

TEXAS TECH UNIVERSITY
LUBBOCK, TEXAS

MINUTES OF THE BOARD OF REGENTS
OF
TEXAS TECH UNIVERSITY

SEPTEMBER 1, 1996 THROUGH DECEMBER 31, 1996

VOLUME I

TEXAS TECH UNIVERSITY

**MINUTES OF THE BOARD OF REGENTS
OF
TEXAS TECH UNIVERSITY**

PRICING COMMITTEE

DECEMBER 5, 1996

Board of Regents
Texas Tech University
Texas Tech University Health Sciences Center

Minutes

Pricing Committee
December 5, 1996

The Pricing Committee of the Board of Regents met by telephone conference on Monday, December 5, 1996, at 12:00 noon, in the Board of Regents meeting room, Room 201, Administration Building, Akron and Broadway Avenues, Texas Tech University, Lubbock, Texas, to consider a resolution authorizing the sale of the Board of Regents of Texas Tech University Revenue Financing System revenue bonds, Third Series (1996) and Fourth Series (Taxable 1996); authorizing the execution of a bond purchase agreement relating to the bonds, approving the official statement relating to the bonds, and taking additional actions relating thereto.

The following members of the committee were present: Mr. James L. Crowson, Deputy Chancellor (by telephone); and Regents Ms. Elizabeth C. Ward, Mr. Edward E. Whitacre, Jr., and Mr. Alan B. White, Chair, Pricing Committee.

The following officers and staff were present: Mr. John Opperman, Vice Chancellor for Administration and Finance (by telephone); Mr. Ed McGee, Assistant Vice President for Investments; Mr. D. Pat Campbell, Vice Chancellor and General Counsel; Ms. Renee Vaughn, Associate General Counsel; Ms. Marcie Johnston, Executive Director of the Board of Regents; and Carolyn S. Phillips, Executive Administrative Assistant. Also present was Mr. Glenn Opel, of the law firm of Vinson and Elkins.

Also present by telephone were the following: Mr. Ted Cannon and Mr. Jim Pass of Smith Barney; Mr. Jeff Leuschel of McCall, Parkhurst & Horton; and Mr. Rick Delong and Ms. Mary Williams of First Southwest, Inc.

Chairman White called the meeting to order and requested that the financial advisors discuss the terms and conditions under which the bonds may be sold on the current date.

Mr. Cannon presented a detailed review of the coupons and yields for both the Third Series and Fourth Series bonds:

Third Series (1996) Tax Exempt Serial Bonds

<u>Year</u>	<u>Coupon</u>	<u>Yield</u>
1998	4.00%	3.80%
1999	4.00%	4.05%
2000	4.20%	4.25%
2001	4.25%	4.35%
2002	4.40%	4.45%
2003	4.50%	4.60%
2004	5.50%	4.70%
2005	5.50%	4.80%
2006	6.00%	4.90%
2007	4.90% (general coupon)	5.00%
2008	5.00%	5.10%
2009	5.00%	5.20%

Term Bonds

2012	5-3/8	5.40%
2015	5-3/8	5.50%
2017	5-3/8	5.55%

Fourth Series (Taxable 1996) Serial Bonds

1998	5.75%	par
1999	5.95%	par
2000	6.10%	6.14
2001	6/25%	6.28%
2002	6.35%	6.39%
2003	2.50%	par
2004	6.55%	6.59%
2005	6.65%	6.68%
2006	6.70%	6.74%
2007	6.75%	6.78%

Ms. Williams and Mr. Delong reviewed the current market conditions and, noting that the price offer from Smith Barney represents the best price in today's market, concluded with a recommendation that the Pricing Committee accept the Smith Barney price offer.

Following discussion, Mr. Crowson noted that certain dollar amounts had not been determined at the time of the preparation of the resolution and recommended that,

based upon the information presented by the financial advisors at this meeting, the following dollar amounts be inserted into the resolution:

- 1) Insert into the blank under Section 3 the amount of "\$71,275,000," so that the section would read as follows:

Section 3. The Third Series Bonds shall be in the aggregate principal amount of \$71,275,000, shall be dated December 1, 1996, shall mature in the years and in the amounts and bear interest at the rates, from December 1, 1996, as set forth in the Bond Purchase Agreement, and shall be subject to redemption as set forth in the Bond Purchase Agreement, and shall otherwise be as described in the Official Statement and the Bond Purchase Agreement.

- 2) Insert into the blank in Section 4 the amount of "\$7,380,000," so that the section would read as follows:

Section 4. The Fourth Series Bonds shall be in the aggregate principal amount of \$7,380,000, shall be dated December 1, 1996, shall mature in the years and in the amounts and bear interest at the rates, from December 1, 1996, as set forth in the Bond Purchase Agreement, and shall be subject to redemption as set forth in the Bond Purchase Agreement, and shall otherwise be as described in the Official Statement and the Bond Purchase Agreement.

- 3) Insert into the blank in Section 7, "approximately \$100,000," which is a calculation made for federal income tax purposes, so that the section would read as follows:

Section 7. The sale of the Bond was held in accordance with the provisions of the Bond Resolution; the purchase price of the Bonds is not less than 95% of the par amount of the Bonds; none of the interest rates borne by the Bonds exceeds 10%; as a result of obtaining municipal bond insurance, the Bonds have been rated AAA; and the refunding of the Housing System Bonds resulted in a net present value loss, for federal income tax purposes, of approximately \$100,000. At least 50% of the cost of the project known as "United Spirit Arena" shall be supported by private funding. The deputy chancellor is hereby directed to execute such certificates as may be required to establish the amount of private funding sources in support of the construction of United Spirit Arena.

Mr. Crowson then moved that the following resolution, with the above additions, be adopted:

RESOLVED that the Pricing Committee of the Board of Regents adopt the resolution included herewith as Attachment No. 1 authorizing the sale of the Board of Regents of Texas Tech University Revenue Financing System Refunding and Improvement Bonds, Third Series (1996) and Board of Regents of Texas Tech University Revenue Financing System Bonds, Fourth Series (Taxable 1996); authorize the execution of a bond purchase agreement relating to the bonds, substantially in the form included herewith as Attachment No. 2; and approve the official statement relating to the bonds.

The motion was seconded by Mr. Whitacre, and, after further discussion, was carried by a voice vote, as follows:

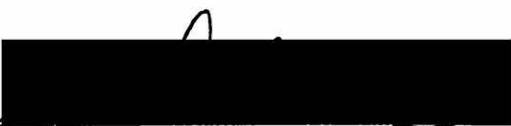
Aye: 4
Noes: 0

Chairman White adjourned the meeting at approximately 12:30 p.m.

INDEX OF ATTACHMENTS

Attachment 1	Resolution
Attachment 2	Bond Purchase Agreement between the Board of Regents of Texas Tech University and Smith Barney, Inc.

I, James L. Crowson, the duly appointed and qualified Assistant Secretary of the Board of Regents, hereby certify that the above and foregoing is a true and correct copy of the Minutes of the Pricing Committee meeting on December 5, 1996.


James L. Crowson
Assistant Secretary

RESOLUTION
AUTHORIZING THE SALE OF THE BOARD OF REGENTS
OF TEXAS TECH UNIVERSITY REVENUE FINANCING
SYSTEM REFUNDING AND IMPROVEMENT BONDS, THIRD SERIES (1996)
AND BOARD OF REGENTS OF TEXAS TECH UNIVERSITY
REVENUE FINANCING SYSTEM BONDS, FOURTH SERIES
(TAXABLE 1996); AUTHORIZING THE EXECUTION OF
A BOND PURCHASE AGREEMENT RELATING TO THE BONDS;
APPROVING THE OFFICIAL STATEMENT
RELATING TO THE BONDS; AND TAKING
ADDITIONAL ACTIONS RELATING THERETO

WHEREAS, on November 8, 1996, the Board of Regents of Texas Tech University (the "Board") adopted the "Third Supplemental Resolution to the Master Resolution Authorizing the Issuance, Sale and Delivery of Board of Regents of Texas Tech University Revenue Financing System Refunding and Improvement Bonds, Third Series (1996), and Approving and Authorizing Instruments and Procedures Relating Thereto" and the "Fourth Supplemental Resolution to the Master Resolution Authorizing the Issuance, Sale and Delivery of Board of Regents of Texas Tech University Revenue Financing System Bonds, Fourth Series (Taxable 1996), and Approving and Authorizing Instruments and Procedures Relating Thereto" (together, the "Bond Resolution") and appointed a Pricing Committee composed of the existing Finance Committee of the Board, the Chancellor and the Deputy Chancellor with the authority to sell the Bonds authorized by the Bond Resolution (the "Bonds"); and

WHEREAS, on November 21, 1996, the Texas Bond Review Board approved the issuance of the Bonds; and

WHEREAS, it is hereby found that all requirements of Section 3 of the Bond Resolution relating to the sale of the Bonds have been met; and

WHEREAS, it is hereby found and determined that the price, terms, and conditions set forth in the Bond Purchase Agreement should be accepted, that the Bonds should be sold to the Underwriters on said terms, and that the purposes of the Board as set forth in the Bond Resolution will be achieved through the sale of the Bonds on said terms.

NOW, THEREFORE, BE IT RESOLVED BY THE PRICING COMMITTEE OF THE BOARD OF REGENTS OF TEXAS TECH UNIVERSITY, THAT:

Section 1. The Bonds are hereby sold to the Underwriters and the Deputy Chancellor is hereby authorized to execute the Bond Purchase Agreement with the Underwriters substantially in the form attached hereto as Exhibit A.

Section 2. The findings set forth in the recitals to this Resolution are hereby incorporated and made a part of this Resolution.

Section 3. The Third Series Bonds shall be in the aggregate principal amount of \$___,000,000, shall be dated December 1, 1996, shall mature in the years and in the amounts and bear interest at the rates, from December 1, 1996, as set forth in the Bond Purchase Agreement, and shall be subject to redemption as set forth in the Bond Purchase Agreement, and shall otherwise be as described in the Official Statement and the Bond Purchase Agreement.

Section 4. The Fourth Series Bonds shall be in the aggregate principal amount of \$___,000,000, shall be dated December 1, 1996, shall mature in the years and in the amounts and bear interest at the rates, from December 1, 1996, as set forth in the Bond Purchase Agreement, and shall be subject to redemption as set forth in the Bond Purchase Agreement, and shall otherwise be as described in the Official Statement and the Bond Purchase Agreement.

Section 5. The purchase of a municipal bond insurance policy from AMBAC Indemnity Corporation ("AMBAC") as additional security for the Third Series Bonds and the Fourth Series Bonds is hereby approved. The printing of a legend describing the municipal bond insurance policy issued by AMBAC is hereby authorized. The payment of the premium to AMBAC in consideration for the issuance of said policy is hereby approved.

Section 6. The Preliminary Official Statement was prepared in connection with the sale of the Bonds. The Deputy Chancellor and the Financial Advisor are hereby authorized and directed to prepare and furnish to the Underwriters the final Official Statement incorporating the information in the Bond Purchase Agreement and such additional information as they deem material and said final Official Statement as so supplemented is hereby approved, and its use in the offer and sale of the Bonds is hereby approved. It is further officially found, determined, and declared that the statements and representations contained in said Official Statement, as supplemented, are true and correct in all material respects to the best knowledge and belief of the Pricing Committee. The distribution and use of the Official Statement prior to the date hereof is hereby ratified and confirmed.

Section 7. The sale of the Bonds was held in accordance with the provisions of the Bond Resolution; the purchase price of the Bonds is not less than 95% of the par amount of the Bonds; none of the interest rates borne by the Bonds exceeds 10%; as a result of obtaining municipal bond insurance, the Bonds have been rated AAA; and the refunding of the Housing System Bonds resulted in a net present value loss, for federal income tax purposes, of \$ _____. At least 50% of the cost of the project known as "United Spirit Arena" shall be supported by private funding. The deputy chancellor is hereby directed to execute such certificates as may be required to establish the amount of private funding sources in support of the construction of United Spirit Arena.

Section 8. It is hereby found and determined that each of the officers and members of the Pricing Committee was duly and sufficiently notified officially and personally, in advance, of the time,

place, and purpose of the Meeting at which this Resolution was adopted; that this Resolution would be introduced and considered for adoption at said meeting; that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code; that the meeting was held as a telephone conference call pursuant to Section 551.121, Texas Government Code, and that it was necessary to convene said meeting immediately to finalize the terms and conditions relating to the sale of the Bonds at a time when it was found to be difficult, and possibly impossible, to convene a quorum of the Pricing Committee in one location.

§ _____
BOARD OF REGENTS OF TEXAS TECH UNIVERSITY
REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS
THIRD SERIES (1996)

and

\$ _____
BOARD OF REGENTS OF TEXAS TECH UNIVERSITY
REVENUE FINANCING SYSTEM BONDS
FOURTH SERIES (TAXABLE 1996)

PURCHASE AGREEMENT

December __, 1996

The Board of Regents of
Texas Tech University
c/o Deputy Chancellor
P.O. Box 41098
Lubbock, Texas 79409-1098

Ladies and Gentlemen:

The undersigned (hereinafter sometimes called the "Representative"), acting on behalf of itself and on behalf of the other underwriters named in the list attached hereto as Schedule 1 (the Representative and such other underwriters being herein collectively called the "Underwriters"), offers to enter into the following agreement with the Board of Regents of Texas Tech University (hereinafter called the "Board" or the "Issuer"), which, upon the Board's written acceptance of this offer, as evidenced by the execution of this Purchase Agreement by the Deputy Chancellor, as the duly authorized agent of the Board (the "Board Representative"), will be binding upon the Board and upon the Underwriters. Capitalized terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Official Statement (as hereinafter defined).

1. **Purchase and Sale of the Bonds.** (a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase from the Board, and the Board hereby agrees to sell and deliver to the Underwriters (i) all (but not less than all) of the \$ _____ aggregate principal amount of Board of Regents of Texas Tech University Revenue Financing System Refunding and Improvement Bonds, Third Series (1996) (the "Third Series Bonds") and (ii) all (but not less than all) of the

\$ _____ aggregate principal amount of Board of Regents of Texas Tech University Revenue Financing System Bonds, Fourth Series (Taxable 1996) (the "Fourth Series Bonds" and together with the Third Series Bonds, the "Bonds").

(b) The Bonds shall be authorized by, and shall be issued and secured under the provisions of, a master resolution, adopted by the Board on October 21, 1993, and amended on November 8, 1996 (the "Master Resolution"), establishing the Texas Tech University Revenue Financing System (the "Revenue Financing System"), and a third and fourth supplemental resolution, each adopted by the Board on November 8, 1996 (the "Supplemental Resolutions" and together with the Master Resolution, the "Resolution"), providing for the issuance of the Bonds. The Bonds shall be dated, shall be in the aggregate principal amount, shall have the maturities, shall bear interest from the dates and at the rates, shall be subject to redemption, and shall have the other characteristics and terms as set forth in Exhibit A.

(c) The purchase price for the Third Series Bonds shall be \$ _____ (representing the par amount of the Third Series Bonds of \$ _____, less an original issue discount on the Third Series Bonds of \$ _____ and less an underwriting discount of \$ _____), plus interest accrued on the Third Series Bonds from the date of the Third Series Bonds to the Closing Date (as hereinafter defined).

The purchase price for the Fourth Series Bonds shall be \$ _____ (representing the par amount of the Fourth Series Bonds of \$ _____, less an original issue discount on the Fourth Series Bonds of \$ _____ and less an underwriting discount of \$ _____), plus interest accrued on the Fourth Series Bonds from the date of the Fourth Series Bonds to the Closing Date (as hereinafter defined).

(d) It shall be a condition to the Board's obligations to sell and deliver the Bonds to the Underwriters and to the Underwriters' obligations to purchase, to accept delivery of and to pay for the Bonds that the entire principal amount of the Bonds shall be issued, sold and delivered by the Board and purchased, accepted and paid for by the Underwriters at the Closing (as hereinafter defined). The Underwriters agree to make a bona fide public offering of all of the Bonds at prices not in excess of the initial offering prices or yields set forth on the inside front cover of the Official Statement, plus interest accrued thereon from the date of the Bonds. The Underwriters reserve the right to change such initial offering prices as the Underwriters deem necessary in connection with the marketing of the Bonds and to offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering prices set forth on the inside front cover of the Official Statement. The Underwriters also reserve the right to (i) over-allot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time.

(e) In the event that the Underwriters fail (other than for a reason permitted hereunder) to accept delivery of and to pay for the Bonds at the Closing as herein provided, the Underwriters

shall pay to the Board an amount equal to one percent (1%) of the aggregate principal amount of the Bonds as and for full liquidated damages for such failure and for any defaults hereunder on the part of the Underwriters and, except as set forth in Paragraphs 8 and 10 hereof, neither party hereto shall have any further rights against the other hereunder.

2. **The Official Statement; End of the Underwriting Period.** (a) The Preliminary Official Statement of the Board, dated November 27, 1996, including the cover page and Appendices thereto, relating to the Bonds (the "Preliminary Official Statement"), as amended to conform to the terms of this Purchase Agreement and with such changes and amendments to the date hereof as have been mutually agreed to by the Board and the Representative, as indicated on Exhibit B attached hereto, is hereinafter called the "Official Statement."

(b) Prior to or concurrently with the acceptance hereof by the Board, the Board has delivered to the Representative:

(i) One certified copy of the Resolution.

(ii) Two copies of the Official Statement manually signed on behalf of the Board by the Board Representative.

(c) The Board hereby represents and warrants that the Preliminary Official Statement previously delivered to the Representative was deemed final by the Board as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Rule 15c2-12 under the Securities Exchange Act of 1934 ("Rule 15c2-12").

(d) The Board, acting through the Board Representative, has duly authorized and approved and executed the Official Statement, which is final solely for purposes of Rule 15c2-12.

(e) Unless otherwise notified in writing by the Representative by the Closing Date, the Board can assume that the "end of the underwriting period" for purposes of Rule 15c2-12 shall be the Closing Date. In the event such notice is so given in writing by the Representative, the Representative agrees to notify the Board in writing following the occurrence of the "end of the underwriting period" as defined in Rule 15c2-12. The "end of the underwriting period" as used in this Purchase Agreement shall mean the Closing Date or such later date as to which notice is given by the Representative in accordance with the preceding sentence.

3. **Use of Documents; Certain Covenants and Agreements of the Board.** (a) The Board hereby authorizes the use by the Underwriters of the Resolution, the Escrow Agreement and the Official Statement, including any supplements or amendments thereto, and the information therein contained in connection with the public offering and sale of the Bonds. The Board ratifies and confirms the use by the Underwriters prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds.

(b) The Board covenants and agrees:

(i) To cause reasonable quantities of the Official Statement, as requested by the Underwriters, to be delivered to the Underwriters, without charge, within seven business days of the date hereof.

(ii) To apply the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Resolution, and not to take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Third Series Bonds under the Internal Revenue Code of 1986, as amended (the "Code").

(iii) If, after the date of this Purchase Agreement to and including the date the Underwriters are no longer required pursuant to Rule 15c2-12 to provide the Official Statement to potential customers requesting an Official Statement (such date being the earlier of (A) 90 days from the end of the underwriting period and (B) the time when the Official Statement is available to any person from a nationally recognized municipal securities repository, but in no case less than 25 days after the end of the underwriting period), any event shall occur as a result of which it is necessary to amend or supplement the Official Statement in order to make the statements therein, in the light of the circumstances when the Official Statement is delivered to a purchaser, not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, to notify the Representative (and for the purposes of this clause (iii) to provide the Underwriters with such information as they may from time to time request), and to cooperate with the Underwriters in the preparation of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not, in light of the circumstances when the Official Statement is delivered to a purchaser, be misleading or so that the Official Statement will comply with law.

(iv) To furnish such information and execute such instruments and take such action in cooperation with the Representative as the Representative may reasonably request (A) to (y) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Representative may designate and (z) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Board will not be required to qualify as a foreign corporation or otherwise to do business or to file any general or special consents to service of process under the laws of any state.

(v) To advise the Representative immediately of receipt by the Board of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

(vi) To not issue any additional bonds, notes or other obligations for borrowed money payable in whole or in part from Pledged Revenues between the date hereof and the Closing Date without the prior written consent of the Underwriters; and none of the Board, Texas Tech University (the "University") or the Texas Tech University Health Sciences Center (the "Center") will incur any material liabilities, direct or contingent (except as otherwise contemplated by the Official Statement), between the date hereof and the Closing Date without the prior written consent of the Underwriters.

4. **Representations and Warranties of the Board.** The Board hereby represents and warrants to each of the Underwriters, as of the date hereof and as of the Closing Date, that:

(a) The University and the Center are and will be as of the Closing Date duly organized and existing agencies of the State of Texas, and the Board, acting independently and separately on behalf of the University and the Center, is the duly appointed governing body of the University and the Center. The Board, the University and the Center have the powers and authority, among others, set forth in the Texas Education Code.

(b) The Board has, and at the time of the Closing will have, full legal right, power and authority (i) to enter into this Purchase Agreement and the Escrow Agreement, and (ii) to adopt the Resolution, to pledge the Pledged Revenues in the manner provided in the Resolution, and to issue, sell and deliver the Bonds as Parity Obligations to the Underwriters as provided herein and in the Resolution and the Official Statement; and the Board has, and at the time of the Closing will have, duly adopted the Resolution and duly authorized and approved the execution and delivery of, and the performance of its obligations contained in, the Bonds, the Resolution, the Escrow Agreement and this Purchase Agreement.

(c) The Board has, and at the time of the Closing will have, duly authorized and approved the execution and delivery of, and the performance of the Board's obligations contained in, this Purchase Agreement. This Purchase Agreement has been duly executed and delivered by the Board Representative and constitutes a legal, valid and binding obligation of the Board, enforceable in accordance with its terms.

(d) The Resolution creates a valid lien on the Pledged Revenues, and the Bonds, when validly executed, authenticated, certified and delivered in accordance with the Resolution and sold to the Underwriters as provided herein, will be validly issued and outstanding obligations of the Board entitled to the benefits of the Resolution.

(e) None of the Board, the University or the Center are in breach of or in default under any applicable law or administrative regulation, any applicable judgment or decree, or any loan agreement, note, resolution, agreement or other instrument to which the Board, the University or the Center is a party or by which they or any of their respective properties are otherwise subject, which would have a material and adverse effect upon the business or financial condition of the University, the Center, the Revenue Financing System or the Pledged Revenues.

(f) The Board is not in breach of or in default under the Resolution or any of its prior resolutions (the "Prior Resolutions") that authorized the issuance of the bonds being refunded by the Bonds (the "Refunded Bonds"), and the execution and delivery of this Purchase Agreement and the Bonds by the Board and the adoption of the Resolution by the Board do not and will not violate or constitute a breach of or default under any existing law, administrative regulation, judgment or decree or any loan agreement, note, resolution, agreement or other instrument to which the Board, the University or the Center is a party or by which they or any of their respective properties are otherwise subject.

(g) All approvals, consents and orders of any governmental authority or agency having jurisdiction over any matter which would constitute a condition precedent to the performance by the Board of its obligations to sell and deliver the Bonds hereunder will be obtained prior to the Closing.

(h) At the time of the Board's acceptance hereof and (unless an event occurs of the nature described in Paragraph 3(b)(iii)) at all times subsequent thereto during the period up to and including the date the Underwriters are no longer required pursuant to Rule 15c2-12 to provide the Official Statement to potential customers requesting an Official Statement (as more particularly described in Paragraph 3(b)(iii)), the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

(i) If the Official Statement is supplemented or amended pursuant to Paragraph 3(b)(iii), at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the date the Underwriters are no longer required pursuant to rule 15c2-12 to provide the Official Statement to potential customers requesting an Official Statement (as more particularly described in Paragraph 3(b)(iii)), the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

(j) The proceeds of the sale of the Bonds shall be applied as described in the Official Statement under the caption "ESTIMATED SOURCES AND USES OF FUNDS."

(k) The financial data of the Board, the University and the Center contained in the Official Statement fairly present the receipts, disbursements, cash balances and financial condition of the Board, the University and the Center as of the dates and for the periods therein set forth.

(l) Subsequent to the respective dates as of which information is given in the Official Statement, up to and including the date hereof, there has been no material adverse change in the financial position, results of operations or condition, financial or otherwise, of the Board or the System.

(m) Except as described in the Official Statement, there is not any action, suit, investigation, inquiry or proceeding (whether or not purportedly on behalf of the Board) pending or threatened, or that could be reasonably asserted, against the Board or any of its assets in any court, governmental agency, public board or body or before any arbitrator or any government board or body, (i) affecting the existence of the University or the Center as state agencies or the Board's appointment as the governing body of the University and the Center or its powers, or the title of its officers to their respective offices, or (ii) seeking to restrain or enjoin the issuance or delivery of the Bonds, or the collection or application of the Pledged Revenues to pay the principal of and interest on the Bonds, or (iii) in any way contesting or affecting the tax-exempt status of the interest on the Bonds or the Refunded Bonds, or (iv) in any way contesting or affecting the validity or enforceability of the Bonds, the Resolution, this Purchase Agreement, the Escrow Agreement, the Refunded Bonds or the Prior Resolutions, or (v) contesting in any manner the completeness, accuracy, or fairness of the Preliminary Official Statement or the Official Statement, or (vi) which involves the possibility of any ruling, order, judgment or uninsured liability which may result in any material adverse change in the business, properties or assets or the condition, financial or otherwise, of the University or the Center, or (vii) which might in any material respect adversely affect the transactions contemplated herein.

(n) Any certificate or copy of any certificate signed by any official of the Board, the University or the Center and delivered to the Representative pursuant hereto or in connection herewith shall be deemed a representation by the Board, the University or the Center to each of the Underwriters as to the truth of the statements therein made.

(o) The Board Representative is authorized to act on behalf of the Board, for the purpose of selling the Bonds to the Underwriters, fixing the terms of the Bonds and taking the other actions provided for herein and in the Resolution, and such actions by the Board Representative shall be deemed to be actions by the Board.

(p) The Deputy Chancellor has been duly authorized to act on behalf of the Board, as the Board Representative, for the purpose of taking the actions provided for herein.

5. Closing. (a) At 9:00 a.m., C.S.T., on December 17, 1996, or at such other time and date as shall have been mutually agreed upon by the Board and the Representative (the "Closing Date"), the Board will, subject to the terms and conditions hereof, deliver the Bonds to the Representative duly executed and authenticated in the form and manner contemplated below, together with the other documents hereinafter mentioned, and the Representative will, subject to the terms and conditions hereof, accept such delivery and pay the respective purchase prices of the Third Series Bonds and Fourth Series Bonds as set forth in Paragraph 1 hereof (such events being referred to herein as the "Closing").

(b) Delivery of the Bonds shall be made at the offices of McCall, Parkhurst & Horton L.L.P., 717 N. Harwood, 9th Floor, Dallas, Texas, or such other place as shall have been mutually agreed upon by the Board and the Representative. The Bonds shall be delivered in fully registered

form bearing CUSIP numbers without coupons with one Bond for each maturity of each series of Bonds, registered in the name of Smith Barney Inc. and shall be made available to the Representative at least one business day before the Closing for purposes of inspection.

6. **Closing Conditions.** The Representative has entered into this Purchase Agreement on behalf of itself and the other Underwriters in reliance upon the representations, warranties and agreements of the Board contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Board of its obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriters' obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Board of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) The representations and warranties of the Board contained herein shall be true, complete and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date.

(b) At the time of the Closing, the Resolution shall be in full force and effect and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Representative.

(c) At the time of the Closing, all official action of the Board relating to this Purchase Agreement, the Bonds, the Resolution and the Escrow Agreement shall be in full force and effect and shall not have been amended, modified or supplemented; and the Representative shall have received, in appropriate form, evidence thereof.

(d) At the time of the Closing, there shall not have occurred any change in the condition, financial or otherwise, or in the earnings or operations of the Board, the University or the Center, from that set forth in the Official Statement that, in the judgment of the Representative, is material and adverse and that makes it, in the judgment of the Representative, impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement.

(e) The Board, the University or the Center shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money or otherwise be in default on any such obligation, and there does not exist any event which, with the giving of notice, would constitute a default.

(f) At or prior to the Closing, the Representative shall have received each of the following documents:

(i) The Official Statement executed on behalf of the Board by the Board Representative.

(ii) The Resolution certified by the Secretary of the Board, under the Board's seal, as having been duly adopted by the Board and as being in effect, with such changes or amendments as may have been agreed to by the Underwriters, and containing the Board's agreement to provide certain periodic information and notices of material events in accordance with Rule 15c2-12, as described in the Official Statement under "CONTINUING DISCLOSURE OF INFORMATION."

(iii) A copy of all proceedings of the Board relating to the authorization of this Purchase Agreement and to the authorization and issuance of the Bonds, certified as true, accurate and complete by the Secretary of the Board.

(iv) An unqualified opinion or certificate, dated on or prior to the Closing Date, of the Attorney General of the State of Texas, approving the Bonds.

(v) A letter, dated as of or prior to the Closing Date, from the Texas Bond Review Board approving the issuance of the Bonds.

(vi) A certificate, dated the Closing Date, of the Vice Chancellor and General Counsel to the effect that there is not any action, suit, investigation, inquiry or proceeding (whether or not purportedly on behalf of the Board) pending, or, to the best of his or her knowledge, threatened or that could be reasonably asserted, against the Board or any of its assets in any court, governmental agency, public board or body or before any arbitrator or before or by any governmental body, (A) affecting the existence of the University or the Center as state agencies or the Board's appointment as the governing body of the University and the Center or its powers, or the title of its officers to their respective offices, or (B) seeking to restrain or enjoin the issuance or delivery of the Bonds, or the collection or application of the Pledged Revenues to pay the principal of and interest on the Bonds, or (C) in any way contesting or affecting the tax-exempt status of the interest on the Third Series Bonds or the Refunded Bonds, or (D) in any way contesting or affecting the validity or enforceability of the Bonds, the Resolution, this Purchase Agreement, the Escrow Agreement, the Refunded Bonds or the Prior Resolutions, or (E) contesting in any manner the completeness, accuracy, or fairness of the Preliminary Official Statement or the Official Statement, or (F) which involves the possibility of any ruling, order, judgment or uninsured liability which may result in any material adverse change in the business, properties or assets or the condition, financial or otherwise, of the Board, the University or the Center, or (G) which might in any material respect adversely affect the transactions contemplated herein.

(vii) A certificate, dated the Closing Date, signed by the Board Representative, to the effect that (A) to the best of his knowledge: (1) the representations and warranties of the Board contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date; (2) the Official Statement does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (3) no event affecting the Board, the University, the Center or the Pledged Revenues has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any respect; and (4) there has not been any material adverse change in the financial condition of the University, the Center or the Pledged Revenues from that reflected in the financial statements and other financial information contained in the Official Statement; and (B) on the basis of (1) a reading of the Official Statement and of the financial statements of the University and the Center, (2) consultations with Board members, officers and other officials of the Board, the University and the Center responsible for financial and accounting matters, and (3) a reading of the minutes of the meetings of the Board, nothing has come to his attention which causes him to believe that as of a subsequent specified date not more than five business days prior to the Closing Date, there was (x) any material change in long-term debt of the Board as compared with the amount shown in such financial statements, except for changes that the Official Statement discloses or changes that have occurred or may occur which are described in such certificate or (y) any material decrease in total assets or total fund balances of the University or the Center, in each case as compared with amounts shown in such financial statements, except in all instances for changes or decreases that the Official Statement discloses or that have occurred or may occur which are described in such certificate.

(viii) An unqualified bond opinion relating to the Bonds dated the Closing Date, of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel, in substantially the form attached to the Official Statement as Appendix E.

(ix) A supplemental opinion relating to the Bonds addressed to the Underwriters and dated the Closing Date, of Bond Counsel, in substantially the form attached hereto as Exhibit C.

(x) An opinion, dated the Closing Date, of Vinson & Elkins L.L.P., Austin and Houston, Texas, counsel to the Underwriters, in form and substance satisfactory to the Underwriters.

(xi) The municipal bond insurance (the "Policy") policy issued by AMBAC Indemnity Corporation unconditionally and irrevocably guaranteeing the payment of the principal of and interest on the Bonds, together with an opinion of counsel to AMBAC Indemnity Corporation as to the validity and enforceability of the Policy in a form acceptable to the Representative.

(xii) A letter from Fitch Investors Service, L.P., a letter from Moody's Investors Service and a letter from Standard & Poor's, a division of The McGraw Hill Companies, Inc., to the effect that the Bonds have been rated "AAA," "Aaa," and "AAA," respectively.

(xiii) A certificate by an appropriate official of the Board or the System to the effect that, on the basis of the facts, estimates and circumstances in effect on the date of delivery of the Third Series Bonds, it is not expected that the proceeds of the Third Series Bonds will be used in a manner that would cause such Third Series Bonds to be arbitrage bonds within the meaning of section 148 of the Code.

(xiv) A report of Ernst & Young LLP, independent certified public accountants, stating that such firm has verified the mathematical accuracy of certain computations based upon assumptions provided to them relating to (A) the adequacy of the maturing principal amounts of the Federal Securities and the interest thereon held in the Escrow Fund established by the Escrow Agreement on the Closing Date to pay when due all of the principal of and interest on the Refunded Bonds, and (B) certain mathematical computations used by Bond Counsel to support its opinion that the Third Series Bonds are not arbitrage bonds within the meaning of section 148 of the Code.

(xv) A fully executed copy of the Escrow Agreement which (together with any other appropriate documentation) evidences that all Federal Securities and cash required to be deposited with the Escrow Agent on the Closing Date have been purchased by or delivered to the Escrow Agent, all as described in the Official Statement, together with a certificate, dated as of the Closing Date, executed by an appropriate official of the Escrow Agent, to the effect that the Escrow Agreement has been duly authorized, executed, and entered into by the Escrow Agent.

(xvi) Such additional legal opinions, certificates, instruments and other documents as the Underwriters may reasonably request to evidence the truth, accuracy and completeness, as of the date hereof and as of the Closing Date, of the Board's representations and warranties contained herein and of the statements and information contained in the Official Statement, and the due performance and satisfaction by the Board at or prior to the Closing Date of all agreements then to be performed and all conditions then to be satisfied by the Board.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Representative.

If the Board shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Agreement, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriters nor the Board shall be under any further obligation hereunder, except that the respective obligations of the Board and the Underwriters set forth in Paragraphs 8 and 10 hereof shall continue in full force and effect.

7. **Termination.** The Representative shall have the right to terminate in its absolute discretion the Underwriters' obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds by notifying the Board of its election to do so if, after the execution hereof and prior to the Closing:

(a) (i) Legislation (including any amendment thereto) shall have been introduced in or adopted by either House of the Congress of the United States or recommended to the Congress or otherwise endorsed for passage by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation is under consideration by either such committee or is introduced as an option for consideration by either such committee by the staff of such committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or a bill to amend the Code (which, if enacted, would be effective as of a date prior to the Closing) shall be filed in either house, or (ii) a decision shall have been rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court, or (iii) an order, filing, ruling or regulation shall have been issued or proposed by or on behalf of the Treasury Department of the United States or the Internal Revenue Service or any other agency of the United States, or (iv) a release or official statement shall have been issued by the President of the United States or by the Treasury Department of the United States or by the Internal Revenue Service, the effect of which, in any such case described in clause (i), (ii), (iii), or (iv), would be to impose, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Third Series Bonds or upon income of the general character to be derived by the Board, other than as imposed on the Third Series Bonds and income therefrom under the federal tax laws in effect on the date hereof, in such a manner as in the judgment of the Representative would make it impracticable to market the Third Series Bonds on the terms and in the manner contemplated in the Official Statement.

(b) Any action shall have been taken by the Securities and Exchange Commission or by a court which would require registration of any security under the Securities Act of 1933, as amended, or qualification of any indenture under the Trust Indenture Act of 1939, as amended, in connection with the public offering of the Bonds, or any action shall have been taken by any court or by any governmental authority suspending the use of the Official Statement or any amendment or supplement thereto, or any proceeding for that purpose shall have been initiated or threatened in any such court or by any such authority.

(c) (i) The Constitution of the State of Texas shall be amended or an amendment shall be proposed, or (ii) legislation shall be enacted, or (iii) a decision shall have been rendered as to matters of Texas law, or (iv) any order, ruling or regulation shall have been issued or proposed by or on behalf of the State of Texas by an official, agency or department thereof, affecting the tax status of the Board, its property or income, its notes or bonds (including the Third Series Bonds) or the interest thereon, which in the judgment of the Representative would make it impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement.

(d) Any fact or event shall exist or have existed that, in the Representative's judgment, requires or has required an amendment of or supplement to the Official Statement.

(e) (i) (A) Trading generally shall have been suspended or materially limited on or by, as the case may be, either of the New York Stock Exchange or the American Stock Exchange, (B) a general moratorium on commercial banking activities in New York shall have been declared by either Federal or New York State authorities, or (C) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis that, in the reasonable judgment of the Representative, is material and adverse and (ii) in the case of any of the events specified in clauses (A) through (C), such event singly or together with any other such event makes it, in the judgment of the Representative, impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement.

(f) There shall have occurred any downgrading, or any notice shall have been given of (i) any intended or potential downgrading or (ii) any review or possible change that does not indicate the direction of a possible change, in the rating accorded any of the Board's uninsured Parity Obligations (including the underlying ratings to be accorded the Bonds) by any "nationally recognized statistical rating organization," as such term is defined for purposes of Rule 436(g)(2) under the Securities Act of 1933, as amended.

(g) Legislation shall have been enacted by the federal government or the State of Texas, a decision of any federal or State of Texas court shall have been made, or a ruling or regulation (proposed, temporary or final) of the Securities and Exchange Commission or other governmental agency shall have been made or issued that, in the opinion of Underwriters' Counsel, has the effect of requiring the contemplated distribution of the Bonds

or any agreement offered in connection therewith to be registered under the Securities Act of 1933, as amended, or the Resolution to be qualified as an indenture under the Trust Indenture Act of 1939, as amended.

(g) The purchase of and payment for the Bonds by the Underwriters, or the resale of the Bonds by the Underwriters, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

8. **Expenses.** (a) The Underwriters shall be under no obligation to pay, and the Board shall pay, all expenses incident to the performance of the obligations of the Board hereunder, including, but not limited to: (i) the cost of the printing or other reproduction (for distribution prior to, on or after the date of acceptance of this Purchase Contract) of the Resolution, the Preliminary Official Statement and the Official Statement; (ii) the fees and disbursements of Bond Counsel and any other consultants, advisors or counsel retained by the Board; (iii) the fees, if any, for ratings of any of the Bonds; (iv) the premium associated with the Policy; and (v) all advertising expenses in connection with the public offering of the Bonds. The foregoing fees and expenses shall be paid promptly upon receipt of an invoice therefor.

(b) The Underwriters shall pay (i) the fees and disbursements of counsel for the Underwriters, and (ii) all other reasonable customary expenses incurred by the Underwriters in connection with their public offering and distribution of the Bonds, other than the costs and items described in Paragraph 8(a) above.

9. **Notices.** Any notice or other communication to be given to the Board under this Purchase Agreement may be given by delivering the same in writing at P.O. Box 41098, Lubbock, Texas 79409-1098, Attention: Deputy Chancellor, and any notice or other communication to be given to the Underwriters under this Purchase Agreement may be given by delivering the same in writing to the Representative, Smith Barney Inc., First National Plaza, 70 West Madison Street, 52nd Floor, Chicago, Illinois 60602, Attention: James E. Pass, Vice President.

10. **Parties in Interest.** This Purchase Agreement as heretofore specified shall constitute the entire agreement between the Board and the Underwriters and is made solely for the benefit of the Board and the Underwriters (including successors or assigns of any Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. This Purchase Agreement may not be assigned by the Board. All of the Board's representations, warranties and agreements contained in this Purchase Agreement shall remain operative and in full force and effect, regardless of (a) any investigations made by or on behalf of any of the Underwriters; (b) delivery of and payment for the Bonds pursuant to this Purchase Agreement; and (c) any termination of this Purchase Agreement.

11. **Effectiveness.** This Purchase Agreement shall become effective upon the acceptance hereof by the Board and shall be valid and enforceable at the time of such acceptance.

12. **CHOICE OF LAW.** THIS PURCHASE AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

13. **Representative Capacity.** The Representative represents that it has been duly authorized by the Underwriters to execute this Purchase Agreement and to act hereunder by and on behalf of the other Underwriters. Any authority, right, discretion or other power conferred upon the Underwriters or the Representative under any provision of this Purchase Agreement may be exercised by the Representative, and the Board shall be entitled to rely upon any request, notice or statement if the same shall have been given or made by the Representative.

14. **Severability.** If any provision of this Purchase Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Purchase Agreement invalid, inoperative or unenforceable to any extent whatever.

15. **Business Day.** For purposes of this Purchase Agreement, "business day" means any day on which the New York Stock Exchange is open for trading.

16. **Paragraph Headings.** Paragraph headings have been inserted in this Purchase Agreement as a matter of convenience of reference only, and it is agreed that such paragraph headings are not a part of this Purchase Agreement and will not be used in the interpretation of any provisions of this Purchase Agreement.

17. **Counterparts.** This Purchase Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

Very truly yours,

SMITH BARNEY INC.
as Representative

By: _____

Title: _____

Accepted and agreed to this
____ day of _____, 1996.

THE BOARD OF REGENTS OF
TEXAS TECH UNIVERSITY

By: _____
Deputy Chancellor

Schedule 1

LIST OF UNDERWRITERS

Smith Barney Inc.
Artemis Capital Group
Estrada, Hinojosa & Co., Inc.
Goldman, Sachs & Company
NationsBanc Capital Markets, Inc.
Rauscher Pierce Refsnes, Inc.
Southwest Securities, Inc.
Stephens Inc.

Exhibit A

TERMS OF THE BONDS

BOARD OF REGENTS OF TEXAS TECH UNIVERSITY
REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS
THIRD SERIES (1996)

PRINCIPAL AMOUNT

\$ _____

MATURITY SCHEDULE

\$ _____ Serial Bonds

<u>Due</u> <u>February 15</u>	<u>Amount</u>	<u>Rate</u>	<u>Price</u> <u>or Yield</u>
1997			
1998			
1999			
2000			
2001			
2002			
2003			
2004			
2005			
2006			
2007			
2008			
2009			

\$ _____ % Third Series (1996) Term Bond Due February 15, 2012 Yield ____%

\$ _____ % Third Series (1996) Term Bond Due February 15, 2017 Yield ____%

GENERAL DESCRIPTION OF THE THIRD SERIES BONDS

The Third Series Bonds will be issued as current interest bonds, will be dated December 1, 1996, will mature on the dates and in the amounts set forth above, and will bear interest at the rates set forth above from their date and will be payable February 15 and August 15 of each year, commencing February 15, 1997 until maturity or prior redemption.

The Third Series Bonds shall be initially issued as one bond for each maturity and registered in the name of Smith Barney Inc. Bonds registered in the name of Smith Barney Inc. shall, immediately following their delivery, be exchanged for Third Series Bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company, pursuant to the Book-Entry Only System described in the Resolution. Beneficial ownership of the Third Series Bonds may be acquired in denominations of \$5,000 or integral multiples thereof.

REDEMPTION PROVISIONS

Optional Redemption. On February 15, 2006 or on any date thereafter, the Third Series Bonds scheduled to mature on and after February 15, 2007, may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Third Series Bonds, or portion thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Third Series Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price of par as of the date of redemption applicable to the date of redemption, plus accrued interest to the date fixed for redemption; provided, that during any period in which ownership of the Third Series Bonds is determined by a book entry at a securities depository for the Bonds, if fewer than all of the Third Series Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Third Series Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Issuer and the securities depository.

Mandatory Sinking Fund Redemption. The Third Series Bonds scheduled to mature on February 15, 2012 and February 15, 2017 are subject to mandatory sinking fund redemption prior to their scheduled maturity and shall be redeemed by the Issuer, in part, prior to their scheduled maturity, with the particular Third Series Bonds or portions thereof to be redeemed to be selected and designated by the Issuer (provided that a portion of a Third Series Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the par or principal amount thereof

and accrued interest to the date of redemption, on the date, and in the principal amount set forth in the following schedule:

Third Series Bonds Maturing February 15, 2012		Third Series Bonds Maturing February 15, 2017	
<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
February 15, 2010		February 15, 2013	
February 15, 2011		February 15, 2014	
February 15, 2012*		February 15, 2015	
		February 15, 2016	
		February 15, 2017*	

*Maturity.

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

BOARD OF REGENTS OF TEXAS TECH UNIVERSITY
REVENUE FINANCING SYSTEM BONDS
FOURTH SERIES (TAXABLE 1996)

PRINCIPAL AMOUNT

\$ _____

MATURITY SCHEDULE

\$ _____ Serial Bonds

<u>Due</u> <u>February 15</u>	<u>Amount</u>	<u>Rate</u>	<u>Price</u> <u>or Yield</u>
1998			
1999			
2000			
2001			
2002			
2003			
2004			
2005			
2006			

GENERAL DESCRIPTION OF THE FOURTH SERIES BONDS

The Fourth Series Bonds will be issued as current interest bonds, will be dated December 1, 1996, will mature on the dates and in the amounts set forth above, and will bear interest at the rates set forth above from their date and will be payable February 15 and August 15 of each year, commencing February 15, 1997 until maturity or prior redemption.

The Fourth Series Bonds shall be initially issued as one bond for each maturity and registered in the name of Smith Barney Inc. Bonds registered in the name of Smith Barney Inc. shall, immediately following their delivery, be exchanged for Third Series Bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company, pursuant to the Book-Entry Only System described in the Resolution. Beneficial ownership of the Third Series Bonds may be acquired in denominations of \$5,000 or integral multiples thereof.

REDEMPTION PROVISIONS

The Fourth Series Bonds are not subject to redemption prior to Maturity.

Exhibit B

[Attach form of Official Statement completed as provided in
Paragraph 1 hereof]

Exhibit C

FORM OF BOND COUNSEL'S SUPPLEMENTAL OPINION

_____, 1996

The Board of Regents of
Texas Tech University
P.O. Box 41098
Lubbock, Texas 79409-1098

Smith Barney Inc.
as Representative of the
Underwriters listed in the
Purchase Agreement relating
to the captioned Bonds

Re: \$_____ Board of Regents of Texas Tech University Revenue Financing System
Refunding and Improvement Bonds, Third Series (1996), and \$_____ Board of
Regents of Texas Tech University Revenue Financing System Bonds, Fourth Series (Taxable
1996)

Ladies and Gentlemen:

The undersigned have been retained by the Board of Regents of Texas Tech University (the "Board"), as bond counsel with reference to the above issue of bonds (collectively, the "Bonds"), which were authorized by the Master Resolution and a Third and Fourth Supplemental Resolution (collectively, the "Bond Resolution"). Pursuant to the Bond Resolution, the Board entered into a Purchase Agreement dated December __, 1996 (the "Purchase Agreement") relating to the Bonds with Smith Barney Inc. on behalf of itself and the other underwriters listed in the Purchase Agreement (collectively, the "Underwriters"). Terms used herein and not otherwise defined have the meaning given in the Purchase Agreement.

It is our opinion that the Bonds are exempt securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended and Section 304(a)(4) of the Trust Indenture Act of 1939, as amended, and that it is not necessary in connection with the offer and sale of the Bonds to register the Bonds under the Securities Act of 1933, as amended, or to qualify the Bond Resolution under the Trust Indenture Act of 1939, as amended.

We were not requested to participate, and did not take part, in the preparation of the Official Statement prepared in connection with the sale of the Bonds (the "Official Statement"), and except to the extent noted herein, we have not verified and are not passing upon and do not assume any responsibility for, the accuracy, completeness, or fairness of the statements contained in the Official Statement. We have, however, reviewed the information relating to the Revenue Financing System, the Bonds, and the Bond Resolution contained in the Official Statement under the captions "PLAN OF FINANCING," "DESCRIPTION OF THE BONDS" (other than information under the subcaption "—Book-Entry Only System"), "SECURITY FOR THE BONDS," "CONTINUING DISCLOSURE OF INFORMATION," "TAX MATTERS" and "LEGAL INVESTMENTS IN TEXAS", and in Appendices D and E, and we are of the opinion that the information relating to the Revenue Financing System, the Bonds, and the Bond Resolution contained under such captions is a fair and accurate summary of the information purported to be shown therein and is correct as to matters of law.

It is further our opinion that the Escrow Agreement, dated _____, 1996 (the "Escrow Agreement"), between the Board and American State Bank, Lubbock, Texas (the "Escrow Agent"), executed in connection with the delivery of the Bonds, has been duly authorized, executed, and delivered and (assuming due authorization by the Escrow Agent) constitutes a binding agreement, enforceable in accordance with its terms, and that the Refunded Bonds, as defined in the Escrow Agreement, being refunded by the Bonds, are outstanding under the resolutions authorizing their issuance only for the purpose of receiving the funds provided by, and are secured solely by and payable solely from, the Escrow Agreement and the cash and investments, including the income therefrom, held by the Escrow Agent pursuant to the Escrow Agreement. In rendering this opinion, we have relied upon the report and mathematical verifications of Ernst & Young LLP, certified public accountants, with respect to the adequacy of the cash and investments deposited with the Escrow Agent pursuant to the Escrow Agreement to provide for the timely payment and retirement of the principal of and interest on the Refunded Bonds. Further, the opinions expressed in this paragraph are expressed only insofar as the laws of the State of Texas and of the United States of America may be applicable and are qualified to the extent that (i) enforceability of the Escrow Agreement may be limited by bankruptcy, reorganization, insolvency, moratorium, or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights and (ii) certain equitable remedies, including specific performance, or legal remedies awarded pursuant to principles of equity, including mandamus, may be unavailable.

This letter is furnished to you by us, and is solely for your benefit, and no one other than the Board and the Underwriters is entitled to rely upon this letter.

Respectfully,