Investment Act provides that a city, county, or school district may invest in the Bonds provided that Bonds have received a rating of not less than “A” from a nationally recognized investment rating firm. See “RATINGS” herein. No investigation has been made of other laws, regulations, or investment criteria which might limit the ability of such institutions or entities to invest in the Bonds, or which might limit the suitability of the Bonds to secure the funds of such entities. No review by the Board has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

RATINGS

Moody’s Investors Service, Inc. (“Moody’s”), S&P Global Ratings, a Division of S&P Global Inc. (“S&P”), and Fitch Ratings, Inc. (“Fitch”) have rated the Bonds “Aaa”, “AAA”, and “AAA”, respectively. An explanation of the significance of each such rating, including any recalibration thereof, may be obtained from the company furnishing the rating. The ratings will reflect only the views of such organizations at the time such ratings are given, and the Board makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating companies, if circumstances so warrant. Any such downward revision or withdrawal of such ratings, or any of them, may have an adverse effect on the market price of the Bonds. A security’s rating is not a recommendation to buy, sell or hold such security and may be subject to revision or withdrawal at any time.

CONTINUING DISCLOSURE OF INFORMATION

Continuing Disclosure Undertaking of the Board

Pursuant to the Supplemental Resolution and the Award Certificate, the Board has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The Board has agreed that, so long as the Board is an “obligated person” under the Rule (hereinafter defined), it will provide certain updated financial information and operating data about the A&M System annually as set forth below, and timely notice of specified material events, to the MSRB. Such information will be available to the public at no charge using EMMA via the MSRB’s internet website, www.emma.msrb.org.

Annual Reports

The Board is to provide certain updated financial information and operating data to the MSRB annually. The information to be updated by the Board includes all quantitative financial information and operating data with respect to the A&M System of the general type included herein under the caption “DEBT SERVICE REQUIREMENTS”, in

APPENDIX A under the captions “DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – GENERAL DESCRIPTION – Enrollment,” “FINANCIAL MANAGEMENT” and “SELECTED FINANCIAL INFORMATION,” and in “APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM” and the audited financial statements for the Permanent University Fund. The Board is to update and provide this information within six months after the end of each of its fiscal years.

The Board may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the SEC Rule 15c2-12 (the “Rule”). The updated information will also include audited financial statements of the A&M System, if the Board commissions an audit and it is completed by the time required. If the Board has commissioned such an audit and such audited financial statements of the A&M System are not available by the required time, the Board will provide such statements when and if they become available. Any such financial statements are to be prepared in accordance with generally accepted accounting principles. No outside audit of the A&M System’s financial statements is currently required or obtained by the Board.

The Board’s current fiscal year end is August 31. Annually, not later than each November 20th after the close of the fiscal year, the unaudited primary financial statements of the A&M System dated as of August 31, prepared from the books of the A&M System, must be delivered to the Governor and the State Comptroller of Public Accounts. If the Board changes its fiscal year, it has agreed to notify the MSRB of the change prior to the next date by which the Board otherwise would be required to provide financial information and operating data. If audited financial statements of the A&M System are not prepared for any fiscal year and audited financial statements are prepared with respect to the State for such fiscal year, the Board shall provide, or cause to be provided, the audited financial statements of the State for the applicable fiscal year to 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. Any such audited financial statements of the State 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.

Notice of Certain Events

The Board will also provide to the MSRB notices of certain events on a timely basis no later than 10 business days after the event. The Board will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) 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; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the Board; (13) the consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, other than in the ordinary course of business, the entry into of 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; (14) appointment of a successor or additional trustee or the change of name of the trustee, if material; (15) incurrence of a financial obligation of the Board (as defined by the Rule, which includes certain debt, debt-like, and debt-related obligations), if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation of the Board, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such financial obligation of the Board, any of which reflect financial difficulties. Neither the Bonds nor the Resolution currently make any provision for a trustee, debt service reserves, credit enhancement, or liquidity enhancement.

For these purposes, (a) any event described in clause (12) in the preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Board in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Board, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Board, and (b) the Board intends the words used in clauses (15)

and (16) in the preceding paragraph and the definition of financial obligation in this section to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

In addition, the Board will provide timely notice with the MSRB of any failure by the Board to provide financial information or operating data in accordance with its agreement described above under “Annual Reports” by the time required.

Availability of Information

The Board has agreed to provide the foregoing updated information only to the MSRB. All documents provided by the Board to the MSRB described above under the captions “Annual Reports” and “Notice of Certain Events” will be in an electronic format and accompanied by identifying information as prescribed by the MSRB.

Limitations and Amendments

The Board has agreed to update information and to provide notices of specified events only as described above. The Board has not agreed to provide other information that may be relevant or material to a complete presentation of the A&M System’s financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The Board makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The Board disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders and beneficial owners of Bonds may seek a writ of mandamus to compel the Board to comply with its agreement.

The Board may amend its continuing disclosure agreement 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 if (1) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to such amendment or (b) any person unaffiliated with the Board (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the beneficial owners of the Bonds. If the Board so amends its agreement, it will provide notice of such amendment to the MSRB, in a timely manner, including an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the notices to be so provided. The Board may also amend or repeal the provisions of its continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling the Bonds in the primary offering of the Bonds.

FINANCIAL ADVISOR

Hilltop Securities Inc. (the “Financial Advisor”) has acted as financial advisor to the Board in connection with the issuance of the Bonds.

The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

UNDERWRITING

Jefferies LLC, as the senior and book running manager of a syndicate of underwriters that also includes Cabrera Capital Markets LLC, Frost Bank, Ramirez & Co., Inc., RBC Capital Markets, LLC, Rice Financial Products Company, and Truist Securities (together, the “Underwriters”), have agreed, subject to certain customary conditions, to purchase the Bonds at a price equal to the principal amount thereof, plus a net original issue premium of \$40,815,951.75, less an underwriting discount of \$1,275,754.74, and no accrued interest.

The purchase obligations of the Underwriters with respect to the Bonds are subject to certain conditions precedent, and the Underwriters will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds may be

offered and sold to certain dealers and others at prices lower than such public offering prices, and such public prices may be changed, from time to time, by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. The Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Board, for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Board. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The Underwriters have provided the following sentence for inclusion in the Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

RBC Capital Markets, LLC (“RBCCM”) has provided the following information for inclusion in this Official Statement. RBCCM and its respective affiliates are full-service financial institutions engaged in various activities, that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, RBCCM may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). RBCCM and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offerings of the A&M System. RBCCM may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the A&M System. RBCCM and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future.

Truist Securities is the trade name for the corporate and investment banking services of Truist Financial Corporation and its subsidiaries. Securities and strategic advisory services are provided by Truist Securities, Inc., member FINRA and SIPC. Lending, financial risk management, and treasury management and payment services are offered by Truist Bank. Deposit products are offered by Truist Bank, Member FDIC. In its normal course of business Truist Bank may currently, or in the future, provide credit, treasury management, or other commercial banking services to the A&M System. Truist Securities has entered into an agreement (the “Truist Distribution Agreement”) with Truist Investment Services, Inc. (“TIS”) for the retail distribution of certain municipal securities offerings, including the Bonds. Pursuant to the Truist Distribution Agreement, Truist Securities will share a portion of its underwriting compensation, as applicable, with respect to the Bonds with TIS. TIS is a subsidiary of Truist Financial Corporation.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2), and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any jurisdiction. The Board assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

FORWARD LOOKING STATEMENTS

The statements contained in this Official Statement, and in any other information provided to the reader by the Board, that are not purely historical, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements

regarding the Board's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Board on the date hereof, and the Board assumes no obligation to update any such forward-looking statements. It is important to note that the Board's actual results could differ materially from those in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Board. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

OTHER MATTERS

The financial data and other information contained herein have been obtained from the Board's records, financial reports, and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. Summaries of the documents do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects. Copies may be obtained from the Board.

The Supplemental Resolution approved the form and content of this Official Statement and any addenda, supplement or amendment thereto and authorized its further use in the reoffering of the Bonds by the Underwriters. This Official Statement has been approved by the Board for distribution in accordance with the provisions of the SEC's rule codified at 17 C.F.R. Section 240.15c2-12, as amended.

/s/ Maria L. Robinson
Maria L. Robinson
Chief Investment Officer and Treasurer
The Texas A&M University System
301 Tarrow, 5th Floor
College Station, Texas 77840-7896
(979) 458-6330

APPENDIX A

DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM

GENERAL DESCRIPTION

The Texas A&M University System (the “A&M System”) is a land, sea, and space grant university organization devoted to teaching, research, and public service, consisting of institutions and agencies located throughout the State of Texas (the “State” or “Texas”).

System Administration

The A&M System is governed, managed, and controlled by a nine-member Board of Regents (the “Board”) each of whom is appointed by the Governor of the State subject to confirmation by the State Senate. Each regent serves a six-year term, with three new appointments every two years. The members of the Board elect one of the regents to serve as Chairman of the Board and may elect any other officers they deem necessary. The regents serve without pay except for reimbursement for actual expenses incurred in the performance of their duties, subject to the approval of the Chairman of the Board.

The Texas Education Code requires the Board to establish a central administration office of the A&M System (herein referred to as the “A&M System Administration”) to provide oversight and coordination of the activities of each member institution within the A&M System. The Board is required to appoint a chief executive officer (the “Chancellor”) and such other executive officers of the A&M System Administration as deemed necessary and is responsible for determining the term of appointment, salaries, and duties of each executive officer. The Chancellor is responsible for the administration of the A&M System. Among other powers and duties, the A&M System Administration is responsible for recommending necessary policies and rules to the Board to ensure conformity with all laws and rules and to provide uniformity in data collection and financial reporting procedures.

The Texas Education Code further requires the Board to appoint a president for each of the member institutions and a director for each agency, who is the executive officer thereof under the direction of the Board. Each president and director is required to recommend the plan of organization of his respective institution or agency and is responsible to the Board for the general management and success thereof.

A list of the current members of the Board, the principal officers of the A&M System Administration, and the presidents and directors of each of the institutions and agencies comprising the A&M System appears on page xi of this Official Statement.

The A&M System is headquartered at College Station, Texas (approximately 90 miles northwest of Houston) and provides services to all of the State’s 254 counties.

Los Alamos National Laboratory. The A&M System, together with Battelle Memorial Institute and The Regents of the University of California, is a founding member and co-owner of Triad National Security, LLC (“Triad”), a nonprofit, public service oriented, national security science organization. On November 1, 2018, Triad assumed operational responsibility for Los Alamos National Laboratory pursuant to a management and operating contract with the U.S. Department of Energy’s National Nuclear Security Administration, which includes a five-year base term with five one-year options, for a total of 10 years if all options are exercised. Effective November 1, 2023, the management and operating contract was extended by the first of the five one-year extensions. Los Alamos National Laboratory, which conducts multidisciplinary research in fields such as national security, space exploration, renewable energy, medicine, nanotechnology, and supercomputing, is a multidisciplinary research institution dedicated to enhancing national security by ensuring the safety and reliability of the U.S. nuclear stockpile, developing technologies to reduce threats from weapons of mass destruction, and solving problems related to energy, environment, infrastructure, health, and global security concerns. Through its affiliation with Triad, the A&M System provides workforce training services, recovers costs associated with its membership in Triad, and receives a portion of the management fees earned by Triad. See “APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM – Notes to the Combined Financial Statements – Note 19 – The Financial Reporting Entity – Joint Venture.”

Member Institutions

Set forth below is a summary description of the A&M System's member institutions, which include eleven general academic institutions and eight research and service agencies, each of which is a Participant of the Revenue Financing System.

Universities

Texas A&M University. Texas A&M University in College Station ("Texas A&M"), the State's first public institution of higher education and among the nation's largest universities, offers more than 140 undergraduate degree programs and 270 master's and Ph.D. programs, as well as professional degrees in medicine, law, and veterinary medicine. For Fall 2023, Texas A&M enrolled approximately 69,524 students in College Station (including Texas A&M University School of Law and excluding Texas A&M Health Science Center) and 2,155 in Galveston. It is one of the few universities in the nation to hold land, sea, and space grant status. Texas A&M is a top tier public research university with annual research expenditures of over \$1.15 billion. Texas A&M's 5,200-acre campus is among the nation's largest. Texas A&M also has a health science center, a branch campus in Galveston, an engineering-oriented branch campus in the Middle Eastern country of Qatar, and operates centers in Italy, Costa Rica, and Mexico City. Texas A&M is also home to the George Bush Presidential Library and Museum.

Texas A&M's Health Science Center was formed in 1999. On July 12, 2013, the Texas A&M Health Science Center was merged into and realigned as a unit within Texas A&M. The Health Science Center combines the health components of the A&M System into a unit of Texas A&M. The Health Science Center consists of seven components and two geographic centers as follows: Baylor College of Dentistry; College of Medicine; Rangel College of Pharmacy; Graduate School of Biomedical Sciences; Institute of Biosciences and Technology; School of Rural Public Health; College of Nursing; Coastal Bend Health Education Center; and South Texas Center. Student enrollment at the Health Science Center in Fall 2023 was approximately 3,456.

On August 12, 2013, Texas A&M purchased the Texas Wesleyan University School of Law from Texas Wesleyan University and began operations at the location in downtown Fort Worth, Texas. Student enrollment at the Texas A&M University School of Law in Fall 2023 was approximately 499.

On February 14, 2024, Texas A&M issued a notice of termination of its agreement (the "Agreement") with the Qatar Foundation for Education, Science and Community Development ("QF") regarding operation of the A&M System campus in Doha, Qatar. Per the Agreement, the termination will occur on or about August 2028. Texas A&M intends to work closely with QF to develop an appropriate transition plan that will wind down its operations in an orderly manner. Texas A&M will seek to minimize any adverse impact on its faculty, staff and students.

Texas A&M University – Central Texas. Texas A&M University-Central Texas ("A&M-Central Texas") is located in Killeen and is one of the newest universities in the A&M System, achieving independent status effective September 1, 2009. It opened in 1999 as a public upper-level institution and currently offers 30 bachelor and 19 graduate degree programs within three colleges including Arts and Sciences; Business Administration; and Education and Human Development. The campus is located on 672 acres of land provided under an agreement with Fort Hood, the nation's largest active-duty military installation. In addition to classes on campus, classes are also offered at the East Williamson County Higher Education Center in Hutto, Texas. Student enrollment at A&M-Central Texas in Fall 2023 was approximately 2,253.

Texas A&M University – Commerce. Founded as East Texas Normal College, Texas A&M University-Commerce ("A&M-Commerce") offers courses on its main campus in Commerce near Dallas, with additional locations in downtown Dallas, Corsicana, Mesquite, McKinney and Frisco. Student enrollment at A&M Commerce in Fall 2023 was approximately 11,894. A&M-Commerce offers more than 130 undergraduate, master's and doctoral degrees within six academic colleges, including Business; Education and Human Services; Humanities, Social Sciences and Arts; Science and Engineering; Agriculture and Natural Resources; and Innovation and Design.

Texas A&M University – Corpus Christi. Texas A&M University-Corpus Christi ("A&M-Corpus Christi") is a comprehensive four-year university with two campuses. The Island Campus is located on the university's own 240-acre island minutes from downtown Corpus Christi, while the nearby Momentum Campus is located on 156 acres across the Oso Bay. With approximately 10,867 students, A&M-Corpus Christi offers over 50 bachelor and over 30 graduate degree programs within six colleges, including Business; Education and Human Development; Nursing and Health Sciences; Liberal Arts; Science; and Engineering.

Texas A&M International University. Located in Laredo, Texas A&M International University (“TAMIU”) is a major regional university of choice for the state’s fastest growing demographic area. The campus population mirrors the diverse communities it serves. Student enrollment at TAMIU in Fall 2023 was approximately 8,489. TAMIU offers over 50 bachelor and over 30 graduate degree programs within four colleges, including Arts and Sciences; Business; Education; and Nursing and Health Sciences.

Texas A&M University – Kingsville. Texas A&M University-Kingsville (“A&M-Kingsville”) is a regional university that strives to serve the educational needs of all South Texans. Student enrollment at A&M-Kingsville in Fall 2023 was approximately 6,575. A&M-Kingsville offers over 100 bachelor and over 50 graduate degree programs within five colleges, including Agriculture and Natural Resources; Arts and Sciences; Business Administration; Education and Human Performance; and Engineering.

Texas A&M University – San Antonio. Texas A&M University-San Antonio (“A&M-San Antonio”) is one of the newest universities in the A&M System, achieving independent status effective September 1, 2009. The university opened in 2000 as Texas A&M University-Kingsville System Center-San Antonio, and now offers 62 bachelor and graduate degree programs within three colleges, including Arts & Sciences; Business; and Education and Human Development. A&M-San Antonio’s student enrollment in Fall 2023 was approximately 7,534.

Texas A&M University – Texarkana. Located on the Texas-Arkansas border and originally founded as East Texas State University at Texarkana, Texas A&M University-Texarkana (“TAMU-T”) offers a career-oriented curriculum with 20 bachelor and 16 graduate degree programs within two colleges, including the College of Arts, Sciences and Education and the College of Business, Engineering, and Technology. TAMU-T’s student enrollment in Fall 2023 was approximately 2,112 students.

Prairie View A&M University. Prairie View A&M University (“PVAMU”) is the second-oldest public institution of higher education in Texas, the first state-supported college in Texas for African Americans and the State’s first coeducational institution of higher education. PVAMU’s main campus is located in Waller County, 45 miles northwest of Houston. With approximately 9,508 students enrolled in Fall 2023, PVAMU offers over 35 bachelor and over 35 graduate degree programs within eight colleges, including Agriculture and Human Sciences; Architecture; Arts and Sciences; Business; Education; Nursing; Juvenile Justice and Psychology; and Engineering.

Tarleton State University. Founded in 1899 and now the largest non-land-grant agricultural university in the country, Tarleton State University (“Tarleton”) serves as the educational and cultural center of the Cross Timbers and surrounding areas. With approximately 14,519 students enrolled in Fall 2023, Tarleton provides courses at its 150-acre main campus and 700-acre university farm in Stephenville, the 1,170-acre Hunewell Ranch in Erath County, a new campus being developed in Fort Worth, McLennan Community College in Waco, and at Navarro College in Midlothian. Tarleton offers over 75 bachelor and 30 graduate degree programs within seven colleges, including Agriculture and Natural Resources; Business; Education; Health Sciences; Liberal and Fine Arts; Science and Mathematics; and Engineering.

West Texas A&M University. Located in Canyon, West Texas A&M University (“WTAMU”) is the northernmost senior institution of higher education in Texas and the most accessible and affordable university for many residents in Texas, New Mexico, Louisiana, Arkansas and Oklahoma. With approximately 9,030 students enrolled in Fall 2023, WTAMU offers over 50 bachelor and 35 graduate degree programs within six colleges, including Agriculture and Natural Sciences; Engineering; Nursing and Health Sciences; Business; Education and Social Sciences; and Fine Arts and Humanities.

Agricultural Agencies

Texas A&M AgriLife Research. Texas A&M AgriLife Research is the State’s premier research and technology development agency in agriculture, natural resources and the life sciences. While maintaining their traditional connection to farming and ranching, the agency’s researchers are also developing crops with enhanced nutrition, leading innovative research for renewable energy sources, working with the U.S. military to sustain training lands, and implementing new methods to improve air and water quality. Texas A&M AgriLife Research also places a high priority on working with national and international organizations that support agricultural and life sciences research. Prior to January 2008, this agency was known as the Texas Agricultural Experiment Station.

Texas A&M AgriLife Extension Service. Texas A&M AgriLife Extension Service is a unique education agency with a statewide network of professional educators, trained volunteers, and county offices. With 250 offices serving all 254 counties in Texas, the agency offers educational programs, activities and resources under four broad program

areas: agriculture and natural resources; family and community health; volunteer programs; and community economic development. Cooperative extension education is made possible in each state by a partnership among the U.S. Department of Agriculture, county governments, and the state land-grant university system. Prior to January 2008, this agency was known as the Texas Cooperative Extension.

Texas A&M Forest Service. The Texas A&M Forest Service (“TFS”) is known for its continuous efforts to develop, protect, and preserve the State’s forest resources. While TFS’ primary program focus is in the 52 forested counties of East Texas, the agency serves the entire State in efforts including rural fire protection and training, urban forestry, tree improvement, professional forest management assistance to landowners, wood use technology, reforestation, and forest insect and disease control. In addition, TFS is also one of the lead agencies for incident management in the State. From the initial response to ongoing recovery, the agency works to protect Texas from wildfires and other types of disasters.

Texas A&M Veterinary Medical Diagnostic Laboratory. The Texas A&M Veterinary Medical Diagnostic Laboratory (“TVMDL”) is composed of two full-service facilities located in College Station and Canyon, as well as two poultry laboratories located in Center and Gonzales. The College Station and Canyon facilities are each equipped with a Biosafety Level 3 (BSL-3) veterinary diagnostic laboratory capable of safely working with and containing high-consequence animal disease agents. With its strategic locations, TVMDL is uniquely positioned to serve the animal industries of Texas. TVMDL receives approximately 200,000 requests per year for assistance in diagnosing animal diseases, and is accredited by the American Association of Veterinary Laboratory Diagnosticians.

Engineering Agencies

Texas A&M Engineering Experiment Station. The Texas A&M Engineering Experiment Station (“TEES”) is the State’s agency for engineering and technology research. Its mission is to perform engineering and technology-oriented research and development for the enhancement of the educational systems and the economic development of the State and the nation. TEES is structured to maximize research and educational partnership opportunities through its 26 interdisciplinary research centers as well as through regional partnerships with public colleges and universities. TEES performs quality research in the six key areas: energy systems and services; healthcare; information system and sensors; infrastructure; materials and manufacturing; and national security and safety.

Texas A&M Engineering Extension Service. Internationally recognized for its hands-on, customized training, the Texas A&M Engineering Extension Service (“TEEX”) offers a wide range of technical training programs to enhance the skills of employed workers and to prepare workers entering the labor force. Major TEEX programs include fire and emergency services, infrastructure and safety, law enforcement, business and cyber solutions, and homeland security. Annually, TEEX trains more than 174,000 workers from every U.S. state and territory and 109 countries worldwide through on-site and online resources. TEEX also sponsors the State’s elite urban search and rescue teams, Texas A&M Task Force 1 and Texas Task Force 2.

Texas A&M Transportation Institute. For over 70 years, the Texas A&M Transportation Institute (“TTI”) has served the people of Texas and the nation by advancing transportation safety, efficiency, and economy. TTI is recognized as one of the premier higher education-affiliated transportation research agencies in the world and has made significant contributions to all modes of transportation. Established during the early years of the ambitious interstate highway program, TTI has played a major role in the successful development of the Texas federal and State road systems. TTI conducts over 700 research projects annually with more than 200 sponsors at all levels of government and the private sector.

Texas Division of Emergency Management

The Texas Division of Emergency Management (“TDEM”) became the eighth State agency of the A&M System effective September 1, 2019. TDEM coordinates the State emergency management program, and was previously an operating division of the Texas Department of Public Safety. TDEM works closely with local jurisdictions, state agencies, and federal partners in ensuring Texas becomes more resilient for future disasters. TDEM staff are stationed statewide and serve six different regions: North, Northwest, South, Southeast, West and Central Texas. The State Legislature and the Governor approved the transfer of this agency to the A&M System, which has allowed for better coordination between TDEM and the A&M System’s other disaster response operations such as Texas A&M Task Force 1, TFS and Texas A&M AgriLife Extension Service.

Accreditation

The institutions and agencies comprising the A&M System are members of the following professional associations and fully accredited by those which apply accreditation standards: Commission on Colleges of the Southern Association of Colleges and Schools; National Commission on Accrediting; Association of Texas Colleges and Universities; American Council on Education; Association of Public and Land Grant Universities; American Association of State Colleges and Universities; Association of American Universities; Association of American Colleges and Universities; and Association of Urban Universities.

Enrollment

The historic undergraduate and graduate headcount enrollment at each of the general academic institutions of the A&M System during the past five Fall semesters follows:

Total Headcount Enrollment Information

<u>Institutions</u>	Fall Semester⁽¹⁾				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Texas A&M University ⁽²⁾	69,524	67,166	66,057	65,272	63,859
Texas A&M University at Galveston ⁽³⁾	2,155	2,232	2,168	1,653	1,644
Texas A&M Health Science Center ⁽⁴⁾	3,456	3,391	3,304	3,084	2,887
Texas A&M University – Central Texas	2,253	2,194	2,218	2,339	2,440
Texas A&M University – Commerce	11,894	10,754	10,966	11,624	11,725
Texas A&M University – Corpus Christi	10,867	10,778	10,762	10,820	11,452
Texas A&M International University	8,489	8,193	8,145	8,270	8,305
Texas A&M University – Kingsville	6,575	6,070	6,375	6,915	7,479
Texas A&M University – San Antonio	7,534	7,223	6,858	6,741	6,714
Texas A&M University – Texarkana	2,112	2,073	2,078	2,161	2,053
Prairie View A&M University	9,508	8,998	9,353	9,248	8,940
Tarleton State University	14,519	14,093	13,995	14,022	13,177
West Texas A&M University	<u>9,030</u>	<u>9,242</u>	<u>9,545</u>	<u>10,051</u>	<u>9,970</u>
	<u>157,916</u>	<u>152,407</u>	<u>151,824</u>	<u>152,200</u>	<u>150,645</u>

⁽¹⁾ The enrollment data has been certified by the Texas Higher Education Coordinating Board for 2019-2022. Fall 2023 numbers are based on preliminary 20th class day data.

⁽²⁾ Includes Texas A&M University School of Law.

⁽³⁾ A branch campus of Texas A&M University.

⁽⁴⁾ Effective July 12, 2013, the Health Science Center was merged into Texas A&M University as a unit of Texas A&M University. See “Member Institutions – Universities – Texas A&M University”.

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The historic graduate enrollment (included in the above headcount enrollment statistics) at each of the general academic institutions of the A&M System during the past five Fall semesters follows:

Graduate Enrollment Information

<u>Institutions</u>	<u>Fall Semester – Graduate Enrollment⁽¹⁾</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Texas A&M University ⁽²⁾	12,451	12,535	12,143	11,928	12,177
Texas A&M University at Galveston ⁽³⁾	147	175	185	162	144
Texas A&M Health Science Center ⁽⁴⁾	2,479	2,461	2,353	2,178	2,114
Texas A&M University – Central Texas	550	484	445	453	449
Texas A&M University – Commerce	3,726	3,553	3,597	3,562	3,401
Texas A&M University – Corpus Christi	3,039	2,954	2,735	2,337	2,129
Texas A&M International University	1,460	1,291	1,281	1,205	1,085
Texas A&M University – Kingsville	1,387	1,225	1,290	1,241	1,305
Texas A&M University – San Antonio	821	621	468	643	710
Texas A&M University – Texarkana	350	331	333	368	342
Prairie View A&M University	933	846	865	866	827
Tarleton State University	2,114	2,081	2,182	2,129	1,826
West Texas A&M University	<u>1,992</u>	<u>2,169</u>	<u>2,368</u>	<u>2,542</u>	<u>2,454</u>
	<u>31,449</u>	<u>30,726</u>	<u>30,245</u>	<u>29,614</u>	<u>28,963</u>

⁽¹⁾ The enrollment data has been certified by the Texas Higher Education Coordinating Board for 2019-2022. Fall 2023 numbers are based on preliminary 20th class day data.

⁽²⁾ Includes Texas A&M University School of Law.

⁽³⁾ A branch campus of Texas A&M University.

⁽⁴⁾ Effective July 12, 2013, the Health Science Center was merged into Texas A&M University as a unit of Texas A&M University. See “Member Institutions – Universities – Texas A&M University.”

Admissions Information

The historic admission figures for the general academic institutions for the previous five Fall semesters follows:

	<u>2023</u>	<u>%⁽¹⁾</u>	<u>2022</u>	<u>%</u>	<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>	<u>2019</u>	<u>%</u>
Freshmen:										
Applicants	121,197	100.0	110,381	100.0	101,629	100.0	106,256	100.0	111,327	100.0
Acceptances	88,384	72.9	75,893	68.8	70,923	69.8	73,099	68.8	68,758	61.8
Matriculants*	26,762	30.3	24,454	32.2	23,642	33.3	22,133	30.3	22,153	32.2
Transfers:										
Applicants	31,120	100.0	30,280	100.0	32,269	100.0	31,223	100.0	32,211	100.0
Acceptances	18,278	58.7	17,585	58.1	19,150	59.3	19,670	63.0	19,179	59.5
Matriculants*	12,530	68.6	12,122	68.9	13,113	68.5	13,674	69.5	12,873	67.1

* Calculated as a percentage of acceptances.

⁽¹⁾ Based on preliminary 20th class day data.

Investment Considerations

Weather and Environmental Events

The A&M System and its Participants (as defined in the Master Resolution) are located in a variety of geographic regions throughout the State and, as a result, the A&M System and its Participants may be exposed to differing climatic and environmental events, which may include potentially hazardous, natural disasters or catastrophic events (such as severe winds, heavy rains, flooding and freezing) and expose the A&M System and its Participants to operational disruptions and casualty losses.

In February 2021, the State experienced a severe winter storm causing record breaking cold temperatures resulting in widespread disruptions to the operations of Texas electric and gas utilities. Based on ongoing assessments, the A&M System and its Participants experienced losses currently reported at \$33.1 million with additional damages to be reported. Current expectations are that the total loss may be near \$34.0 million (which is expected to be covered by insurance) as a result of damage caused by the storm. In December 2022, Winter Storm Elliott caused the A&M System and its Participants to experience losses currently reported at between \$5.5 million and \$6.0 million.

Climatic and weather-related events have not materially impacted the A&M System or its Participants thus far; however, the A&M System cannot predict whether similar events will occur in the future and the impact they may have on the A&M System and its Participants.

Cybersecurity

The operations of the A&M System and its Participants are increasingly dependent on information technologies and services, which are exposed to cybersecurity risks and cyber incidents or attacks. The A&M System utilizes the cybersecurity framework prescribed by the Texas Department of Information Resources (“DIR”), which adopts the National Institute of Standards and Technology security and privacy controls for Federal information systems and organizations. This framework is implemented by the A&M System members in a manner that aligns with their business and academic objectives. In implementing these controls, the A&M System provides shared cybersecurity services to all A&M System members, including a centralized security operations center, system-wide negotiated contracts for cybersecurity products and services, tools and venues to facilitate cyber information sharing among industry and government organizations, cyber incident response services, and consulting services delivered by cybersecurity professionals. To ensure compliance with the DIR-prescribed framework and A&M System policies and regulations, A&M System members undergo internal audits every five years, which include assessing the implementation of security and privacy controls. While the A&M System implements the above-described controls, the A&M System cannot guarantee that it will be able to successfully defend against cybersecurity attacks or predict the impact of any such attacks on the A&M System’s operations or financial condition.

FINANCIAL MANAGEMENT

The Deputy Chancellor and Chief Financial Officer of the A&M System has direct responsibility for all departments within the A&M System (other than General Counsel and Internal Audit), including the Vice Chancellors, Chief Investment Officer and Treasurer, Chief Business Development Officer and Chief Financial Officers within the A&M System. The Chief Investment Officer and Treasurer is responsible for the debt, cash and investment management of the A&M System’s operating and endowment funds, and the Executive Director of Budgets and Accounting is responsible for budgets, accounting, and financial statements.

State ACFR

The State issues an audited Annual Comprehensive Financial Report (“ACFR”), prepared in accordance with generally accepted accounting principles, for the State as a whole. The ACFR is normally available in April of each year. The ACFR is prepared by the State Comptroller of Public Accounts (“Comptroller”) and is audited by the State Auditor’s Office. The State Auditor expresses an opinion on the ACFR but does not express an opinion on the financial reports of individual member units, including those of the A&M System.

The Fiscal Year of the State and the A&M System begins on September 1 of each year. Annually, not later than November 20, an unaudited financial report dated as of August 31, prepared from the books of the A&M System, must be delivered to the Governor and the Comptroller. In certifying the financial reports included in the ACFR, the State Auditor examines the financial records at each of the A&M System’s member institutions. No independent audit in support of this detailed review is required or obtained by the A&M System.

A&M System Financial Reports

The A&M System is an agency of the State and its financial records reflect compliance with applicable State statutes and regulations. The significant accounting policies followed by the A&M System in maintaining accounts and in the preparation of the combined primary financial statements are materially in accordance with “Texas Comptroller of Public Accounts’ Annual Financial Reporting Requirements.” The requirements are also in substantial conformity with the *Financial Accounting and Reporting Manual for Higher Education* as revised by GASB No. 34 and No. 35, published by the National Association of College and University Business Officers (NACUBO).

The A&M System’s combined primary financial reports cover all financial operations of the A&M System Administration and all member institutions of the A&M System. Amounts due between member institutions, amounts held for member institutions by the A&M System Administration and other duplications in reporting are eliminated in combining the individual financial reports.

Attached to this Official Statement as “APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM,” are the most recent primary statements of the unaudited combined annual financial reports of the A&M System (with the relevant portion of the Notes to the unaudited combined annual financial reports), for the A&M System’s Fiscal Year ended August 31, 2023, excerpted from the 2023 Combined Annual Financial Report of the A&M System. The A&M System’s unaudited combined annual financial statements consist of the Combined Statement of Net Position for the Year Ended August 31, 2023, the Combined Statement of Revenues,

Expenses and Changes in Net Position for the Year Ended August 31, 2023 and the Combined Statement of Cash Flows for the Year Ended August 31, 2023.

The following table reflects the unaudited condensed statement of net position of the A&M System as of August 31 for the years 2023, 2022, 2021, 2020, and 2019.

Condensed Statement of Net Position					
as of August 31, 2023, 2022, 2021, 2020, and 2019					
(In Thousands)					
	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2019</u>
Assets and Deferred Outflows of Resources:					
Current Assets	\$4,083,627	\$3,192,631	\$3,311,963	\$2,606,774	\$2,518,084
Capital Assets, Net	7,593,351	7,370,850	7,161,422	6,985,185	6,691,333
Other Assets and Deferred Outflows	<u>9,081,189</u>	<u>8,395,797</u>	<u>8,846,324</u>	<u>7,704,919</u>	<u>7,519,196</u>
Total Assets and Deferred Outflows	<u>20,758,167</u>	<u>18,959,278</u>	<u>19,319,709</u>	<u>17,296,878</u>	<u>16,728,613</u>
Liabilities and Deferred Inflows of Resources:					
Current Liabilities	2,448,905	2,285,953	2,163,674	1,700,257	1,799,392
Non-Current Liabilities	8,152,378	7,987,656	8,107,908	7,528,025	7,626,359
Other Liabilities and Deferred Inflows	<u>1,217,279</u>	<u>968,902</u>	<u>558,504</u>	<u>726,957</u>	<u>714,589</u>
Total Liabilities and Deferred Inflows	11,818,562	11,242,511	10,830,086	9,955,239	10,140,340
Net Position:					
Net Investment In Capital Assets	2,358,671	2,133,354	2,514,273	2,381,422	2,318,447
Restricted					
Expendable	1,636,886	1,516,974	1,150,873	1,088,445	1,069,247
Non-Expendable	467,520	457,596	434,425	421,794	408,026
Unrestricted	<u>4,476,528</u>	<u>3,608,843</u>	<u>4,390,052</u>	<u>3,449,978</u>	<u>2,792,553</u>
Total Net Position	8,939,606	7,716,767	8,489,623	7,341,639	6,588,273
Liabilities, Deferred Inflows, and Net Position	<u>\$20,758,167</u>	<u>\$18,959,278</u>	<u>\$19,319,709</u>	<u>\$17,296,878</u>	<u>\$16,728,613</u>

For more detailed information, see "APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM— Combined Statement of Net Position for the Year Ended August 31, 2023." The Fiscal Year 2020 and 2021 results reflect the operational and financial impact of the COVID-19 worldwide pandemic and measures implemented in response thereto.

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SELECTED FINANCIAL INFORMATION

Funding for the A&M System

Funding for the A&M System is derived from operating and non-operating revenues. For a discussion of the funding sources for the Fiscal Year ended August 31, 2023 see “APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM – The Texas A&M University System Management’s Discussion and Analysis For the Year Ended 2023 – Statement of Revenues, Expenses and Changes in Net Position.” The amounts and the sources of such funding vary from year to year and there is no guarantee that the source or amounts of such funding will remain the same in future years.

Following are brief discussions of certain funding sources.

Tuition and Fees

Each member institution granting degrees charges tuition and fees as authorized by the State Legislature and the Board pursuant to Chapters 54 and 55 of the Texas Education Code. Tuition charges are composed of “State Mandated Tuition” and “Board Designated Tuition” as further described below. Unless otherwise stated, all references to statutes shall be to the Texas Education Code.

State Mandated Tuition. Section 54.051 of the Texas Education Code requires (i) undergraduate tuition applicable to State residents to be charged at \$50 per semester credit hour; and (ii) tuition of a nonresident student at a general academic teaching institution or medical and dental unit to be an amount per semester credit hour equal to the average of the nonresident undergraduate tuition charged to a resident of the State at a public state university in each of the five most populous states other than the State (the amount of which would be computed by the Texas Higher Education Coordinating Board (the “Coordinating Board”) for each academic year). For the 2023-2024 academic year, the Coordinating Board has computed \$470 per semester credit hour for nonresident undergraduate tuition.

Board Designated Tuition. In 2003, the Texas Legislature approved and the Governor signed into law House Bill 3015, which provided for the deregulation of a portion of tuition that a governing board of an institution of higher education, such as the Board, has the authority to charge under Section 54.0513 of the Texas Education Code. Prior to the amendment to Section 54.0513, Texas Education Code, the amount of tuition that a board of regents could independently charge students was capped at the levels described above with respect to State Mandated Tuition. Effective for tuition charged for the Fall 2003 semester, a governing board could charge any student the amount of Board Designated Tuition that it considers necessary for the effective operation of the institution. Such legislation also granted authority to the governing board to set a different tuition rate for each program and course level offered by the institution. This authority offers more opportunity for the Board to develop a tuition schedule that assists in meeting the strategic objectives of each Participant in terms of access, affordability, effective use of campus resources, and improvement of graduation rates. The Board must authorize any changes in Board Designated Tuition only after they have been thoroughly evaluated by the Chancellor of the A&M System and the administration of each Participant. No less than 15% of the Board Designated Tuition charged in excess of \$46 per semester credit hour shall be set aside to provide financial assistance to resident undergraduate students, consistent with the provisions of Subchapter B, Chapter 56, Texas Education Code. In connection with the authorization of Board Designated Tuition, building use fees, which were historically included in Pledged General Fees under (and as defined in) the Master Resolution, were rededicated as Board Designated Tuition. This rededication does not impact the pledge of Revenue Funds for the payment and security of Parity Obligations. Both the State Mandated Tuition and the Board Designated Tuition are included in Revenue Funds and are pledged for the benefit of Parity Obligations.

Starting with the 2014-15 academic year, the Board adopted guaranteed tuition and fee rates at its academic institutions allowing students to pay the same tuition and fee rate for up to four years (twelve consecutive semesters) with certain variances for fees approved at individual campuses and tuition requirements for certain programs. After the expiration of four years, students will pay the current year’s rates each term until completion. Beginning in the 2016-17 academic year, students have the choice between a variable one-year optional rate and a four-year guaranteed rate.

As required by Section 54.017 of the Texas Education Code, undergraduate students have the opportunity to participate in a fixed tuition price plan, giving students the choice between a variable one-year optional rate and a four-year guaranteed rate.

As part of the State of Texas’ Higher Education Affordability initiative, in which higher education institutions received additional state funding, the Board has made the commitment not to increase resident undergraduate academic costs,

including tuition, mandatory academic fees, all academic-related general fees, and college course fees for both the 2023-24 and 2024-25 academic years.

The A&M System has no assurance that the State Legislature will not place future limits on the Board’s ability to charge Board Designated Tuition in an amount that it considers necessary for the effective operation of its institutions. However, Section 55.16 of the Texas Education Code specifically allows the Board to levy and collect any necessary fees, tuition, rentals, rates, or other charges necessary to provide funds sufficient for the payment of outstanding Parity Obligations.

Set forth below is a table showing the State Mandated Tuition, Board Designated Tuition and mandatory fees, and total tuition and fees for each of the general academic institutions of the A&M System (including the branch campus in Galveston and excluding the Texas A&M Health Science Center) for a full-time resident student for the Fall 2024 semester based on 15 semester credit hours.

Fall 2024 Tuition Rates

	State Mandated Tuition	Board Designated Tuition and Mandatory Fees*	Total Tuition and Fees
Prairie View A&M University	\$750	\$4,900	\$5,650
Tarleton State University	750	4,357 - 5,366	5,107 - 6,116
Texas A&M International University	750	4,211	4,961
Texas A&M University	750	5,231 - 6,455	5,981 - 7,205
Texas A&M University at Galveston	750	5,937	6,687
Texas A&M University - Central Texas	750	2,931 - 3,387	3,681 - 4,137
Texas A&M University – Commerce	750	4,514	5,264
Texas A&M University - Corpus Christi	750	4,516 - 4,838	5,266 - 5,588
Texas A&M University – Kingsville	750	4,196	4,946
Texas A&M University - San Antonio	750	4,024	4,774
Texas A&M University – Texarkana	750	3,594 - 3,884	4,344 - 4,634
West Texas A&M University	750	4,082 - 4,780	4,832 - 5,530

* Tuition is based on guaranteed rates and varies by program of study. The table has been updated to reflect tuition ranges resulting from differential tuition rates based on college or program.

The Board may set rates for graduate tuition at different levels for different institutions. State Mandated Tuition for a resident student enrolled in a program leading to an M.D. or D.O. degree is \$6,550 per academic year. State Mandated Tuition for a nonresident student enrolled in a program leading to an M.D. or D.O. degree is an amount per year equal to three times the rate that a resident student enrolled in a program leading to an M.D. or D.O. degree would pay during the corresponding academic year. In addition, various other programs, including programs leading to a D.V.M. degree, have specific annual rates for resident students and maximum rates that may be charged to nonresident students.

The Board is authorized by Chapter 55 of the Texas Education Code to set the Pledged General Tuition (as defined in the Master Resolution) and any other necessary fees, rentals, rates, or other revenue funds of the Board at the level necessary, without limit, to enable the Board to meet its obligations with respect to the payment of debt service on the Parity Obligations. See “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION – Pledged General Tuition.”

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State Government Appropriations

General Revenue Appropriations. The A&M System receives support annually from the State through general revenue fund appropriations made by the State Legislature. Levels of continued State support to the A&M System are dependent on results of biennial legislative sessions. The State Legislature adopted a budget for the State for the 2024-2025 biennium that began on September 1, 2023, which appropriated approximately \$2.24 billion for the A&M System from the general revenue fund for Fiscal Year 2024 and approximately \$1.74 billion for Fiscal Year 2025. Based on the original operating budget for the A&M System for the Fiscal Year ending August 31, 2024, State appropriations comprise approximately 27% of A&M System revenues for Fiscal Year 2024. These amounts include legislative revenues and net transfers from other State agencies.

The 88th State Legislature also authorized special general revenue appropriations in the amount of: (1) \$200 million to Texas A&M University for construction of facilities adjacent to the Johnson Space Center for mission training, research, and the curation of astronautical materials; (2) \$30 million to TEES for a hypersonic wind tunnel and associated research capacity to advance hypersonic research; (3) \$15 million to Texas A&M AgriLife Research for Vernon Center repairs resulting from tornado damage; (4) \$226.4 million to The Texas A&M University System for quantum and artificial intelligence chip fabrication; and (5) \$43 million for dock and other infrastructure improvements needed to accept new and larger vessels from the U.S. Department of Transportation and the U.S. Maritime Administration.

The A&M System has no assurance that the State Legislature will continue to appropriate to it the general revenue funds of the State at the same levels as in previous years. Future levels of State support are dependent upon the ability and willingness of the State Legislature to make appropriations to the A&M System taking into consideration the availability of financial resources and other potential uses of such resources. For financial information concerning the State, reference is made to the bond disclosure appendix (referred to as APPENDIX A) prepared by the Comptroller and published quarterly, which may be obtained (i) using the MSRB's website, www.emma.msrb.org, by using the quick search function and entering the term "State of Texas Comptroller" and (ii) from the Comptroller's website at: <http://www.comptroller.texas.gov/treasops/bondapp.html>.

Capital Construction Assistance Projects. Pursuant to Chapter 55, Texas Education Code ("Chapter 55"), revenue bonds issued by a university system, such as the A&M System, may be equally secured by and payable from a pledge of all or a portion of certain revenue funds of the university system. All of the Parity Obligations of the A&M System are secured solely by and payable solely from a pledge of and lien on the Pledged Revenues.

Historically, the State Legislature has appropriated general revenue funds in the State's budget each biennium to reimburse institutions of higher education for an amount equal to all or a portion of the debt service on certain revenue bonds (previously known as "Tuition Revenue Bonds") issued pursuant to specific statutory authorizations for individual institutions and projects identified in Chapter 55. Senate Bill 52 ("SB 52"), enacted during the third special session of the 87th State Legislature in 2021, amended Chapter 55 to authorize the issuance of additional revenue bonds designated by SB 52 as "Capital Construction Assistance Projects".

The reimbursement of the payment of debt service on such revenue bonds issued for Capital Construction Assistance Projects ("CCAPs") does not constitute a debt of the State, and the State is not obligated to continue making any such appropriations in the future. Furthermore, the State Legislature is prohibited by the State Constitution from making any appropriations for a term longer than two years. Accordingly, the State Legislature's appropriations for the reimbursement of debt service on such revenue bonds issued for CCAPs may be reduced or discontinued at any time after the current biennium, and the State Legislature is under no legal obligation to continue such appropriations in any future biennium.

Certain of the Parity Obligations of the A&M System constitute revenue bonds issued for CCAPs. See footnotes (1) and (2) in the table under "Outstanding Indebtedness" below for a description of which Parity Obligations of the A&M System constitute revenue bonds issued for CCAPs. Such revenue bonds issued for CCAPs by the A&M System carry no additional pledge or security and constitute Parity Obligations of the A&M System which are equally and ratably secured by and payable from a pledge of and lien on Pledged Revenues on parity with all other Parity Obligations of the A&M System.

The State Legislature appropriated funds to reimburse the A&M System in prior years and in the budget for the 2024-25 biennium in amounts equal to all of the debt service on the A&M System's revenue bonds issued for CCAPs, including \$159,157,298 for Fiscal Year 2024 and \$159,160,923 for Fiscal Year 2025.

In addition, the State Legislature appropriated general revenue funds totaling \$11,348,149 in Fiscal Year 2024 and \$11,351,957 in Fiscal Year 2025 to provide special debt service funding by reimbursing the payment of debt service on certain A&M System projects, including special debt service funding for the Texas A&M Health Science Center’s purchase of land and a building in Round Rock, Texas, the TVMDL’s new laboratories in College Station, Texas and Canyon, Texas, and the TEES’s Center for Infrastructure Renewal.

The A&M System can provide no assurances with respect to any future appropriations by the State Legislature. Future levels of State appropriations are dependent upon the ability and willingness of the State Legislature to make appropriations to the A&M System taking into consideration the availability of financial resources and other potential uses of such resources.

Available University Fund Income Appropriations. The Available University Fund is defined by Article VII, Section 18 of the State Constitution (the “PUF Constitutional Provision”) to consist of distributions from the “total return” on all investment assets of the Permanent University Fund (“PUF”), including the net income attributable to the surface of PUF land, in the amounts determined by the Board of Regents (the “UT Board”) of The University of Texas System (the “UT System”). See “Investment Policy and Procedure and Endowments – Endowments – Permanent University Fund” below. One-third of the total amounts comprising the Available University Fund are constitutionally appropriated to the A&M System first, for the payment of annual debt service on PUF bonds and notes issued by the Board, and second, for the support and maintenance of the A&M System Administration, Texas A&M University, and Prairie View A&M University.

Private Financial Support

In Fiscal Year 2023, the A&M System received contributions (gifts, grants and contracts) exceeding \$749.2 million from the private sector, and during the five complete Fiscal Years preceding 2023, the A&M System received contributions averaging in excess of \$512.9 million annually from the private sector, making it one of the leading public educational systems in the nation receiving charitable contributions.

Financing Programs

The Board, pursuant to constitutional and statutory provisions, is authorized to issue debt in a number of distinct forms with which to finance capital improvements. The A&M System has two financing programs in addition to the Revenue Financing System.

Permanent University Fund Bonds

The PUF Constitutional Provision authorizes the Board to issue bonds and notes, payable from all or part of its interest in the Available University Fund in an aggregate amount not exceeding, at the time of issuance 10% of the cost value of PUF assets, excluding real estate. Proceeds may be used for the purpose of (i) acquiring land with or without permanent improvements; (ii) constructing and equipping buildings or other permanent improvements; (iii) making major repairs and rehabilitation and other permanent improvements; (iv) acquiring capital equipment, library books, and library materials; and (v) refunding bonds or notes issued under said section or prior law, at or for the A&M System Administration and the member institutions of the A&M System (except A&M – Commerce, A&M – Corpus Christi, TAMIU, A&M – Kingsville, A&M – Texarkana, WTAMU, TVMDL and TDEM). Proceeds may not be used to finance permanent improvements of auxiliary enterprises or athletic facilities.

As of February 29, 2024, the Board’s constitutionally authorized PUF bond capacity was approximately \$3,049,675,154, and as of February 29, 2024, the aggregate amount of the Board’s PUF bonds and notes issued and outstanding under this limit was \$1,523,285,000.

Higher Education Fund Bonds

The following member institutions are not eligible to receive proceeds from PUF bonds and notes under the PUF Constitutional Provision: A&M – Commerce; A&M – Corpus Christi; TAMIU; A&M – Kingsville; A&M – Texarkana; WTAMU; TVMDL; and TDEM. Pursuant to the Higher Education Fund (“HEF”) program established by Article VII, Section 17 of the State Constitution (the “HEF Constitutional Provision”), such institutions, except TVMDL and TDEM, are qualified to receive an annual allocation from amounts constitutionally appropriated to fund permanent improvements (except those for auxiliary enterprises or athletic facilities). Under the HEF Constitutional Provision, the Board is authorized to issue bonds and notes to finance permanent improvements at such institutions and to pledge up to 50% of its allocation to secure the payment of principal and interest on the bonds and notes. The A&M System has no bonds or notes issued or outstanding under this program. In addition, the A&M System has the ability to use funds received pursuant to the HEF program to pay debt service on outstanding Parity Obligations. The 88th State Legislature appropriated HEF program funds for A&M System institutions in the amounts of \$49,880,728

for Fiscal Year 2024 and \$49,880,728 for Fiscal Year 2025. For more detailed information, see “APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM – Combined Statement of Revenues, Expenses and Changes in Net Position for the Year Ended August 31, 2023 – Capital Appropriations (Higher Education Fund).”

Debt Management

Debt management for the A&M System is the responsibility of the Chief Investment Officer and Treasurer. Debt is issued pursuant to A&M System debt capacity calculations and annual funding requirements in accordance with the cash flow analyses. Issuance of debt requires approval of the Board and (except for PUF bonds and notes) approval by the Texas Bond Review Board or an exemption from such approval requirement in accordance with State law or the rules of the Texas Bond Review Board. As a general rule, the A&M System issues debt in large increments to finance system-wide capital improvement cash flow requirements in the aggregate as opposed to financing on a project-by-project basis. To minimize debt service costs during construction periods, the A&M System intends to initially finance capital improvements and required equipment with short-term debt. Such short-term debt is refinanced with long-term fixed rate debt when short-term facilities are fully utilized, during periods of low interest rates, or to match projected revenues.

Current Board Policy on Issuance of Debt

Under current policy, the Board must approve the issuance of debt for a Participant in order to ensure that each Participant is self-sufficient and the operation of each Participant is efficient. Prior to the issuance of debt, a Participant must furnish the Board, for its review and approval, information describing the proposed project including a complete description of the new facilities, and the need therefor, estimated costs of construction, financial analysis and feasibility, if expected to generate sources of revenues for operation and maintenance, and status of student-approved fee increases if required to pay debt service or operation and maintenance expenses.

Participants are required to make reports to the Chancellor during each Fiscal Year regarding revenue receipts, expenditures, status of construction projects, compliance with Board policies related to issuance of debt, and compliance with bond covenants and requirements. Such policies are subject to change by the Board without notice. The application of such policies may be waived at the discretion of the Board.

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Outstanding Indebtedness

As of the closing date of the Bonds, the A&M System will have the following outstanding indebtedness:

Revenue Financing System

Revenue Financing System Bonds, Series 2013B	\$ 27,865,000.00
Revenue Financing System Bonds, Series 2015A ⁽¹⁾	5,840,000.00
Revenue Financing System Bonds, Series 2015B	46,775,000.00
Revenue Financing System Bonds, Taxable Series 2015C	42,070,000.00
Revenue Financing System Bonds, Taxable Series 2015D	53,395,000.00
Revenue Financing System Bonds, Taxable Series 2016A ⁽²⁾	37,050,000.00
Revenue Financing System Bonds, Taxable Series 2016B	247,220,000.00
Revenue Financing System Bonds, Series 2016C ⁽²⁾	132,235,000.00
Revenue Financing System Bonds, Taxable Series 2016D ⁽²⁾	122,080,000.00
Revenue Financing System Bonds, Series 2016E ⁽²⁾	83,495,000.00
Revenue Financing System Bonds, Taxable Series 2017A ⁽¹⁾	208,180,000.00
Revenue Financing System Bonds, Taxable Series 2017B ⁽²⁾	209,710,000.00
Revenue Financing System Bonds, Series 2017C ⁽²⁾	75,825,000.00
Revenue Financing System Bonds, Taxable Series 2017D	131,970,000.00
Revenue Financing System Bonds, Series 2017E	301,130,000.00
Revenue Financing System Bonds, Taxable Series 2019A	179,220,000.00
Revenue Financing System Bonds, Taxable Series 2019B	389,820,000.00
Revenue Financing System Bonds, Taxable Series 2020A	137,595,000.00
Revenue Financing System Bonds, Series 2021A	175,340,000.00
Revenue Financing System Bonds, Taxable Series 2021B	202,635,000.00
Revenue Financing System Bonds, Series 2022	194,780,000.00
Revenue Financing System Bonds, Series 2024A ⁽²⁾	427,395,000.00
Revenue Financing System Tax Exempt Commercial Paper Notes ⁽³⁾	64,774,000.00
Revenue Financing System Taxable Commercial Paper Notes ⁽³⁾	90,250,000.00
	<u>\$3,586,649,000.00</u>

Permanent University Fund

Permanent University Fund Bonds, Series 1998	\$ 16,315,000.00
Permanent University Fund Bonds, Series 2009AB	180,000,000.00
Permanent University Fund Bonds, Series 2012A	13,225,000.00
Permanent University Fund Bonds, Taxable Series 2012B	63,015,000.00
Permanent University Fund Bonds, Series 2013	61,305,000.00
Permanent University Fund Bonds, Series 2015A	140,555,000.00
Permanent University Fund Bonds, Taxable Series 2015B	78,285,000.00
Permanent University Fund Bonds, Series 2017A	80,395,000.00
Permanent University Fund Bonds, Taxable Series 2017B	310,340,000.00
Permanent University Fund Bonds, Taxable Series 2019	339,915,000.00
Permanent University Fund Bonds, Series 2023	239,935,000.00
Permanent University Fund Commercial Paper Notes ⁽⁴⁾	0.00
	<u>\$ 1,523,285,000.00</u>
TOTAL	<u>\$5,109,934,000.00</u>

⁽¹⁾ Constitute bonds that qualify for reimbursement from State appropriations for debt service payments on the Board's outstanding revenue bonds issued for Capital Construction Assistance Projects (formerly known as "Tuition Revenue Bonds"). See "Selected Financial Information – Funding for the A&M System – State Government Appropriations – Capital Construction Assistance Projects." Future reimbursement by the State for debt service payments is entirely subject to future appropriations by the State Legislature in each subsequent State biennium.

⁽²⁾ A portion of these bonds constitute revenue bonds issued for Capital Construction Assistance Projects (formerly known as "Tuition Revenue Bonds"). See footnote (1).

⁽³⁾ Under current Board authorization, Revenue Financing System Commercial Paper Notes may be issued up to a total of \$300 million.

⁽⁴⁾ Under current Board authorization, Permanent University Fund Commercial Paper Notes may be issued up to a total of \$125 million.

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Anticipated Issuance of Debt

Responsibility for the management of the A&M System's obligations is centralized in the Office of Treasury Services. The A&M System maintains a \$300 million Revenue Financing System commercial paper program to facilitate interim financing of capital improvement projects. The liquidity support for the full authorization of \$300 million of such program is provided by the available assets of the Revenue Financing System. The Revenue Financing System commercial paper program will continue to be used to provide interim financing of the capital improvement needs of the A&M System.

On the delivery date of the Bonds, \$155,024,000 in Revenue Financing System Commercial Paper Notes will be outstanding. The Board anticipates issuing approximately \$507 million in additional Revenue Financing System commercial paper notes or bonds for additional projects during Fiscal Year 2025.

Other Financings

Public/Private Partnerships

The A&M System has entered into public/private partnerships that allow private partners to acquire, construct, improve or maintain facilities used to support the A&M System's core mission. Housing projects have previously been financed through public/private partnerships at Texas A&M University in College Station ("Texas A&M"), A&M - Commerce, A&M - Corpus Christi, Texas A&M University - San Antonio, and Tarleton State University. Each of these projects, other than the Texas A&M project, have been purchased by the A&M System and are no longer financed under public/private partnership arrangements. Non-student housing facilities being financed through public/private partnerships include a parking facility, a laboratory, and a hotel and conference center at Texas A&M, as well as a student recreation center at A&M - Texarkana. The A&M System may enter into additional public/private partnerships in the future.

Under such arrangements, the A&M System generally enters into a ground lease with the private partner, and may enter into various service agreements as well, but the responsibility to acquire, construct, operate and maintain the facilities remains with the private partner. The private partners in these transactions may issue or incur debt to finance the acquisition, construction, maintenance or improvement of such facilities. The New Hope Cultural Education Facilities Finance Corporation, acting as a conduit issuer for various private partners in these transactions, has approximately \$261.4 million of outstanding debt issued related to public/private partnerships involving the A&M System. Any debt issued by or on behalf of private partners does not constitute an obligation of the Board, the A&M System or any of its components; however, in connection with approximately \$169.4 million of such outstanding debt issued by or on behalf of private partners, the A&M System may be required to provide amounts sufficient to cover debt service (to the extent appropriated by the Board) if revenues of a financed facility are insufficient to pay debt service when due.

In addition to public/private partnerships that support the A&M System's core mission, the A&M System has entered into ground leases and related agreements in connection with the development of facilities constructed, maintained and operated by private parties on underutilized property owned by the A&M System. Any debt issued by or on behalf of private partners in connection with such facilities does not constitute an obligation of the Board, the A&M System or any of its components. Notices of voluntary disclosures posted by the A&M System, which describe recent developments concerning such public/private partnerships, are available on the MSRB's internet website, www.emma.msrb.org and can be located by searching the base 6-digit CUSIP number for the bonds.

Other Obligations

The TMC³ Development Corporation, a Texas nonprofit corporation, wholly controlled by Texas Medical Center, issued its \$35,640,000 Taxable Lease Revenue Bonds (TAMUS), Series 2020 (the "A&M System TMC³ Bonds") secured by lease payments from the A&M System to fund the A&M System's share of certain collaborative facilities and related infrastructure located in the biomedical research hub (known as "TMC³"). For fiscal years 2023 through 2050, the A&M System's average annual lease payments are approximately \$1.7 million. The A&M System's lease payments in respect of the A&M System TMC³ Bonds are subject to annual appropriation and subordinate to the Parity Obligations.

Investment Policy and Procedures and Endowments

Endowments

General. Although not pledged to the payment of debt obligations, the A&M System controls or is benefited by endowments with a market value at February 29, 2024, of approximately \$20.0 billion (including the A&M System's foundations and one-third share of the PUF).

As of February 29, 2024, endowment funds under the direct control of the A&M System had a value of approximately \$1.51 billion and consisted of marketable securities and investments. Of this amount, \$17.5 million is attributable to funds held for investment on behalf of Texas Woman's University System. Distributions are calculated at 5% of the 20-quarter rolling average market value of the endowment. Since distributions are based on 20 quarters, market fluctuations are smoothed and distributions are expected to remain fairly consistent from year to year.

The A&M System is also a beneficiary of the PUF. As of February 29, 2024, the market value of the PUF was approximately \$35.1 billion (excluding land), one-third of which is designated for the support of the eligible institutions of the A&M System. The audited annual financial statements for the PUF for Fiscal Years ended August 31, 2023 and 2022 have been filed by the A&M System with the MSRB and are incorporated by reference into this Official Statement. Copies of each of such documents are available from the A&M System's Office of Treasury Services.

Each endowment is subject to various restrictions as to application and use.

Permanent University Fund. The PUF is a state endowment contributing to the support of eligible institutions of the A&M System and the UT System. The State Constitution of 1876 established the PUF through the appropriation of land grants previously given to The University of Texas plus one million acres. Additional land grants to the PUF were completed in 1883 with the contribution of another one million acres. Currently, the PUF contains 2.1 million acres located in 24 counties primarily in West Texas.

The PUF Constitutional Provision provides for distributions to the Available University Fund from the "total return" on all investment assets of the PUF, including the net income attributable to the surface of PUF land, in the amounts determined by the UT Board. Distributions to the Available University Fund are then allocated one-third to the A&M System and two-thirds to the UT System. The PUF Constitutional Provision requires an appropriation from the first money distributed to each system of an annual sum sufficient to pay debt service due on bonds and notes issued by each board and payable from each system's interest in the Available University Fund. The remainder of each system's annual distributions is to be appropriated to each board for prescribed university purposes.

Management of Investments

The Board is responsible for investment of A&M System funds held outside the State Treasury. As provided in the Texas Education Code, each member of the Board has the legal responsibilities of a fiduciary in the management of funds under the control of the A&M System. The Board has provided for centralized investment management within the Office of Treasury Services under the direction of the Chief Investment Officer and Treasurer. Investments are managed externally, by unaffiliated investment managers. The Board receives quarterly reports regarding asset allocation, investment returns, and market indices.

Authorized Investments

All available funds held by the A&M System and its Participants are authorized to be invested in accordance with State law and with the written investment policy of the Board. Investments are to be made with the judgment and care, under the circumstances then prevailing, that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to permanent disposition of their funds, considering the probable income therefrom as well as the probable increase in value and the safety of their capital. In the management of A&M System investments, consideration is given to the requirements of liquidity, diversification, safety of principal, yield, maturity, quality and capability of investment management, with primary emphasis on safety of principal.

Investment Programs

The A&M System operates two investment funds, the System Endowment Fund (the "Endowment Fund") and the Cash Concentration Pool (the "Pool"). The purpose of the Endowment Fund is to provide for the collective investment of all endowment and trust funds held by the A&M System. The purpose of the Pool is to provide for the collective

investment of all operating funds. In the management of A&M System investments, consideration is given to the requirements for liquidity, diversification, safety of principal, yield, maturity, quality and capability of investment management, with primary emphasis on safety of principal. All securities which use long-term credit ratings must be rated the equivalent of “B” or better. The fixed income portfolio must have an overall credit rating of “A” or better, and securities using short-term credit ratings must be rated at least “A-2,” “P-2,” “F-2” or the equivalent.

The Board’s investment policy provides for a target asset allocation for the Endowment Fund of approximately 30% of the total fund’s market value in equities, approximately 15% of the total fund’s market value in fixed income securities, and approximately 55% of the total fund’s market value in alternative assets.

The market value of the Pool as of February 29, 2024 was approximately \$5.9 billion, which does not include the proceeds of any Revenue Financing System or PUF debt. Of this amount, approximately \$210.0 million is attributable to funds held for investment on behalf of Texas Woman’s University System. The Pool is invested with 40.5% in fixed income securities, 39.8% in equities and 19.7% in alternative assets. The Revenue Financing System debt proceeds are invested solely in the short-term portfolio.

The Board’s current target asset allocations for the Pool are as follows:

Short-Term Portfolio	8%
Fixed Income	32%
Domestic Equity	20%
International Equity	20%
Absolute Return	20%

The A&M System is reporting net returns of 11.7% and 13.8% for the twelve months ended February 29, 2024 for the Endowment Fund and the Pool, respectively. The Board cannot make any representation as to the future performance of the A&M System’s endowment or other invested funds.

Set forth below is the market value for the Pool, the Endowment Fund, and the A&M System’s one-third interest in the PUF as of the end of the most recent five fiscal years.

**Market Value of Investment Funds
(In Thousands)***

<u>August 31</u>	<u>Pool**</u>	<u>Endowment Fund***</u>	<u>A&M System’s Interest in PUF</u>
2023	\$5,538,500	\$1,438,691	\$14,707,106
2022	5,092,424	1,393,867	14,000,868
2021	5,619,439	1,621,524	13,588,095
2020	4,720,192	1,270,330	10,422,109
2019	4,198,336	1,220,940	10,051,065

*The Fiscal Year 2020 and 2021 results reflect the operational and financial impact of the COVID-19 worldwide pandemic and measures implemented in response thereto.

**Includes funds held for investment on behalf of Texas Woman’s University System, which totaled \$193.7 million as of August 31, 2023. Includes funds held for investment on behalf of Stephen F. Austin State University and Texas Woman’s University System, which totaled \$243.9 million as of August 31, 2022. Includes funds held for investment on behalf of Stephen F. Austin State University, Midwestern State University and Texas Woman’s University System, which totaled \$328.7 million, \$282.9 million, and \$253.3 million as of August 31, 2021, 2020, and 2019, respectively.

***Includes funds held for investment on behalf of Texas Woman’s University System, which totaled \$16.8 million as of August 31, 2023. Includes funds held for investment on behalf of Stephen F. Austin State University and Texas Woman’s University System, which totaled \$31.6 million as of August 31, 2022. Includes funds held for investment on behalf of Stephen F. Austin State University, Midwestern State University and Texas Woman’s University System, which totaled \$57.1 million, \$47.8 million, and \$47.0 million as of August 31, 2021, 2020, and 2019, respectively.

For a discussion of investments for Fiscal Year 2023, see “EXHIBIT B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM – Note 3: Deposits, Investments and Repurchase Agreements.”

In addition to the Endowment Fund and the PUF, the A&M System is benefited by the Permanent Health Fund and the endowments of nine separate foundations. The Permanent Health Fund is managed by the UT Board acting through The University of Texas/Texas A&M Investment Management Company (“UTIMCO”) and the foundations are governed by boards separate from the Board. Investment decisions and asset allocations are managed by UTIMCO and the respective foundation boards. Asset allocations are revised from time to time and are not necessarily the same as those used by the A&M System. The market value of the foundations' endowments is reported annually to the

A&M System as of June 30th with the most recent market value as of June 30, 2023 at \$3.1 billion, 83% of which benefits Texas A&M University in College Station.

Management of Funds Held in the State Treasury

The Texas Education Code requires that the A&M System deposit into the State Treasury all funds except those derived from auxiliary enterprises and non-instructional services, agency, designated, restricted funds, endowment and other gift funds, student loan funds, and funds for the payment of overhead expenses of conducting research. All such funds held in the State Treasury, including Higher Education Funds, the Available University Fund and certain cash balances of the PUF, are administered by the Comptroller. The Comptroller invests money in the State Treasury in authorized investments consistent with applicable law. The Comptroller pools funds within the State Treasury for investment purposes and allocates investment earnings on pooled funds proportionately among the various State agencies whose funds are so pooled. The Board utilizes the State Treasury primarily as a depository and anticipates that all funds deposited in the State Treasury will be available upon request and will earn interest equal to an allocated share of investment earnings on pooled funds in the State Treasury. As of February 29, 2024, the amount of A&M System funds held by the State Treasury was \$1.37 billion.

Insurance

The A&M System is exposed to various risks of loss related to property – fire, windstorm, or other loss of capital assets; general and employer liability – resulting from alleged wrongdoings by employees and others; net income – due to fraud, theft, administrative errors or omissions, and business interruptions; personnel – unexpected expense associated with employee health, termination, or death; and cybersecurity risks from cyber incidents or attacks. As an agency of the State, the A&M System and its employees are covered by various immunities and defenses which limit some of these risks of loss. Remaining exposures are managed by self-insurance arrangements, contractual risk transfers, the purchase of commercial insurance, or a combination of these risk financing techniques. For details, see “APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM – Note 17: Risk Management.”

Retirement Plans

A&M System employees participate in various retirement plans and programs, which are summarized below. Such summary is qualified in its entirety by the complete description of such plans and programs within Notes 9-11 included in “APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM.”

The State has joint contributory retirement plans for substantially all of its employees, including employees of the A&M System. The primary plan that the A&M System participates in is administered by the Teacher Retirement System of Texas (“TRS”) and is a cost-sharing, multiple-employer defined benefit pension plan with a special funding situation (the “TRS Plan”). All employees of the A&M System who are employed for one-half or more of the standard work load and are not exempted from membership by State law (including, particularly, Section 822.002, Texas Government Code) are covered by the TRS Plan. The TRS Plan provides retirement, disability annuities and death and survivor benefits. The benefit and contribution provisions of the TRS Plan are authorized by State law and may be amended by the State Legislature at any time. No assurances can be made by the A&M System as to whether any such amendments will occur or, if such amendments do occur, whether such amendments would materially affect the A&M System’s liability under the TRS Plan.

During the 2022 measurement period for Fiscal Year 2023 reporting, the amount of the A&M System contributions recognized by the TRS Plan totaled \$71,856,250. At August 31, 2023, the A&M System reported a liability of \$771,327,658 for its proportionate share of the collective net pension liability under the TRS Plan, which was equal to 1.2992438459% of the collective net pension liability under the TRS Plan. Pension values are provided by the Texas Comptroller’s Office and define the A&M System’s proportional share of the collective net pension liability under the TRS Plan.

The State has also established an Optional Retirement Program (“ORP”) for institutions of higher education. Participation in the ORP is in lieu of participation in the TRS Plan. For the plan year ended August 31, 2023, the A&M System contributed \$46,885,100.44 to the ORP. See “APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM – Note 9: Pension Plans and Optional Retirement Program – Optional Retirement Program (ORP)” for more information.

State employees, including A&M System employees, may elect to defer a portion of their earnings for income tax and investment purposes pursuant to State law. All payroll deductions relative to deferred compensation were invested in

approved plans during the Fiscal Year ended August 31, 2023. See “APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM – Note 10: Deferred Compensation” for more information.

The A&M System also provides certain other postemployment benefits (“OPEBs”), which are benefits provided to the A&M System’s current and inactive employees (or their beneficiaries) receiving benefits (collectively, the “OPEB Participants”) under the A&M System group healthcare and life insurance programs. The authority under which the obligations of the plan members and the A&M System are established is Chapter 1601, Texas Insurance Code. Chapter 1601, Texas Insurance Code may be amended by the State Legislature at any time, and no assurances can be made by the A&M System as to whether any such amendments will occur or, if such amendments do occur, whether such amendments would materially affect the A&M System’s OPEB liability.

The A&M System faces the challenge of funding a portion of the healthcare and life insurance benefits costs for OPEB Participants. As of August 31, 2023, the A&M System is responsible for 59.29% of the OPEB liability related to the OPEB Participants, and the State is responsible for the remaining 40.71% of the OPEB liability related to the OPEB Participants. As of September 1, 2021¹, there were approximately 35,185 OPEB Participants and 3,389 additional inactive employees entitled to participate but not yet receiving benefits. The A&M System’s costs of providing OPEBs, particularly healthcare benefits, to the OPEB Participants continue to escalate. The A&M System cannot predict whether, or at what rate, healthcare benefit costs will escalate in future years.

In June 2015, GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (“GASB 75”). GASB 75 replaces prior requirements contained in GASB Statement Nos. 45, 57, and 74 (collectively, the “Prior GASB Statements”). The A&M System was required to implement GASB 75 beginning in the Fiscal Year ended August 31, 2018. Among other things, GASB 75 provides new requirements for calculating an entity’s total OPEB liability (formerly “actuarial accrued liability” under the Prior GASB Statements) and requires entities to include the total OPEB liability in the Statement of Net Position. In accordance with the Prior GASB Statements, only a portion of the A&M System’s total OPEB liability (the “Net OPEB Obligation” under the Prior GASB Statements) was reported within its Statement of Net Position and the total OPEB liability was reported only within the Notes to the A&M System’s financial statements.

GASB 75 requires that the A&M System perform an actuarial valuation of its OPEB liability no less frequently than biennially. For the Fiscal Year ending August 31, 2023, the A&M System reported, measured as of September 1, 2022 and determined by an actuarial valuation as of September 1, 2021, that its proportional share of the total OPEB liability was \$2,323,661,114 (with a current portion of \$63,084,598 and a long-term portion of \$2,260,576,516). The information summarized herein was determined as part of an actuarial valuation process using actuarial methods and assumptions, as described in the notes to the A&M System’s financial statements. See “APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM – Note 11: Postemployment Health Care and Life Insurance Benefits.”

Actuarial valuations necessarily involve estimates and assumptions, including those regarding the cost of health care, discount rate, salary increases, inflation, and mortality. See “APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM – Note 11: Postemployment Health Care and Life Insurance Benefits – Actuarial Assumptions and Other Inputs” for additional discussion on the estimates and assumptions used in calculating the A&M System’s proportional share of the total OPEB liability. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates and assumptions are made about the future.

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¹ As permitted by Paragraph No. 146 and 147 of GASB 75, in the Unaudited Financial Reports of the A&M System for Fiscal Year ending August 31, 2023, the A&M System elected to use a measurement date for its OPEB liability that is twelve months in advance of such Fiscal Year end or September 1, 2022 based on an actuarial valuation as of September 1, 2021 roll forward twelve months.

APPENDIX B

**UNAUDITED FINANCIAL REPORTS OF
THE TEXAS A&M UNIVERSITY SYSTEM**

The attached unaudited financial statements for the fiscal year ended August 31, 2023 (“2023 Financial Statements”) were (i) prepared in accordance with Governmental Accounting Standards Board pronouncements, the requirements of the Texas Comptroller of Public Accounts, and guidelines from the National Association of College and University Business Officers and (ii) submitted to the Comptroller of Public Accounts (“Comptroller”) and the State Auditor, in accordance with Section 2101.011, Texas Government Code, for incorporation into the consolidated financial statements of the State prepared by the Comptroller and audited by the State Auditor.

APPENDIX C

DEFINED TERMS

The following terms and expressions shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

“*A&M System*” means and includes A&M System Administration and each of the following existing and operating institutions and agencies, respectively:

- (1) Texas A&M University located at College Station (including the Texas A&M University School of Law, Health Science Center, Texas A&M University at Galveston, and Texas A&M University at Qatar);
- (2) Texas A&M University – Central Texas;
- (3) Texas A&M University – Commerce;
- (4) Texas A&M University – Corpus Christi;
- (5) Texas A&M International University;
- (6) Texas A&M University – Kingsville;
- (7) Texas A&M University – San Antonio;
- (8) Texas A&M University – Texarkana;
- (9) Prairie View A&M University, including its nursing school in Houston;
- (10) Tarleton State University;
- (11) West Texas A&M University;
- (12) Texas A&M AgriLife Research;
- (13) Texas A&M AgriLife Extension Service;
- (14) Texas A&M Forest Service;
- (15) Texas A&M Veterinary Medical Diagnostic Laboratory;
- (16) Texas A&M Engineering Experiment Station;
- (17) Texas A&M Engineering Extension Service;
- (18) Texas A&M Transportation Institute; and
- (19) Texas Division of Emergency Management.

together with every other agency or institution, or branch thereof now or hereafter operated by or under the jurisdiction of the Board pursuant to law.

“*Annual Direct Obligation*” means the amount budgeted each Fiscal Year by the Board with respect to each Participant to satisfy the Participant’s proportion of debt service (calculated based on the Participant’s Direct Obligation) due by the Board in such Fiscal Year on Outstanding Parity Bonds.

“*Annual Obligation*” means, with respect to each Participant and for each Fiscal Year, the Participant’s Annual Direct Obligation plus the amount budgeted by the Board for such Fiscal Year to allow the Participant to retire its obligation for intra-Revenue Financing System advances made to it to satisfy part of all of a previous Annual Direct Obligation payment.

“*Board Designated Tuition*” has the meaning given in “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – SELECTED FINANCIAL INFORMATION – Funding for the A&M System – Tuition and Fees.”

“*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.

“*Credit Agreement*” means, collectively, a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase Parity Obligations, purchase or sale agreements, interest rate swap agreements, or commitments or other contracts or agreements authorized, recognized and approved by the Board as a Credit Agreement in connection with the authorization, issuance, security or payment of Parity Obligations and on a parity therewith.

“*Designated Financial Officer*” means the Chancellor, the Deputy Chancellor and Chief Financial Officer, the Chief Investment Officer and Treasurer, or an officer who has assumed the duties of any of the foregoing named officers, or such other officer or employee of the A&M System designated by the Board.

“*Direct Obligation*” means the proportionate share of outstanding Parity Obligations attributable to and the responsibility of each respective Participant.

“*Non-Recourse Debt*” means any debt secured by a lien (other than a lien on Pledged Revenues), liability for which is effectively limited to the property subject to such lien with no recourse, directly or indirectly, to any other property of the Board attributable to the Revenue Financing System, provided that such debt is being incurred in connection with the acquisition of property only, which property is not, at the time of such occurrence, owned by the Board and being used in the operations of a Participant.

“*Outstanding Principal Amount*” means the outstanding and unpaid principal amount of Parity Obligations paying interest on a current basis and the outstanding and unpaid principal and compounded interest on Parity Bonds paying accrued, accreted, or compounded interest only at maturity.

“*Parity Obligations*” means all debt of the Board which may be issued or assumed in accordance with the terms of the Resolution and a supplemental resolution, secured by a pledge of the Pledged Revenues subject only to the liens securing Prior Encumbered Obligations.

“*Participant*” means each of the institutions and agencies constituting components of the A&M System, including the A&M System Administration, and such other members as designated by the Board to be Participants.

“*Pledged General Fee*” means the gross collections of a student use fee to be fixed, charged, and collected pursuant to Section 55.16, Texas Education Code as it existed prior to the effective date of S.B. 1907, from the students (excepting, with respect to each series or issue of Parity Obligations issued prior to such date, any student in a category which, at the time of the adoption of a supplemental resolution relating to such Parity Obligations, was exempt by law from paying fees) regularly enrolled at the institutions and branches thereof now or hereafter constituting a Participant of the Revenue Financing System, respectively, for the general use and availability of such institutions or branches thereof, respectively, in the manner and amounts, at the times, and to the extent provided in the Resolution, and including, subject to the provisions of the Prior Encumbered Obligations, the Prior Encumbered General Fee. This fee is now generally charged as Board Designated Tuition. See “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – SELECTED FINANCIAL INFORMATION – Funding for the A&M System – Tuition and Fees.”

“*Pledged General Tuition*” means all of the aggregate amount of student tuition charges now or hereafter required or authorized by law to be imposed on students enrolled at each and every institution, branch, and school, now or hereafter operated by or under the jurisdiction of the Board, but specifically excluding and excepting, with respect to each series or issue of Parity Obligations, any student in a category which, at the time of the adoption of a supplemental resolution relating to such Parity Obligations (1) was exempt by law from paying such tuition, (2) the amount of tuition scholarships provided for by law at the time of the adoption of each Supplement, and (3) the Prior Encumbered Tuition Fees; and it is provided by law and hereby represented and covenanted that the aggregate amount of student tuition charges which are now required or authorized by law to be imposed, and which are pledged to the payment of the Parity Obligations, shall never be reduced or abrogated while such obligations are outstanding; it being further covenanted that the aggregate amount of student tuition charges now required or authorized by law to be imposed on students enrolled at each and every institution, branch, and school operated by or under the jurisdiction of the Board are set forth in the Texas Education Code, as amended, to which Code reference is hereby made for all purposes. This fee is now charged as State Mandated Tuition. See “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – SELECTED FINANCIAL INFORMATION – Funding for the A&M System – Tuition and Fees.”

“*Pledged Revenues*” means, subject to the provisions of the Prior Encumbered Obligations, the Revenue Funds, including all of the funds and balances now or hereafter lawfully available to the Board and derived from or attributable to any Participant of the Revenue Financing System which are lawfully available to the Board for payments on Parity Obligations; provided, however, that the following shall not be included in Pledged Revenues unless and to the extent set forth in a Supplement; (a) the interest of the A&M System in the Available University Fund under Article VII, Section 18 of the Constitution of the State of Texas, including the income therefrom and any fund balances relating thereto; (b) amounts received on behalf of any Participant under Article VII, Section 17 of the Constitution of the State of Texas, including the income therefrom and any fund balances relating thereto; and (c) except to the extent so specifically appropriated, general revenue funds appropriated to the Board by the Legislature of the State of Texas.

“*Pledged Tuition Fee*” means, as authorized by Section 55.17, Texas Education Code as it existed prior to the effective date of S.B. 1907, the following specified amounts out of the tuition charges now or hereafter required or permitted by law to be imposed on each tuition paying student enrolled at each and every institution or branch thereof now or hereafter constituting a Participant, and including, subject to the provisions or the Prior Encumbered Obligations, the Prior Encumbered Tuition Fees, respectively:

\$5.00 from each enrolled student for each regular semester, and
\$2.50 from each enrolled student for each summer term of each summer session.

This portion of tuition charged is now included in State Mandated Tuition. See “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – SELECTED FINANCIAL INFORMATION – Funding for the A&M System – Tuition and Fees.”

“*Prior Encumbered General Fee*” means the Pledged General Fee securing Prior Encumbered Obligations and that portion of the student use fee charged and collected at an institution which becomes a Participant after the date of adoption of the Resolution and which are pledged to the payment of bonds or other obligations outstanding on the date such institution becomes a Participant.

“*Prior Encumbered General Tuition*” means the Pledged General Tuition securing Prior Encumbered Obligations and the tuition charges in the maximum amount permitted in the definition of Pledged General Tuition charged and collected at an institution which becomes a Participant of the Revenue Financing System after the date of adoption of this Resolution and which are pledged to the payment of bonds or other obligations outstanding on the date such institution becomes a Participant of the Revenue Financing System.

“*Prior Encumbered Obligations*” means the bonds, notes, and other obligations of a Participant outstanding on the date it becomes a Participant of the Revenue Financing System and which are secured by a lien on and pledge of the Prior Encumbered General Fee, the Prior Encumbered Revenues, the Prior Encumbered Tuition Fee, and/or the Prior Encumbered General Tuition charged and collected at such Participant and all existing obligations of the Board secured by a lien on a portion of the Pledged Revenues which is superior to the lien established by the Resolution on behalf of Parity Obligations.

“*Prior Encumbered Revenues*” means the revenues pledged to the payment of Prior Encumbered Bonds and the revenues of any revenue producing system or facility of a university, agency or health science center which hereafter becomes a Participant of the Revenue Financing System and which are pledged to the payment of bonds or other obligations outstanding on the date such institution becomes a Participant of the Revenue Financing System.

“*Prior Encumbered Tuition Fee*” means the Pledged Tuition Fee securing Prior Encumbered Obligations and that portion of the tuition charges in the maximum amount permitted in the definition of Pledged Tuition Fee charged and collected at a university or health science center which becomes a Participant after the date of adoption of the Resolution and which are pledged to the payment of bonds or other obligations outstanding on the date such institution becomes a Participant.

“*Revenue Financing System*” means “The Texas A&M University System Revenue Financing System” composed of the institutions and agencies constituting parts of the A&M System including the A&M System Administration, and such other universities and agencies now or hereafter under the control or governance of the Board, and made a Participant of the Revenue Financing System by specific action of the Board.

“*Revenue Funds*” means the ‘revenue funds’ of the Board (as defined in Section 55.01 of the Texas Education Code to mean the revenues, incomes, receipts, rentals, rates, charges, fees, grants, and tuition levied or collected from any public or private source by an institution of higher education, including interest or other income from those funds) derived by the Board from the operations of each of the Participants, including specifically the Pledged General Tuition and, to the extent and subject to the provisions of the Resolution, the Pledged General Fee and the Pledged Tuition Fee. Revenue Funds does not include, with respect to each series or issue of Parity Obligations, any tuition, rentals, rates, fees, or other charges attributable to any student in a category which, at the time of the adoption of a supplemental resolution relating to such Parity Obligations, is exempt by law from paying such tuition, rentals, rates, fees, or other charges.

“*S.B. 1907*” means Senate Bill 1907 passed by the State Legislature in the Seventy-fifth Regular Legislative Session.

“*State Mandated Tuition*” has the meaning given in “APPENDIX A – DESCRIPTION OF THE TEXAS A&M UNIVERSITY SYSTEM – SELECTED FINANCIAL INFORMATION – Funding for the A&M System – Tuition and Fees.”

“*Subordinated Debt*” means any debt of the Board which may be issued or assumed in accordance with the terms of the Resolution and a supplemental resolution, secured by a pledge of the Pledged Revenues, junior and subordinate to the pledge thereof securing the Parity Obligations.

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The information contained in this section is a summary of certain provisions of the Master Resolution and the Supplemental Resolution and is in addition to other information in such documents which is summarized elsewhere in this Official Statement under the captions "PLAN OF FINANCING," "DESCRIPTION OF THE BONDS," and "SECURITY FOR THE BONDS." This information is intended as a summary only and is qualified in its entirety by reference to the complete Master Resolution and the Supplemental Resolution, copies of which may be obtained from the office of the Chief Investment Officer and Treasurer of the A&M System.

Establishment of Revenue Financing System

Pursuant to the Master Resolution, as amended, the Board has established the Revenue Financing System to provide a consolidated financing structure for revenue-supported debt obligations of the Board, including the Bonds, which are to be issued for the benefit of Participants which are or will be included as part of the Revenue Financing System. Each issue or series of Parity Obligations is to be provided for under a supplemental resolution consistent with the provisions of the Master Resolution.

Security and Pledge; Membership in the Revenue Financing System

Subject to the provisions of the resolutions authorizing Prior Encumbered Obligations, Parity Obligations issued under the Master Resolution are payable from and secured by a lien on all Pledged Revenues. The Board has assigned and pledged the Pledged Revenues to the payment of the principal of and interest on Parity Obligations and to the establishment and maintenance of any funds that may be created under the Master Resolution or a supplemental resolution to secure the repayment of Parity Obligations. The Board may additionally secure Parity Obligations with one or more Credit Agreements.

All of the institutions and agencies currently constituting members of the A&M System have been included under the Master Resolution as Participants of the Revenue Financing System. If an additional institution or agency hereafter becomes a member of the A&M System, the Board may include the new member as a Participant of the Revenue Financing System. In that event, the lien on and pledge of Pledged Revenues established pursuant to the Master Resolution and effective when such institution becomes a Participant of the Revenue Financing System will apply to the revenues, funds, and balances of such Participant that constitute Pledged Revenues; provided, however, that if at the time a new Participant is admitted, it has outstanding debt obligations secured by any of such sources, such obligations will constitute Prior Encumbered Obligations of the Board secured by a lien on the portion of the Pledged Revenues providing such security which is superior to the lien established by the Master Resolution on behalf of Parity Obligations. The Board has reserved the right to refund Prior Encumbered Obligations with the proceeds of refunding bonds issued as Prior Encumbered Obligations secured by the same sources as the sources securing the refunded Prior Encumbered Obligations. Otherwise, while any Parity Obligations are outstanding, the Board has agreed not to issue additional obligations on parity with any Prior Encumbered Obligations.

Annual and Direct Obligation of Participants

The Master Resolution provides that each Participant of the Revenue Financing System is responsible for its Direct Obligation. The Board covenants in the Master Resolution that in establishing the annual budget for each Participant of the Revenue Financing System it will provide for the satisfaction by each Participant of its Annual Obligation.

Pledged General Tuition

In the Master Resolution, the Board has covenanted and agreed at all times to maintain and collect at each institution which has students the Pledged General Tuition and the other Pledged Revenues in such amounts, without limitation, as will be at least sufficient at all times, together with other legally available funds, to provide the money to make or pay the principal of, interest on, and other payments or deposits with respect to outstanding Parity Obligations when and as required. The Board has agreed that the Pledged General Tuition and the other Pledged Revenues will be adjusted to provide Pledged Revenues sufficient to make when due all payments and deposits in connection with outstanding Parity Obligations. The Board may fix and collect the Pledged Revenues in any manner it may determine within its discretion and in different amounts from students enrolled in different Participants. In addition, if and for any period during which total Pledged Revenues, together with other legally available funds, are sufficient to meet all

of the Board's financial obligations of the Revenue Financing System, the Board may suspend the collection of any item included in the Pledged Revenues from the students enrolled in any Participant.

The Board further covenants in the Resolution that if it determines that Pledged Revenues and other legally available funds are not anticipated to be sufficient to meet all of its financial obligations relating to the Revenue Financing System, including all deposits and payments coming due on outstanding Parity Obligations, or that any Participant will be unable to pay its Annual Direct Obligation in full, the Pledged General Tuition will be adjusted, effective at the next regular semester or semesters or summer term or terms, to an amount, without any limitations (other than as provided in the next to the last sentence of this paragraph), at least sufficient to provide, together with other Pledged Revenues and legally available funds, the money for paying when due all financial obligations of the Board relating to the Revenue Financing System, including all payments and deposits with respect to outstanding Parity Obligations. Any adjustment in the rate of the Pledged General Tuition of any of the Participants will be based upon the certificate and recommendation of a Designated Financial Officer delivered to the Board, as to the rates and anticipated collection of the Pledged General Tuition at the various Participants (after taking into account the anticipated effect the proposed adjustment would have on enrollment and the receipt of Pledged Revenues and other funds of such Participant) which will be anticipated to result in (i) Pledged Revenues attributable to each participant being sufficient (to the extent possible) to satisfy the Annual Obligation of such Participant and (ii) Pledged Revenues being sufficient, together with other legally available funds, to meet all financial obligations of the Board relating to the Revenue Financing System, including all deposits and payments due on or in connection with outstanding Parity Obligations when and as required. Notwithstanding the foregoing, it is recognized that certain Participants do not and will not enroll students, and, therefore, the Board will not levy or collect the Pledged General Tuition at such Participants.

Payment and Funds

The Board has covenanted in the Resolution to make available to the Paying Agent/Registrar for Parity Obligations, on or before each payment date, money sufficient to pay any and all amounts due on such Parity Obligations on such payment date.

The Board may establish one or more reserve funds or accounts to further secure any Parity Obligations. Currently, the Board has not established a reserve fund to secure the payment of the Parity Obligations.

Additional Parity Obligations; Non-Recourse Debt and Subordinated Debt

In the Resolution, the Board reserves the right to issue or incur additional Parity Obligations for any purpose authorized by law. The Board may incur, assume, guarantee, or otherwise become liable in respect of additional Parity Obligations if the Board determines that it will have sufficient funds to meet the financial obligations of the A&M System, including sufficient Pledged Revenue 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.

In addition, the Board covenants not to issue or incur Parity Obligations unless (i) it determines that the Participant or Participants for whom Parity Obligations are being issued or incurred possesses the financial capacity to satisfy their respective Direct Obligations, after taking into account the then proposed additional Parity Obligations, and (ii) a Designated Financial Officer delivers 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 Resolution and any supplemental resolution authorizing outstanding Parity Obligations, and is not in default in the performance and observance of any of the terms, provisions and conditions thereof.

The Board has reserved the right to issue without limit debt secured by a lien other than a lien on Pledged Revenues and debt which expressly provides that all payments thereon will be subordinated to the timely payment of all Parity Obligations.

Participants

Combination or Release of Participants

The Master Resolution recognizes that the State may combine or divide Participant institutions and provides that so long as the combined or divided institutions continue to be governed by the Board such action must not violate the Master Resolution or require any amendment thereof. The Master Resolution also provides that subject to the conditions set forth below, any Participant or portion thereof may be closed and abandoned by law or may be removed

from the Revenue Financing System (thus deleting the revenues, income, funds, and balances attributable to said Participant or portion thereof from the Pledged Revenues) without violating the terms of the Resolution provided:

- (1) the Board specifically finds that (based upon a certificate of a Designated Financial Official to such effect) after the release of the Participant or portion thereof, the Board will have sufficient funds during each Fiscal Year in which Parity Obligations shall thereafter be outstanding to meet the financial obligations of the Revenue Financing 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
- (2) the Board has received an opinion of counsel which states that such release will not affect the status for federal income tax purposes of interest on any Parity Obligations and that all conditions precedent provided in the Resolution or any supplement relating to such release have been complied with; and
- (3) (A) if the Participant or portion thereof to be released from the Revenue Financing System is to remain under the governance and control of the Board, the Board must either (i) provide, from lawfully available funds, including Pledged Revenues attributable to said withdrawing Participant, for the payment or discharge of said Participant's Direct Obligations or (ii) pledge to the payment of Parity Obligations, additional resources not then pledged in an amount sufficient to satisfy such withdrawing Participant's Direct Obligations as they come due; or

(B) if the Participant or portion thereof to be released from the Revenue Financing System is to no longer be under the governance and control of the Board, the Board must receive a binding obligation of the new governing body of the withdrawing institution or the portion thereof being withdrawn, obligating said governing body to make payments to the Board at the times and in the amounts equal to said Participant's Annual Obligations or to pay or discharge said Participant's Direct Obligations, or, in the case of a portion of a Participant being withdrawn, the proportion of the Participant's Annual Obligation or Direct Obligation, as the case may be, attributable to the withdrawing portion of the Participant.

Disposition of Participants' Assets

In the Master Resolution, the Board has reserved the right to convey, sell, or otherwise dispose of any properties of the Board attributable to a Participant of the Revenue Financing System, provided that:

- (1) such disposition must occur in the ordinary course of business of the Participants of the Revenue Financing System responsible for such properties; or
- (2) the Board determines that after the disposition, the Board has sufficient funds during each Fiscal Year to meet the financial obligations of the A&M System, including sufficient Pledged Revenues to satisfy the annual debt service requirements of the Revenue Financing System and to meet all other financial obligations of the Board relating to the Revenue Financing System.

Admission of Participants

If, after the date of the adoption of the Supplemental Resolution, the Board desires for a university or agency governed by the Board to become a Participant of the Revenue Financing System, it may include said university or agency in the Revenue Financing System with the effect set forth in the Resolution by the adoption of a supplemental resolution to the Resolution.

Certain Covenants

Rate Covenant

The Resolution requires the Board to establish, charge, and use its reasonable efforts to collect at each Participant the Pledged Revenues which, if collected, would be sufficient to meet all financial obligations of the Board relating to the Revenue Financing System, including all deposits or payments due on or with respect to Parity Obligations. The Board has covenanted in the Resolution to fix, levy, charge, and collect at each Participant which has students the Pledged General Tuition and, with respect to the currently outstanding Parity Obligations and to the extent necessary, the Pledged General Fee from each student (unless exempted therefrom by law) enrolled at each Participant, at each regular fall and spring semester and at each term of each summer session, in such amounts, without any limitation whatsoever, as will be at least sufficient at all times, together with other legally available funds, including other Pledged Revenues, to make payments with respect to Parity Obligations when due.

General Covenants

The Board has additionally covenanted in the Resolution (i) to faithfully perform all covenants and provisions contained in the Resolution, any supplement thereto, and in each Parity Obligation; (ii) to call for redemption all Parity Obligations, in accordance with their terms, which are subject to mandatory redemption; (iii) that it lawfully owns, has title to, or is lawfully possessed of the land, buildings, and facilities which comprise the A&M System and to defend such title for the benefit of the owners of the Parity Obligations; (iv) that it is lawfully qualified to pledge the Pledged Revenues to the payment of the Parity Obligations; (v) to maintain and preserve the property of the Revenue Financing System; (vi) not to incur any debt secured by the Pledged Revenues except as permitted in the Resolution; (vii) to invest and secure money held in funds and accounts established under the Resolution in accordance with law and written policies of the Board; (viii) to keep proper books and records and account for the Revenue Financing System and to cause to be prepared annual financial reports of the A&M System and to furnish such report, to appropriate municipal bond rating agencies and, upon request, owners of Parity Obligations; and (ix) to permit any owner or owners of 25% or more of outstanding principal amount of Parity Obligations at all reasonable time to inspect all records, accounts, and data of the Board relating to the Revenue Financing System.

Special Obligations; Absolute Obligation to Pay Parity Obligations

The Master Resolution provides that all Parity Obligations and the interest thereon constitute special obligations of the Board payable from the Pledged Revenues, and the owners thereof never have the right to demand payment out of funds raised or to be raised by taxation, or from any source other than specified in the Master Resolution or any supplemental resolution. The obligation of the Board to pay or cause to be paid the amounts payable under the Master Resolution and each supplemental resolution out of the Pledged Revenues is absolute, irrevocable, complete, and unconditional, and the amount, manner and time of payment of such amounts may not be decreased, abated, rebated, setoff, reduced, abrogated, waived, diminished, or otherwise modified in any manner or to any extent whatsoever.

Remedies

Any owner of Parity Obligations in the event of default in connection with any covenant contained in the Resolution or default in the payment of said obligations, or of any interest due thereof, or other costs and expenses related thereto, may require the Board, its officials and employees, and any appropriate official of the State, to carry out, respect, or enforce the covenants and obligations of the Resolution by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings in any court of competent jurisdiction against the Board, its officials and employees, or any appropriate official of the State. The principal of the Bonds cannot be accelerated in the event of default, and the Board has not granted a lien on any physical property which may be levied or foreclosed against.

Amendment of Resolution

Amendment Without Consent

The Master Resolution and any supplemental resolution and the rights and obligations of the Board and of the owners of the Parity Obligations may be modified or amended at any time without notice to or the consent of any owner of the Parity Obligations, solely for any one or more of the following purposes:

- (1) To add to the covenants and agreements of the Board contained in the Resolution, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Board in the Resolution;
- (2) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in the Resolution, upon receipt by the Board of any approving opinion of co-bond counsel, that the same is needed for such purpose, and will more clearly express the intent of the Resolution;
- (3) To supplement the security for the Parity Obligations; provided, however, that any amendment to the definition of Pledged Revenues which results in the pledge of additional resources may limit the amount of such additional pledge and the manner, extent, and duration of such additional pledge all as set forth in such amendment;
- (4) To make such other changes in the provisions of the Resolution 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

- (5) To make any changes or amendments requested by any bond rating agency then rating or requested to rate Parity Obligations, 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 Parity Obligations.

Amendments With Consent

Subject to the other provisions of the Resolution, the owners of Parity Obligations aggregating 51% in Outstanding Principal Amount have the right from time to time to approve any amendment, other than amendments described in the foregoing paragraph, to the Master Resolution, or with respect to an amendment affecting a particular supplemental resolution only, 51% in aggregate principal amount of the Parity Obligations issued under such supplemental resolution, which may be deemed necessary or desirable by the Board; provided, however, that no provision may permit or be construed to permit, without the approval of the owners of all of the Parity Obligations, the amendment of the terms and conditions in the Resolution so as to:

- (1) Grant to the owners of any outstanding Parity Obligations a priority over the owners of any other outstanding Parity Obligations;
- (2) Materially adversely affect the rights of the owners of less than all outstanding Parity Obligations then outstanding; or
- (3) Change the minimum percentage of the Outstanding Principal Amount necessary for consent to such amendment.

In addition to the foregoing limitations, the Supplemental Resolution provides that for all bonds issued pursuant to the Supplemental Resolution, including the Bonds, no provisions may be construed to permit, without the approval of the owners of all of such bonds outstanding, the amendment of the Supplemental Resolution or such bonds so as to:

- (1) Make any change in the maturity of the outstanding bonds;
- (2) Reduce the rate of interest borne by the outstanding bonds;
- (3) Reduce the amount of principal payable on the outstanding bonds;
- (4) Modify the terms of payment of principal of or interest on the outstanding bonds, or impose any conditions with respect to such payment;
- (5) Affect the rights of the owners of less than all bonds then outstanding; or
- (6) Change the minimum percentage of the Outstanding Principal Amount of bonds necessary for consent to such amendment.

Defeasance

Any Parity Obligations and the interest thereon will be deemed to be paid, retired, and no longer outstanding (a "Defeased Debt") within the meaning of the Resolution, except to the extent required for payment thereof, when the payment of all principal and interest payable with respect to such Parity Obligations to the due date or date thereof (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) has been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption or provision for the giving of same having been made) or (ii) has been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar for such Parity Obligations or an eligible financial institution for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) noncallable Government Obligations which 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, or (3) any combination of (1) and (2) above, and when proper arrangements have been made by the Board with each such Paying Agent or an eligible financial institution for the payment of its services until after all Defeased Debt has become due and payable. At such time as Parity Obligations are deemed to be Defeased Debt hereunder, as aforesaid, such Parity Obligations and the interest thereof will no longer be secured by, payable from, or entitled to the benefits of, the Pledged Revenues, and such principal and interest will be payable solely from such money or Government Obligations, and will not be regarded as outstanding for any purposes other than payment, transfer, and exchange. The Board has additionally reserved the right, subject to satisfying the requirements of (1) and (2) above, to substitute

other Government Obligations for the Government Obligations originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the Board moneys in excess of the amount required for such defeasance.

Additional Defeasance Provisions

In addition to the defeasance provisions set forth in the Master Resolution, the Resolution provides that, to the extent that the Bonds are treated as Defeased Debt for purposes of the Master Resolution, any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements described above shall not be irrevocable, provided that: in the proceedings providing for such defeasance, the Board (1) 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.

The Resolution also provides that, with respect to a defeasance of the Bonds, 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) and (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Board adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provides for the funding of an escrow to effect the defeasance of the Bonds are rated as to investment quality by a nationally recognized investment rating firm no less than “AAA” or its equivalent.

The Designated Financial Officer is authorized to limit these Government Obligations in the Award Certificate, as deemed necessary, in connection with the sale of the Bonds.

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APPENDIX E
FORM OF BOND COUNSEL OPINION