

COMMERCIAL PAPER MEMORANDUM



**BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM COMMERCIAL PAPER NOTES,
SERIES B**

CUSIP PREFIX
Tax Exempt: 88212L
Taxable: 88213M

The Board of Regents of The Texas A&M University System Revenue Financing System Commercial Paper Notes, Series B (the "Notes") are special obligations of the Board of Regents of The Texas A&M University System (the "Board"), payable from and secured by a lien on "Pledged Revenues" (as defined in the Master Resolution described herein) of the Board's Revenue Financing System on a parity with the Board's outstanding "Parity Obligations" (as defined in the Master Resolution). The Notes will be issued in whole or in part as Tax Exempt Commercial Paper Notes, Series B ("Tax Exempt Notes") or Taxable Commercial Paper Notes, Series B ("Taxable Notes"). The Notes are issued pursuant to a Master Resolution, as amended, and an Amended and Restated Second Supplemental Resolution to the Master Resolution (collectively, the "Resolution").

The Notes are exempt from registration under Section 3(a)(2) of the Securities Act of 1933, as amended.

For a discussion of the federal income tax treatment of the Notes, see "TAX MATTERS" herein. Forms of the respective opinions delivered by Orrick, Herrington & Sutcliffe LLP, as Bond Counsel to the Board in connection with the issuance of Notes, are attached hereto as "APPENDIX C-1 – FORM OF TAX EXEMPT NOTE OPINION" and "APPENDIX C-2 – FORM OF TAXABLE NOTE OPINION."

THE BOARD HAS NO TAXING POWER, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED AS SECURITY FOR THE NOTES. THE OWNERS OF THE NOTES SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THE NOTES FROM ANY SOURCE OTHER THAN PLEDGED REVENUES. See "THE COMMERCIAL PAPER NOTES" and "LIQUIDITY SUPPORT."

Dated: June 9, 2026

J.P. Morgan Morgan Stanley Siebert Williams Shank

INFORMATION CONCERNING THE OFFER

J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC, and Siebert Williams Shank & Co., LLC serve as dealers for the Board of Regents of the Texas A&M System Revenue Financing System Tax Exempt Commercial Paper Notes, Series B and Revenue Financing System Taxable Commercial Paper Notes, Series B (collectively, the "Notes") offered or to be offered hereby.

No dealer, broker or other person has been authorized to give any information or to make any representation other than as contained in this Commercial Paper Memorandum or the other information incorporated herein by reference, and if given or made, such other information or representation must not be relied upon as having been authorized.

This Commercial Paper Memorandum does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the Notes offered hereby, nor shall there be any offer or solicitation of such offer or sale of the Notes, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Commercial Paper Memorandum (including the information relating to The Texas A&M University System (the "A&M System") and other information incorporated herein by reference) has been prepared from information furnished by the A&M System and such information is believed to be reliable. No representation is made as to either the accuracy or completeness of the information herein (including the information incorporated herein by reference). Neither the delivery of this Commercial Paper Memorandum nor the sale of any of the Notes implies that the information herein (including the information incorporated herein by reference) is correct as of any time subsequent to the date hereof. The summaries of and references to documents, statutes and agreements in this Commercial Paper Memorandum (including the information incorporated herein by reference) do not purport to be complete, comprehensive or definitive, and are qualified by reference to the complete text of each such document, statute or agreement.

The information concerning the A&M System contained in this Commercial Paper Memorandum does not purport to cover all aspects of the A&M System's operations and financial position. During the period of the offering of the Notes, reference is made to the most recent unaudited Combined Financial Statements of The Texas A&M University System (with the relevant portion of the notes to the Combined Financial Statements) for the Fiscal Year ended August 31, 2025, and the Continuing Disclosure Annual Report for the Fiscal Year ended August 31, 2025, relating to the Board of Regents of the A&M System's bonds issued under the Revenue Financing System. This information is made available to the Municipal Securities Rulemaking Board or may be obtained by contacting the A&M System, Moore/Connally Building, 301 Tarrow, 5th Floor, College Station, Texas 77840-7896. See "INCORPORATION BY REFERENCE" herein.

COMMERCIAL PAPER MEMORANDUM
DATED: JUNE 9, 2026

BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM COMMERCIAL PAPER NOTES,
SERIES B

J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC, or Siebert Williams Shank & Co., LLC, each as Commercial Paper Dealer, is offering for sale, on behalf of the Board (as defined herein), Notes (as defined herein) in the aggregate principal amount not to exceed \$500,000,000 outstanding at any one time. Interest on the Notes is calculated on an actual (365-/366-day) year basis, and the Notes will be sold at par.

The Notes will be issued in whole or in part as Tax Exempt Commercial Paper Notes, Series B ("Tax Exempt Notes") or Taxable Commercial Paper Notes, Series B ("Taxable Notes" and, together with the "Tax Exempt Notes," the "Notes"). See "TAX MATTERS" for a discussion of the federal income tax treatment of the Notes. Forms of the respective opinions delivered by Orrick, Herrington & Sutcliffe LLP, as Bond Counsel in connection with the issuance of Notes, are attached hereto as "APPENDIX C-1 – FORM OF TAX EXEMPT NOTE OPINION" and "APPENDIX C-2 – FORM OF TAXABLE NOTE OPINION." Copies of such opinions are available upon request from the Commercial Paper Dealer. Capitalized terms used in this Commercial Paper Memorandum and not otherwise defined have the meaning assigned in the Resolution (as defined herein).

The Notes are exempt from registration under Section 3(a)(2) of the Securities Act of 1933, as amended.

THE TEXAS A&M UNIVERSITY SYSTEM

The Texas A&M University System (the "A&M System") is a state-wide university system consisting of twelve State-supported general academic institutions and eight research and service agencies. The general academic institutions are Texas A&M University (including Texas A&M University at Galveston and the Texas A&M University Health Science Center), Prairie View A&M University, Tarleton State University, Texas A&M University – Kingsville, Texas A&M University – Corpus Christi, Texas A&M International University, West Texas A&M University, East Texas A&M University (formerly named Texas A&M University – Commerce), Texas A&M University – Texarkana, Texas A&M University – Central Texas, Texas A&M University – San Antonio, and Texas A&M University – Victoria. The eight research and service agencies are Texas A&M AgriLife Research (formerly, Texas Agricultural Experiment Station), Texas A&M AgriLife Extension Service (formerly, Texas Cooperative Extension), Texas A&M Forest Service, Texas A&M Veterinary Medical Diagnostic Laboratory, Texas A&M Engineering Experiment Station, Texas A&M Engineering Extension Service, Texas A&M Transportation Institute, and Texas Division of Emergency Management. Texas A&M University's Health Science Center consists of the 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. For the 2025 fall semester, the general academic institutions had a total enrollment of approximately 175,635 students, of which approximately 72,256 attended Texas A&M University in College Station. The research and service agencies are engaged in a wide variety of research and public service activities in facilities located throughout the State of Texas (the "State"). The Fiscal Year 2026 budget of the A&M System is approximately \$8.1 billion, and the A&M System benefits from endowments, subject to certain restrictions, with a market value of approximately \$22.9 billion as of November 30, 2025. The A&M System is governed by a nine-member Board of Regents (the "Board") appointed by the Governor and confirmed by the Texas Senate.

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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:

Headcount Enrollment Information

<u>Institutions</u>	<u>Fall Semester⁽¹⁾</u>				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Texas A&M University ⁽²⁾	72,256	70,666	69,524	67,166	66,057
Texas A&M University at Galveston ⁽³⁾	2,188	2,138	2,155	2,232	2,168
Texas A&M Health Science Center	4,303	3,726	3,456	3,391	3,304
Texas A&M University – Central Texas	2,524	2,401	2,253	2,194	2,218
East Texas A&M University ⁽⁴⁾	13,316	12,741	11,894	10,754	10,966
Texas A&M University – Corpus Christi	11,366	11,266	10,867	10,778	10,762
Texas A&M International University	9,037	8,718	8,489	8,193	8,145
Texas A&M University – Kingsville	6,880	6,862	6,575	6,070	6,375
Texas A&M University – San Antonio	7,622	7,912	7,534	7,223	6,858
Texas A&M University – Texarkana	2,773	2,361	2,112	2,073	2,078
Prairie View A&M University	10,152	9,821	9,508	8,998	9,353
Tarleton State University	20,985	17,256	14,519	14,093	13,995
West Texas A&M University	9,197	9,037	9,030	9,242	9,545
Texas A&M University – Victoria	<u>3,000⁽⁵⁾</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
	<u>175,635</u>	<u>164,905</u>	<u>157,916</u>	<u>152,407</u>	<u>151,824</u>

- (1) The enrollment data has been certified by the Texas Higher Education Coordinating Board for 2021-2024. The 2025 enrollment data is 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) Texas A&M University – Commerce changed its name to East Texas A&M University in November 2024.
- (5) Effective September 1, 2025, A&M-Victoria became a member of the A&M System.

Investment Considerations

Weather and Environmental Related 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 property losses.

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.

THE COMMERCIAL PAPER NOTES

On November 19, 1990, the Board adopted the Master Resolution establishing The Texas A&M University System Revenue Financing System (the "Revenue Financing System"), and the Board amended such resolution on September 17, 1993, and July 25, 1997 (as amended, the "Master Resolution"). The Board adopted the Master Resolution for the purpose of assembling 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. The Master Resolution provides for the establishment of the Revenue Financing System and permits the Board to make additions to or deletions from the membership of the Revenue Financing System subject to the satisfaction of certain conditions specified therein. All of the institutions and agencies currently constituting members of the A&M System have been included as Participants of the Revenue Financing System. On March 27, 2008, the Board adopted the Amended and Restated Second Supplemental Resolution (the "Second Supplement"). On August 28, 2025, the Board adopted the First Amendment to the Amended and Restated Second Supplemental Resolution (the "First Amendment" and together with the Master Resolution and the Second Supplement, the "Resolution"). The First Amendment approves and authorizes the issuance of Parity Obligations, as defined in the Master Resolution, in an aggregate principal amount outstanding at any one time of \$500 million. Pursuant to the Resolution, the Notes are authorized to be issued in denominations of any multiple of \$1,000, with a minimum denomination of \$100,000, to mature and become due and payable on such dates as shall be determined at the time of sale; provided, however, that no Notes shall (i) mature after the Maximum Maturity Date of April 30, 2065 or (ii) have a term in excess of 270 calendar days.

The Notes may be issued as "Tax Exempt Notes" or "Taxable Notes" as described herein. The interest on Tax Exempt Notes is intended to be excludable from the gross income of the holders thereof for purposes of federal income taxation, assuming continuing compliance by the Board with certain tax related covenants under the Resolution and the applicable provisions of the Internal Revenue Code of 1986 as amended (the "Code"). (See "TAX MATTERS").

The Board is required to designate, at the time of or prior to issuance, whether Notes are intended to be issued as Tax Exempt Notes or Taxable Notes.

The Notes are special obligations of the Board payable from and secured solely by the Pledged Revenues, as defined in the Resolution. Pledged Revenues generally include, subject to the provisions of the Prior Encumbered Obligations (as defined below), 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 that are lawfully available to the Board for payments on Parity Obligations; provided, however, that the following shall be excluded from Pledged Revenues unless and to the extent set forth in a Supplement to the Master Resolution: (a) the interest of the A&M System in the Available University Fund under Article 7, Section 18 of the Constitution of the State of Texas, including the income therefrom and any balances relating thereto; (b) amounts received on behalf of any Participant under Article 7, Section 17 of the Constitution of the State of Texas, including the income therefrom and any 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.

The Board has calculated the Pledged Revenues (including unrestricted net assets of approximately \$1.9 billion) for Fiscal Year 2025 to be approximately \$5.6 billion.

"Prior Encumbered Obligations" means the bonds, notes, and other obligations of an institution or agency outstanding on the date it becomes a Participant of the Revenue Financing System and that are secured by a lien on and pledge of the Prior Encumbered General Fee, the Prior Encumbered Revenues, the Prior Encumbered Tuition Fee, or the Prior Encumbered General Tuition charged and collected at such institution or agency, and all existing obligations of the Board secured by a lien on a portion of the Pledged Revenues that is superior to the lien established by the Master Resolution on behalf of Parity Obligations. Currently, the only Prior Encumbered Obligations of the Board are those associated with the transfer of A&M-Victoria to the A&M System (See "FINANCIAL MANAGEMENT - Outstanding Prior Encumbered Obligations (Texas A&M University – Victoria)").

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 the Second Supplement, the Board has agreed to pay the principal of, and interest on, the Notes as the same become due and payable. If there are not anticipated to be Pledged Revenues or other lawfully available funds in an amount sufficient and in ample time to pay the principal of and interest on the Notes as such come due, the Second Supplement requires the A&M System to implement the procedures necessary to access the Board's liquidity support (see "LIQUIDITY SUPPORT").

The Resolution provides that any owner of the Notes may, in the event of default in connection with any covenant contained in the Resolution, or default in the payment of the Notes, or of any interest due thereon, or other costs and expenses related thereto, 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 Resolution does not establish other remedies or specifically enumerate events of default with respect to the Notes. The Resolution does not provide for a trustee to enforce the covenants and obligations of the Board. In no event will owners of the Notes have the right to have the maturity of the Notes accelerated as a remedy. The enforcement of the remedy of mandamus may be difficult and time consuming. 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 Notes, and the holders 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 Notes or for damages for breach of the Notes. 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 Notes and the pledge of the Pledged Revenues, and such pledge is therefore, valid, effective and perfected. Should State law be amended while the Notes 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 owners of the Notes 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 Resolution provides that the Notes shall be treated as Defeased Debt when, among other things, there shall have been irrevocably deposited with an eligible bank or trust company noncallable Government Obligations which mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for the payment of all principal and interest with respect to such Notes to the due date or dates thereof. The Second Supplement also provides that, with respect to a defeasance of Notes, the term "Government Obligations" shall mean (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

In the Second Supplement, the Board also authorized a book-entry system for registration of the Notes with The Depository Trust Company, New York, New York ("DTC"). Ownership of beneficial interests in the Notes shall be shown by book entry on the system maintained and operated by DTC (see "APPENDIX A – BOOK-ENTRY-ONLY SYSTEM").

THE NOTES ARE NOT GENERAL OBLIGATIONS OF THE BOARD, THE A&M SYSTEM OR ANY PART THEREOF, THE STATE, OR ANY 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 NOTES. THE BREACH OF ANY COVENANT, AGREEMENT, OR OBLIGATION CONTAINED IN THE MASTER RESOLUTION OR THE SECOND SUPPLEMENT WILL NOT IMPOSE OR RESULT IN GENERAL LIABILITY ON OR A CHARGE AGAINST THE GENERAL CREDIT OF THE BOARD OR THE A&M SYSTEM.

The Notes will be payable at the offices of the Issuing and Paying Agent, U. S. Bank Trust, N. A., New York, New York (the "Agent").

FINANCIAL MANAGEMENT

The A&M System's Chief Investment Officer and Treasurer is responsible for the operational activities of debt, cash and investment management of the A&M System's operating and endowment funds, and the Chief Administrative Officer is responsible for budgets, accounting, and financial statements.

State CAFR

The State issues an audited Comprehensive Annual Financial Report ("CAFR"), prepared in accordance with generally accepted accounting principles, for the State as a whole. The CAFR is normally available in April of each year. The CAFR is prepared by the State Comptroller of Public Accounts (the "Comptroller") and is audited by the State Auditor's Office. The State Auditor expresses an opinion on the CAFR 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 CAFR, the State Auditor examines the financial records of 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 central administration office of the A&M System (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 Commercial Paper Memorandum 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, 2025, excerpted from the 2025 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, 2025, the Combined Statement of Revenues, Expenses and Changes in Net Position for the Year Ended August 31, 2025 and the Combined Statement of Cash Flows

for the Year Ended August 31, 2025. See "APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM."

The following table reflects the unaudited condensed statement of net position of the A&M System as of August 31, 2025, 2024, 2023, 2022 and 2021.

Condensed Statement of Net Position
as of August 31, 2025, 2024, 2023, 2022, and 2021
(In Thousands)⁽¹⁾

	<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2021</u>
Assets and Deferred Outflows of Resources:					
Current Assets	\$4,920,911	\$4,773,951	\$4,083,627	\$3,192,631	\$3,311,963
Capital Assets, Net	8,759,745	7,930,020	7,593,351	7,370,850	7,161,422
Other Assets and Deferred Outflows	<u>10,095,262</u>	<u>9,973,460</u>	<u>9,081,189</u>	<u>8,395,797</u>	<u>8,846,324</u>
Total Assets and Deferred Outflows	<u>23,775,918</u>	<u>22,677,431</u>	<u>20,758,167</u>	<u>18,959,278</u>	<u>19,319,709</u>
Liabilities and Deferred Inflows of Resources:					
Current Liabilities	2,530,233	2,603,972	2,448,905	2,285,953	2,163,674
Non-Current Liabilities	8,178,188	8,200,101	8,152,378	7,987,656	8,107,908
Other Liabilities and Deferred Inflows	<u>1,429,222</u>	<u>1,727,470</u>	<u>1,217,279</u>	<u>968,902</u>	<u>558,504</u>
Total Liabilities and Deferred Inflows	12,137,643	12,531,543	11,818,562	11,242,511	10,830,086
Net Position:					
Net Investment In Capital Assets	3,238,879	2,368,526	2,358,671	2,133,354	2,514,273
Restricted					
Expendable	1,699,677	1,835,111	1,636,886	1,516,974	1,150,873
Non-Expendable	474,970	476,719	467,520	457,596	434,425
Unrestricted	<u>6,224,749</u>	<u>5,465,532</u>	<u>4,476,528</u>	<u>3,608,843</u>	<u>4,390,052</u>
Total Net Position	11,638,275	10,145,888	8,939,606	7,716,767	8,489,623
Liabilities, Deferred Inflows, and Net Position	<u>\$23,775,918</u>	<u>\$22,677,431</u>	<u>\$20,758,167</u>	<u>\$18,959,278</u>	<u>\$19,319,709</u>

⁽¹⁾ 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, 2025." The Fiscal Year 2021 results reflect the operational and financial impact of the COVID-19 worldwide pandemic and measures implemented in response thereto.

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The table below presents the Combined Statement of Revenues, Expenses and Changes in Net Position of the A&M System (unaudited) for Fiscal Years 2025, 2024, 2023, 2022 and 2021.

**Combined Statement of Revenues, Expenses and Changes in Net Position
for the Years Ended August 31, 2025, 2024, 2023, 2022 and 2021
(In Thousands)⁽¹⁾**

	<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2021</u>
Operating Revenues:					
Net Tuition and Fees	\$1,331,609	\$1,381,869	\$1,354,279	\$1,351,773	\$1,272,746
Professional Fees	756	1,031	1,031	2,218	2,325
Net Auxiliary Enterprises	433,072	419,842	390,559	397,180	293,456
Net Other Sales of Goods and Services	481,165	403,204	372,519	318,708	290,961
Interest Revenue	716	752	677	736	690
Federal Revenue – Operating	759,031	766,104	702,554	635,131	633,066
Federal Pass Through Revenue	54,581	48,855	130,667	173,175	216,638
State Grant Revenue	7,653	6,686	6,869	5,296	5,100
State Pass Through Revenue	183,162	149,625	148,229	134,091	122,647
Other Grants and Contracts – Operating	280,550	321,874	335,876	286,058	293,653
Other Operating Revenue	<u>129,956</u>	<u>144,395</u>	<u>97,012</u>	<u>89,468</u>	<u>83,832</u>
Total Operating Revenue	3,662,251	3,644,237	3,540,272	3,393,834	3,215,114
Operating Expenses:					
Instruction	1,576,820	1,499,164	1,459,082	1,356,016	1,277,893
Research	1,313,296	1,291,326	1,172,589	1,075,818	1,131,888
Public Service	1,845,430	1,487,153	2,372,558	4,186,799	8,652,840
Academic Support	653,511	617,107	561,578	515,673	474,627
Student Services	306,078	282,430	267,115	248,857	224,917
Institutional Support	531,373	433,160	389,761	362,468	373,393
Operations and Maintenance of Plant	455,714	412,822	373,013	383,684	341,892
Scholarships and Fellowships	250,429	295,956	280,447	453,370	411,202
Auxiliary	598,763	576,938	502,246	450,801	384,360
Depreciation/Amortization	582,261	<u>586,407</u>	<u>558,093</u>	<u>528,430</u>	<u>514,749</u>
Total Operating Expenses	<u>8,113,675</u>	<u>7,482,463</u>	<u>7,936,483</u>	<u>9,561,916</u>	<u>13,787,761</u>
Operating Loss	(4,451,424)	(3,838,226)	(4,396,211)	(6,168,082)	(10,572,647)
Non-Operating Revenues (Expenses):					
Legislative Revenue	2,413,745	1,843,225	1,820,839	1,357,437	1,341,820
Federal Revenue Non-Operating	1,437,657	857,202	1,530,785	4,189,609	7,910,554
Federal Pass Through Non-Operating	161,027	25,830	656,163	(80,485)	810,044
State Pass Through Non-Operating	301,791	372,528	226,842	120,499	86,714
Gifts	345,762	283,197	389,708	220,809	199,166
Investment Income	693,614	1,068,461	558,834	(830,506)	1,010,059
Investing Activities Expense	(31,478)	(26,454)	(22,358)	(23,936)	(22,187)
Interest Expense	(209,911)	(197,250)	(188,746)	(179,825)	(172,696)
Borrower Rebates and Agent Fees	(2,514)	(2,263)	(2,454)	(285)	(2,598)
Gain (Loss) on Sale or Disposal of Capital Assets	696	(11,263)	2,715	14,282	(122)
Net Increase (Decrease) in Fair Value	0	0	0	0	0
Settlement of Claims	(1,529)	(4,238)	(812)	(78)	(233)
Other Non-Operating Revenues	43,844	62,407	115,586	33,285	74,035
Other Non-Operating (Expenses)	<u>(87,096)</u>	<u>(57,464)</u>	<u>(124,758)</u>	<u>(41,007)</u>	<u>(78,750)</u>
Total Non-Operating Revenues (Expenses)	5,065,608	4,213,918	4,962,345	4,779,799	11,155,806
Income (Loss) Before Other Revenues and Transfers	614,184	375,692	566,134	(1,388,283)	583,159
Capital Contributions	7,130	29,314	11,546	13,917	12,915
Capital Appropriations (Higher Education Fund)	49,881	49,881	48,420	48,420	48,420
Additions to Permanent and Term Endowments	4,785	6,190	12,110	12,586	80,771
Transfers to/from Other State Agencies	<u>816,407</u>	<u>745,205</u>	<u>584,629</u>	<u>540,972</u>	<u>422,719</u>
Change in Net Position	1,492,387	1,206,282	1,222,839	(772,388)	1,147,984
Net Position, Beginning of Year	10,145,888	8,939,606	7,716,767	8,489,623	7,341,639
Restatement	<u>0</u>	<u>0</u>	<u>0</u>	<u>(468)</u>	<u>0</u>
Net Position, Beginning of Year, Restated	10,145,888	8,939,606	7,716,767	8,489,155	7,341,639
Net Position – August 31, 2025-2021	<u>\$11,638,275</u>	<u>\$10,145,888</u>	<u>\$8,939,606</u>	<u>\$7,716,767</u>	<u>\$8,489,623</u>

(1) 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, 2025." The Fiscal Year 2021 results reflect the operational and financial impact of the COVID-19 worldwide pandemic and measures implemented in response thereto.

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, 2025, see "APPENDIX B – UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM—Management’s Discussion and Analysis—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 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 2025-26 academic year, the Coordinating Board has computed \$455 per semester credit hour for nonresident undergraduate tuition. The tuition rates described above are referred to in this Commercial Paper Memorandum as "State Mandated 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 level described above with respect to State Mandated Tuition. Effective for tuition charged for the Fall 2003 semester, a governing board could charge any student an amount (referred to in this Commercial Paper Memorandum as "Board Designated Tuition") that it considered necessary for the effective operation of the institution. The 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 additional 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, which were contained in House Bill 3015. In connection with the authorization of Board Designated Tuition, building use fees, which were historically included in Pledged General Fees (and as defined in) under 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.

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. For A&M System universities, this fixed tuition price plan also includes mandatory fees.

As part of the State of Texas’ Higher Education Affordability initiative, in which higher education institutions received additional state funding, the Board 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.

On May 27, 2026, the Governor distributed a letter to the governing boards of institutions of higher education, including the Board, directing that no institution in the State should approve undergraduate tuition increases for the 2026-27 academic school year.

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. Currently, 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 2025 semester based on 15 semester credit hours.

Fall 2025 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
East Texas A&M University	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
Texas A&M University - Victoria	750	3,634	4,384

*Tuition is based on guaranteed rates and varies by program of study. This 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 amounts 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.

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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 2026-2027 biennium that began on September 1, 2025, which appropriated approximately \$2.70 billion for the A&M System from the general revenue fund for Fiscal Year 2026 and approximately \$1.82 billion for Fiscal Year 2027. Based on the original operating budget for the A&M System for the Fiscal Year ending August 31, 2026, State appropriations comprise approximately 31% of A&M System revenues for Fiscal Year 2026. These amounts include legislative revenues and net transfers from other State agencies.

The 89th State Legislature authorized special general revenue appropriations in the amount of: (1) \$59.8 million to the A&M System for Bush Combat Development Center; (2) \$25 million to the A&M System for capital improvements at Easterwood Airport; (3) \$124,754,143 to Texas A&M Forest Service ("TFS") for responding to natural disasters; (4) \$44 million to TFS for administration and operation of the rural volunteer fire department assistance program; (5) \$257 million to TFS for purchase, maintenance, and operation of aircraft for wildfire suppression; (6) \$192,291,000 to TFS to address the backlog of volunteer fire department assistance; (7) \$2,056,918 to TFS for motor vehicle purchases; (8) \$4 million to West Texas A&M University to support a behavioral health workforce initiative; (9) \$135 million to Texas Division of Emergency Management ("TDEM") for supporting and enhancing operation facilities and staging areas; (10) \$7.8 million to TDEM for motor vehicle purchases; and (11) \$2 million to Texas A&M University – Central Texas to establish a new military transition program for veterans.

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) from the MSRB's internet 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 2026-27 biennium in amounts equal to the total debt service for the A&M System's revenue bonds issued for CCAPs, including \$153,020,856 for Fiscal Year 2026 and \$153,019,218 for Fiscal Year 2027.

The State Legislature also appropriated funds to reimburse debt service on revenue bonds issued for CCAPs for the benefit of A&M-Victoria, including \$7,748,050 for Fiscal Year 2026 and \$7,748,050 for Fiscal Year 2027. These bonds were originally issued by the University of Houston System and will be refunded by the A&M System in the future.

In addition, the State Legislature appropriated general revenue funds totaling \$11,340,812 in Fiscal Year 2026 and \$11,342,658 in Fiscal Year 2027 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 Texas A&M Veterinary Medical Diagnostic Laboratory'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 2025, the A&M System received contributions (gifts, grants and contracts) exceeding \$638.2 million from the private sector, and during the five complete Fiscal Years preceding 2025, the A&M System received contributions averaging in excess of \$594.6 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 East Texas A&M University ("ETAMU"), Texas A&M University – Corpus Christi ("A&M – Corpus Christi"), Texas A&M International University ("TAMU"), Texas A&M University – Kingsville ("A&M – Kingsville"), Texas A&M University – Texarkana ("A&M – Texarkana"), West Texas A&M University ("WTAMU"), Texas A&M University – Victoria ("A&M – Victoria"), Texas A&M Veterinary Medical Diagnostic Laboratory ("TVMDL") and Texas Division of Emergency Management ("TDEM"). Proceeds may not be used to finance permanent improvements of auxiliary enterprises or athletic facilities.

As of June 09, 2026, the Board's constitutionally authorized PUF bond capacity was approximately \$3,610,260,551.99 and the aggregate amount of the Board's PUF bonds and notes issued and outstanding under this limit was \$1,803,020,000.

Higher Education Fund Bonds

The following member institutions are not eligible to receive proceeds from PUF bonds and notes under the PUF Constitutional Provision: ETAMU; A&M - Corpus Christi; TAMU; A&M – Kingsville; A&M – Texarkana; WTAMU; A&M – Victoria; 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 athletic facilities or auxiliary enterprises). 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 89th State Legislature appropriated HEF program funds for A&M System institutions in the amounts of \$73,408,079 for Fiscal Year 2026 and \$73,408,079 for Fiscal Year 2027. 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, 2025 – 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 pursuant to general law or in accordance with 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 June 09, 2026, the A&M System had the following described indebtedness:

Revenue Financing System

Revenue Financing System Bonds, Series 2013B	27,865,000
Revenue Financing System Bonds, Series 2015B	46,775,000
Revenue Financing System Bonds, Taxable Series 2015C	25,010,000
Revenue Financing System Bonds, Taxable Series 2015D	49,725,000
Revenue Financing System Bonds, Taxable Series 2016A ⁽²⁾	21,505,000
Revenue Financing System Bonds, Taxable Series 2016B	224,585,000
Revenue Financing System Bonds, Series 2016C ⁽²⁾	97,775,000
Revenue Financing System Bonds, Taxable Series 2016D ⁽²⁾	104,355,000
Revenue Financing System Bonds, Series 2016E ⁽²⁾	58,660,000
Revenue Financing System Bonds, Taxable Series 2017A ⁽¹⁾	159,195,000
Revenue Financing System Bonds, Taxable Series 2017B ⁽²⁾	155,165,000
Revenue Financing System Bonds, Series 2017C ⁽²⁾	60,210,000
Revenue Financing System Bonds, Taxable Series 2017D	122,590,000
Revenue Financing System Bonds, Series 2017E	248,395,000
Revenue Financing System Bonds, Taxable Series 2019A	161,645,000
Revenue Financing System Bonds, Taxable Series 2019B	373,940,000
Revenue Financing System Bonds, Taxable Series 2020A	127,390,000
Revenue Financing System Bonds, Series 2021A	164,195,000
Revenue Financing System Bonds, Taxable Series 2021B	186,305,000
Revenue Financing System Bonds, Series 2022	179,520,000
Revenue Financing System Bonds, Series 2024A	367,255,000
Revenue Financing System Bonds, Series 2025A ⁽²⁾	209,930,000
Revenue Financing System Bonds, Taxable Series 2025B ⁽²⁾	53,060,000
Revenue Financing System Commercial Paper Notes ⁽³⁾	270,138,000
	<u>\$ 3,495,188,000</u>

Permanent University Fund

Permanent University Fund Bonds, Series 1998	10,305,000
Permanent University Fund Bonds, Taxable Series 2012B	50,025,000
Permanent University Fund Bonds, Series 2013	50,805,000
Permanent University Fund Bonds, Taxable Series 2015B	77,685,000
Permanent University Fund Bonds, Series 2017A	70,865,000
Permanent University Fund Bonds, Taxable Series 2017B	310,220,000
Permanent University Fund Bonds, Taxable Series 2019	333,190,000
Permanent University Fund Bonds, Series 2023	223,815,000
Permanent University Fund Bonds, Series 2025A	376,110,000
Permanent University Fund Commercial Paper Notes ⁽⁴⁾	300,000,000
	<u>\$ 1,803,020,000</u>
	<u>\$ 5,298,208,000</u>

TOTAL

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- (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 "FINANCIAL MANAGEMENT – 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 \$500 million.
- (4) Under current Board authorization, Permanent University Fund Commercial Paper Notes may be issued up to a total of \$300 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 \$500 million Revenue Financing System commercial paper program to facilitate interim financing of capital improvement projects. The liquidity support for the full authorization of \$500 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.

The Board anticipates issuing approximately \$258.6 million in additional Revenue Financing System commercial paper notes or bonds for additional projects during Fiscal Year 2026. In addition, the Board may issue Revenue Financing System bonds from time to time to refund outstanding Revenue Financing System debt to achieve debt service savings.

The Board anticipates issuing approximately \$400 million in additional Permanent University Fund Bonds for additional projects on June 23, 2026. New money proceeds from this issuance will total approximately \$100 million.

Outstanding Prior Encumbered Obligations (Texas A&M University – Victoria)

As of June 09, 2026, the Board has the following described indebtedness which constitutes Prior Encumbered Obligations of A&M – Victoria and are secured solely by a prior lien on the pledged revenues of A&M–Victoria.

	Outstanding Principal ⁽²⁾ ⁽³⁾
The Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Series 2016A ⁽¹⁾	\$ 18,310,000
The Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Series 2017A ⁽¹⁾	39,750,000
The Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Series 2017C ⁽¹⁾	9,205,000
The Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Series 2020A ⁽¹⁾	10,045,000
The Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Taxable Series 2020B	315,000
The Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Series 2021A	1,033,000
The Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Taxable Series 2021B	200,000
The Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Series 2022A ⁽¹⁾	36,185,000
The Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Series 2024A	12,795,000
The Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Taxable Series 2024B	<u>1,470,000</u>
TOTAL	<u>\$129,308,000</u>

⁽¹⁾ A portion of these bonds constitute revenue bonds that qualify for reimbursement from State appropriations for debt service payments for 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&M – Victoria's outstanding Prior Encumbered Obligations will be recognized in the A&M System's Fiscal Year 2026 Annual Comprehensive Financial Report in accordance with GASB guidelines but do not constitute Parity Obligations under the Master Resolution.

⁽³⁾ Only includes amount attributable to A&M – Victoria.

Nonrecourse Debt and Subordinated Debt

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

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"), ETAMU, 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 \$252.6 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 \$165.4 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 2027, 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 April 30, 2026 of approximately \$23.5 billion (including the A&M System's foundations and one-third share of the PUF). As of April 30, 2026, endowment funds under the direct control of the A&M System had a value of approximately \$1.75 billion and consisted of marketable securities and investments. Of this amount, approximately \$19.1 million was attributable to funds held for investment on behalf of Texas Woman's University System. Distributions are calculated at 7% 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 April 30, 2026, the market value of the PUF was approximately \$43.6 billion (excluding land), one-third of which is designated for the A&M System. The audited annual financial statements for the PUF for Fiscal Years ended August 31, 2025 and 2024 have been filed by the A&M System with the MSRB and are incorporated by reference into this Commercial Paper Memorandum. 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. Today, 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 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 April 30, 2026 was approximately \$7.0 billion, which does not include the proceeds of any Revenue Financing System or PUF debt. Of this amount, approximately \$262.6 million is attributable to funds held for investment on behalf of Texas Woman's University System. The Pool is invested with 30.0% in fixed income securities, 41.3% in equities and 28.57% in alternative assets. The Revenue Financing System debt proceeds are invested solely in the short-term portfolio.

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

Short-Term Portfolio	8%
Fixed Income	32%
Global Public Equity	40%
Absolute Return	20%

The A&M System is reporting net returns of 15.6% and 15.8% for the twelve months ended April 30, 2026 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.

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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>
2025	\$6,789,772	\$1,604,264	\$16,974,406
2024	6,255,751	1,571,858	15,620,097
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

*The Fiscal Year 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 \$242.4 million, \$222.6 million and \$193.7 million as of August 31, 2025, 2024 and 2023, respectively. 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 as of August 31, 2021.

*** Includes funds held for investment on behalf of Texas Woman's University System, which totaled \$18.2 million, \$18.1 million and \$16.8 million as of August 31, 2025, 2024 and 2023, respectively. 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 as of August 31, 2021.

For a discussion of investment results for Fiscal Year 2025, see "APPENDIX 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 these endowments is reported annually to the A&M System as of June 30th with the most recent market value as of June 30, 2025 at \$3.7 billion, 82% 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 the Available University Fund, the Higher Education Funds 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 April 30, 2026, the amount of A&M System funds held by the State Treasury was \$1.45 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; and personnel – unexpected expense associated with employee health, termination, or death. 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 2024 measurement period for Fiscal Year 2025 reporting, the amount of the A&M System contributions recognized by the TRS Plan totaled \$92,335,042. At August 31, 2025, the A&M System reported a liability of \$898,361,344 for its proportionate share of the collective net pension liability under the TRS Plan, which was equal to 1.4706940569% 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, 2025, the A&M System contributed \$51,405,229.17 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, 2025. 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, 2025, the A&M System is responsible for 64.64% of the OPEB liability related to the OPEB Participants, and the State is responsible for the remaining 35.36% of the OPEB liability related to the OPEB

Participants. As of September 1, 2023¹, there were approximately 37,002 OPEB Participants and 3,629 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, 2025, the A&M System reported, measured as of September 1, 2023 and determined by an actuarial valuation as of September 1, 2023, that its proportional share of the total OPEB liability was \$1,921,961,080 (with a current portion of \$58,788,438 and a long-term portion of \$1,863,172,642). 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.

LIQUIDITY SUPPORT

Self-Liquidity

The Board has agreed to provide sufficient liquidity in the Revenue Financing System to support notes outstanding in an aggregate principal amount of up to \$500 million at any one time. The liquidity support is provided via the Pool, which is outlined in "FINANCIAL MANAGEMENT – Investment Policy and Procedures and Endowments – Investment Programs." In the Second Supplement, the Board has reserved the right to enter into a liquidity agreement to provide liquidity for a part or all of the Notes. No assurances can be given that the Board will be able to enter into a liquidity agreement. The availability for borrowings under a liquidity agreement may be subject to reasonable conditions precedent, including but not limited to bankruptcy of the Board.

Notification of Holders

The Board will notify the Issuing and Paying Agent and the holders of outstanding Notes prior to entering into a liquidity agreement with regard to its obligations under the Notes. In addition, no such liquidity facility will be entered into with respect to or in support of the outstanding Notes. In the event a liquidity agreement is entered into with respect to the Notes, the Board will notify the Issuing and Paying Agent and the holders of outstanding Notes prior to substituting a new liquidity agreement or terminating the then existing liquidity agreement.

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, 2025, 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, 2023 based on an actuarial valuation as of September 1, 2023 roll forward twelve months.

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 before 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 that seeks to restrain or enjoin the establishment of the Revenue Financing System, the issuance or delivery of the Notes or the collection or application of Pledged Revenues to pay the principal of and interest on the Notes, or in any manner questioning the validity of the Notes.

RATINGS

The debt of the Board payable from the Revenue Financing System is presently rated as set forth below:

	<u>Notes</u>	<u>Bonds</u>
Moody's Investors Service	P-1	Aaa
Standard & Poor's Rating Group	A-1+	AAA
Fitch Ratings	F1+	AAA

An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such organizations, 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 any of such rating companies, if in the judgment of any or all of the companies, circumstances so warrant. Any downward revision or withdrawal of any or all of the ratings may have an adverse effect on the market price of the Notes.

TAX MATTERS

Federal Income Tax Treatment for the Tax Exempt Notes

On September 25, 2025, Bond Counsel delivered its opinion (the "Initial Tax Exempt Opinion") that (1) 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 Tax Exempt Notes, when issued in accordance with the Tax Certificate and the Resolution, is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), (2) interest on the Tax Exempt Notes is not a specific preference item for purposes of the federal individual alternative minimum tax and (3) the amount treated as interest on the Tax Exempt Notes and excluded from gross income will depend upon the taxpayer's election under Internal Revenue Notice 94-84. Bond Counsel observed that interest on the Tax Exempt Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expressed no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. Bond Counsel has not undertaken to affirm, repeat or in any manner republish the Initial Tax Exempt Opinion for the Tax Exempt Notes. Complete copies of the forms of the opinions are set forth in APPENDIX C-1—"FORM OF TAX EXEMPT NOTE OPINION" AND "APPENDIX C-2 – FORM OF TAXABLE NOTE OPINION."

As used herein, "U.S. Holder" means a Beneficial Owner of a Note that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, "Non-U.S. Holder" generally means a Beneficial Owner of a Note (other than a partnership) that is not a U.S. Holder. If a partnership holds Notes, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Notes, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Notes (including their status as U.S. Holders or Non-U.S. Holders).

Tax Exempt Notes

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 Tax Exempt Notes. The Board has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Tax Exempt Notes 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 Tax Exempt Notes being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Tax Exempt Notes. Initial Tax Exempt Opinion 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 Tax Exempt Notes may adversely affect the value of, or the tax status of interest on, the Tax Exempt Notes. Accordingly, Initial Tax Exempt Opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Tax Exempt Notes 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 Tax Exempt Notes 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 Tax Exempt Notes to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state 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 legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Tax Exempt Notes. Prospective purchasers of the Tax Exempt Notes 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.

Initial Tax Exempt Opinion 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 Tax Exempt Notes 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 Tax Exempt Notes ends with the issuance of the Tax Exempt Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Board or the Beneficial Owners regarding the tax-exempt status of the Tax Exempt Notes 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 Notes 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 Tax Exempt Notes for audit, or the course or result of such audit, or an audit of Notes presenting similar tax issues may affect the market price for, or the marketability of, the Tax Exempt Notes, and may cause the Board or the Beneficial Owners to incur significant expense.

For U.S. Holders of Tax Exempt Notes

Notice 94-84, 1994-2 C.B. 559, states that the IRS is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the "original issue discount"). The Tax Exempt Notes will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be

paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Tax Exempt Notes if the taxpayer elects original issue discount treatment.

Payments on the Tax Exempt Notes 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 U.S. Holder of Tax Exempt Notes may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Tax Exempt Notes and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Tax Exempt Notes. 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 U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. Holders (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.

For Non-U.S. Holders of Tax Exempt Notes

Subject to the discussion below addressing backup withholding tax requirements, payments of principal of, and interest on, any Tax Exempt Note to a Non-U.S. Holder, generally will not be subject to any federal withholding tax.

Subject to the discussion below addressing backup withholding tax requirements, any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the Board) or other disposition of a Tax Exempt Note generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the Board) or other disposition and certain other conditions are met.

Under current U.S. Treasury Regulations, payments of principal and interest on any Tax Exempt Notes to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the Beneficial Owner of the Tax Exempt Note or a financial institution holding the Tax Exempt Note on behalf of the Beneficial Owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a Beneficial Owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury.

Taxable Notes

On September 25, 2025, Bond Counsel delivered its opinion (the "Initial Taxable Opinion") that 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, Bond Counsel observed that interest on the Taxable Notes is not excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. Bond Counsel expressed no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. Bond Counsel has not undertaken to affirm, repeat or in any manner republish the Initial Taxable Opinion for the Taxable Notes. Complete copies of the forms of the opinions are set forth in APPENDIX C-1—"FORM OF TAX EXEMPT NOTE OPINION" AND "APPENDIX C-2 – FORM OF TAXABLE NOTE OPINION."

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to holders of the Taxable Notes that acquire their Taxable Notes in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any of the U.S. federal tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all

categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Taxable Notes as part of a hedge, straddle or an integrated or conversion transaction, investors whose "functional currency" is not the U.S. dollar, or certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Taxable Notes under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Taxable Notes pursuant to this offering for the issue price that is applicable to such Taxable Notes (i.e., the price at which a substantial amount of the Taxable Notes are sold to the public) and who will hold their Taxable Notes as "capital assets" within the meaning of Section 1221 of the Code.

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Taxable Notes in light of their particular circumstances.

For U.S. Holders of Taxable Notes

Interest. Interest on the Taxable Notes generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

To the extent that the issue price of any maturity of the Taxable Notes is less than the amount to be paid at maturity of such Taxable Notes (excluding amounts stated to be interest and payable at least annually over the term of such Taxable Notes) by more than a de minimis amount, the difference may constitute original issue discount ("OID"). U.S. Holders of Taxable Notes will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Taxable Notes purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Taxable Note issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Taxable Note.

Sale or Other Taxable Disposition of the Taxable Notes. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the Board) or other disposition of a Taxable Note will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Taxable Note will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Taxable Note, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Taxable Note (generally, the purchase price paid by the U.S. Holder for the Taxable Note, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Taxable Note). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Taxable Notes, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Taxable Notes exceeds one year. The deductibility of capital losses is subject to limitations.

Defeasance of the Taxable Notes. If the Board defeases any Taxable Note, the Taxable Note may be deemed to be retired for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder's adjusted U.S. federal income tax basis in the Taxable Note.

Information Reporting and Backup Withholding. Payments on the Taxable Notes 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 U.S. Holder of the Taxable Notes may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Taxable Notes and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Taxable Notes. 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 the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. Holders (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.

For Non-U.S. Holders of Taxable Notes

Interest. Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act ("FATCA")—U.S. Holders and Non-U.S. Holders," payments of principal of, and interest on, any Taxable Note to a Non-U.S. Holder, other than (1) a controlled foreign corporation described in Section 881(c)(3)(C) of the Code, and (2) a bank which acquires such Taxable Note in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. federal withholding tax provided that the Beneficial Owner of the Taxable Note provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading "Information Reporting and Backup Withholding," or an exemption is otherwise established.

Disposition of the Taxable Notes. Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act ("FATCA,")—U.S. Holders and Non-U.S. Holders," any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the Board or a deemed retirement due to defeasance of the Taxable Note) or other disposition of a Taxable Note generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the Board) or other disposition and certain other conditions are met.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading "Foreign Account Tax Compliance Act ("FATCA")—U.S. Holders and Non-U.S. Holders," under current U.S. Treasury Regulations, payments of principal and interest on any Taxable Notes to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the Beneficial Owner of the Taxable Note or a financial institution holding the Taxable Note on behalf of the Beneficial Owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a Beneficial Owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury.

Foreign Account Tax Compliance Act ("FATCA")—U.S. Holders and Non-U.S. Holders of Taxable Notes

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Under current guidance, failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest on the Taxable Notes. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain "passthru" payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term "foreign passthru payments." Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Taxable Notes in light of the holder's particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Taxable Notes, including the application and effect of state, local, non-U.S., and other tax laws.

FINANCIAL ADVISOR

Hilltop Securities Inc. ("Hilltop Securities") is employed as Financial Advisor to the Board in connection with the issuance of the Notes. The Financial Advisor's fee for services rendered with respect to the sale of the Notes is contingent upon the issuance and delivery of the Notes. Hilltop Securities has agreed, in its Financial Advisory contract, not to bid for the Notes, either independently or as a member of a syndicate organized to submit a bid for the Notes. Hilltop Securities, in its capacity as Financial Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Notes, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the Board has provided the following sentence for inclusion in this Commercial Paper Memorandum. The Financial Advisor has reviewed the information in this Commercial Paper Memorandum in accordance with, and as part of, its responsibilities to the Board and, as applicable, 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.

INCORPORATION BY REFERENCE

The most recent unaudited Combined Financial Statements of The Texas A&M University System (with the relevant portion of the notes to the Combined Financial Statements) for the Fiscal Year ended August 31, 2025, and the Continuing Disclosure Annual Report for the Fiscal Year ended August 31, 2025, relating to the Board's bonds issued under the Revenue Financing System (the "2025 Continuing Disclosure Annual Report" filed January 12, 2026) have been filed with the MSRB. In addition, event notices relating to the Board's bonds issued under the Revenue Financing System have been filed with the MSRB from time to time. Such information is incorporated herein. Such documents speak only as of their date.

When reference is made in this Commercial Paper Memorandum to a document that is incorporated by reference, copies of such documents may be obtained free of charge (i) via the MSRB's Electronic Municipal Market Access system at www.emma.msrb.org, or (ii) from the A&M System at the location set forth below: Attention: Chief Investment Officer and Treasurer, Telephone: (979) 458-6330.

Additional financial information and operating data relating to the A&M System are available free of charge via the MSRB's Electronic Municipal Market Access system at www.emma.msrb.org.

Such information is also available from the Board and may be obtained, upon request, from Benjamin K. Wall, Chief Investment Officer and Treasurer, Moore/Connally Building, 301 Tarrow, 5th Floor, College Station, TX 77840-7896, telephone: (979) 458-6330.

AVAILABLE INFORMATION

No attempt is made herein to summarize the Master Resolution or the Second Supplement. Those documents may be examined upon reasonable prior notice at the office of the Chief Investment Officer and Treasurer during regular business hours. Copies of the Master Resolution and the Second Supplement are on file with the Issuing and Paying Agent for the Notes. The Board will make available upon request copies of the Master Resolution and the Second Supplement and its most recent Annual Financial Statements.

CONTINUING DISCLOSURE EXEMPTION

The offering of the Notes is exempt from the provisions of Rule 15c2-12 of the Securities and Exchange Commission and, therefore, this Commercial Paper Memorandum has not been deemed final under the provisions of said Rule, and the Board has not entered into any agreement to provide for continuing disclosure of information in connection with the Notes.

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APPENDIX A

BOOK-ENTRY ONLY SYSTEM

This section describes how ownership of the Notes is to be transferred and how the principal of, premium, if any, and interest on the Notes are to be paid to and credited by the Depository Trust Company ("DTC"), New York, NY, while the Notes are registered in its nominee's 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 Commercial Paper Memorandum. The Board believes the source of such information to be reliable, but takes 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 Notes or 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 Notes) 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 Commercial Paper Memorandum. The current rules applicable to DTC are on file with the 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 initially as securities depository for the Notes. The Notes 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 master note will be issued for the Tax Exempt Notes and for the Taxable Notes 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 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("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 Notes 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 Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes 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 Notes 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 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes 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 Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes 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 Issuing and Paying Agent and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Notes 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 Issuing and Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by 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 nor its nominee, the Issuing and Paying Agent, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest 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 the Issuing and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Board. Under such circumstances, in the event that a successor securities depository is not obtained, certificates for the Notes 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, Note certificates will be printed and delivered.

In reading this Commercial Paper Memorandum it should be understood that while the Notes are in the Book-Entry-Only System, references in other sections of this Commercial Paper Memorandum to registered owners should be read to include the person for which the Participant acquires an interest in the Notes, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the resolution will be given only to DTC.

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the Board, its Financial Advisor and the Dealer believe to be reliable, but the Board, its Financial Advisor and the Dealer take no responsibility for the accuracy thereof.

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APPENDIX B

**UNAUDITED FINANCIAL REPORTS OF THE TEXAS A&M UNIVERSITY SYSTEM
FOR FISCAL YEAR ENDED AUGUST 31, 2025**

APPENDIX C-1

FORM OF TAX EXEMPT NOTE OPINION*

September 25, 2025

BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM TAX-EXEMPT COMMERCIAL PAPER NOTES, SERIES B

WE HAVE ACTED AS BOND COUNSEL for the Board of Regents of The Texas A&M University System (the "Board") in connection with the issuance from time to time of up to an aggregate principal amount at any one time outstanding of not to exceed \$500 million of its obligations evidenced by the notes (the "Tax Exempt Notes") described above and designated as tax-exempt notes pursuant to the Resolution (as hereinafter defined). The proceeds of the Tax Exempt Notes are to be used, pursuant to the terms and provisions of a Master Resolution Establishing Revenue Financing System For The Texas A&M University System adopted by the Board on November 19, 1990, and amended on September 17, 1993, and July 25, 1997 (the "Master Resolution"); and an Amended and Restated Second Supplemental Resolution adopted on March 27, 2008, as amended (the "Second Supplement" and, together with the Master Resolution, the "Resolution"), to provide interim financing to pay the costs and expenses incurred in relation to certain eligible projects at or for certain member institutions of The Texas A&M University System that are Participants of the Texas A&M University System's Revenue Financing System and to refinance, renew, or refund Notes issued under the Resolution, Prior Encumbered Obligations and Parity Obligations, all in accordance with the provisions of Chapter 1371, Texas Government Code, as amended, and Chapter 55, Texas Education Code, as amended. Terms used herein and not otherwise defined in this opinion shall have the meanings assigned to them in the Resolution.

IN OUR CAPACITY AS BOND COUNSEL, we have examined the applicable and pertinent provisions of the Constitution and laws of the State of Texas, a transcript of certified proceedings of the Board related to the Tax Exempt Notes, the Tax Certificate, dated September 25, 2025 (the "Tax Certificate"), customary certificates of officers and representatives of the Board, and other pertinent instruments relating to the authorization of the Tax Exempt Notes and the security for the payment thereof. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the truth and accuracy of the statements and findings contained in such certificates and reports. We have also examined the opinion of the Attorney General of the State of Texas approving the Resolution.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that, under the Constitution and laws of the State of Texas as they exist on the date of this opinion, such transcript of proceedings evidences lawful authority for the issuance, reissuance, and sale of the Tax Exempt Notes from time to time by the Board pursuant and subject to the provisions, terms, and conditions of the Resolution. We are also of the opinion that the Resolution has been duly and lawfully adopted by the Board and that, except as the enforceability thereof may be limited by laws applicable to the Board relating to bankruptcy, reorganization and other similar matters affecting creditors' rights, or by general principles of equity which permit the exercise of judicial discretion, the covenants and provisions in the Resolution constitute valid and binding obligations of the Board.

WE ARE FURTHER OF THE OPINION THAT, under the Constitution and laws of the State of Texas as they exist on the date of this opinion, upon due execution, authentication, and payment and upon compliance by the Board with the conditions and covenants of the Resolution, and except as the enforceability thereof may be limited by laws applicable to the Board relating to bankruptcy, reorganization and other similar matters affecting creditors' rights, or by general principles of equity which permit the exercise of judicial discretion, the Tax Exempt Notes will constitute valid and binding special obligations of the Board, secured by and payable from the Pledged Revenues on a parity with the other outstanding Parity Obligations; such lien on and pledge of the Pledged Revenues, however, is junior and subordinate to the lien and pledge securing the payment of Prior Encumbered Obligations. The Board reserves the right in the Resolution, to issue additional obligations payable from the same sources securing the Prior

* On September 25, 2025, Bond Counsel delivered its opinion (the "Initial Tax Exempt Opinion") with respect to the Tax Exempt Notes. Bond Counsel has not undertaken to affirm, repeat or in any manner republish the Initial Tax Exempt Opinion for the Tax Exempt Notes.

Encumbered Obligations, prior in right and claim to the pledge of the Pledged Revenues securing the Tax Exempt Notes, or to issue Parity Obligations that are equally and ratably secured by a pledge of the Pledged Revenues, without any limitation as to principal amount but subject to any terms, conditions, and limitations as may be applicable thereto. The Board has reserved the right, subject to the restrictions stated in the Resolution, to amend the Resolution.

THE OWNERS OF THE NOTES shall never have the right to demand payment of the principal thereof or interest thereon out of any funds raised or to be raised by taxation, or from any source whatsoever other than specified in the Resolution.

ALSO BASED ON OUR EXAMINATION AS DESCRIBED ABOVE, interest on the Tax Exempt Notes, when issued in accordance with the Resolution and the Tax Certificate, will be excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). The amount treated as interest on the Tax Exempt Notes and excluded from gross income will depend upon the taxpayer's election under Internal Revenue Service Notice 94-84. Interest on the Tax Exempt Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Tax Exempt Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Board comply with all requirements of the Code and the Tax Certificate, that must be satisfied subsequent to the issuance of Tax Exempt Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Board has covenanted in the Resolution and the Tax Certificate to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Tax Exempt Notes in gross income for federal income tax purposes to be retroactive to the date of issuance of the Tax Exempt Notes. The Code and the existing regulations, rulings and court decisions thereunder, upon which the foregoing opinions of Bond Counsel are based, are subject to change, which could prospectively or retroactively result in the inclusion of the interest on the Tax- Exempt Notes in gross income of the owners thereof for federal income tax purposes. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Tax Exempt Notes.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

OUR SOLE ENGAGEMENT in connection with the issuance of the Tax Exempt Notes is as Bond Counsel for the Board, and, in that capacity, we have been engaged by the Board for the sole purpose of rendering an opinion with respect to the legality and validity of the Tax Exempt Notes under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Tax Exempt Notes for federal income tax purposes, and for no other reason or purpose. We have not been requested to investigate or verify, and have not independently investigated or verified any records, data, or other material relating to the financial condition or capabilities of the Board or the disclosure thereof in connection with the sale of the Tax Exempt Notes, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Tax Exempt Notes and have relied solely on certificates executed by officials of the Board as to the current outstanding indebtedness of the Board and the sufficiency of the Pledged Revenues.

THE FOREGOING OPINIONS represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result.

YOU MAY CONTINUE TO RELY on this opinion to the extent that (i) there is no change in existing law subsequent to the date of this opinion and (ii) the representations, warranties and covenants contained in the Resolution and certain certificates of authorized officials of the Board remain true and accurate.

Respectfully,

ORRICK, HERRINGTON & SUTCLIFFE LLP

APPENDIX C-2

FORM OF TAXABLE NOTE OPINION*

September 25, 2025

BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM TAXABLE COMMERCIAL PAPER NOTES, SERIES B

WE HAVE ACTED AS BOND COUNSEL for the Board of Regents of The Texas A&M University System (the "Board") in connection with the issuance from time to time of up to an aggregate principal amount at any one time outstanding of not to exceed \$500 million of its obligations evidenced by the notes (the "Taxable Notes") described above and designated as taxable notes pursuant to the Resolution (as hereinafter defined). The proceeds of the Taxable Notes are to be used, pursuant to the terms and provisions of a Master Resolution Establishing Revenue Financing System For The Texas A&M University System adopted by the Board on November 19, 1990, and amended on September 17, 1993, and July 25, 1997 (the "Master Resolution"); and an Amended and Restated Second Supplemental Resolution adopted on March 27, 2008, as amended (the "Second Supplement" and, together with the Master Resolution, the "Resolution"), to provide interim financing to pay the costs and expenses incurred in relation to certain eligible projects at or for certain member institutions of The Texas A&M University System that are Participants of the Texas A&M University System's Revenue Financing System and to refinance, renew, or refund Notes issued under the Resolution, Prior Encumbered Obligations and Parity Obligations, all in accordance with the provisions of Chapter 1371, Texas Government Code, as amended, and Chapter 55, Texas Education Code, as amended. Terms used herein and not otherwise defined in this opinion shall have the meanings assigned to them in the Resolution.

IN OUR CAPACITY AS BOND COUNSEL, we have examined the applicable and pertinent provisions of the Constitution and laws of the State of Texas, a transcript of certified proceedings of the Board related to the Taxable Notes, customary certificates of officers and representatives of the Board, and other pertinent instruments relating to the authorization of the Taxable Notes and the security for the payment thereof. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the truth and accuracy of the statements and findings contained in such certificates and reports. We have also examined the opinion of the Attorney General of the State of Texas approving the Resolution.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that, under the Constitution and laws of the State of Texas as they exist on the date of this opinion, such transcript of proceedings evidences lawful authority for the issuance, reissuance, and sale of the Taxable Notes from time to time by the Board pursuant and subject to the provisions, terms, and conditions of the Resolution. We are also of the opinion that the Resolution has been duly and lawfully adopted by the Board and that, except as the enforceability thereof may be limited by laws applicable to the Board relating to bankruptcy, reorganization and other similar matters affecting creditors' rights, or by general principles of equity which permit the exercise of judicial discretion, the covenants and provisions in the Resolution constitute valid and binding obligations of the Board.

WE ARE FURTHER OF THE OPINION THAT, under the Constitution and laws of the State of Texas as they exist on the date of this opinion, upon due execution, authentication, and payment and upon compliance by the Board with the conditions and covenants of the Resolution, and except as the enforceability thereof may be limited by laws applicable to the Board relating to bankruptcy, reorganization and other similar matters affecting creditors' rights, or by general principles of equity which permit the exercise of judicial discretion, the Taxable Notes will constitute valid and binding special obligations of the Board, secured by and payable from the Pledged Revenues on

* On September 25, 2025, Bond Counsel delivered its opinion (the "Initial Taxable Opinion") with respect to the Taxable Notes. Bond Counsel has not undertaken to affirm, repeat or in any manner republish the Initial Taxable Opinion for the Taxable Notes.

a parity with the other outstanding Parity Obligations; such lien on and pledge of the Pledged Revenues, however, is junior and subordinate to the lien and pledge securing the payment of Prior Encumbered Obligations. The Board reserves the right in the Resolution, to issue additional obligations payable from the same sources securing the Prior Encumbered Obligations, prior in right and claim to the pledge of the Pledged Revenues securing the Taxable Notes, or to issue Parity Obligations that are equally and ratably secured by a pledge of the Pledged Revenues, without any limitation as to principal amount but subject to any terms, conditions, and limitations as may be applicable thereto. The Board has reserved the right, subject to the restrictions stated in the Resolution, to amend the Resolution.

THE OWNERS OF THE NOTES shall never have the right to demand payment of the principal thereof or interest thereon out of any funds raised or to be raised by taxation, or from any source whatsoever other than specified in the Resolution.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

OUR SOLE ENGAGEMENT in connection with the issuance of the Taxable Notes is as Bond Counsel for the Board, and, in that capacity, we have been engaged by the Board for the sole purpose of rendering an opinion with respect to the legality and validity of the Taxable Notes under the Constitution and laws of the State of Texas, and for no other reason or purpose. We have not been requested to investigate or verify, and have not independently investigated or verified any records, data, or other material relating to the financial condition or capabilities of the Board or the disclosure thereof in connection with the sale of the Taxable Notes, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Taxable Notes and have relied solely on certificates executed by officials of the Board as to the current outstanding indebtedness of the Board and the sufficiency of the Pledged Revenues.

THE FOREGOING OPINIONS represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result.

YOU MAY CONTINUE TO RELY on this opinion to the extent that (i) there is no change in existing law subsequent to the date of this opinion and (ii) the representations, warranties and covenants contained in the Resolution and certain certificates of authorized officials of the Board remain true and accurate.

Respectfully,

ORRICK, HERRINGTON & SUTCLIFFE LLP