

TEXAS TECH UNIVERSITY SYSTEM
LUBBOCK, TEXAS

MINUTES OF THE BOARD OF REGENTS
OF
TEXAS TECH UNIVERSITY

SEPTEMBER 1, 2001 THROUGH AUGUST 31, 2002

VOLUME I

TEXAS TECH UNIVERSITY SYSTEM

MINUTES OF THE BOARD OF REGENTS
OF
TEXAS TECH UNIVERSITY

NOVEMBER 1-2, 2001

TEXAS TECH UNIVERSITY SYSTEM
Lubbock, Texas

Minutes

Board of Regents
November 1-2, 2001

Thursday, November 1, 2001.—The members of the Board of Regents of the Texas Tech University System convened at 9:00 a.m. on Thursday, November 1, 2001, at the Canyon House, County Line Restaurant, FM2641 one-half mile west of I-27, Lubbock, Texas, with the following in attendance:

ATTENDANCE.—

Regents present were J. Robert Brown, Chairman; Nancy E. Jones, Vice Chairman; C. Robert Black; E. R. "Dick" Brooks; John W. Jones; David R. Lopez; Brian C. Newby and J. Michael Weiss. Carin Barth arrived at the conclusion of the workshop/retreat.

Also participating at the opening of the meeting were David R. Smith, Interim Chancellor and President, Texas Tech University Health Sciences Center; Elizabeth Haley, Deputy Chancellor for System Operations; David Schmidly, President, Texas Tech University; Pat Campbell, Vice Chancellor and General Counsel; Jim Brunjes, Chief Financial Officer; Mike Ellicott, Vice Chancellor for Facilities Planning and Construction, TTUS; Cindy Rugeley, Vice Chancellor for News and Publications, TTUS; Mike Sanders, Vice Chancellor for Governmental Relations, TTUS; Martha Brown, Associate Vice Chancellor for Governmental Relations, TTU; Richard Butler, Vice President for Operations, TTUHSC; Elmo Cavin, Executive Vice President, TTUHSC; Lynda Gilbert, Vice President for Fiscal Affairs, TTU; Robert Woodson, Assistant Vice President for Health and Planning, TTUHSC; Gene Binder, Senior Executive Assistant to the President and Chief of Staff, TTU; Ben Lock, Executive Assistant to the Chancellor and the Board of Regents; and Lucy Lanotte, Executive Secretary to the Board of Regents.

- I. CALL TO ORDER.—Chairman Brown announced a quorum present and called the meeting to order.
- II. RETREAT.—The board met as a Committee of the Whole for informal discussions of the strategic planning process in a workshop/retreat forum at which no action was taken. At the conclusion of the workshop, the board determined that further discussions were necessary and scheduled a workshop/retreat for this purpose for Thursday, December 13, in Lubbock. The

board also requested that the board's Strategic Planning Committee (Regents Brooks (chair), Black, and Lopez) select and work with a facilitator to conduct the workshop/retreat.

- III. RECESS TO EXECUTIVE SESSION.—At approximately 11:20 a.m., at the direction of Chairman Brown, the board recessed and convened in Executive Session as authorized by Chapter 551 of the *Texas Government Code*.
- IV. RECONVENING OF THE BOARD TO OPEN SESSION.—At approximately 4:20 p.m., the board reconvened in open session in the Canyon House, County Line Restaurant, FM 2641 one-half mile west of I-27, Lubbock, Texas, for the purpose of recessing.
- V. RECESS.—The board recessed from the workshop/retreat at 4:20 p.m.

Friday, November 2, 2001.—The members of the Board of Regents of the Texas Tech University System convened at 9:00 a.m. on Friday, November 2, 2001, in the Board Room, Second Floor, Room 201, Administration Building, Akron and Broadway Avenues, Lubbock, Texas, with the following in attendance:

ATTENDANCE.—

Regents present were J. Robert Brown, Chairman; Nancy E. Jones, Vice Chairman; Carin Barth; C. Robert Black; E. R. "Dick" Brooks; John W. Jones; David R. Lopez; Brian C. Newby and J. Michael Weiss.

Also participating at the opening of the meeting were David R. Smith, Interim Chancellor and President, Texas Tech University Health Sciences Center; Elizabeth Haley, Deputy Chancellor for System Operations; David Schmidly, President, Texas Tech University; Pat Campbell, Vice Chancellor and General Counsel; Jim Brunjes, Chief Financial Officer; Ben Lock, Executive Assistant to the Chancellor and the Board of Regents; and Lucy Lanotte, Executive Secretary to the Board of Regents.

- VI. CALL TO ORDER.—Chairman Brown announced a quorum present and called the meeting to order.
- VII. INTRODUCTIONS AND RECOGNITIONS.—Chairman Brown called on Dr. Smith and Dr. Schmidly for the introductions and recognitions. Dr. Smith introduced Richard Homan, M.D., chair of the Department of Family and

Community Medicine at TTUHSC, who has accepted the position of the dean of the Texas Tech School of Medicine and the Graduate School of Biomedical Sciences. Dr. Smith introduced David H. Godfried, M.D., assistant professor and director of the Children's Orthopedic Clinic at the Texas Tech University Medical Center. Dr. Godfried has academic appointments in the Department of Orthopedic Surgery and Pediatrics and has been a member of the faculty since August 1999. Dr. Godfried was recently awarded the Underwood Endowment Chair in Orthopedics. Dr. Smith introduced Tyrone F. Borders, Ph.D., an assistant professor of Health Services Research and Management in the School of Medicine. Dr. Borders teaches graduate level courses on health care organization and health services epidemiology to students from a variety of programs, including health services research, medicine, public administration and health organization management. Much of Dr. Borders' research involves the conduct and analysis of large population-based surveys, such as the Texas Tech 5000, a survey of 5,000 older west Texans' health status and health care accessibility.

Dr. Schmidly introduced Allen McInnes, the new dean of the College of Business Administration. Dr. Schmidly also introduced Coach Bob Knight who thanked the board for its support of Gerald Myers and the men's basketball program at Texas Tech University. Coach Knight also distributed a handout to the board on the status of Tech athletics. Dr. Schmidly introduced the team of students who represented Texas Tech at the Reduced Gravity Student Flight Opportunity at the NASA Johnson Space Center. Team members include Jana Brewer, James Rogge, Gayle Polansky, Margaret Morgan and Seth Atkins. The faculty advisor of the group is Dr. Simon Hsiang. Dr. Schmidly also introduced Max Hinojosa, who is the new vice president for operations.

- VIII. RECESS TO EXECUTIVE SESSION.—At approximately 9:18 a.m., at the direction of Chairman Brown, the board recessed and convened in Executive Session as authorized by Chapter 551 of the *Texas Government Code*.
- IX. RECONVENING OF THE BOARD TO OPEN SESSION.—At approximately 10:17 a.m., the board reconvened in open session in the Board Room, Second Floor, Room 201, Administration Building, Akron and Broadway Avenues, Lubbock, Texas, for the purpose of recessing into Standing Committee Meetings.
- X. RECESS TO STANDING COMMITTEES.—At approximately 10:17 a.m., at the direction of Chairman Brown, the board recessed into meetings of its standing committees, which were conducted sequentially in open session. The Academic, Clinical and Student Affairs Committee met from approximately 10:17 a.m. until approximately 10:55 a.m. in the Board Room, Second Floor, Room 201, Administration Building, Akron and Broadway Avenues, Lubbock, Texas; the

Finance and Administration Committee met from approximately 10:55 a.m. until approximately 11:30 a.m. in the Board Room, Second Floor, Room 201, Administration Building, Akron and Broadway Avenues, Lubbock, Texas; and the Facilities Committee met from approximately 11:30 a.m. until approximately 11:35 a.m. in the Board Room, Second Floor, Room 201, Administration Building, Akron and Broadway Avenues, Lubbock, Texas.

- XI. RECONVENING OF THE BOARD TO OPEN SESSION.—At approximately 11:35 a.m. on Friday, November 2, the board reconvened in open session in the Board Room, Second Floor, Room 201, Administration Building, Akron and Broadway Avenues, Lubbock, Texas, to consider items as a board and in the Committee of the Whole.

- XI.A. APPROVAL OF MINUTES.—Regent Barth moved that the minutes of the board meeting held on August 10, 2001 be approved. Regent Lopez seconded the motion, and the motion passed unanimously.

XI.B. COMMITTEE OF THE WHOLE

Chairman Brown announced that for the purpose of facilitating action on the items to be considered, Vice Chair Nancy Jones would preside over the Committee of the Whole.

- XI.B.1. Regent Nancy Jones presented the item regarding approval of the Consent Agenda and acknowledgment of review of the Information Agenda. Regent Nancy Jones moved that the Consent Agenda be approved. The motion was seconded and passed unanimously. The following are the Minute Orders approved by this motion:

- XI.B.1.a. TTU: Approve leave of absence.—The board approved the following leave of absence that had been approved administratively by the president and the chancellor: Leave without pay for Terence Ahern, associate professor, College of Education, for the period September 1, 2001 through May 31, 2002. The purpose of the leave is to conduct a series of distinguished lectures at California State University in Monterey, California.

- XI.B.1.b. TTU: Approve employee appointments to non-elective positions. – The board approved the following appointments to non-elective positions that had been approved administratively by the president and the chancellor.

Marilyn Phelan, Ph.D., J.D., Robert H. Bean professor at the Texas Tech University School of Law, appointed as Texas Commissioner to the National Conference on Uniform State Laws by the Honorable Rick Perry, for a term to expire on September 30, 2006.

Brian Shannon, J.D., associate dean and professor at the Texas Tech University School of Law, appointed to the Task Force to Review Methods and Procedures Used to Evaluate Criminal Defendant's Competency to Stand Trial, by the Honorable Rick Perry, for a term to expire on February 1, 2003.

In connection with the approval of the appointments, the board also found with respect to each appointee that (i) their service is of benefit to the State of Texas and Texas Tech University; and (ii) their service does not conflict with their respective positions of employment at Texas Tech University.

- XI.B.1.c. TTUHSC: Approve appointment to the Board of Managers of the Lubbock County Hospital District.—The board approved the appointment of Dr. Richard V. Homan as a non-voting member of the Lubbock County Hospital District Board of Managers that had been approved administratively by the president and the chancellor.

Regent Nancy Jones then moved that the board acknowledge its review of the Information Agenda as follows:

Information Agenda

Information is provided as required by Section 01.01.6.b(2)(c), *Regents' Rules*

- (1) TTU: Small Class Reports, Summer I and Summer II, 2001, per Section 04.10, *Regents' Rules*: "A report on small classes offered shall be reported to the board as information."
 - (a) TTU: Report dated Summer I 2001; and
 - (b) TTU: Report dated Summer II 2001.
- (2) TTUHSC: Contract Renewals per Section 07.12.4.b., *Regents' Rules*: "Approval of the president is required for all contract renewals. A list of those renewal contracts greater than \$1,000,000 per annum, including the amount of the contract, will be provided to the board as an information item at the next regular board meeting."

- (a) Cogdell Memorial Hospital; on-site TDCJ health care services for Daniel Unit; 9/1/01-8/31/03; \$1,462,000;
- (b) Covenant Hospital Plainview; on-site TDCJ health care services for Formby Unit; 9/1/01-8/31/03; \$1,034,000;
- (c) Hendrick Medical Center; extend Family Practice Residency Training Program two years; 8/1/98-6/30/03; \$2,089,222;
- (d) Midland Co. Hospital District; resident funding, Memorial Hospital & Medical Center; 10/1/01-9/30/02; \$1,343,762;
- (e) Mitchell County Hospital; on-site TDCJ health care services for Wallace Unit & 3 Work Camps; 9/1/01-8/31/03; \$1,300,000;
- (f) Texas Department of Health; HIV Pediatric Surveillance Amend Att. 06A; 10/1/00-9/30/01; \$1,047,622;
- (g) Texas Youth Commission; extend provision of health care services for TYC facilities for three months; 9/1/99-11/30/01; \$5,234,206;
- (h) R.E. Thomason General Hospital; emergency medicine physician services; 10/1/01-9/30/02; \$3,610,850; and
- (i) R.E. Thomason General Hospital; residents agreement; 7/1/01-6/30/02; \$6,328,552.

(3) TTUHSC: School of Medicine Faculty Employment Contracts per Section 07.12.4.c, *Regents' Rules*: "Approval of the president is required for faculty employment contracts greater than \$100,000 per annum. A list of all faculty employment contracts greater than \$100,000 per annum will be provided to the board as an information item at the next board meeting."

- (a) *Flood-Shaffer, Kellie, M.D., Assistant Professor/NTT; Ob/Gyn, Lubbock; 8/1/01-8/31/01; \$165,000;
- (b) Ghaleb, Melhem R., M.D., Assistant Professor/NTT; Radiology, El Paso; 8/1/01-7/31/03; \$400,000;
- (c) Gupta, Mukesh, M.D., Instructor/NTT; Anesthesiology, Lubbock; 12/1/01-8/31/02; \$150,000;
- (d) *Halldorsson, Ari, M.D., Associate Professor/TT; Surgery, Lubbock; 7/1/01-8/31/01; \$254,000;
- (e) Hines, Kathryn, J.D., Assistant Professor/NTT; Internal Med/Neuropsychiatry, Lubbock; 9/1/01-8/31/02; \$100,000;
- (f) *Islas, Arthur A., M.D., Instructor/NTT; Family Medicine, El Paso; 7/16/01-8/31/01; \$120,000;
- (g) *Khatchadourian, Joseph, J.D., Assistant Professor/NTT; Internal Medicine, Odessa; 7/2/01-8/31/01; \$120,000;
- (h) Lim, Seah H., M.D., Ph.D., Professor/TT; Internal Medicine, Amarillo; 9/1/01-8/31/03; \$220,000;
- (i) Maldonado, Elaine, M.D., Instructor/NTT; Pediatrics, Lubbock; 8/6/01-8/31/02; \$107,500;
- (j) Peterson, William, M.D., Assistant Professor/NTT; Ob/Gyn, El Paso; 10/1/01-8/31/02; \$163,000;
- (k) Prieto-Jimenez, Carmen, M.D., Assistant Professor/NTT; Pediatrics, El Paso; 7/15/01-8/31/02; \$110,000;
- (l) Sabbar, David, M.D., Assistant Professor/NTT; Radiology, Lubbock; 8/1/01-7/31/02; \$250,000;
- (m) Springmann, Kurt, M.D., Assistant Professor/NTT; Anesthesiology, Lubbock; 10/15/01-8/31/02; \$195,000;
- (n) Tello, Wael, M.D., Assistant Professor/NTT; Internal Medicine, Lubbock; 9/1/01-8/31/02; \$130,000;

- (o) Terreros, Daniel, M.D., Ph.D., Professor/Regional Chair/Tenured; Pathology, El Paso; 9/1/01-8/31/02; \$270,000;
- (p) Vasconcello, Norma, M.D., Instructor/NTT; Pediatrics, El Paso; 8/27/01-8/31/02; \$100,000; and
- (q) *Woo-Telles, Argelia, M.D., Instructor/NTT; Family Medicine, El Paso; 7/16/01-8/31/01; \$120,000.

*Faculty contracts may be automatically renewed in FY 2002.

The motion was seconded and passed unanimously.

- XI.B.2. TTUS: Approve appointment of member to the Board of Directors of Texas Tech Foundation, Inc.—Regent Nancy Jones called on Deputy Chancellor Haley who presented the item regarding the appointment of Jack Hightower of Midland, Texas to fill the seat vacated by the resignation of David Hassler on the Board of Directors of Texas Tech Foundation, Inc. Mr. Hightower will serve the remainder of David Hassler's unexpired term, beginning November 5, 2001 and ending August 31, 2003.

Regent Nancy Jones moved that the board approve the appointment. The motion was seconded, and passed unanimously.

- XI.B.3. TTU: Approve mission and vision statements.—Regent Nancy Jones called on Dr. Schmidly who presented the item to approve Texas Tech University's mission and vision statements as follows:

MISSION STATEMENT

Committed to teaching and the advancement of knowledge, Texas Tech University, a comprehensive public research university, provides the highest standards of excellence in higher education, fosters intellectual and personal development, and stimulates meaningful research and service to humankind.

VISION STATEMENT

Texas Tech University will be a national leader in higher education—manifesting excellence, embracing diversity, inspiring confidence, and engaging society. The university aspires to a national recognition of excellence and performance in scholarship through teaching, research, and service.

Regent Nancy Jones moved that the board approve the item. The motion was seconded, and passed unanimously.

- XI.B.4. TTU: Reaffirm the managerial group for the protection of classified information and update statement of self-exclusion of the Board of Regents regarding security clearances.—Regent Nancy Jones called on Dr. Schmidly who presented the item to approve the resolution for reaffirmation of the Managerial Group regarding industrial security clearances, as provided for in Department of Defense 5220.22-M, National Industrial Security Program Operating Manual, 2-104 and 2-106.

Action at the May 11, 2001, Board of Regents meeting excluded all current Board members and reaffirmed the Managerial Group. The facility security clearance only covers Texas Tech University. Information provided in the May 11, 2001, resolution, however, included Texas Tech University Health Sciences Center and administrators from the Health Sciences Center. The following resolution is to correct the information contained in the May 11, 2001, resolution.

RESOLVED, that those persons occupying the following positions at Texas Tech University be known as the Managerial Group, having the authority and responsibility for the negotiation, execution and administration of User Agency contracts, as described in Department of Defense 5220.22-M, National Industrial Security Program Operating Manual:

President
Vice President for Research,
Graduate Studies, and Technology Transfer
Associate Vice President for Research
(Facility Security Officer)

RESOLVED, that the Managerial Group is hereby delegated all of the Board's duties and responsibilities pertaining to the protection of classified information under classified contracts of the Department of Defense or User Agencies of the Industrial Security Program awarded to Texas Tech University;

Regent Nancy Jones moved that the board approve the resolution for reaffirmation of the Managerial Group regarding industrial security clearances as stated. The motion was seconded, and passed unanimously.

- XI.B.5. TTUS: Approve appointment of secretary and assistant secretary of the Board of Regents.—Regent Nancy Jones presented the item to appoint a secretary and an assistant secretary of the Board of Regents in accordance with the provisions of Section 01.01.6, *Regents' Rules*, as follows:

In addition to their present duties, Ben Lock, executive assistant to the chancellor and the Board of Regents, and Lucy Lanotte, executive secretary to the Board of Regents, shall assume the duties of secretary of the Board of Regents and assistant secretary of the Board of Regents, respectively, effective this date.

Regent Nancy Jones moved that the board approve the appointments. The motion was seconded, and passed unanimously.

Vice Chair Nancy Jones stated that consideration of items by the Committee of the Whole was concluded.

XI.C. REPORT OF EXECUTIVE SESSION

Chairman Brown called on Vice Chair Nancy Jones to present motions regarding items discussed in Executive Session.

Vice Chair Jones moved that the Vice Chancellor and General Counsel or his Designee be authorized to settle Case No. [L] 99-507-800 within the parameters discussed in Executive Session. The motion was seconded, and passed unanimously.

XI.D. REPORT OF THE ACADEMIC, CLINICAL AND STUDENT AFFAIRS COMMITTEE

Chairman Brown called on Regent Newby, Chair, to give the report of the Academic, Clinical and Student Affairs Committee.

Committee Chairman Newby reported that the Academic, Clinical and Student Affairs Committee met in open session to consider those matters on its agenda and to formulate recommendations to the Board of Regents of Texas Tech University System. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Academic, Clinical and Student Affairs Committee and approved in open session and without objection by the Board of Regents of Texas Tech University System.

- XI.D.1. TTU: Approve conferral of an honorary degree.—The board approved the conferral of an honorary degree, Doctor of Humane Letters Honoris Causa, upon Allan Bromley at the commencement ceremony on December 15, 2001.
- XI.D.2. TTU: Approve appointments with tenure and continuing appointment.—The board approved the granting of tenure to the

following faculty of Texas Tech University contemporaneously with their appointments:

Alfredo Benavides, Ph.D., new associate professor in the Division of Curriculum and Instruction, College of Education. Dr. Benavides was previously tenured as an Associate Professor at Arizona State University.

Eva Midobuche, Ph.D., new associate professor in the Division of Curriculum and Instruction, College of Education. Dr. Midobuche was previously an assistant professor at the Arizona State University.

The Board of Regents also approved granting of continuing appointment to:

Donald Dyal, Ph.D., new Dean of Libraries. Dr. Dyal was previously tenured as the Director of the Cushing Library at Texas A&M University.

- XI.D.3. TTU: Approve appointment of representative to the Bureau of Alcohol, Tobacco and Firearms.—The board revoked the appointment of Dr. Jerry L. Mills as the University representative to the Bureau of Alcohol, Tobacco and Firearms for the purchase and dispensing of tax-free alcohol for teaching and research and approved the appointment of the chair of the Department of Chemistry/Biochemistry (currently Dr. Richard Bartsch) to that position to replace Dr. Jerry L. Mills who has retired from the university.
- XI.D.4. TTUHSC: Approve emeritus appointment.—The board authorized granting the title of “professor emeritus” to James J. McGrath, Ph.D., professor, Department of Physiology, School of Medicine.
- XI.D.5. TTU: Approve contract between Texas Tech University and the National Institute for Engineering Ethics.—The board authorized the president to enter into an agreement with the National Institute for Engineering Ethics (“NIEE”) for a five year period at a cost of \$45,000 per year.

Texas Tech will commit \$45,000/year for five years toward the operation of NIEE. The provost and College of Engineering have been providing \$30,000 per year for the last two years to support the Murdough Center’s hosting of NIEE during a transitional period. This level of support will continue. The president has agreed to provide an additional \$15,000 to meet the overall commitment. During these first 5 years, the university, through the development

efforts of the College of Engineering, will seek to establish a permanently endowed fund of approximately two million dollars so that the Institute can become self-sufficient.

- XI.D.6. TTU: Report on student seating and services at the United Spirit Arena.—The board accepted a report by Dr. Michael Shonrock, vice president for student affairs, on student seating and services at the United Spirit Arena, included herewith as Attachment No. 1.
- XI.D.7. TTU: Annual report on research activities for FY 2001.—The board accepted an annual report by Dr. Robert Sweazy, vice president for research, graduate studies and technology transfer, on research activities at Texas Tech University, included herewith as Attachment No. 2.
- XI.D.8. TTU: Report on enrollment management.—The board accepted a report by Dr. Michael Heintze, vice president for enrollment management, on enrollment management, included herewith as Attachment No. 3.
- XI.D.9. TTU: Report on the reorganization of the Department of Athletics.—The board accepted a report by Dr. Schmidly on the reorganization of the Department of Athletics, included herewith as Attachment No. 4.
- XI.D.10. TTU: Report on the use of museum art for public display. – The board accepted a report by Dr. Schmidly on the use of catalogued museum art for public display on the Texas Tech campus, included herewith as Attachment No. 5.
- XI.D.11. TTUHSC: Report by the School of Nursing on federal initiatives. – The board accepted a report by Dr. Alexia Green, dean of the School of Nursing, on nursing federal initiatives, included herewith as Attachment No. 6.

XI.E. REPORT OF THE FINANCE AND ADMINISTRATION COMMITTEE

Chairman Brown called on Regent Brooks, Chair, to give the report of the Finance and Administration Committee.

Regent Brooks reported that the Finance and Administration Committee met in open session to consider those matters on its agenda and to formulate recommendations to the Board of Regents of Texas Tech University System. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Finance and Administration Committee and approved in open session and without objection by the Board of Regents of Texas Tech University System.

XI.E.1. TTU: Approve FY 2002 research excellence operating budget.—The board approved the Fiscal Year 2002 operating budget for the funds appropriated in House Bill 1839, Regular Session, 77th Legislature, included herewith as Attachment No. 7.

XI.E.2. TTU: Approve purchase of printing press.—The board approved the purchase of a six-color printing press. The estimated cost of the press, floor preparation, and electrical is \$1,400,000. PrinTech will pay for the press from “service for fee” revenue over a 10-year period, with an approximate annual payback of \$163,000 per year. The university will issue commercial paper for this purchase and will be paid back with interest, per a debt service schedule from Cash Investments.

XI.E.3. TTU: Approve increase in tuition for the School of Law. – The board approved, under the authority of Senate Bill 1814, 77th Legislature, raising tuition at the School of Law from \$160/hour to \$240/hour beginning with the Fall 2002 semester and dedicating the resources generated by the increase to the School of Law.

The increase in tuition to the full amount will generate approximately \$1.5 million. The proposed expenditure of funds would be as follows:

1. \$800,000 law library support
2. \$200,000 two additional law faculty
3. \$400,000 additional scholarship support
4. \$100,000 participation in Cooperative Summer Law Institute Among Texas Law Schools

XI.E.4. TTUHSC: Approve increase in tuition for the School of Pharmacy.—The board approved the increase in board-authorized tuition for students in the Pharm.D. program of the School of Pharmacy from \$42 per semester credit hour to \$63 per semester credit hour for the Spring semester 2002 and from \$63 to \$84 per semester credit hour for the Summer 2002 term.

XI.E.5. TTUS: Approve transfer of funds from TTUS to TTU and TTUHSC.—The board approved the reduction of the TTUS budget by \$1,001,225 for FY 2002. The reduction in funds will be returned to Texas Tech University (\$551,995) and Texas Tech University Health Sciences Center (\$449,230) for use in their respective academic programs.

XI.E.6. TTUS/TTU/TTUHSC: Approve amended and restated Seventh Supplemental Resolution to the Master Resolution.—The board

approved the Seventh Supplemental Resolution to the Master Resolution, included herewith at Attachment No. 8, authorizing the issuance, sale, and delivery of up to \$143,000,000 of Board of Regents of Texas Tech University Revenue Financing System Bonds, Seventh Series (2001) and approving and authorizing instruments and procedures relating thereto.

The Board of Regents also approved the following:

- (i) designating Paine Webber as senior managing underwriter for the issuance of the proposed bonds.
- (ii) selecting the firm of McCall, Parkhurst, & Horton L.L.P. to serve as Bond Counsel; and
- (iii) designating its Finance and Administration Committee, Chancellor, and Chief Financial Officer as the Pricing Committee and authorizing the Pricing Committee to negotiate with the senior managing underwriter acting on behalf of the other investment banking firms, approved by the Board of Regents Finance and Administration Committee, to assure that the bonds are sold on the most advantageous terms to the Board.

Further, the Board of Regents also authorized the Pricing Committee to establish the aggregate principal amount of the Texas Tech University Revenue Financing System Bonds, Seventh Series (2001), in an amount not to exceed \$143,000,000, which amount shall be sufficient to provide for:

- (i) acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads, or related infrastructure for Texas Tech University and Texas Tech University Health Sciences Center, and
- (ii) paying the costs relating to the issuance of the bonds.

XI.E.7. TTUS/TTU/TTUHSC: Approve amended and restated Eighth Supplemental Resolution to the Master Resolution.—The board approved the Eighth Supplemental Resolution to the Master Resolution, included herewith as Attachment No. 9, authorizing the issuance, sale, and delivery of up to \$43,000,000 of Board of Regents of Texas Tech University Revenue Financing System Bonds, Eighth Series (taxable 2001) and approving and authorizing instruments and procedures relating thereto.

The Board of Regents also approved the following:

- (i) designating Paine Webber as senior managing underwriter for the issuance of the proposed bonds.
- (ii) selecting the firm of McCall, Parkhurst, & Horton L.L.P. to serve as Bond Counsel; and
- (iii) designating its Finance and Administration Committee, Chancellor, and Chief Financial Officer as the Pricing Committee and authorizing the Pricing Committee to negotiate with the senior managing underwriter acting on their behalf and behalf of other investment banking firms, approved by the Board of Regents Finance and Administration Committee, to assure that the bonds are sold on the most advantageous terms to the Board.

Further, the Board of Regents authorized the Pricing Committee to establish the aggregate principal amount of the Texas Tech University Revenue Financing System Bonds, Eighth Series (taxable 2001), in an amount not to exceed \$43,000,000, which amount shall be sufficient to provide for:

- (i) acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads, or related infrastructure for Texas Tech University and Texas Tech University Health Sciences Center, and
- (ii) paying the costs relating to the issuance of the bonds.

XI.F. REPORT OF THE FACILITIES COMMITTEE

Chairman Brown called on Regent John Jones, Chair, to give the report of the Facilities Committee.

Committee Chairman John Jones reported that the Facilities Committee met in open session to consider those matters on its agenda and to formulate recommendations to the Board of Regents of Texas Tech University System. Unless otherwise indicated, the actions set forth in the Minute Orders that follow were recommended by the Facilities Committee and approved in open session and without objection by the Board of Regents of Texas Tech University System.

XI.F.1. TTU: Authorize revision of project budgets for Jones SBC Stadium renovation Stage IIA and III.—This item was withdrawn.

XI.F.2. TTUHSC: Accept major gift-in-kind and approve purchase of land and facilities located in El Paso, Texas.—The board authorized the chancellor to accept as a gift-in-kind for the benefit of the Texas Tech University Health Sciences Center at El Paso a 10.682 acre parcel of land described as Tract 25B and 25C, Elijah Bennett Survey #11, El Paso County, Texas, valued at \$1,396,000, from J. O. Stewart of El Paso, Texas. The land will be used as the location to construct a new Research Facility. An Environmental Phase I Assessment of the property has been completed. No further studies are necessary.

Further, the board authorized the chancellor, within the parameters discussed in Executive Session, (1) to conclude negotiations and enter into an agreement for the purchase of a 3.236 acre parcel of land, described as tract 25D, Elijah Bennett Survey #11, El Paso County, Texas; (2) to prepare documents for submittal to the Texas Higher Education Coordinating Board for approval; and upon approval, (3) to proceed with the purchase of the property to allow constructing a new Research Center and to allow for future growth. An Environmental Phase I Assessment on this property has been completed. An Environmental Phase II Assessment is in progress. The purchase price will be contingent on the results of the Phase II Assessment. The Health Sciences Center has obtained the two property appraisals required for Texas Higher Education Coordinating Board approval.

XI.F.3. TTUS: Approve mutual termination of fire station lease agreement.—The board authorized the termination of the lease agreement dated June 26, 1998, that had been entered into between the Texas Tech University System and the City of Lubbock for the lease of land on the Texas Tech campus for the construction and operation of a fire station by the City.

XI.F.4. TTUS: Report on Office of Facilities Planning and Construction projects.—The board accepted a report by Mr. Ellicott on the facilities planning and construction projects, included herewith as Attachment No. 10.

XI.G. SCHEDULE FOR BOARD MEETINGS.—Mr. Ben Lock presented the proposed schedule for future board meetings and asked for comments. The schedule was amended and adopted as follows: December 13-14, 2001, Lubbock (proposed); ~~March 7-8, 2002, Austin~~ February 28-March 1, 2002, Odessa (proposed); May 9-10, 2002, Lubbock; August 8-9, 2002, Lubbock (at TTUHSC); November 14

(workshop/retreat)-15, 2002, Lubbock; December 19-20, 2002, Junction; February 6-7, 2003, Fort Worth/Arlington; May 15-16, 2003, Lubbock.

The board approved Lubbock as the location for the December 13-14, 2001 board meeting and retreat, and determined to further discuss future board meeting dates and locations at the December retreat.

- XI.H. THE PRESIDENT'S REPORT, TTU.—Chairman Brown called on President Schmidly who presented the President's Report, included herewith as Attachment No. 11.
- XI.I. THE PRESIDENT'S REPORT, TTUHSC.—Chairman Brown called on President Smith who presented the President's Report, included herewith as Attachment No. 12.
- XI.J. CHANCELLOR'S REPORT.—Chairman Brown called on Interim Chancellor Smith who presented the Chancellor's Report, included herewith as Attachment No. 13.
- XI.K. CHAIRMAN'S ANNOUNCEMENTS.—Chairman Brown announced the appointment of the Chancellor Search Committee, composed of Robert Black as chair, Carin Barth, Dr. Nancy Jones, and Brian Newby. Chairman Brown further noted that the duties of the Chancellor Search Committee shall be to solicit and review qualified candidates for the position of chancellor and to recommend one or more final candidates for consideration by the board. The Chancellor Search Committee shall also establish an Advisory Committee, composed of 10 to 15 members who are representatives of various Texas Tech constituent groups. The Advisory Committee, at the direction of the Chancellor Search Committee, is to assist the search committee in seeking out chancellor prospects and reviewing candidates.
- XI.L. ADJOURNMENT.—Chairman Brown adjourned the meeting at approximately 12:05 p.m.

INDEX OF ATTACHMENTS

Attachment 1	TTU Report on student seating and services at the United Spirit Arena
Attachment 2	TTU Annual report on research activities for FY 2001
Attachment 3	TTU Report on enrollment management
Attachment 4	TTU Report on the reorganization of the Department of Athletics
Attachment 5	TTU Report on the use of museum art for public display
Attachment 6	TTUS Report on the School of Nursing on federal initiatives
Attachment 7	TTU Fiscal Year 2002 operating budget
Attachment 8	TTUS/TTU/TTUHSC Seventh Supplemental Resolution to the Master Resolution
Attachment 9	TTUS/TTU/TTUHSC Eighth Supplemental Resolution to the Master Resolution
Attachment 10	TTUS Report on the Office of Facilities Planning and Construction projects
Attachment 11	TTU President's Report
Attachment 12	TTUHSC President's Report
Attachment 13	TTUS Chancellor's Report

I, Ben Lock, the duly appointed and qualified Secretary of the Board of Regents, hereby certify that the above and foregoing is a true and correct copy of the Minutes of the Texas Tech University System Board of Regents meeting on November 1-2, 2001.



Ben Lock
Secretary

Seal

Report on United Spirit Arena

Board of Regents
Texas Tech University System
November 2, 2001

The Student Government Association held a "Student Referendum" on April 26-27, 2001, that included revisions to the original agreement between the student body and the university related to the United Spirit Arena that were approved in May 2001 by Texas Tech University's Athletic Director, Chancellor, President, and President of the Student Senate.

Due to an increased interest among the student body related to Men's Basketball, a Task Force of the United Spirit Arena Advisory Committee was appointed by the Student Government Association President to amend the April 2001 agreement. The revised agreement that was signed by John Steinmetz, SGA President, and David J. Schmidly, TTU President, on August 22, 2001, includes:

- Increasing student seats from 3,600 student seats to **4,600** student seats for Men's Basketball 2001-2002 in the United Spirit Arena
- Increasing student seats a total of **25,600** for Men's Basketball 2001-2002 in the United Spirit Arena
- Installation of four (4) **Card Access Readers** (ticketless entry) added to the southeast corner entrance (student entrance) of the United Spirit Arena
- Installation of two (2) **TECHExpress** Registers (concessions) on the southeast corner entrance and southwest corner entrance of the United Spirit Arena
- Expansion of **Intramural Championships** via Student Recreation Center in the United Spirit Arena

The University through a cooperative effort with the Athletic Department, ID/TECHExpress Office, Office of the President, Office of the Vice President for Student Affairs, Student Government Association, and the United Spirit Arena has met the expectations of the student body as described in the revised agreement of April 26-27, 2001 and the amendment to the agreement of August 22, 2001 in expanding student seating for Men's Basketball 2001-2002 and enhancing student activities, programs, and services in the United Spirit Arena.

- **Attachments**

- Amendment to the agreement from the Student Referendum of April 26-27, 2001 for the United Spirit Arena [increasing student seating for Men's Basketball 2001-2002]
- Men's Basketball 2001-2002 schedule noting increased student seating of **25,600** in the United Spirit Arena
- United Spirit Arena seating chart noting **current** and **expanded** student seating during Men's Basketball 2001-2002

Updated on November 1, 2001

AMENDMENT

AGREEMENT from the Student Referendum of April 26-27, 2001

United Spirit Arena

Texas Tech University

Section II – United Spirit Arena

CURRENT

1. The permanent availability of a minimum of 3,600 student seats for men's basketball games and 2,850 student seats for women's basketball games as indicated in the attached diagram. The seats shall remain reserved until 15 minutes before tip-off, at which time they can be sold as general admission seating. This seating arrangement will be reviewed on an annual basis at the conclusion of the basketball season by the advisory board.

AMENDED

1. During the **2001-2002** basketball season, there will be a minimum of **4,600** student seats for men's basketball games including: (a) 4,600 student seats at the 14 regularly scheduled men's basketball games while classes are in session; (b) 4,600 student seats at the 2 to 3 *new* men's basketball game tournament while classes are in session; (c) at least 200 student seats for at the 4 regularly scheduled men's basketball games during the winter break; (d) **7,000** student seats for the first exhibition men's basketball game; (e) 2,850 student seats for women's basketball games; and (f) an understanding that all student seats will be available on a *first-come-first-served basis*. The student seats shall remain reserved until **30 minutes** before tip-off, at which time they can be sold as general admission seating. This seating arrangement will be reviewed on an annual basis at the conclusion of the basketball season by the advisory board.

The amendment to the AGREEMENT per the recommendations of the *United Spirit Arena Advisory Committee* meeting on Friday, August 17, 2001.

David J. Schmidly

John D. Steinmetz

David J. Schmidly, Ph.D.
President
Texas Tech University
August 22, 2001

John D. Steinmetz
President
Student Government Association
August 22, 2001

Men's Basketball 2001-2002

United Spirit Arena
Texas Tech University

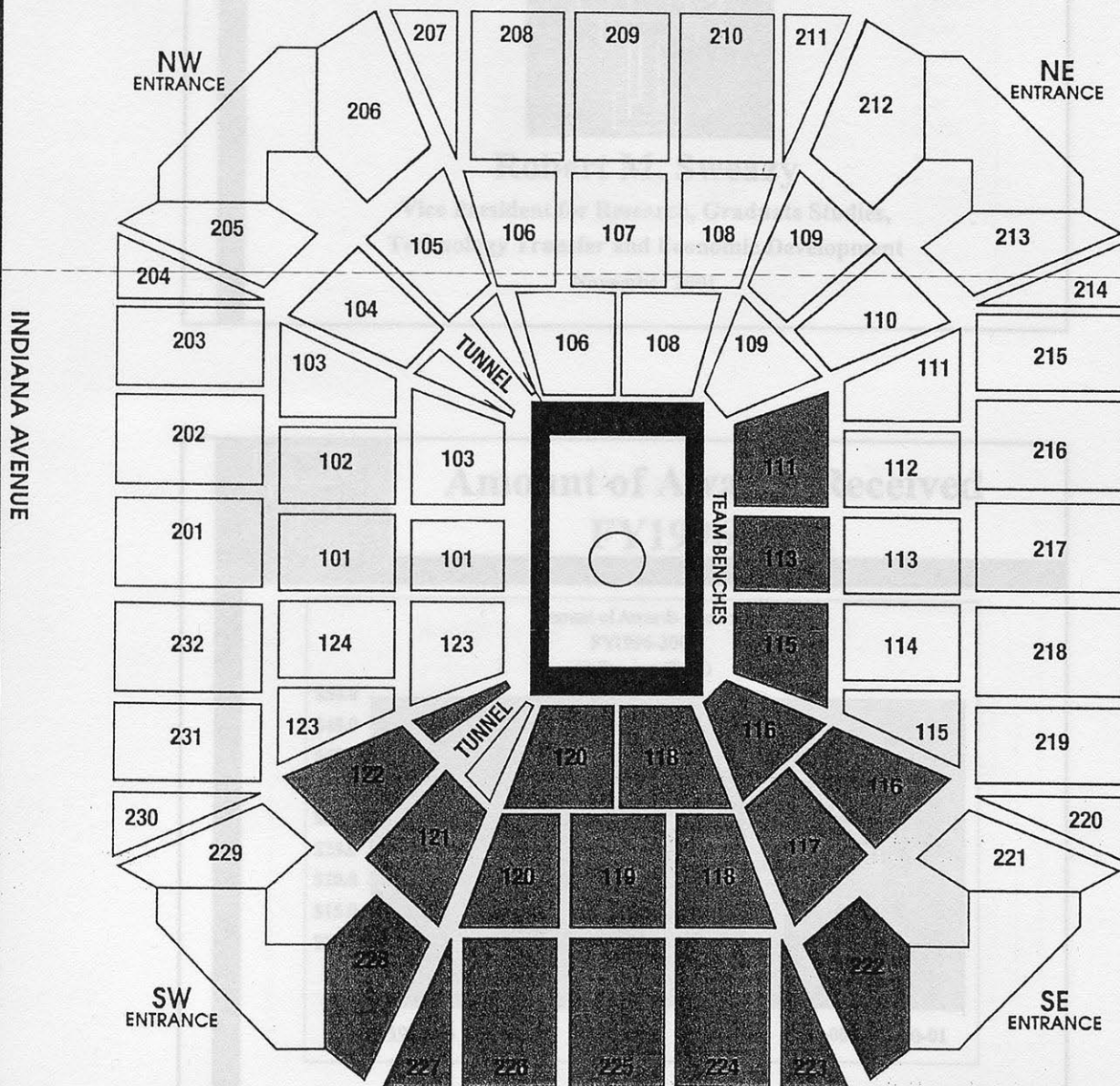
Date	Opponent	Current Agreement Student Seating	Ammended Agreement Student Seating	Additional Student Seating 2001-2002
11/2/2001	California All-Stars	3600	7000	3400
11/11/2001	Athletes First	3600	4600	1000
11/16/2001	William & Mary	0	4600	4600
11/17/2001	Northern Iowa/San Diego State	0	4600	4600
11/24/2001	Sam Houston State	3600	4600	1000
11/26/2001	UTEP	3600	4600	1000
12/1/2001	TCU	3600	4600	1000
12/3/2001	Texas-Arlington	3600	4600	1000
12/17/2001	Louisiana-Lafayette	3600	200	N/A
12/22/2001	Stetson	3600	200	N/A
12/30/2001	Minnesota	3600	200	N/A
1/1/2002	Wyoming	3600	200	N/A
1/6/2002	*Kansas State	3600	4600	1000
1/14/2002	*Texas	3600	4600	1000
1/19/2002	*Oklahoma State	3600	4600	1000
1/26/2002	*Oklahoma	3600	4600	1000
2/2/2002	*Iowa State	3600	4600	1000
2/13/2002	*Baylor	3600	4600	1000
2/20/2002	Missouri	3600	4600	1000
2/23/2002	*Texas A&M	3600	4600	1000

TOTAL

25,600

*Big 12 Conference

UNITED SPIRIT ARENA TEXAS TECH UNIVERSITY LUBBOCK, TEXAS



■ STUDENT SECTION
■ ADDED STUDENT SEATING

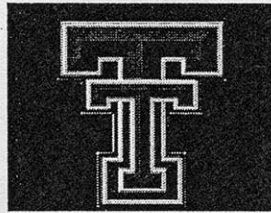
□ BAND SECTION

18TH STREET

Awards by Major Academic Unit

FY2001

Annual Research Report



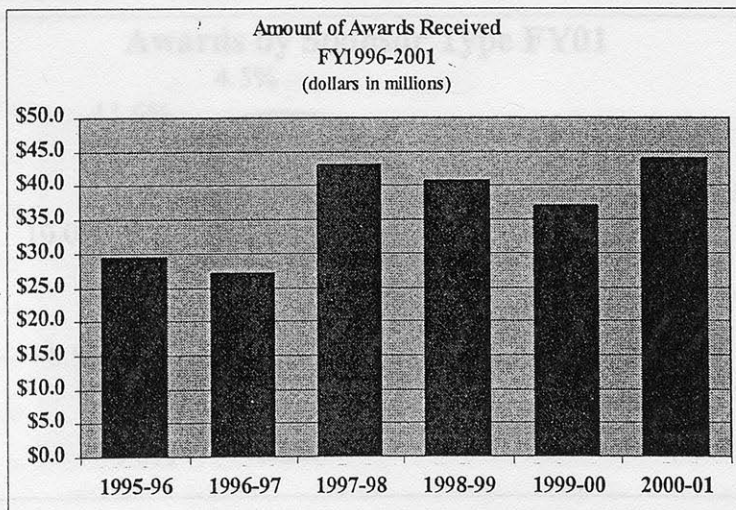
Robert M. Sweazy

Vice President for Research, Graduate Studies,
Technology Transfer and Economic Development

November 2001

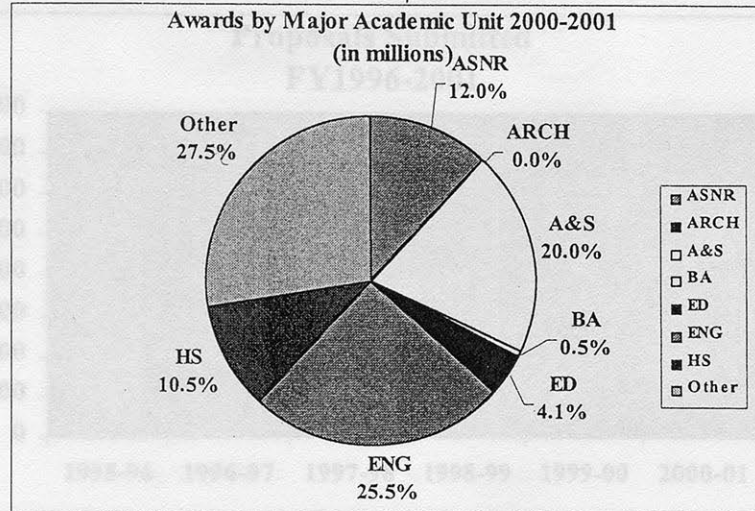


Amount of Awards Received
FY1996-2001

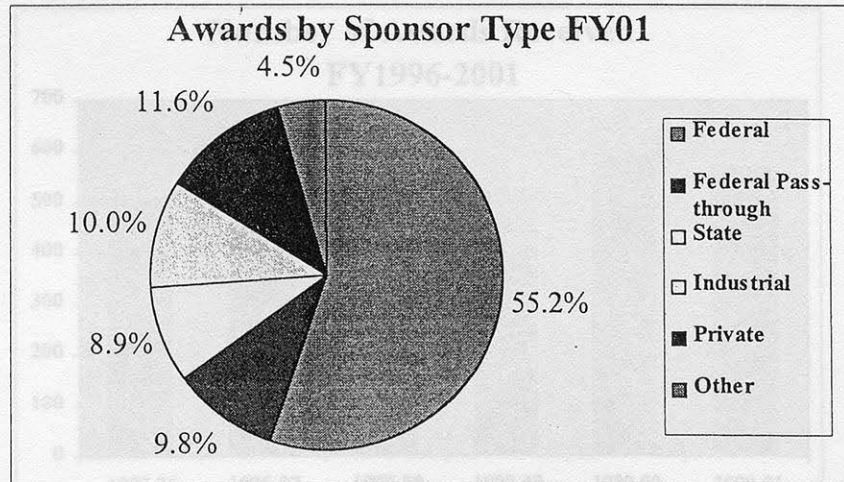




Awards by Major Academic Unit FY2001

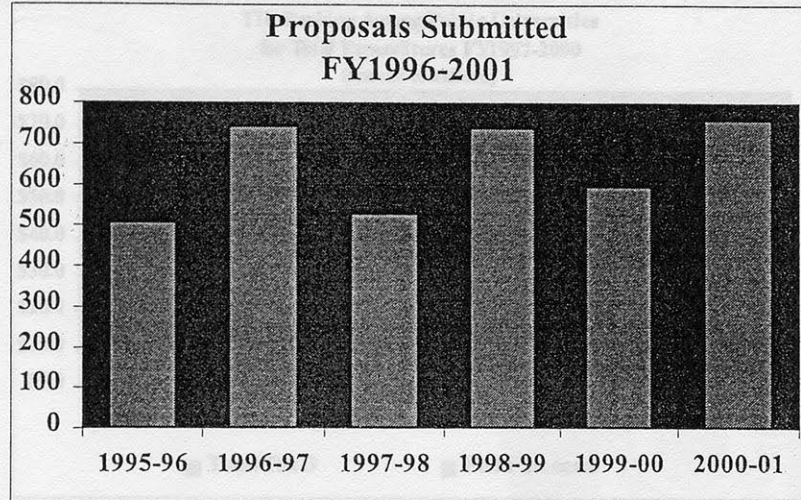


Awards by Sponsor Type FY2001

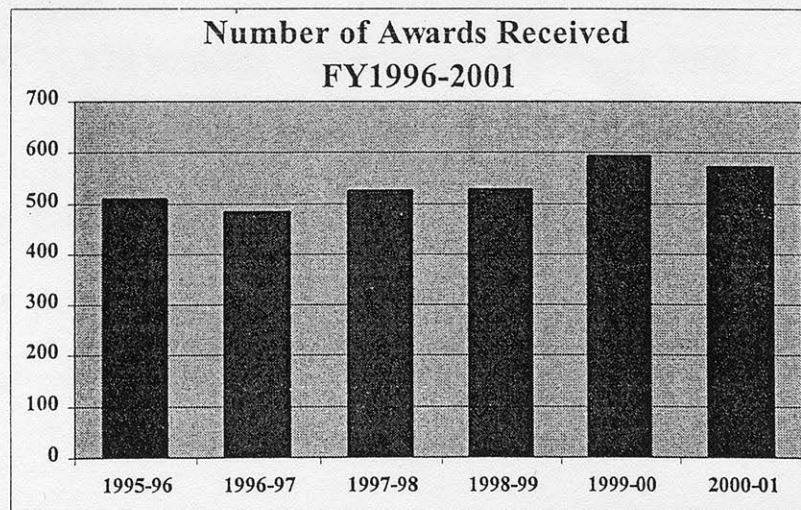




Proposals Submitted FY1996-2001

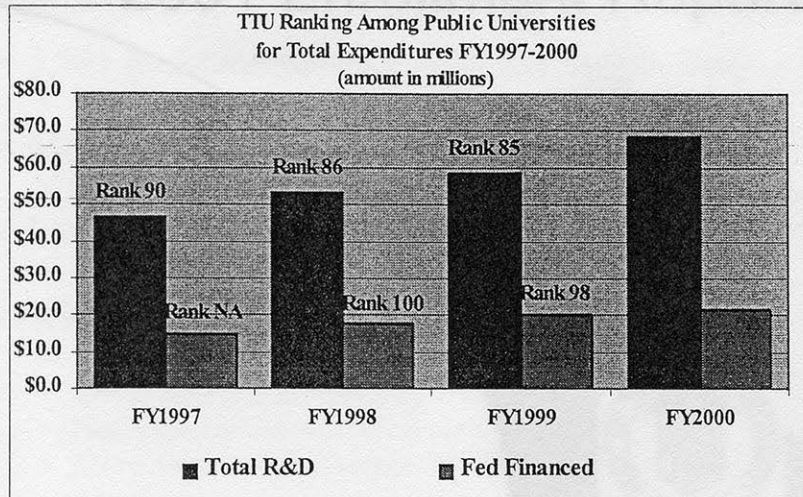


Number of Awards Received FY1996-2001



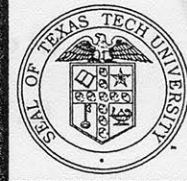


TTU Ranking Among Public Universities



2001 Enrollment Report

Michael R. Heintze,
Vice President for Enrollment Management
Texas Tech University
November 2, 2001



2001: A Record Year!

- ✓ 25,573 students—an increase of 4% over 2000
 - Previous record of 25,363 set in 1990
 - Graduate enrollment increased 7.4%
 - Undergraduate enrollment increased 3.6%
- ✓ Freshman retention rate rose to 81%
 - Previous record of 80% set in 2000
- ✓ Six-Year Graduation rate reached 52%
 - Previous record of 49% set in 1998 and 2000
- ✓ 12,008 freshman applications received
 - Previous record of 10,504 set in 2000

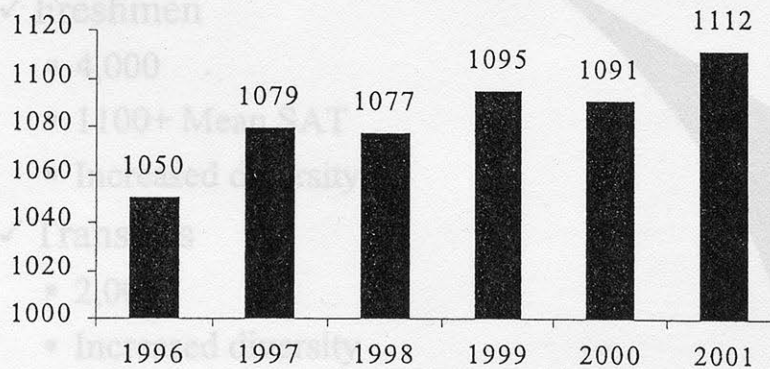


2001: A Record Year! cont.

- ✓ 3,921 freshmen enrolled—1% less than in 2000
 - 103% of goal (3,800)
- ✓ Mean SAT for freshmen climbed to 1112
 - Previous record of 1095 set in 1999
- ✓ Membership in the Honors College reached 922
 - Previous record of 910 set in 2000
- ✓ 1,936 transfers enrolled—9.3% increase over 2000
 - 107% of goal (1,800)
 - African American enrollment up 89% (from 27 to 53)
 - Hispanic enrollment up 9.8% (from 232 to 256)
 - Native American enrollment up 36% (from 11 to 15)

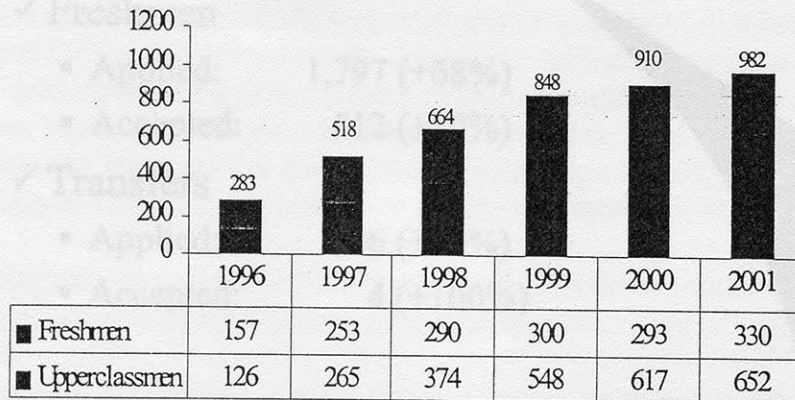


Mean SAT Scores , 1996-2001





Honors College Membership, 1996-2001



2002 Enrollment Goals

- ✓ Freshmen
 - 4,000
 - 1100+ Mean SAT
 - Increased diversity
- ✓ Transfers
 - 2,000
 - Increased diversity



2002 Admissions Update

(as of 10/26/01)

✓ Freshmen

- Applied: 1,797 (+68%)
- Accepted: 512 (+19%)

✓ Transfers

- Applied: 86 (+19%)
- Accepted: 4 (+100%)

REPORT TO BOARD OF REGENTS

Improving The Performance of University Athletics Through A Strategic Re-Organization Plan

Background

At the request of the President, a committee of Texas Tech University administrators, including representatives from the Department of Intercollegiate Athletics and the Office of Internal Audit, evaluated and analyzed the administration and operations of the Athletics Department. This group was asked to assess the resources available for the operation and to make recommendations to improve the administration and operations of the department. Specifically, the objectives of the review included the following:

- To re-integrate University athletics within institutional academic structures
- To streamline the administrative and reporting structure of University Athletics.
- To increase the capacity of the Athletic Director to improve athletic fund-raising.
- To increase the capacity of the Athletic Director to promote athletics and improve performance in all sports.
- To improve financial management, fiduciary control and communications within the athletic department.
- To facilitate cooperation and planning among head coaches and the athletic director in long term planning, management and competitiveness of our athletic programs.
- To significantly strengthen athletic events and customer services to meet fan expectations.

Rationale

The climate of intercollegiate athletics has changed, and it is imperative for Texas Tech University to re-evaluate the management and administration of athletics. A stronger emphasis is needed on the achievements of the student-athlete in the classroom. Better coordination is needed to ensure that student athletes can access resources available to other students, such as counseling, tutors and career placement services. Finally, the Athletic Director and his associates need the flexibility of time to address critical issues of fund-raising, promotion and marketing, team performance, and fan satisfaction.

The present organizational structure of the Athletic Department is unwieldy and isolated from other University resources. The goal of the reorganization is to eliminate duplicative administrative functions and to provide resources that the Athletic Department would not otherwise have available. The

reorganization will also address potential conflicts of interest issues relating to compliance.

The Athletics Department has been under severe financial stress in recent years. Many of these difficulties are directly attributed to the NCAA penalties relating to ineligible student athletes. In January 2001, the Chancellor directed the President of the University to balance the budget of the Athletic Department. Dr. Lynda Gilbert developed an overall budget to meet that directive, and the Athletic Director and coaches developed individual budgets that were in compliance. The reorganization is intended to strengthen such cooperative endeavors in the future.

Process

The Committee presented its recommendations and received input from the Athletic Director, all Associate Athletic Directors, the Athletic Council, and all head coaches. A special meeting was held with the head coaches of the big four sports (football, men's and women's basketball, and men's baseball). Adjustments were made on the basis of the discussions and the final reporting chart was approved by the President (see attached). Appropriate changes in title and position descriptions were made to reflect new reporting lines and arrangements.

Summary of Significant Changes in Reporting Lines

- The Associate Athletic Director for Athletic Compliance, currently being recruited, will report directly to the President with a secondary reporting line to the Athletic Director. This is the arrangement used by Texas A&M University and several other institutions around the country.
- The Senior Associate Athletic Director, Bobby Gleason, will have his duties restricted to fiscal affairs, and he will report directly to the University Vice President for Fiscal Affairs, Dr. Lynda Gilbert, with a secondary reporting line to the Athletic Director, Gerald Myers. This is the arrangement used by Oklahoma State University.
- The Associate Athletic Director for Student Services, John Anderson, will have a dual reporting relationship to the Associate Athletic Director for Sports Programs (Dr. Judi Henry) for day-to-day coordination with coaches and to the University Vice President for Student Affairs (Dr. Michael Shonrock) for purposes of integrating and accessing overall university programs.
- All Head Coaches will report to one of two Associate Athletic Directors, either Judi Henry or Steve Downing, but the Head Coaches for the four major revenue sports will have direct access to the Athletic Director for purposes of addressing strategic issues.

- The Associate Athletic Director for Marketing, Steve Sullivan, will report directly to the Athletic Director instead of the Senior Associate Athletic Director.

Standing Committees

The following standing committees will be established to improve department-wide coordination with respect to fiscal integrity, avoidance of duplication of resources, facilitation of internal communications, enhancement of donor relationships and outreach activities, strengthening relationships with ex-letterman and program supporters, improvements in technology, and strengthening planning and assessment.

- | | |
|---------------------------|-----------------------|
| • Fiscal Integrity | Chair: Bobby Gleason |
| • Internal Communications | Chair: Steve Downing |
| • Technology | Chair: Steve Sullivan |
| • External Outreach | Chair: Steve Uryasz |
| • Planning and Assessment | Chair: Judy Henry |
| • Pride and Pageantry | Chair: Gene Binder |

These committees are intended to serve the needs and interests of Texas Tech University and the Department of Intercollegiate Athletics. These bodies, while advisory only, will become an important element in the administrative process as an effective means of gathering important information, knowledge, and experience. Ideas and suggestions from these groups will be invaluable to administrators in their continuing efforts to improve operations. Committee members will be appointed by the Athletic Director and will include athletic administration and staff, coaches, faculty, student athletes, alumni, and community supporters.

Coordination of Athletic Events

Responsibility for the coordination of all competitive events will reside with the respective Associate Athletic Director to which the particular sport in question reports.

Recommendations

The President concurs with the recommendation that the administrative structure of the Athletic Department should be adjusted, as described above, to achieve the objectives stated above. In addition, the recommended standing committees should be established to facilitate broad-based advice and counsel to the Athletic Department. All changes will take effect 3 November 2001.

Department of Intercollegiate Athletics Standing Committees

Rationale:

The purpose of the proposed standing committees within the Department of Intercollegiate Athletics is to increase its fiscal integrity, avoid duplication of resources, facilitate internal communications, enhance donor relationships and outreach activities, work more effectively and efficiently through the use of available technology and strengthen the Department through better planning and assessment.

These standing committees will be appointed to serve the needs and interests of Texas Tech University and the Department of Intercollegiate Athletics. These bodies, while advisory only, will become an important element in the administrative process as an effective means of gathering important information, knowledge and experience. Ideas and suggestions from these groups will be invaluable to administrators in their continuing efforts to improve operations.

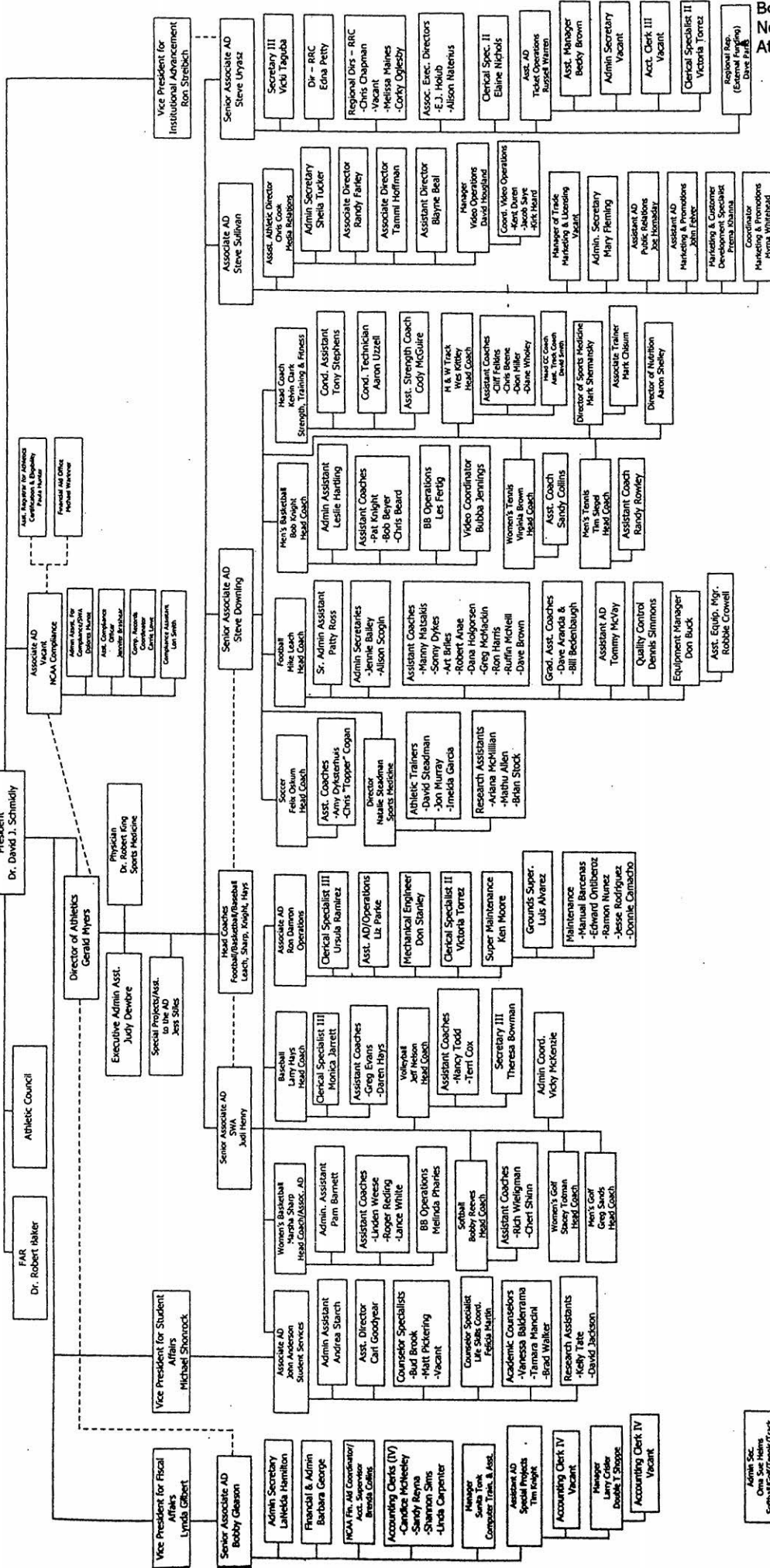
Standing Committees:

The following standing committees are proposed to allow for department-wide involvement in crosscutting areas:

- | | |
|---------------------------|------------------------|
| • Fiscal Integrity | Chair – Bobby Gleason |
| • Internal Communications | Chair – Steve Downing |
| • Technology | Chair – Steve Sullivan |
| • External Outreach | Chair – Steve Uryasz |
| • Planning and Assessment | Chair – Judy Henry |
| • Pride and Pageantry | Chair – Gene Binder |

These committees will include coaches, staff, faculty, student athletes and students and will meet on a regular basis.

Texas Tech University Board of Regents	Chancellor, Interim David Smith	President Dr. David J. Schmidly
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FOLLOW-UP REPORT ON THE USE OF
MUSEUM
CATALOGUED ART FOR DISPLAY
ON THE TEXAS TECH UNIVERSITY CAMPUS

David J. Schmidly

FOLLOW-UP REPORT ON THE USE OF MUSEUM CATALOGUED ART FOR DISPLAY ON THE TEXAS TECH UNIVERSITY CAMPUS

David J. Schmidly

Background

At their August 2001 meeting, the Texas Tech Board of Regents asked that I investigate circumstances under which art from the Museum of Texas Tech University could be displayed outside the museum in various campus locations. In order to accomplish this task, I spoke with the following people:

- Gary Edson, Executive Director of the Museum;
- Don Haragan, President Emeritus and Vice President of the Museum Association Board
- Margaret Lutherer, Chair of the Acquisitions and Exhibitions Subcommittee of the system's Public Art Committee;
- Membership of the Texas Tech Museum Association at a special called meeting.

Results of the Investigation

Complete consensus exists among those I spoke with that addressing the inherent value of artistic expression is an integral part of our mission at Texas Tech University. This responsibility rests within the Schools of Art and Music, the Theatre Department, and elsewhere, including the Museum. In addition, the Board has established a one percent set-aside from new construction projects for the acquisition of public art on campus. Public art, by definition, is created with special attention to its interaction with environmental and human elements. The Museum acquires and conserves art objects for gallery display in a controlled environment. As such, the Museum has the fiduciary responsibility to protect and preserve the items in its collection as a benefit for future generations. Most works of art created for gallery display are inherently unstable because of impermanent materials used in their making that undergo physical and chemical reactions as they age. This deterioration is accelerated by unregulated environmental conditions. Such works of art are most vulnerable to unsuitable levels of light, relative humidity and air pollution. Thus, one of a museum's curatorial responsibilities is to preserve works of art within the galleries and storage areas of the museum.

However, the Museum Association does sponsor a program, Art in Business, allowing area businesses to lease works of art for public display. These works of art have been purchased specifically for this purpose and are not part of the permanent collection of the museum. Currently, 21 paintings from this group hang in offices on the Texas Tech campus.

The system's Public Art Committee is currently accepting proposals for the commission of major works of public art on campus. These commissions, by internationally acclaimed artists, will result in site-specific public art that is designed to exist in harmony with surrounding architecture and environmental elements.

The acquisition of public art is an exciting new venture for Texas Tech that will bring substantial public acclaim to the only Texas university to assemble a public art collection from a construction set-aside. However, the display of catalogued museum art in campus locations other than the Museum could bring substantial harm to the Museum, especially to its accreditation by the American Association of Museums. An attached survey of Big XII accredited museums shows that none engage in such a lending program.

Finally, a lending program of catalogued art is a difficult issue for the leadership of the Texas Tech Museum Association. This group of Museum donors and supporters is concerned at the possible loss of accreditation and the potential loss of some art important to the collection if such a policy were instituted.

Recommendations

It is not prudent to compromise the Museum's accreditation by the American Association of Museums through a lending program that would jeopardize the security and environmental safety of items in the catalogued collection of the Museum. Catalogued art should be exhibited in situations under the control of the Museum staff and within the guidelines of the American Association of Museums. Perhaps the one percent set-aside could be used to build controlled spaces in new buildings on campus, but this does not seem to fit with the mission and vision of the Public Art Committee. Therefore, I offer the following recommendations to enhance our students' exposure to art on the campus of Texas Tech University:

- Fully explore the Art in Business Program operated by the Museum Association. Take advantage of this program to the fullest extent possible.
- Establish a pilot project to exhibit select museum prints on campus.
- Continue the policy of the Public Art Committee's acquisition of site-specific art for the campuses of Texas Tech.
- Appoint the Executive Director of the Museum to the Public Art Committee to establish a more cohesive overall fine arts community at Texas Tech.
- Allow donors complete access to the acquisitions and exhibition policies of both the Museum and the Public Art Committee so that donors can conclude which entity they wish to benefit with a donation of fine art.

Attachments

1. Paintings in the Museum and Exhibition of the Museum Collections
2. Art in Business Policy Statement
3. Pilot Project: Art on Campus
4. Big XII Museums Survey

Attachment 1

PAINTINGS IN THE MUSEUM

The Museum of Texas Tech University has a total of 764 paintings in the Fine Art Collection. Included in that number are 173 works that are part of the Diamond M Fine Art Collection, and 335 pieces belonging to the Museum Association. The University (Regent approved) agreement with the Diamond M Foundation is that the pieces in that collection will not be exhibited separately without permission from the Foundation, and that they will be a permanent part of the Museum's collections. The agreement with the Museum Association is that they retain ownership of the works of art and other objects they purchase or acquire by donation or gift.

Total number of paintings in the Museum Collection	764
Paintings that are a part of the Diamond M Collection	173
Paintings belonging to the Museum Association	<u>335</u>
Paintings owned by the Museum of TTU	256

Because the monetary value of objects is often considered to be more important than the aesthetic, the following figures shows the relationship among the collections. These are estimated values as no recent "fair market appraisal" has been conducted due to lack of funding.

Total value of the paintings in the Museum Collection	\$7,763,045.
Value of the Diamond M Collection paintings	\$5,169,050.
Value of the Museum Association paintings	<u>\$1,329,850.</u>

Estimated value of the 256 paintings belonging to the Museum	\$1,264,145.
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As demonstrated by these numbers, when the Diamond M and Association collections are subtracted from the total number of paintings in the Museum, 256 pieces remain. These 256 pieces are the "collection" of the Museum and Texas Tech University. Thirty-four of these paintings have monetary value of more than \$5,000 each, with the most expensive having an estimated market value of \$160,000. (These pieces are the most often exhibited.) Seventy-nine of the paintings are watercolors on paper. These paintings are fragile and difficult to protect against ultraviolet light, and fluctuations in temperature and relative humidity. Twelve paintings are portraits of past University presidents and Lubbock dignitaries. Thirty-four paintings are by Harold Bryant, an important illustrator and artist. Twenty painting are part of the Peter Hurd Collection.

Twelve paintings are World War II calendar art by J. D. Voulgaris. Twenty-nine paintings are less than 10 inches in height or width making them extremely small for solitary exhibition and very vulnerable to theft.

Paintings owned by the Museum of TTU	256
Paintings with a monetary value of \$5,000 or more	34
Watercolors paintings requiring special attention	79
Portraits of TTU Presidents, Deans, and Lubbock dignitaries	12
Paintings in the Harold Bryant Collection	34
Paintings in the Peter Hurd Collection	20
Paintings by Voulgaris depicting WW II calendar scenes	12
Paintings smaller than 10 inches in height or width	<u>29</u>
Pieces in the Museum collection with no collection, material, or size limitations	36

The average dollar value of the 36 paintings is \$544. Nineteen are valued at \$400 or less.

This listing demonstrates that there are few "hidden treasures" stashed in the bowels of the Museum that are not used. At the present time, the Museum has 160 paintings of the 764 pieces in the collection on exhibit. That number represents 20.9% of the total painting collection. This percentage is higher than the exhibition ratio of many museums.

The paintings valued at \$5,000 or more are among the pieces most often exhibited. They include works by Robert Wood, John Young-Hunter, Wilson Hurley, Marsden Hartley, Leon Gaspard, John Sloan, Henriette Wyeth Hurd, Loren MacIver, Frank Hoffman, Joseph Henry Sharp, Bert Greer Philips, Oscar Berninghaus, Eanger Irving Couse, Earnest Blumenschein, N.C. Wyeth, and Georgia O'Keeffe. These paintings are works by some of the premier artists in the world. Other paintings such as those painted by Peter Hurd, Harold Bryant, and J. D. Voulgaris have extraordinary value for research purposes and are popular exhibition objects.

EXHIBITION OF THE MUSEUM COLLECTIONS

The percentage of the Museum's paintings exhibited during the past five years is extremely high due, in part, to the number of pieces in the collection and the popularity of certain collections.

Collection	Paintings	% Exhibited
Diamond M Collection	173	100%
Museum Association Collection	335 approximately	65%
Museum Collection	256 approximately	62%
Total Paintings in Museum	764 approximately	76%

100% of the Art in Business paintings have been on view during the past 12 months.

100% of the Taos/Southwest Collection has been on view during the past 24 months.

95% of the Mexican retablo paintings have been on view during the past 12 months.

162 paintings or 21% of the painting collection is currently on exhibition in the Museum.

There are paintings in the Museum's collection and pieces belonging to the Museum Association that are too fragile or too damaged for exhibition. Most of the damaged pieces are being conserved as funding is available; however, conservation is time consuming and extremely expensive. No state funds are made available for conservation of the Museum's collections.

A range of pieces in Museum collections is of an extremely delicate nature and requires the utmost care and handling. Vibration, light, pollution, temperature, and relative humidity can cause immediate and irreparable damage.

The notion that the Museum has a vast number of paintings in storage is incorrect as demonstrated by the percentage of pieces exhibited during the past five years. Some works must be removed from the galleries to allow them to "rest." This is an accepted museum practice used to extend the viable life of a work of art.

Attachment 2

MUSEUM OF TEXAS TECH UNIVERSITY ASSOCIATION HISTORY OF THE ART IN BUSINESS PROJECT

In the 1940's the volunteer Board of the then West Texas Museum Association (hereinafter referred to as the Museum of TTU Association) determined to devise a method of regularly add to the fine art collection of the then West Texas Museum (hereinafter referred to as the Museum of TTU).

Each calendar year, a budget was approved by the Executive Committee that included a small amount to be used for fine art acquisitions. Members of the Association's Acquisitions Committee were then responsible for researching possible acquisitions for purchase, seeking donations from collectors and artists, and adding these pieces to the collections of the Association.

To further enhance the monies available for acquisition purchases, the pieces that were monetarily valued below \$500 were used for a fund raiser project with a two-fold purpose: to help educate the community about fine art, and to raise monies to purchase art for the Museum Association to be displayed at the Museum of TTU.

The project was planned as follows:

1. A new committee called Art in Business was appointed. The committee was made up of businessmen in the community who were members of the Association.
2. Annually, these committee members called on fellow business owners and encouraged the owners to join the Museum Association as a business member.
3. As a benefit of business membership, businesses were offered the opportunity to hang their choice of an Art in Business art piece in their office for one year.
4. Volunteers of the Women's Council then held the responsibility of arranging an event for business members to view the paintings. The chosen paintings were then physically delivered to the businesses by members of the Women's Council after training session for proper handling of the art pieces.
5. Dues from this fund raiser were then added to the budget for Acquisitions and were also used for repair needs (if any) to the Art in Business pieces.

This innovative fund raiser project has added a number of art pieces to both the Museum Association's art collection that resides in the Museum of TTU's permanent collection and the Art in Business collection project. (note: the Art pieces are not acquisitioned into the Museum collections)

There are two aspects of the project that determine the acquisition's status in the Museum Association.

1. Each Art in Business collection piece is annually evaluated by the Art Committee, the Exhibits Curator, the Art Curator, and the Executive Director of the Museum.
2. Each Art in Business piece is evaluated as to its monetary value. If the current market value of the piece is over \$3000, the Art in Business piece is no longer available for public hanging. It is then acquisitioned into the Association's permanent collection which resides in the Museum of TTU.
3. Each Art in Business piece is evaluated as to its value to relation to the Museum of TTU/Museum of TTU Association permanent acquisitions. If the piece relates in subject, artist, period, or collection area of the permanent acquisitions, the piece is removed from the Art in Business project and acquisitioned into the Association's permanent collection which resides in Museum of TTU.

Art in Business collection pieces have continued through the years to prove a valuable asset to Museum ability to provide fine art exhibitions. EXAMPLE: The Museum Association once purchased a Georgia O'Keeffe which was used as an Art in Business painting until its value properly escalated to the point that it exceeded the minimum monetary value for that collection. That same piece is now valued at well over a half million dollars and is an important asset to the Museum's purpose of playing an educational and protective role for the public.

Also, Art in Business collection pieces have continued to be carefully evaluated and cared for annually.

No Art in Business has been allowed to hang in private homes. This is not done limit the project, rather to protect the paintings. Home environments produce food oils, fireplace smoke, cleaning sprays, temperature changes, etc. that are most damaging to the pieces. They also tend to be less secure, as homes are less occupied as a rule than are businesses, and are generally less security controlled.

No Art in Business can be hung in a space that has not been approved by the appropriate committee and staff who are committed to its safety and maintenance.

Attachment 3

PILOT PROJECT: ART ON CAMPUS

To promote aesthetic appreciation and increase the presence of the Museum on campus, a Pilot Project will be undertaken by Museum staff and graduate students in the Museum Science Program. The project will investigate the influence of art on the student body as well as determine the degree of hazard for the art.

The Project will involve making reproductions of five paintings from the Museum's collections and placing those reproductions, along with selected paintings from the Art in Business collection, in two locations on campus. The proposed exhibit sites are the Law School and the College of Business Administration. Placement of the art will be coordinated with the deans of these entities.

The paintings to be reproduced will be selected by Museum staff based on the quality of the work, copyright restrictions, donor consent, and practical considerations (size, color, and subject). The reproductions will be digitally generated images on canvas. The pieces will be of a size comparable to the original and framed in an appropriate manner. Each of the paintings will be identified as a reproduction and have a plaque stating that the original is in the collections of the Museum.

The paintings from the Art in Business collection will be selected with the advice and consent of the Museum Association. The pieces will complement the reproductions and afford a balance to the style and content of the material on exhibit. These pieces will be original works of art owned by the Museum Association.

The paintings will be hung by Museum personnel and shown in prominent locations selected in conjunction with the deans. Each piece will have accompanying labels and there will be a short statement about the Museum and the collections. The exhibits will be of approximately six months duration. Museum Science students and Museum staff will monitor the exhibits to review conditions, take atmospheric readings, and assess the status of the paintings. Museum Science students will also survey students, faculty, and staff using the buildings in which the exhibits are located to determine awareness and appreciation of the paintings.

The Pilot Project will begin at the start of the Spring Semester and continue through June. A report will be written at the end of that time that reviews the project, analyzes the effect on the viewers, and assesses the impact on the paintings. This project may be the basis for a Master's thesis.

Attachment 4

**USE OF ART COLLECTIONS
Museums of the Big XII**

Texas Tech University Museum of Texas Tech University
Director: Gary Edson
Telephone: (806) 742-2442
Accredited: Yes
Founded: 1929
Type: General Museum
Collections: general
Collection size: 1.75M
Exhibition space: 83,000 sq. ft. (Museum and LLL)
Attendance: 146,004 (actual)

Are collections used outside the museum to decorate university offices, classrooms, etc.? **No. As a general policy, works from the museum's collection are not used to decorate offices.**

If "yes" where? **There are exceptions to the general rule. The Chancellor's office has works from the collection.**

If "yes" who regulates? **The Museum installs the art, requires a regular loan agreement, and does an annual condition report.**

University of Texas Jack S. Blanton Museum of Art
(located in the Harry Ransom Center)
Director: Jessie Otto Hite
Telephone: (512) 471-7324
Accredited: Yes
Founded: 1963
Type: Art Museum
Collections: Renaissance and Baroque art, 19th and 20th century American art, contemporary Latin American art, prints and drawings
Collection size: Not listed
Exhibition space: 28,200 sq. ft.
Attendance: 100,000 (estimated)

Are collections used outside the museum to decorate university offices, classrooms, etc.? **No, not a**

practice. Loans across campus was a practice several years ago, but too many pieces were lost, stolen, or damaged.

If "yes" where? There are exceptions with "loans" to the offices of the Chancellor and President. Loans are subject to approval by museum personnel and the availability and condition of objects.

If "yes" who regulates? All "loan" objects are under the direct supervision of museum personnel. Objects are placed, hung, moved, and annually assessed by the museum.

Texas A&M University

Stark Galleries/MSC Forsyth Center Galleries

Director: Cathy Hastedt/Timothy Novak

Telephone: (979) 845-6081 (979) 845-9251

Accredited: No

Founded: 1989

Type: Art Museum

Collections: American paintings, 19th-century English Cameo Glass, 19th and 20th-century American glass.

Collection size: Not listed

Exhibition space: 10,200 sq. ft. (two locations)

Attendance: 25,000 (estimated)

Are collections used outside the museum to decorate university offices, classrooms, etc.? Yes and No. There are two collections: 1) the Campus Art Loan collection, and 2) the Permanent Art collections. Both are "housed" in the Galleries. The Campus Art Loan collection is available for use in approved locations outside the Galleries. The Permanent Art Collection is not loaned to campus locations. Corporations and donors gave most of the pieces in the Campus Art Loan collection for use across campus. Many of the pieces are prints and reproductions.

If "yes" where? Offices and meeting areas that have reasonable security and environmental controls may borrow art from the Campus Art Loan collections. The loans are for 6 months and can be renewed. No loans are allowed to

uncontrolled spaces (hallways, classrooms, dorms, etc.).

If "yes" who regulates? The Gallery personnel approve the location and does all the handling of the loan pieces. New acquisitions for the Campus Art Loan collection are through the Galleries.

Baylor University

Strecker Museum Complex
Director: Calvin B. Smith
Telephone: (254) 710-1233
Accredited: Yes
Founded: 1893
Type: Natural Science and History
Collections: Natural and cultural history, science, zoology, herpetology, archaeology, anthropology, entomology, paleontology, botany, geology, mineralogy, numismatics
Collection size: Not listed
Exhibition space: Not listed
Attendance: 31,000 (estimated)

Are collections used outside the museum to decorate university offices, classrooms, etc.? **Fine art is not a part of the collection.**

If "yes" where?

If "yes" who regulates?

University of Nebraska

Sheldon Memorial Art Gallery and Sculpture Garden
Director: P. J. Jacobs, Administrator/Jan Driesbach, Director
Telephone: (402) 472-2461
Accredited: Yes
Founded: 1963
Type: Art Museum
Collections: American art with focus on the 20th century
Collection size: 12,000 pieces
Exhibition space: Not listed
Attendance: 150,000 (estimated)

Are collections used outside the museum to decorate university offices, classrooms, etc.? **Yes and No. Campus loans are allowed based on specific**

limitations. Only a part of the collection is loaned. There is a rental fee. (Currently, there is a moratorium on these loans as the new director reconsidering this practice due to the potential damage to works of art.)

If "yes" where? Loans made to campus locations only, and selected sites must meet the requirements of the museum.

If "yes" who regulates? Individuals and offices request loans subject to approval by the museum. The museum has complete control over the hanging, moving, and general placement of the pieces.

University of Missouri

Museum of Art and Archaeology

Director: Marlene Perchinsky

Telephone: (573) 882-3591

Accredited: Yes

Founded: 1957

Type: Art Museum

Collections: Ancient art and archaeology, paintings, 15th to 20th century European and American sculpture, drawings, and prints, African, pre-Columbian, Chinese, Japanese, South and Southeast Asian art and artifacts

Collection size: 14,000

Exhibition space: 5,000 sq. ft.

Attendance: 34,000 (estimated)

Are collections used outside the museum to decorate university offices, classrooms, etc.? No. The collection is not used for decorative purposes. The museum is accredited and the director feels very strongly about providing the proper stewardship for the collections.

If "yes" where?

If "yes" who regulates?

University of Oklahoma

The Fred Jones Jr. Museum of Art

Director: Eric M. Lee

Telephone: (405) 325-3272
Accredited: Yes
Founded: 1936
Type: Art Museum
Collections: 20th century American painting and sculpture, contemporary art, traditional and contemporary Native American art, ceramics, photography, Asian art, European graphics from the 16th century to present
Collection size: Not listed
Exhibition space: Not listed
Attendance: Not listed

Are collections used outside the museum to decorate university offices, classrooms, etc.? **No. As a general rule there are no loans outside the Museum to other locations on campus.**

If "yes" where? **President's restored house in the center of campus and his office. Sometimes pieces in the library.**

If "yes" who regulates? **Installations, movement, and condition reports responsibility of museum personnel.**

University of Kansas

Spencer Museum of Art
Director: Andrea S. Norris
Telephone: (785) 864-4710
Accredited: Yes
Founded: 1928
Type: Art Museum
Collections: European and American painting, sculpture, prints, drawings, photographs, decorative arts, textiles, Japanese paintings and prints, Chinese paintings and sculpture
Collection size: Not listed
Exhibition space: Not listed
Attendance: 75,000 (estimated)

Are collections used outside the museum to decorate university offices, classrooms, etc.? **The Museum avoids this practice as much as possible, and does not lend to faculty offices or other unregulated spaces.**

If "yes" where? The Museum lends to selected areas including to the Chancellor's home and office, Provost office, and other high security areas. The Museum has had bad experiences with loss of art and strictly regulates all campus loans.

If "yes" who regulates? Museum personnel installs and moves art.

Oklahoma State

Gardiner Art Gallery
Director: Robert E. Parks
Telephone: (405) 744-6016
Accredited: No
Founded: 1965
Type: Art Museum
Collections: Graphics
Collection size: Not listed
Exhibition space: Not listed
Attendance: 10,000 (estimated)

Are collections used outside the museum to decorate university offices, classrooms, etc.? The Gallery is not a decorating service and would prefer not to have objects used outside the Gallery as this is not good for the works of art—too much liability for the objects.

If "yes" where? The Gallery allows selected objects to be hung in the President's and some Deans' offices, but no other locations.

If "yes" who regulates? Gallery personnel deliver and hang the objects if use is approved. A loan agreement must be signed and time limits imposed.

Iowa State University

Brunnier Art Museum
Director: Lynette Pohlman
Telephone: (515) 294-3342
Accredited: Yes
Founded: 1975
Type: Decorative and Fine Art Museum
Collections: Decorative arts collection consisting of glass, dolls, ceramics, jade, and historic house
Collection size: Not listed
Exhibition space: Not listed

Attendance: 40,000 (estimated)

Are collections used outside the museum to decorate university offices, classrooms, etc.? **No, there is a clear separation between museum collections and Art On Campus. There are about 2000 pieces in the Art on Campus collection and there are policies and procedures for acquiring, commissioning, installing, and caring for the works.**

If "yes" where? **The Art on Campus collection is used for educational purposes, not decoration. It includes major works of art, sculpture, murals, and installations, as well as works on canvas and paper.**

If "yes" who regulates? **All aspects of the Art on Campus collection is regulated by the museum.**

Kansas State University **Marinna Kistler Beach Museum of Art**
Director: Lorne E. Render
Telephone: (785) 532-7718
Accredited: No
Founded: 1996
Type: General Museum
Collections: 20th century art of the Mountain-Plains region and American printmaking, works of John Stewart Curry, Associated American Artists print club, prairie archives of Patricia Duncan, prints of E. Herbert Deines
Collection size: Not listed
Exhibition space: 9,000 sq. ft.
Attendance: 24,546 (actual)

Are collections used outside the museum to decorate university offices, classrooms, etc.? **No. As a general rule the Museum does not use its collection for display outside the Museum.**

The Marinna Kistler Beach Museum of Art has three collection designations:

1. Museum collection: Not loaned for cross-campus purposes.

2. Study collection: Collection used for research and study.

3. KSU Art Collection: Not a part of the Museum's regular collection but regulated by the Museum. The art is treated in every way in much the same way as the regular Museum collection except that it can be displayed outside the Museum facilities. Museum personnel install and supervise the KSU Art Collection. Loan agreement and annual condition reports are required.

If "yes" where? The one exception is the President's Suite.

If "yes" who regulates? Museum personnel regulate the acquisition, conservation, and use of all art.

University of Colorado

CU Art Galleries

Director: Susan Krane (direct line (303) 492-8003)

Telephone: (303) 492-8300

Accredited: No

Founded: 1939

Type: Art Gallery

Collections: 19th and 20th century paintings and prints, 15th to 20th century drawings, watercolors, sculptures and ceramics, 20th century photographs

Collection size: Not listed


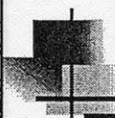
Exhibition space: 5,000 sq. ft.

Attendance: 20,000 (actual)

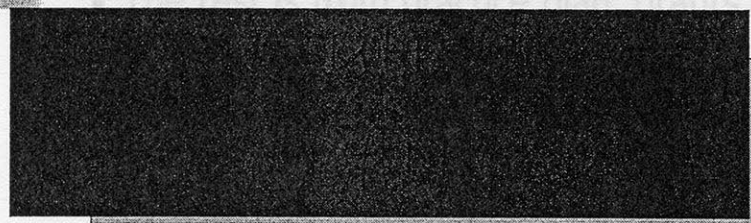
Are collections used outside the museum to decorate university offices, classrooms, etc.? No! Loans for on-campus use are not allowed. All works are treated according to professional standards. Cross-campus loans were allowed previously but too many pieces were lost and damaged. High light levels and lack of security were major problems.

If "yes" where? The only loan of museum work is to System President's office for a 3 month period.


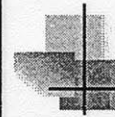

If "yes," who regulates? Loans are controlled by museum personnel, and a loan agreement is required.



SON Federal Initiatives 2001




November, 2001



School of Nursing Mission

- **Mission:**
 - Our primary mission is to provide quality educational programs. In addition, the School supports excellence in health care for diverse racial, cultural and ethnic populations in West Texas through its programs of scholarship, research, practice and service





School of Nursing Funding

- Only 59% of SON funding is from the state
 - The rest is from practice plan, grants and contracts
- Strategic Plan includes increasing extramural funding
 - Research & Grants



New Federal Initiatives

- **U.S. Department of Health & Human Services – Bureau of Health Professions**
 - Wellness Center Expansion Grant
 - Expansion of Advanced Nursing Educational Programs



Wellness Center Expansion Grant



- Funding = \$1,702,321.00
 - July 1, 2001 to June 30, 2006
- Co-Project Directors
 - Chris Esperat RN, Ph.D., FNP
 - Virginia Miller RN, Ph.D., FNP
- Located at 3703 Ave. A
- Nurse Managed Clinic

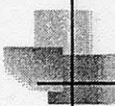


Excellence in Practice




- Nurse-managed Nursing Practice arrangements provide primary care services to underserved populations in Lubbock and Odessa
 - The **Wellness Center** serves residents in East Lubbock within a medically-underserved area
 - The **Nursing Center** serves medically indigent clients in one of the Health Sciences Center clinics in Odessa



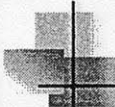



Goals of Wellness Center


SON Wellness Center




- Non-Profit Wellness Center
- Medically Underserved Area of East Lubbock
- Provides essential health care to three Lubbock economically deprived census tracts
- Located at 3703 Ave. A
- Nurse Managed Clinic



What is a Nurse Managed Clinic?



- Provides Health Promotion, Disease Prevention, Health Education & Primary Care
- SON Faculty Provide Services:
 - Nurse Practitioners
 - Other SON faculty
- Medical Oversight provided by TTUHSC Dept. of Family Medicine
- Serves as a clinical learning site for students



Goals of Wellness Center Grant:



- Provide primary care services & disease management programs for
 - Obesity
 - Hypertension
 - Diabetes
 - Asthma

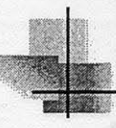


Goals of Wellness Center Grant Cont.





- Provide Case Management Programs through a faculty Practice Program
- Conduct a comprehensive health education program targeted at
 - Obesity
 - Hypertension
 - Diabetes
 - Asthma





Goals of Wellness Center Grant Cont.




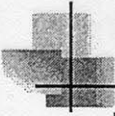
- Collaborate with Lubbock ISD to recruit disadvantaged students into health careers
 - Provide clinical experiences for SON graduate & undergraduate students in Wellness Center
 - Evaluate Outcomes
- 



Expansion of Advanced Nursing Education Programs:



- Funding = \$865,585.
July 2, 2001 – June 30, 2004
 - Addresses two National Goals:
 - Improving Access to Health Care Provided by Nurse Practitioners
 - Improving Access to a Diverse & Culturally Competent Healthcare Workforce
 - Co-Project Directors
 - Barbara Johnston RN, Ph.D.
 - Yondell Mastin RN, Ph.D., WHNP
- 



Expansion of Advanced Nursing Education Programs: Cont.



- Acute Care Nurse Practitioner Program
- Pediatric Nurse Practitioner Program
- Geriatric Nurse Practitioner Program
- Clinical Trials Coordinator Program
(funded by CDC TTUHSC Diabetes Project)



Excellence in Research & Grants



- SON is moving towards a research mission as is all of TTUHSC
- Many initiatives underway to improve research enterprise
- Grant & research funding have increased substantially
 - Major grant proposals submitted AY 2001 = \$4,864,215.
 - Captured \$2,567,906. In Federal Grants



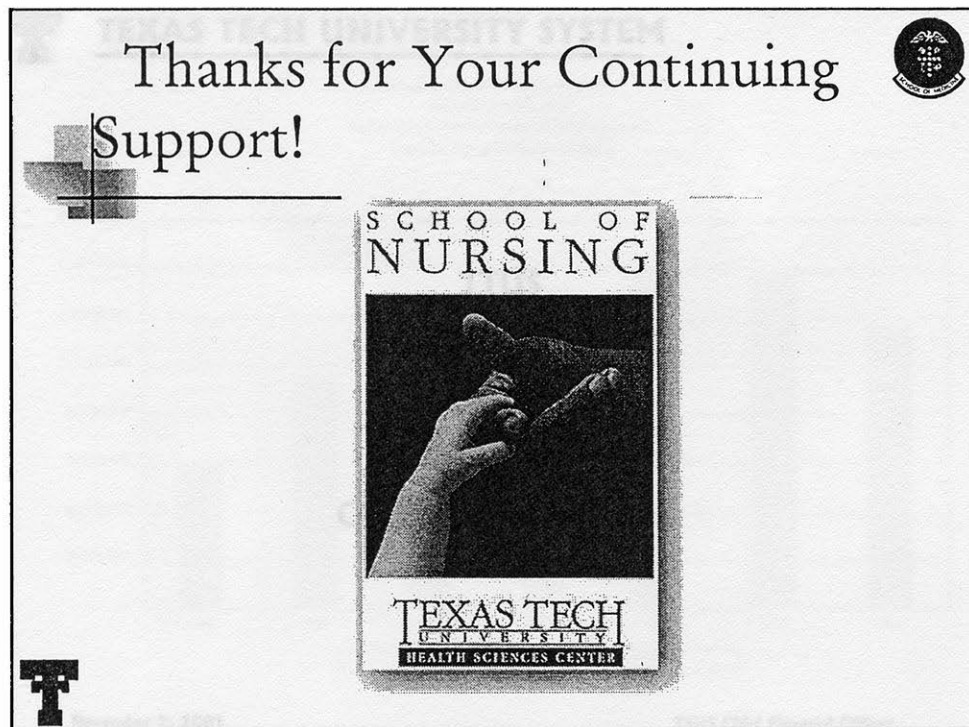
Extramural Grant Writing Cycle in Process for 2002 Funding:


- Nine Extramural Grants in Development
- Developing Grant Writing Teams
- Oversight Provided by SON Research & Practice Program
 - Dr. Chris Esperat, Associate Dean R & P



Our Vision is Excellence!



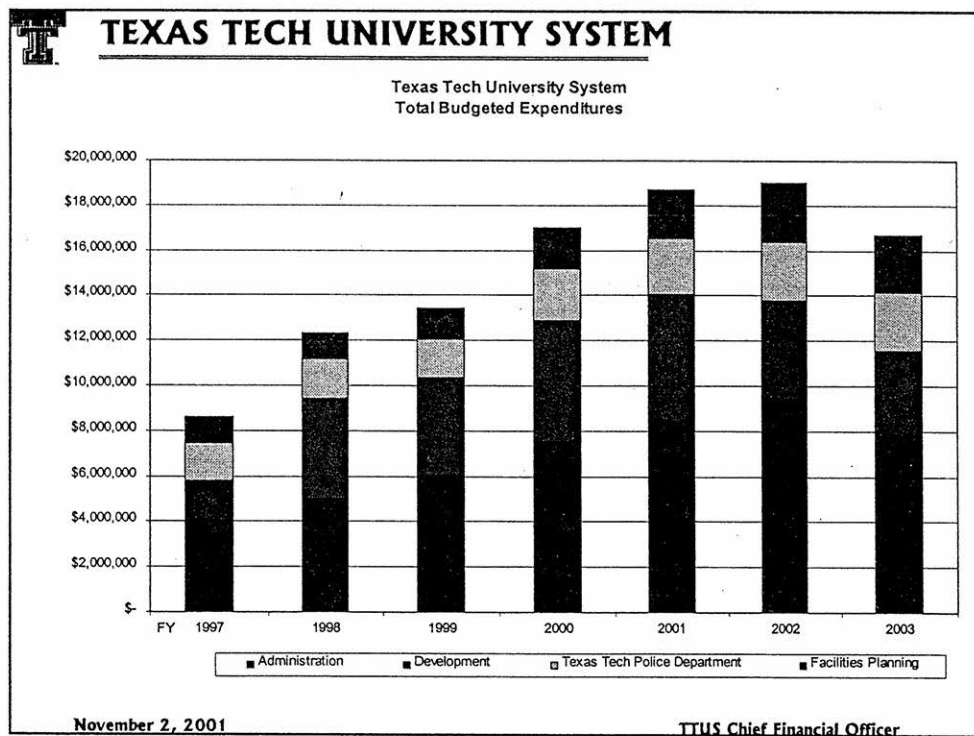


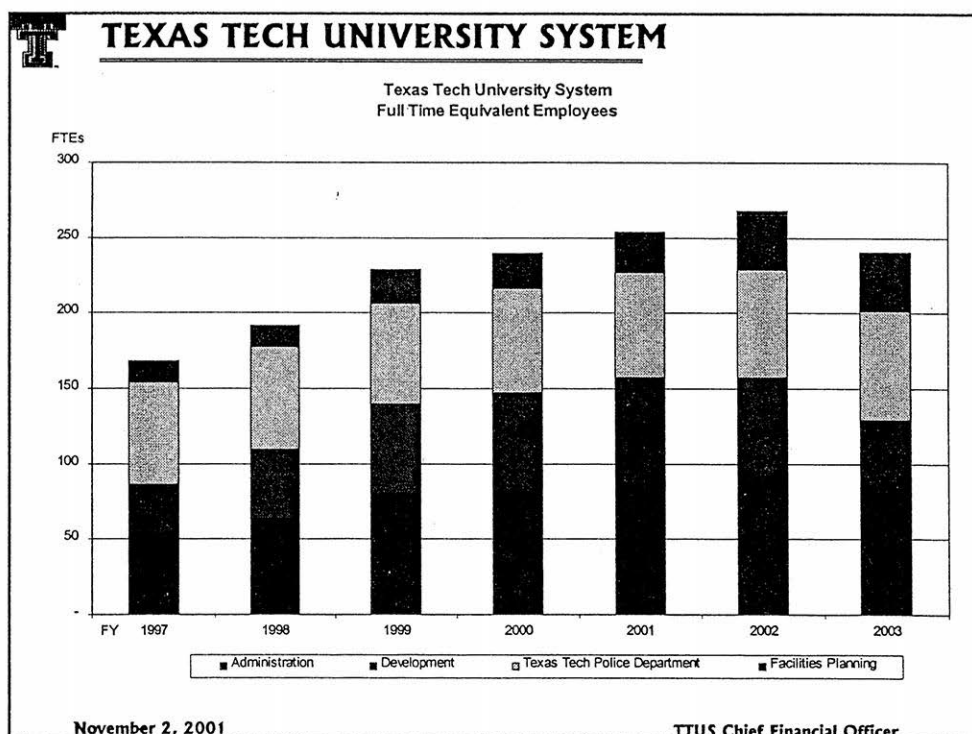
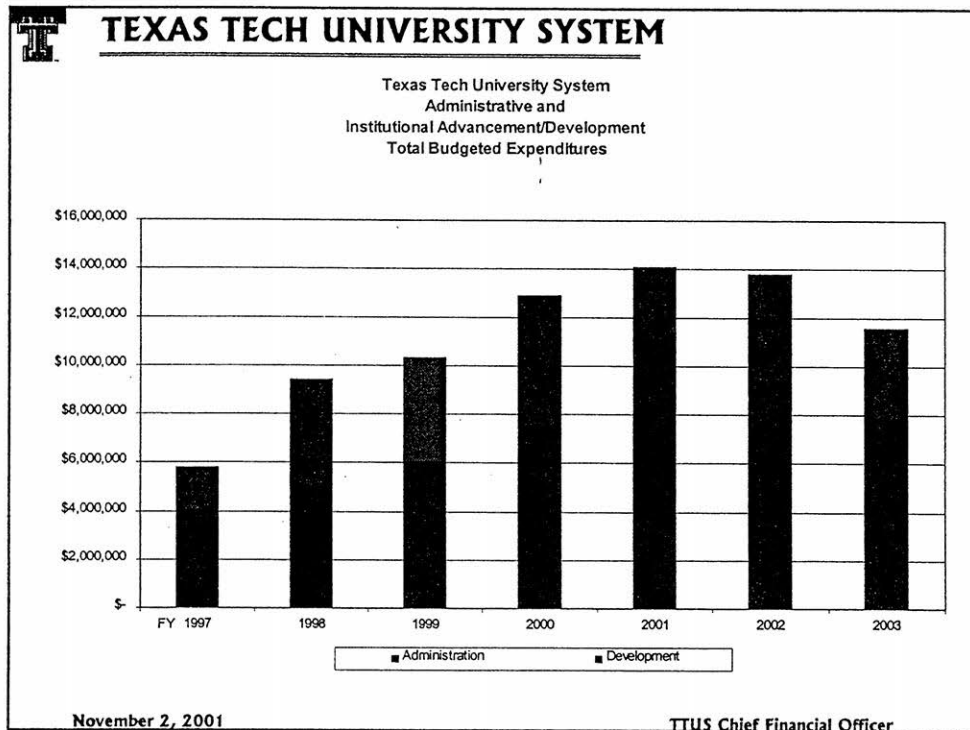
**TEXAS TECH UNIVERSITY SYSTEM**

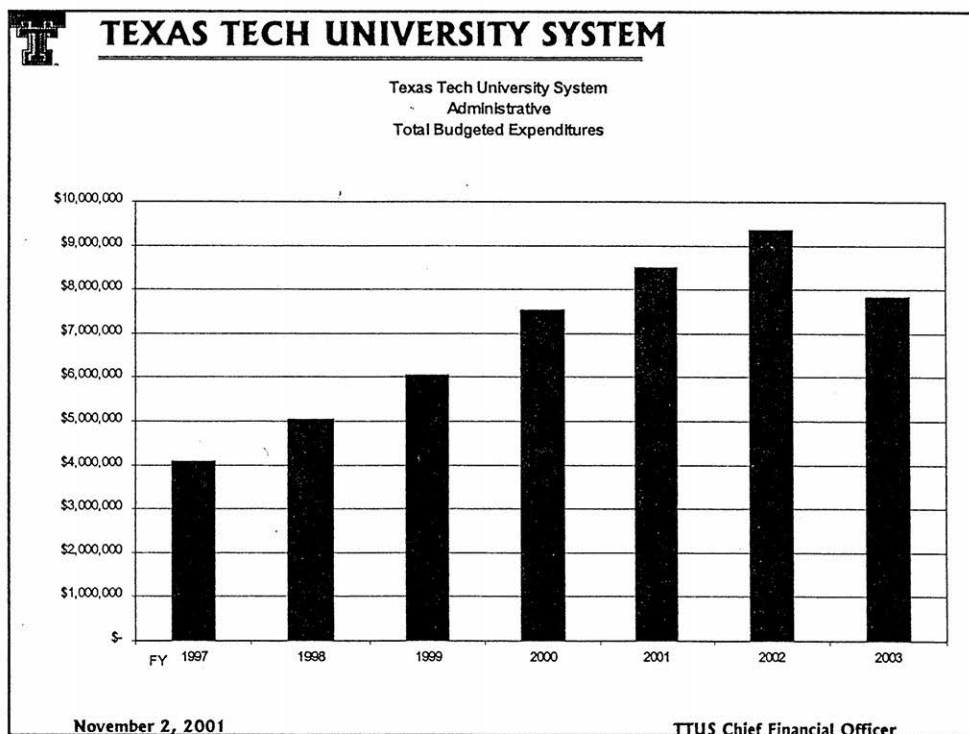
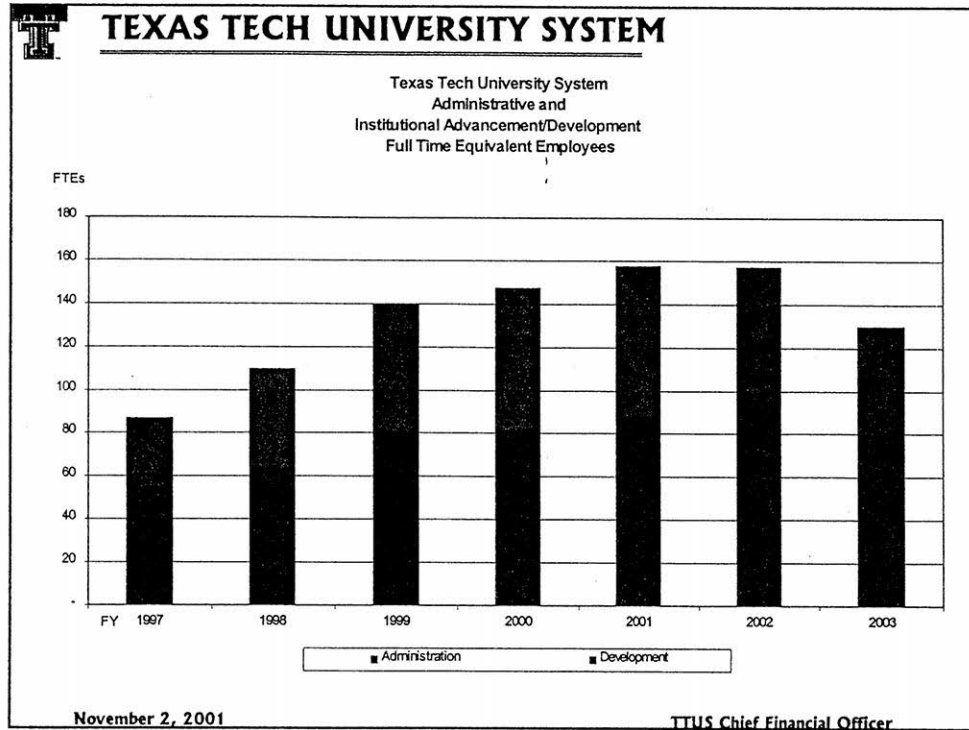
TTUS
Budget Reductions

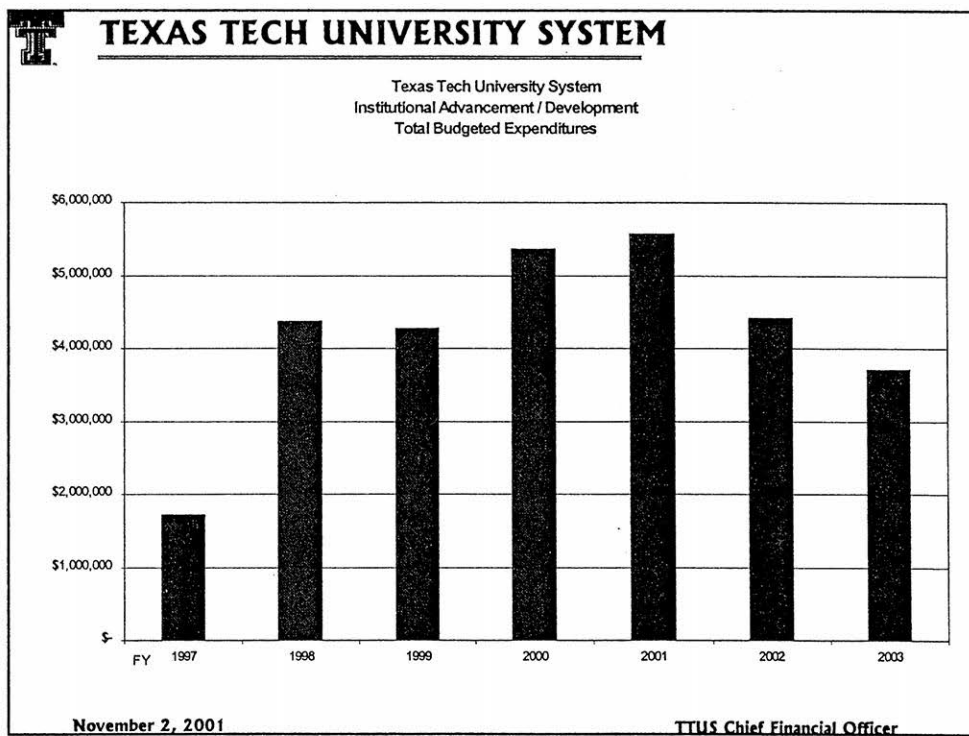
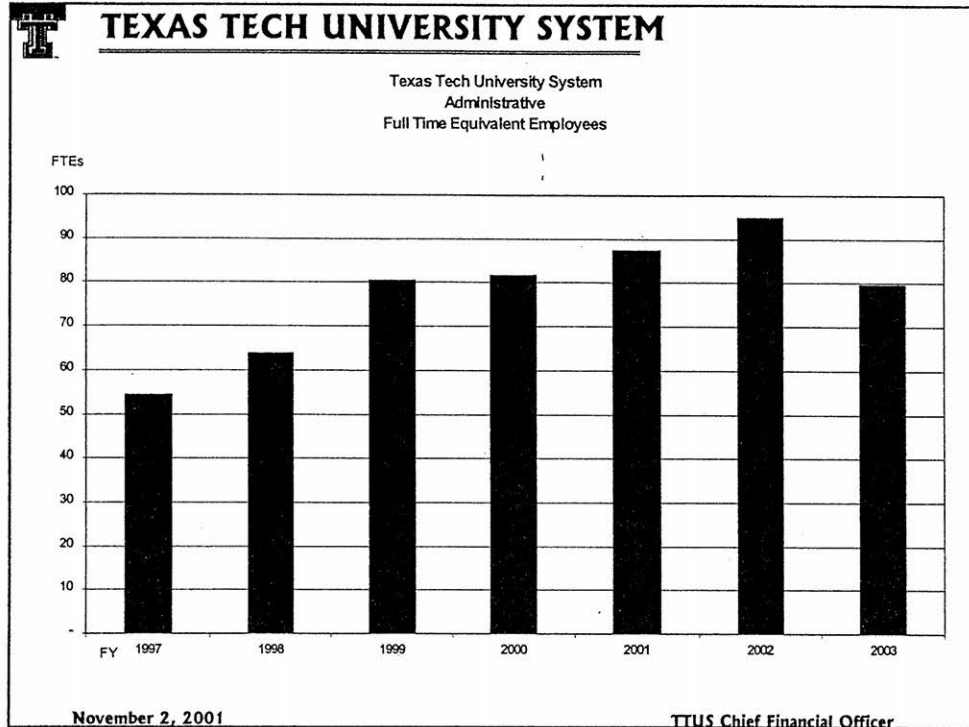
Jim Brunjes
Chief Financial Officer

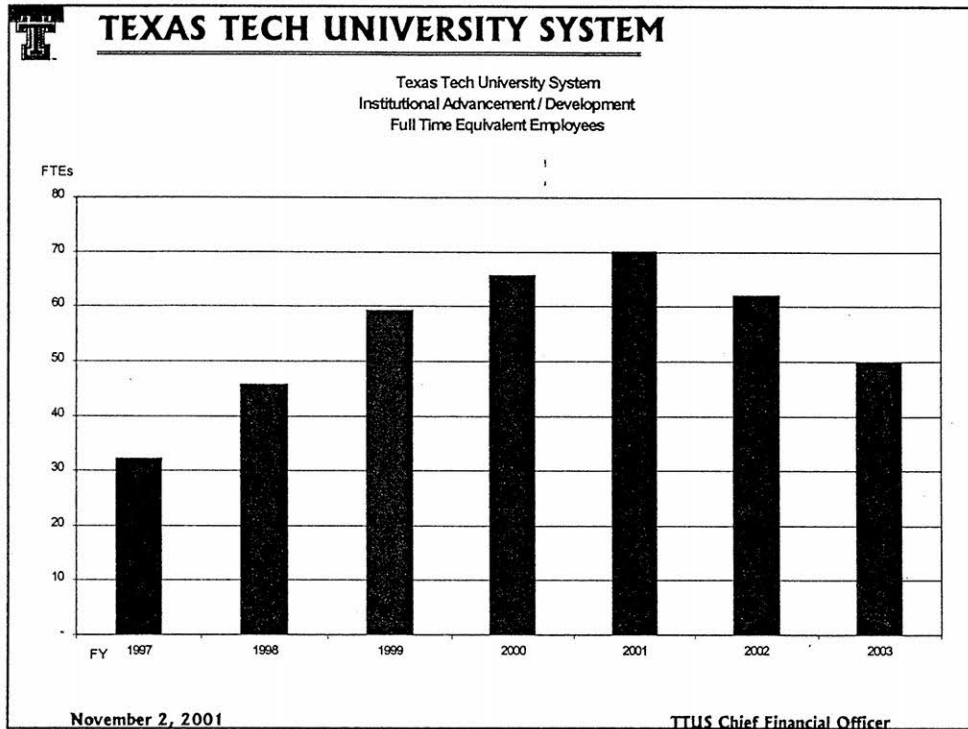
November 2, 2001TTUS Chief Financial Officer











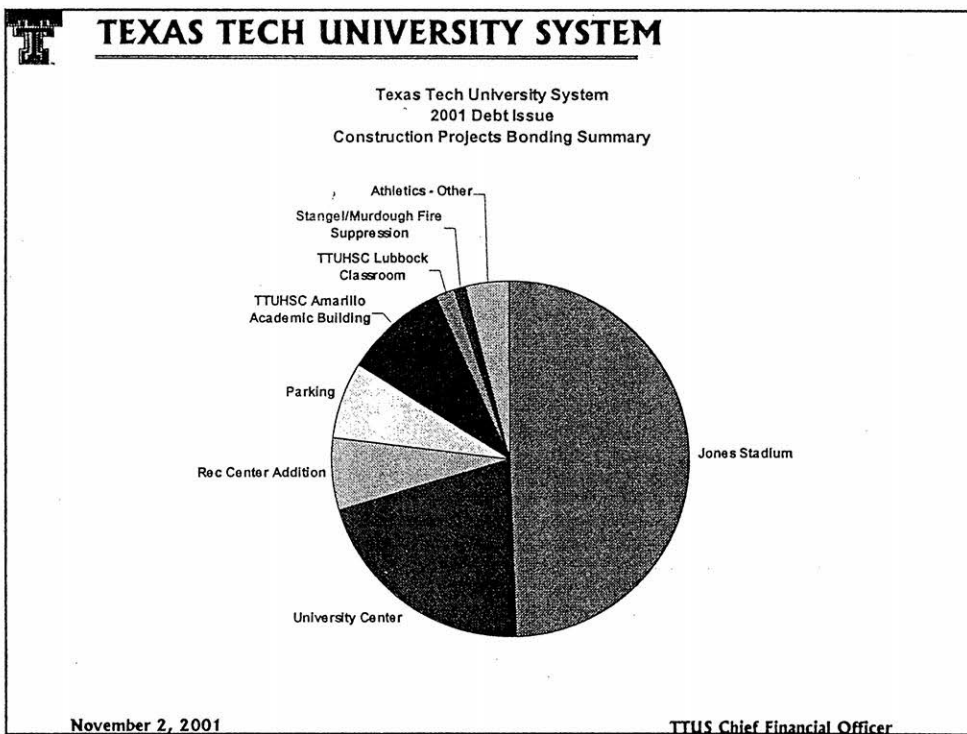
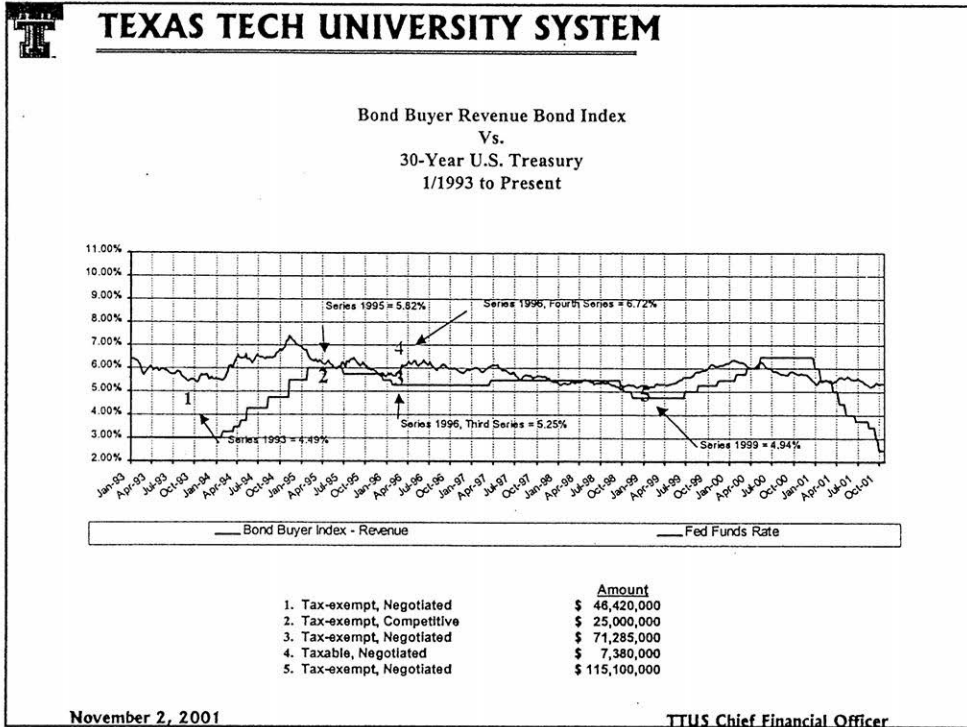
TEXAS TECH UNIVERSITY SYSTEM

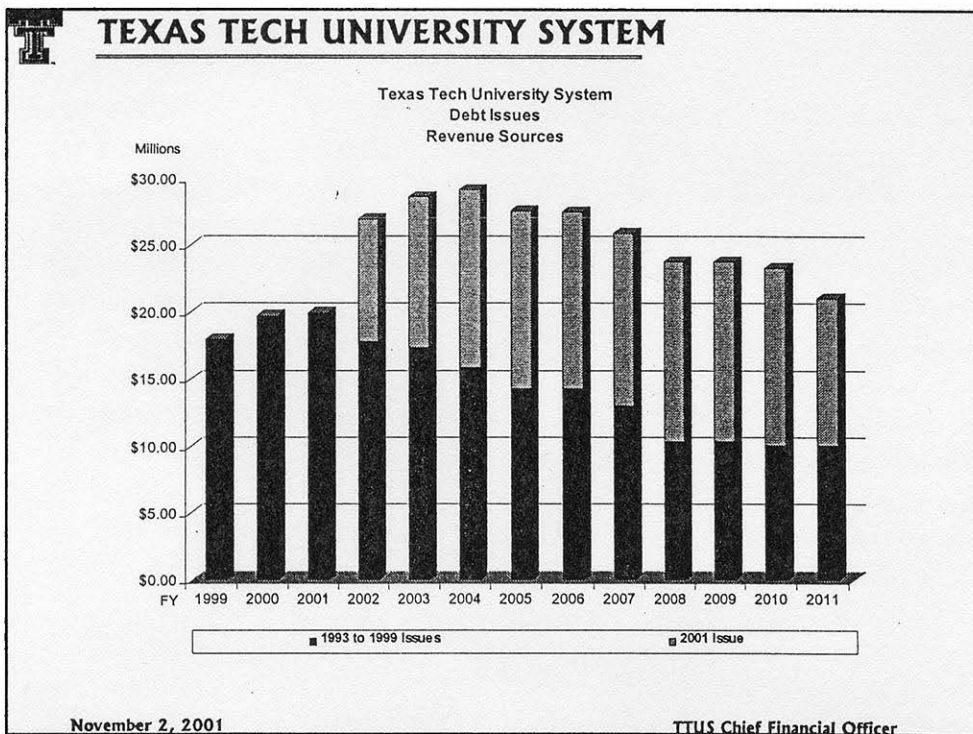
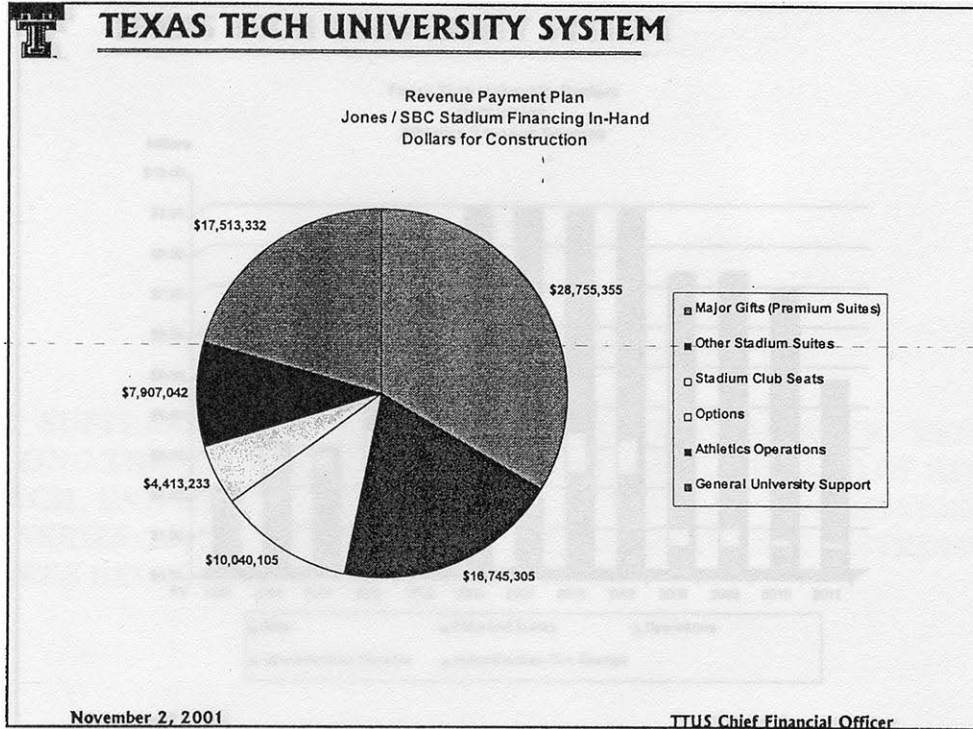
Debt Issues
Revenue Financing System Bonds

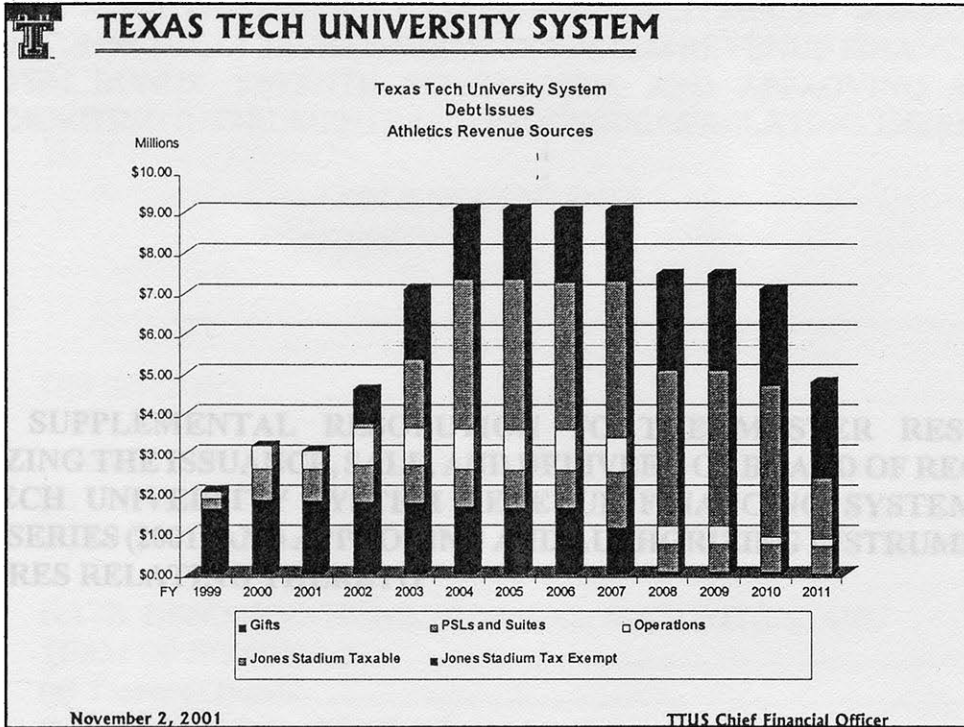
Jim Brunjes
Chief Financial Officer

November 2, 2001

TTUS Chief Financial Officer







Approved 11/2/01

**SEVENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION
AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF
TEXAS TECH UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM BONDS,
SEVENTH SERIES (2001) AND APPROVING AND AUTHORIZING INSTRUMENTS AND
PROCEDURES RELATING THERETO**

SEVENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION
AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF
REGENTS OF TEXAS TECH UNIVERSITY SYSTEM REVENUE FINANCING
SYSTEM BONDS, SEVENTH SERIES (2001), AND APPROVING AND
AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

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SEVENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM BONDS, SEVENTH SERIES (2001) AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

WHEREAS, on October 21, 1993, the Board of Regents of Texas Tech University (now known as the Board of Regents of Texas Tech University System, and herein referred to either as the "Board" or the "Issuer"), acting separately and independently for and on behalf of Texas Tech University ("TTU") and separately and independently for and on behalf of Texas Tech University Health Sciences Center (the "Health Sciences Center"), which resolution, together with the resolutions adopted November 8, 1996 and on August 22, 1997, is referred to herein as the "Master Resolution"; and

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

WHEREAS, the Master Resolution establishes the Revenue Financing System comprised of TTU and the Health Sciences Center, and pledges the Pledged Revenues to the payment of Parity Obligations to be outstanding under the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF TEXAS TECH UNIVERSITY REVENUE FINANCING SYSTEM REFUNDING BONDS, FIRST SERIES (1993) AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO" (defined as the "First Supplement") and pursuant to the First Supplement to the Master Resolution issued its "*BOARD OF REGENTS OF TEXAS TECH UNIVERSITY REVENUE FINANCING SYSTEM REFUNDING BONDS, FIRST SERIES (1993)*" in the aggregate principal amount of \$46,420,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF TEXAS TECH UNIVERSITY REVENUE FINANCING SYSTEM BONDS, SECOND SERIES (1995) AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO" (defined as the "Second Supplement") and pursuant to the Second Supplement to the Master Resolution issued its "*BOARD OF REGENTS OF TEXAS TECH UNIVERSITY REVENUE FINANCING SYSTEM BONDS, SECOND SERIES (1995)*" in the aggregate principal amount of \$25,000,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "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" (defined as the "Third Supplement") and pursuant to the Third Supplement to the Master Resolution issued its "*BOARD OF REGENTS OF TEXAS TECH UNIVERSITY REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, THIRD SERIES (1996)*" in the aggregate principal amount of \$71,285,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "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" (defined as the "Fourth Supplement") and pursuant to the Fourth Supplement to the Master Resolution issued its "*BOARD OF REGENTS OF TEXAS TECH UNIVERSITY REVENUE FINANCING SYSTEM BONDS, FOURTH SERIES (TAXABLE 1996)*" in the aggregate principal amount of \$7,380,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "FIFTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION ESTABLISHING THE REVENUE FINANCING SYSTEM COMMERCIAL PAPER PROGRAM AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO" (defined as the "Fifth Supplement") and pursuant to the Fifth Supplement to the Master Resolution has the authority to issue at any one time outstanding up to \$100,000,000 in aggregate principal amount of its "*BOARD OF REGENTS OF TEXAS TECH UNIVERSITY REVENUE FINANCING SYSTEM COMMERCIAL PAPER NOTES, SERIES A*" as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, on February 12, 1999, the Board adopted an "AMENDED AND RESTATED SIXTH 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, SIXTH SERIES (1999) AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO" (defined as the "Sixth Supplement") and pursuant to the Sixth Supplement to the Master Resolution issued its "*BOARD OF REGENTS OF TEXAS TECH UNIVERSITY REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SIXTH SERIES (1999)*" in the aggregate principal amount of \$115,100,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board reserved the right under the terms of the Master Resolution to issue obligations on a parity with the outstanding Parity Obligations; and

WHEREAS, on December 10, 1999, the Board adopted an "AMENDED AND RESTATED RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF TEXAS TECH UNIVERSITY REVENUE FINANCING SYSTEM BONDS, SEVENTH SERIES (1999) AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO"; and

WHEREAS, the sale of the bonds authorized to be issued by said resolution was not effected by the deadline set forth in said resolution; and

WHEREAS, the Board currently has outstanding Commercial Paper Notes in the aggregate principal amount of \$82,000,000 (the "Outstanding Commercial Paper Notes"); and

WHEREAS, the Board deems it appropriate to issue the hereinafter authorized bonds for the purpose of retiring all of the Outstanding Commercial Paper Notes; and

WHEREAS, the bonds authorized to be issued by this Seventh Supplement (the "Bonds") are to be issued and delivered pursuant to Chapter 55, Texas Education Code, including, without limitation, Section 55.1739, Texas Education Code, Chapter 1371, Texas Government Code, and other applicable laws; and

WHEREAS, the bonds hereinafter authorized to be issued may be issued concurrently with other bonds of the Board (herein defined as the "Concurrent Bonds"), all of which constitute Parity Obligations.

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

Section 1. **DEFINITIONS.** In addition to the definitions set forth in the preamble of this Seventh Supplement, the terms used in this Seventh Supplement (except in the FORM OF BONDS) and not otherwise defined shall have the meanings given in the Master Resolution or in Exhibit "A" to this Seventh Supplement attached hereto and made a part hereof.

Section 2. **AMOUNT, PURPOSE, AND DESIGNATION OF THE BONDS.** (a) **Maximum Amount Authorized.** The "**BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM BONDS, SEVENTH SERIES (2001)**", are hereby authorized to be issued and delivered in the aggregate principal amount not to exceed \$143,000,000 **FOR THE PURPOSE OF (i) ACQUIRING, PURCHASING, CONSTRUCTING, IMPROVING, RENOVATING, ENLARGING OR EQUIPPING PROPERTY, BUILDINGS, STRUCTURES, FACILITIES, ROADS, OR RELATED INFRASTRUCTURE FOR TTU AND THE HEALTH SCIENCES CENTER, (ii) REFUNDING OUTSTANDING COMMERCIAL PAPER NOTES AND (iii) PAYING THE COSTS RELATED THERETO.**

(b) **New Money Authorization.** The Bonds authorized for the purposes described in subsection (a) of this Section are being issued by the Board under authority of Chapter 55, Texas Education Code, particularly Sections 55.13 and 55.1739 thereof, and Chapter 1371, Texas Government Code. \$21,500,000 in principal amount of the Bonds hereby authorized to be issued by the Board for the purposes described in subsection (a) of this Section are being issued under authority of Section 55.1739, Texas Education Code. The Chief Financial Officer shall execute such documentation as may be required by the Public Finance Division of the Office of the Attorney General to describe the specific projects for which the Bonds are being issued, describe the principal amount of Commercial Paper Notes that were issued to provide interim financing for certain of the specific projects hereinabove referenced and which are to be refinanced with a portion of the proceeds of the Bonds, and which specific projects are being financed with the proceeds of the Bonds issued under authority of Section 55.1739, Texas Education Code. The Bonds so issued will constitute the first series of bonds issued by the Board under the authority of Section 55.1739, Texas Education Code.

Section 3. **DATE, DENOMINATIONS, NUMBERS, MATURITIES AND TERMS OF BONDS.** (a) **Terms of Bonds.** Initially there shall be issued, sold, and delivered hereunder fully registered bonds, without interest coupons, numbered consecutively from R-1 upward, payable to the respective initial registered owners thereof, or to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the "Registered Owner"), in the denomination of \$5,000 or any integral multiple thereof (an "Authorized Denomination"), maturing not later than February 15, 2032, serially or otherwise on the dates, in the years and in the principal amounts, respectively, and dated, all as determined in the manner provided below. The foregoing notwithstanding, (i) the price to be paid for the Bonds shall not be less than 95% of the aggregate principal amount thereof, (ii) none of the Bonds shall bear interest at a rate greater than 10% per annum, and (iii) the Bonds shall not be delivered unless (A) prior to the execution of the Bond Purchase Contract, the approval of the issuance of the Bonds by the Texas Bond Review Board has been received and (B) the Bonds have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations, as required by Chapter 1371, Texas Government Code.

(b) **Method of Sale of the Bonds.** As authorized by Chapter 1371, Texas Government Code, the Pricing Committee is hereby authorized, appointed, and designated to act on behalf of the Board in the selling and delivering the Bonds. The Chief Financial Officer is directed to effect a negotiated sale of the Bonds, and is hereby further authorized to negotiate, on behalf of the Board, with the senior managing underwriter acting on their behalf and on behalf of the other investment banking firms comprising the underwriting syndicate, and as named in the Bond Purchase Contract (such firms, together with the senior managing underwriter, are hereafter collectively referred to as the "Underwriters") to assure that the Bonds are sold on the most advantageous terms to the Board. The Chief Financial Officer is directed to negotiate all matters relating to the sale of the Bonds, including determining and fixing the date of the Bonds, any additional designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, and the aggregate principal amount of the Bonds, the principal amount of Bonds to be issued to refinance Commercial Paper Notes, as

described in Section 2(b) hereof, the rate or rates of interest to be borne by each such maturity, the interest payment periods, the dates, price, and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Board, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of the Bonds, including, without limitation, the use of municipal bond insurance for the Bonds. The actual sale of the Bonds, and the Bond Purchase Contract setting forth the terms of the sale of the Bonds, shall be approved by a resolution duly adopted by the Pricing Committee. Any finding or determination made by the Pricing Committee, acting under the authority granted by this Seventh Supplement, in adopting said resolution shall have the same force and effect as if made by the Board. The form of the Bond Purchase Contract is hereby approved. The Chief Financial Officer is authorized to sign the Bond Purchase Contract approved by the Pricing Committee. The Bond Purchase Contract may also contain the terms of the sale of the Concurrent Bonds, the sale of which is authorized by and subject to the terms and conditions set forth in the Eighth Supplement, if any Concurrent Bonds are sold concurrently with the sale of the Bonds. The authority hereby granted by the Board to the Pricing Committee expires at 5:00 p.m., Thursday, January 31, 2002.

(c) ***In General.*** The Bonds (i) may and shall be redeemed prior to the respective scheduled maturity dates, (ii) may be assigned and transferred, (iii) may be exchanged for other Bonds, (iv) shall have the characteristics, and (v) shall be signed and sealed, and the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the FORM OF BONDS set forth in Exhibit B to this Seventh Supplement, with such changes and additions as are necessary to conform the FORM OF BONDS to the terms of the sale of the Bonds contained in the Bond Purchase Agreement.

Section 4. **INTEREST.** The Bonds shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM OF BONDS to their respective dates of maturity at the rates approved by the Pricing Committee.

Section 5. **REGISTRATION, TRANSFER, AND EXCHANGE; AUTHENTICATION; BOOK-ENTRY ONLY SYSTEM.** (a) ***Paying Agent/Registrar.*** _____ shall act as the Paying Agent/Registrar for the Bonds. Any Board Representative is authorized to enter into and carry out a Paying Agent/Registrar Agreement with the Paying Agent/Registrar with respect to the Bonds.

(b) ***Registration Books.*** The Issuer shall keep or cause to be kept at the corporate trust office designated in the Paying Agent/Registrar Agreement (the "Designated Trust Office") books or records for the registration of the transfer, exchange, and replacement of the Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, exchanges, and replacements under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, exchanges, and replacements as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying

Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books at the Designated Trust Office of the Paying Agent/Registrar during regular business hours, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

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

(d) ***Payment of Bonds and Interest.*** The Paying Agent/Registrar shall further act as the paying agent for paying the principal of, premium, if any, and interest on the Bonds, all as provided in this Seventh Supplement. The Paying Agent/ Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds.

(e) ***Authentication.*** The Bonds initially issued and delivered pursuant to this Seventh Supplement shall be authenticated by the Paying Agent/Registrar by execution of the Paying Agent/Registrar's Authentication Certificate unless they have been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and on each substitute Bond issued in exchange for any Bond or Bonds issued under this Seventh Supplement the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE (the "Authentication Certificate"). The Authentication Certificate shall be in the form set forth in the FORM OF BONDS.

(f) ***Transfer, Exchange, or Replacement.*** Each Bond issued and delivered pursuant to this - Seventh Supplement, to the extent of the unpaid or unredeemed principal amount thereof, may, upon surrender of such Bond at the Designated Trust Office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, may, at the option of the registered owner or such assignee or assignees, as appropriate, be exchanged for fully registered bonds, without interest coupons, in the appropriate form prescribed in the FORM OF BONDS set forth in this Seventh Supplement, in any Authorized Denomination (subject to the requirement hereinafter stated that each substitute Bond shall be of the same series and have a single stated maturity date), as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the unpaid or unredeemed principal amount of any Bond or Bonds so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. If a portion of any Bond shall be redeemed prior to its scheduled maturity as provided herein, a substitute Bond or Bonds having the same series

designation and maturity date, bearing interest at the same rate, and payable in the same manner, in Authorized Denominations at the request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon surrender thereof for cancellation. If any Bond or portion thereof is assigned and transferred, each Bond issued in exchange therefor shall have the same series designation and maturity date and bear interest at the same rate and payable in the same manner as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange or replace Bonds as provided herein, and each fully registered bond delivered in exchange for or replacement of any Bond or portion thereof as permitted or required by any provision of this Seventh Supplement shall constitute one of the Bonds for all purposes of this Seventh Supplement, and may again be exchanged or replaced. On each substitute Bond issued in exchange for or replacement of any Bond or Bonds issued under this Seventh Supplement there shall be printed an Authentication Certificate, in the form set forth in Exhibit B to this Seventh Supplement. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Authentication Certificate, and, except as provided in (e) above, no such Bond shall be deemed to be issued or outstanding unless the Authentication Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Bonds surrendered for transfer, exchange, or replacement. No additional orders or resolutions need be passed or adopted by the Issuer or any other body or person so as to accomplish the foregoing transfer, exchange, or replacement of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and said Bonds shall be in typed or printed form as determined by a Board Representative. Pursuant to Chapter 1206, Texas Government Code, the duty of transfer, exchange, or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the Authentication Certificate, the exchanged or replaced Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which were originally issued pursuant to this Seventh Supplement. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges, if any, for transferring and exchanging any Bond or any portion thereof, but the one requesting any such transfer and exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, exchange, or replacement of Bonds or any portion thereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following interest payment date, or, (ii) with respect to any Bond or portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. To the extent possible, any new Bond issued in an exchange, replacement, or transfer of a Bond will be delivered to the registered owner or assignee of the registered owner not more than three business days after the receipt of the Bonds to be cancelled and the written request as described above.

(g) ***Substitute Paying Agent/Registrar.*** The Issuer covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Seventh Supplement, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to

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

(h) ***Book-Entry Only System.*** The Bonds issued in exchange for the Bonds initially issued and delivered to the Underwriters shall be issued in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and except as provided in subsection (i) hereof, all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC. A "Blanket DTC Letter of Representations" in connection with utilizing the DTC Book-Entry Only System has been executed by a Board Representative.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Board and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest on the Bonds. Without limiting the immediately preceding sentence, the Board and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown on the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Bondholder, as shown in the Registration Books of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Seventh Supplement to the contrary but to the extent permitted by law, the Board and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest, with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective owners, as shown in the Registration Books as provided in this Seventh Supplement, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Board's obligations with respect to payment of

principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the Board to make payments of principal, premium, if any, and interest pursuant to this Seventh Supplement. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Seventh Supplement with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the word "Cede & Co." in this Seventh Supplement shall refer to such new nominee of DTC.

(i) ***Successor Securities Depository; Transfers Outside Book-Entry Only System.*** In the event that the Board or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Board to DTC described in subsection (h) of this Section or DTC determines to discontinue providing its services with respect to the Bonds, the Board shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Seventh Supplement.

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

(k) ***Notice of Redemption.*** In addition to the method of providing a notice of redemption set forth in the FORM OF BONDS, the Paying Agent/Registrar shall give notice of redemption of Bonds by mail, first-class postage prepaid at least thirty (30) days prior to a redemption date to each registered securities depository and to any national information service that disseminates redemption notices. In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Paying Agent/Registrar shall send a second notice of redemption to the persons specified in the immediately preceding sentence at least thirty (30) days but not more than ninety (90) days prior to the actual redemption date. Any notice sent to the registered securities depositories or such national information services shall be sent so that they are received at least two (2) days prior to the general mailing or publication date of such notice. The Paying Agent/Registrar shall also send a notice of prepayment or redemption to the registered owner of any Bond who has not sent the Bonds in for redemption sixty (60) days after the redemption date.

Each Notice of Redemption, whether required in the FORM OF BONDS or in this Section, shall contain a description of the Bonds to be redeemed including the complete name of the Bonds, the Series, the date of issue, the interest rate, the maturity date, the CUSIP number, the amounts of maturity so called for redemption, the publication and mailing date for the notice, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and the address at which the Bonds may be redeemed, including a contact person and telephone number.

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

Section 6. FORM OF BONDS. The forms of the Bonds, including the form of the Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas, with respect to the Bonds initially issued and delivered to the Underwriters pursuant to this Seventh Supplement, shall be, respectively, substantially as set forth in Exhibit B, with such appropriate variations, omissions, or insertions as are permitted or required by this Seventh Supplement.

Section 7. ESTABLISHMENT OF FINANCING SYSTEM AND ISSUANCE OF PARITY OBLIGATIONS. By adoption of the Master Resolution the Board has established the Revenue Financing System for the purpose of providing a financing structure for revenue supported indebtedness of TTU and the Health Sciences Center. The Master Resolution is intended to establish a master plan under which revenue supported debt of the Financing System can be incurred. This Seventh Supplement provides for the authorization, issuance, sale, delivery, form, characteristics, provisions of payment and redemption, and security of the Bonds which are the seventh series of Parity Obligations issued under the terms of the Master Resolution. The Master Resolution is incorporated herein by reference and as such made a part hereof for all purposes, except to the extent modified and supplemented hereby, and the Bonds are hereby declared to be Parity Obligations under the Master Resolution. As required by Section 5(a) of the Master Resolution, the Board hereby determines, in connection with the issuance of the Bonds, that it will have sufficient funds, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the Board relating to the Financing System. Furthermore, the Board hereby determines that TTU possesses the financial capability to satisfy its Direct Obligation in respect to the payment of the Annual Debt Service Requirements on the Bonds.

Section 8. SECURITY AND PAYMENTS. The Bonds are special obligations of the Board payable from and secured solely by the Pledged Revenues pursuant to the Master Resolution and this Seventh Supplement. The Pledged Revenues are hereby pledged, subject to the liens securing the Prior Encumbered Obligations, if any, to the payment of the principal of, premium, if any, and interest on the Bonds as the same shall become due and payable. The Board agrees to pay the principal of, premium, if any, and the interest on the Bonds when due, whether by reason of maturity or redemption. Currently, there are no outstanding Prior Encumbered Obligations.

Section 9. PAYMENTS. Semiannually on or before each principal or interest payment date while any of the Bonds are outstanding and unpaid, commencing on the first interest payment date

for the Bonds, the Board shall make available to the Paying Agent/Registrar, money sufficient to pay such interest on and such principal of the Bonds as will accrue or mature, or be subject to mandatory redemption prior to maturity, on such principal, redemption, or interest payment date. The Paying Agent/Registrar shall cancel all paid Bonds and shall furnish the Board with an appropriate certificate of cancellation.

Section 10. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

(a) ***Replacement Bonds.*** In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same Series, principal amount, maturity, and interest rate, and in the same form, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

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

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

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

(e) ***Authority for Issuing Replacement Bonds.*** In accordance with Chapter 1206, Texas Government Code, this Section shall constitute authority for the issuance of any such replacement bond without the necessity of further action by the Issuer or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner

and with the effect, as provided in Section 5(f) of this Seventh Supplement for Bonds issued in exchange and replacement for other Bonds.

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

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

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

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

(iv) To make any changes or amendments requested by any bond rating agency then rating or requested to rate Parity Obligations, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Board, materially adversely affect the interests of the owners of the Outstanding Parity Obligations;

(v) To make such changes, modifications or amendments as may be necessary or desirable, which shall not adversely affect the interests of the owners of the Outstanding Parity Obligations, in order, to the extent permitted by law, to facilitate the economic and practical utilization of Credit Agreements with respect to the Parity Obligations; or

(vi) To make such other changes in the provisions hereof as the Board may deem necessary or desirable and which shall not, in the judgment of the Board, materially adversely affect the interests of the owners of Outstanding Parity Obligations.

Notice of any such amendment may be published by the Board in the manner described in subsection (c) of this Section; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory resolution and the failure to publish such notice shall not adversely affect the implementation of such amendment as adopted pursuant to such amendatory resolution.

(b) *Amendments With Consent.* Subject to the other provisions of this Seventh Supplement, the owners of Outstanding Bonds aggregating a majority in Outstanding Principal Amount shall have

the right from time to time to approve any amendment, other than amendments described in subsection (a) of this Section, to this Seventh Supplement which may be deemed necessary or desirable by the Board; provided, however, that nothing herein contained shall permit or be construed to permit, without the approval of the owners of all of the Outstanding Bonds, the amendment of the terms and conditions in this Seventh Supplement or in the Bonds so as to:

- (i) Make any change in the maturity of the Outstanding Bonds;
- (ii) Reduce the rate of interest borne by Outstanding Bonds;
- (iii) Reduce the amount of the principal payable on Outstanding Bonds;
- (iv) Modify the terms of payment of principal of or interest on the Outstanding Bonds, or impose any conditions with respect to such payment;
- (v) Affect the rights of the owners of less than all Bonds then Outstanding; or
- (vi) Change the minimum percentage of the Outstanding Principal Amount of Bonds necessary for consent to such amendment.

(c) *Notice.* If at any time the Board shall desire to amend this Seventh Supplement other than pursuant to subsection (a) above, the Board shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in The City of New York, New York once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Registrar for inspection by all owners of Bonds. Such publication is not required, however, if the Board gives or causes to be given such notice in writing to each owner of Bonds.

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

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

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

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

Section 12. **DEFEASANCE.** That in accordance with the provisions of Section 1207.033, Texas Government Code, the Board may call for redemption, at a date earlier than their scheduled maturities, those Bonds which have been defeased to their maturity date. Notwithstanding any other provision of this Seventh Supplement to the contrary, it is hereby provided that any determination not to redeem Bonds defeased under the terms of this Seventh Supplement that is made in conjunction with the payment arrangements specified in the Master Resolution shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Board expressly reserves the right to call Bonds so defeased for redemption; (2) the Board gives notice of the reservation of that right to the owners of the Bonds so defeased immediately following the making of the payment arrangements; and (3) the Board directs that notice of the reservation be included in any redemption notices that it authorizes.

Section 13. **SEVENTH SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY.** In consideration of the acceptance of the Bonds, the issuance of which is authorized hereunder, by those who shall hold the same from time to time, this Seventh Supplement shall be deemed to be and shall constitute a contract between the Board and the Holders from time to time of the Bonds and the pledge made in this Seventh Supplement by the Board and the covenants and agreements set forth in this Seventh Supplement to be performed by the Board shall be for the equal and proportionate benefit, security, and protection of all Holders, without preference, priority, or distinction as to security or otherwise of any of the Bonds authorized hereunder over any of the others by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Seventh Supplement.

Section 14. **SEVERABILITY OF INVALID PROVISIONS.** If any one or more of the covenants, agreements, or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separable from the remaining covenants,

agreements, or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

Section 15. PAYMENT AND PERFORMANCE ON BUSINESS DAYS. Except as provided to the contrary in the FORM OF BONDS, whenever under the terms of this Seventh Supplement or the Bonds, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Bonds, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Bonds, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the date of performance or payment.

Section 16. LIMITATION OF BENEFITS WITH RESPECT TO THE SEVENTH SUPPLEMENT. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Seventh Supplement or the Bonds is intended or should be construed to confer upon or give to any person other than the Board, the Holders, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Seventh Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Seventh Supplement and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Board, the Holders, and the Paying Agent/Registrar as herein and therein provided.

Section 17. CUSTODY, APPROVAL, BOND COUNSEL'S OPINION, CUSIP NUMBERS, PREAMBLE AND INSURANCE. The Chief Financial Officer is hereby authorized to have control of the Bonds issued hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and approval by the Attorney General of the State of Texas of the proceedings authorizing the Bonds in accordance with Chapter 1371, Texas Government Code. The Chief Financial Officer is hereby authorized, to the extent deemed necessary or advisable thereby, in the discretion thereof, to request that the Attorney General approve the Bonds in accordance with the provisions of Chapter 1202, Texas Government Code, in which case the Chief Financial Officer also is authorized to request the Comptroller of Public Accounts register the Bonds, and to cause an appropriate legend reflecting such approval and registration to appear on the Bonds and the substitute Bonds. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Bonds and on any Bonds issued and delivered in exchange or replacement of any Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. The preamble to the Seventh Supplement is hereby adopted and made a part of this Seventh Supplement for all purposes. If insurance is obtained on any of the Bonds, the Bonds shall bear, as appropriate and applicable, a legend concerning insurance as provided by the municipal bond insurance company issuing any such insurance.

Section 18. FURTHER PROCEDURES; OFFICIAL STATEMENT. Each Board Representative, and all other officers, employees, and agents of the Board, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time

to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Issuer all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Seventh Supplement, the Bonds, the sale and delivery of the Bonds and fixing all details in connection therewith, and to approve any Official Statement, or supplements thereto, in connection with the Bonds. The form of the Official Statement relating to the Bonds shall be approved by the Pricing Committee at the meeting at which the sale of the Bonds is approved. The Chief Financial Officer is authorized to approve any supplement to the Official Statement incorporating information as deemed material consistent with the requirements of the Rule and to authorize the distribution of such final Official Statement to the Underwriters for their use in the sale of the Bonds to members of the general public. The use of such final Official Statement in the offer and sale of the Bonds is hereby approved. Should the Chief Financial Officer be incapable of performing any of the duties and responsibilities set forth in this Seventh Supplement, any Board Representative may perform such duties and responsibilities. In case any officer whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. The Chief Financial Officer shall identify in a certificate those Commercial Paper Notes to be refinanced with a portion of the proceeds of the Bonds.

Section 19. CONTINUING ONGOING DISCLOSURE. (a) *Annual Reports.* (i) The Board shall provide annually to each NRMSIR and any SID, within six months after the end of each fiscal year ending in or after 2001, financial information and operating data with respect to the Board of the general type included in the final Official Statement authorized by Section 18 of this Seventh Supplement, being the information described in Exhibit C hereto. Any financial statements so to be provided shall be prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as the Board may be required to employ from time to time pursuant to state law or regulation. If the Board commissions an audit of such statements and the audit is completed within the period during which they must be provided, a copy of such audit also shall be provided in accordance with the Rule. If any such audit of such financial statements, if one is commissioned by the Board, is not complete within such period, then the Board shall provide unaudited financial statements and audited financial statements for the applicable fiscal year to each NRMSIR and any SID, when and if the audit report on such statements become available.

(ii) If the Board changes its fiscal year, it will notify each NRMSIR and any SID of the change (and of the date of the new fiscal year end) prior to the next date by which the Board otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to each NRMSIR and any SID or filed with the SEC.

(b) *Material Event Notices.* The Board shall notify any SID and either each NRMSIR of the MSRB, in a timely manner, of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws:

1. Principal and interest payment delinquencies;
 2. Non-payment related defaults;
 3. Unscheduled draws on debt service reserves reflecting financial difficulties;
 4. Unscheduled draws on credit enhancements reflecting financial difficulties;
 5. Substitution of credit or liquidity providers, or their failure to perform;
 6. Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
 7. Modifications to rights of holders of the Bonds;
 8. Bond calls;
 9. Defeasances;
 10. Release, substitution, or sale of property securing repayment of the Bonds;
- and
11. Rating changes.

The Board shall notify any SID and either each NRMSIR or the MSRB, in a timely manner, of any failure by the Board to provide financial information or operating data in accordance with subsection (a) of this Section by the time required by such subsection.

(c) ***Limitations, Disclaimers, and Amendments.*** (i) The Board shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Board remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Board in any event will give notice of any deposit made in accordance with this Seventh Supplement or applicable law that causes the Bonds no longer to be Outstanding.

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

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

(iv) No default by the Board in observing or performing its obligations under this Section shall comprise a breach of or default under the Seventh Supplement for purposes of any other provision of this Seventh Supplement. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Board under federal and state securities laws.

(v) The provisions of this Section may be amended by the Board from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Board, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (A) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Seventh Supplement that authorizes such an amendment) of the Bonds then outstanding consent to such amendment or (B) a person that is unaffiliated with the Board (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. If the Board so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Board may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

Section 20. FEDERAL TAX COVENANTS. That the Board covenants to take any action to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Board covenants as follows:

(a) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds are so used, that amounts, whether or not received by the Board, with respect to such private business use, do not, under the terms of this Seventh Supplement or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(b) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not

"disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(c) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(d) to refrain from taking any action which would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(e) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(f) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with --

(1) proceeds of the Bonds invested for a reasonable temporary period of three years or less or, in the case of refunding bonds, 30 days or less until such proceeds are needed for the purpose for which the bonds are issued,

(2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(g) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(h) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings", within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

For purposes of the foregoing clauses (a) and (b) above, the Board understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of a refunding bond, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of the issuance of the Bonds. It is the understanding of the Board that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the Board will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the Board agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of the foregoing, any Board Representative may execute any certificates or other reports required by the Code and to make such elections, on behalf of the Board, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

In order to facilitate compliance with the above clause (h), a "Rebate Fund" is hereby established by the Board for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the registered owners of the Bonds. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

Section 21. ADDITIONAL TAX COVENANTS REGARDING USE OF PROPERTY.

(a) *Allocation of, and Limitation on, Expenditures for the Project.* That the Board covenants to account for the expenditure of proceeds from the sale of the Bonds and any investment earnings thereon to be used for the projects described in the certificate executed by the Chief Financial Officer in accordance with the provisions of Section 2(b) of this Seventh Supplement (each such project referred to herein and subsection (b) of this Section 21 as a "Project") on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (a) the expenditure on a Project is made or (b) each such Project is completed. The foregoing notwithstanding, the Board shall not expend such proceeds or investment earnings more than 60 days after the later of (a) the fifth anniversary of the date of delivery of the Bonds or (b) the date the Bonds are retired, unless the Board obtains an opinion of nationally-recognized bond counsel substantially to the effect that such expenditure will not adversely affect the tax-exempt status of the Bonds.

(b) *Disposition of Project.* That the Board covenants that the property constituting a Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Board of cash or other compensation, unless the Board obtains an opinion of nationally-recognized bond counsel substantially to the effect that such sale or other disposition will not adversely affect the tax-exempt

status of the Bonds. For purposes of this subsection, the portion of the property comprising personal property and disposed of in the ordinary course of business shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes of this Section, the Board shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 22. **REFUNDING.** That the refunding of the Outstanding Commercial Paper Notes will enable the Board to effect the conversion of interim financing for improvements to the System to permanent financing. The Bonds and the Outstanding Commercial Paper Notes each constitute "obligations" as such term is defined in Chapter 1371, Texas Government Code.

Section 23. **REPEAL OF CONFLICTING RESOLUTIONS.** All resolutions and all parts of any resolutions (other than the Master Resolution) which are in conflict or inconsistent with this Seventh Supplement are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency. This Seventh Supplement supersedes the resolution adopted by the Board on December 10, 1999, and the resolution adopted by the Board on such date is of no force or effect.

Section 24. **PUBLIC NOTICE.** It is hereby found and determined that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting at which this Seventh Supplement was adopted; that this Seventh Supplement would be introduced and considered for adoption at said meeting; and that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

EXHIBIT A DEFINITIONS

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

The term "*Acts*" shall mean, collectively, Chapter 55, Texas Education Code, as amended, and Chapter 1371, Texas Government Code.

The term "*Authorized Denominations*" shall mean Authorized Denominations as defined in Section 2 of this Seventh Supplement.

The term "*Board Representative*" shall mean the Chancellor of the System, the Chief Financial Officer, the Assistant Chief Financial Officer, Cash Management and Investments, the Vice President for Fiscal Affairs of TTU, the Vice President for Fiscal Affairs of the Health Sciences Center, or such other official of the System, TTU or the Health Sciences Center appointed by the Board to carry out the functions of the Board specified herein.

The term "*Bond Purchase Contract*" shall mean the bond purchase agreement, if any, between the Board and the Underwriters pertaining to the purchase of the Seventh Series Bonds and the Concurrent Bonds (if any) by the Underwriters.

The term "*Bonds*" shall mean the Seventh Series Bonds, and all substitute bonds exchanged therefor, and all other substitute and replacement bonds issued pursuant to this Seventh Supplement; and the term "Bond" means any of the Bonds.

The term "*Business Day*" shall mean any day which is not a Saturday, Sunday, legal holiday, or a day on which banking institutions in The City of New York, New York or in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close.

The term "*Chief Financial Officer*" shall mean the Chief Financial Officer of the System so appointed by the Board or the Chancellor of the System.

The term "*Code*" shall mean the Internal Revenue Code of 1986, as amended.

The term "*Commercial Paper Notes*" shall mean the Board of Regents of Texas Tech University Revenue Financing System Commercial Paper Notes, Series A, issued pursuant to the provisions of the Master Resolution and the Fifth Supplement.

The term "*Concurrent Bonds*" shall mean the Eighth Series Bonds.

The term "*Designated Trust Office*" shall have the meaning ascribed to said term in Section 5(b) of this Seventh Supplement.

The term "*DTC*" shall mean The Depository Trust Company, New York, New York, or any successor securities depository.

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

The term "*Eighth Series Bonds*" shall mean the Board of Regents of Texas Tech University Revenue Financing System Bonds, Eighth Series (Taxable 2001) authorized by the Eighth Supplement.

The term "*Eighth Supplement*" shall mean the resolution adopted by the Board on November 2, 2001, authorizing the Eighth Series Bonds.

The term "*Fourth Series Bonds*" shall mean the Board of Regents of Texas Tech University Revenue Financing System Bonds, Fourth Series (Taxable 1996) authorized by the Fourth Supplement.

The term "*Fourth Supplement*" shall mean the resolution adopted by the Board on November 8, 1996, authorizing the Fourth Series Bonds.

The term "*Fifth Supplement*" shall mean the resolution adopted by the Board on November 7, 1997, authorizing the Commercial Paper Notes.

The term "*First Series Bonds*" shall mean the Board of Regents of Texas Tech University Revenue Financing System Refunding Bonds, First Series (1993) authorized by the First Supplement.

The term "*First Supplement*" shall mean the resolution adopted by the Board on October 21, 1993, authorizing the First Series Bonds.

The term "*Fourth Series Bonds*" shall mean the Board of Regents of Texas Tech University Revenue Financing System Bonds, Fourth Series (Taxable 1996) authorized by the Fourth Supplement.

The term "*Fourth Supplement*" shall mean the resolution adopted by the Board on November 8, 1996, authorizing the Fourth Series Bonds.

The term "*Issuance Date*" shall mean the date of delivery the Bonds to the Underwriters against payment therefor.

The term "*Master Resolution*" shall mean the Master Resolution Establishing The Revenue Financing System under the Authority and Responsibility of the Board of Regents of Texas Tech

University, adopted by the Board on October 21, 1993, as amended on November 8, 1996 and on August 22, 1997.

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

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

The term "*NRMSIR*" shall mean each person whom the SEC or its staff has determined to be a nationally recognized municipal securities information repository within the meaning of the Rule from time to time.

The term "*Parity Obligations*" shall mean, collectively, the First Series Bonds, the Second Series Bonds, the Third Series Bonds, the Fourth Series Bonds, the Commercial Paper Notes, the Sixth Series and, when delivered, the Seventh Series Bonds and the Concurrent Bonds.

The terms "*Paying Agent/Registrar*", "*Paying Agent*" or "*Registrar*" shall mean the agent appointed pursuant to Section 5 of this Seventh Supplement, or any successor to such agent.

The term "*Pricing Committee*" shall mean the committee comprised of the Chancellor, the Chief Financial Officer, and the members of the "Finance Committee" of the Board of Regents.

The term "*Record Date*" shall mean, with respect to the Bonds, the last business day of each month preceding an interest payment date.

The term "*Registration Books*" shall mean the books or records relating to the registration, payment, and transfer or exchange of the Bonds maintained by the Paying Agent/Registrar pursuant to Section 5 of this Seventh Supplement.

The term "*Regulations*" shall mean all applicable temporary, proposed and final regulations and procedures promulgated under the Code or promulgated under the Internal Revenue Code of 1954, to the extent applicable to the Code.

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

The term "*SEC*" shall mean the United States Securities and Exchange Commission.

The term "*Second Series Bonds*" shall mean the Board of Regents of Texas Tech University Revenue Financing System Bonds, Second Series (1995) authorized by the Second Supplement.

The term "*Second Supplement*" shall mean the Second Supplement adopted by the Board on February 10, 1995, authorizing the sale of the Second Series Bonds.

The term "*Seventh Series Bonds*" shall mean the bonds, in one or more designated series, as authorized by this Seventh Supplement.

The term "*Seventh Supplement*" shall mean this Seventh Supplemental Resolution adopted by the Board on November 2, 2001, authorizing the sale of the Bonds.

The term "*SID*" shall mean any person designated by the State of Texas or an authorized department, officer, or agency thereof as, and determined by the SEC or its staff to be, a state information depository within the meaning of the Rule from time to time.

The term "*Sixth Series Bonds*" shall mean the Board of Regents of Texas Tech University Revenue Financing System Refunding and Improvement Bonds, Sixth Series (1999) authorized by the Sixth Supplement.

The term "*Sixth Supplement*" shall mean the Second Supplement adopted by the Board on February 12, 1999, authorizing the sale of the Sixth Series Bonds.

The term "*Stated Maturity*" shall mean, when used with respect to the Bonds, the scheduled maturity or mandatory sinking fund redemption of the Bonds.

The term "*System*" shall mean the Texas Tech University System, under the governance of the Board.

The term "*Third Series Bonds*" shall mean the Board of Regents of Texas Tech University Revenue Financing System Refunding and Improvement Bonds, Third Series (1996) authorized by the Third Supplement.

The term "*Third Supplement*" shall mean the Third Supplement adopted by the Board on November 8, 1996, authorizing the sale of the Third Series Bonds.

The term "*Underwriters*" shall mean the investment banking firm or syndicate of investment banking firms selected by the Pricing Committee which contract to purchase the Bonds in accordance with the terms and conditions of Section 3(b) of this Seventh Supplement and the Bond Purchase Contract.

All terms not herein defined shall have the meanings given to said terms by the Master Resolution or as otherwise defined in this Seventh Supplement.

EXHIBIT B
FORM OF BONDS

UNITED STATES OF AMERICA
STATE OF TEXAS
BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM BOND,
SEVENTH SERIES (2001)

NO. R-__			PRINCIPAL AMOUNT \$ _____
<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP</u>
		_____,	2001

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

ON THE MATURITY DATE specified above, the BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM (the "Issuer"), being an agency and political subdivision of the State of Texas, hereby promises to pay to the Registered Owner, specified above, or the registered assignee hereof (either being hereinafter called the "registered owner") the principal amount, specified above, and to pay interest thereon, calculated on the basis of a 360-day year composed of twelve 30-day months, from the Bond Date, specified above, to the Maturity Date, specified above, or the date of redemption prior to maturity, at the interest rate per annum, specified above; with interest being payable on _____ 15, 2002, and semiannually on each _____ 15 and _____ 15 thereafter, except that if the date of authentication of this Bond is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges, solely from funds of the Issuer required by the resolution authorizing the issuance of the Bonds to be on deposit with the Paying

Agent/Registrar for such purpose as hereinafter provided. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at the corporate trust office in _____, _____ (the "Designated Trust Office") of _____, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check, dated as of such interest payment date, and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at the address of the registered owner, as it appeared on the last business day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described; provided, that upon the written request of any owner of not less than \$1,000,000 in principal amount of Bonds provided to the Paying Agent/Registrar not later than the Record Date immediately preceding an interest payment date, interest due on such Bonds on such interest payment date shall be made by wire transfer to any designated account within the United States of America. In addition, interest may be paid by such other method, as shall be acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner hereof. Any accrued interest due upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for redemption and payment at the Designated Trust Office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Issuer and the securities depository. Terms used herein and not otherwise defined have the meaning given in the Bond Resolution (hereinafter defined).

THIS BOND is one of a series of bonds authorized in the aggregate principal amount of \$_____ pursuant to a Seventh Supplemental Resolution to the Master Resolution adopted November 2, 2001, and pursuant to the Master Resolution referred therein (collectively, the "Bond Resolution") **FOR THE PURPOSE OF (i) ACQUIRING, PURCHASING, CONSTRUCTING, IMPROVING, RENOVATING, ENLARGING OR EQUIPPING PROPERTY, BUILDINGS, STRUCTURES, FACILITIES, ROADS, OR RELATED INFRASTRUCTURE FOR TTU AND THE HEALTH SCIENCES CENTER, (ii) REFUNDING OUTSTANDING COMMERCIAL PAPER NOTES, AND (iii) PAYING THE COSTS RELATED THERETO.**

ON _____ 15, 20____, or on any date thereafter, the Bonds of this series scheduled to mature on and after _____ 15, 20____ may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portion thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the par value thereof and accrued interest to the date fixed for redemption; provided that during any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing

such interest rate shall be selected in accordance with the arrangements between the Issuer and the securities depository.

BONDS MATURING _____ 15, 20__ are "Term Bonds" and are subject to mandatory redemption at a price equal to the principal amount to be so redeemed and accrued and unpaid interest to the date of redemption, to-wit:

Said Bonds shall be redeemed in part by lot prior to maturity annually on _____ 15 in each of the years 20__ through 20__, and in the amounts designated below, to-wit:

Years

Amounts

* Maturity

THE ISSUER shall redeem Term Bonds by lot, or purchase in the open market Bonds of the same maturity. The Board shall effect the retirement of the Term Bonds required to be retired by mandatory redemption, by either redemption in accordance herewith or prior purchase for cancellation in the open market at a price not exceeding the redemption price. To the extent that Term Bonds have been previously purchased for cancellation or redeemed other than pursuant to a sinking fund redemption payment, each sinking fund payment amount for such Term Bonds shall be reduced, to the extent practicable, by the amount obtained by multiplying the principal amount of such Term Bonds so purchased or redeemed by the ratio which each remaining sinking fund payment amount of such maturity bears to the total remaining sinking fund payment amounts of such maturity, and by rounding each such sinking fund payment amount to the nearest \$5,000 integral multiple. On the maturity date of any Term Bonds, the Board shall effect the payment of the principal of maturing Term Bonds. The foregoing notwithstanding, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, the particular Bonds to be so redeemed shall be selected in accordance with the arrangements between the Board and the securities depository.

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be published once in a financial publication, journal, or report of general circulation among securities dealers in The City of New York, New York (including, but not limited to, The Bond Buyer and The Wall Street Journal), or in the State of Texas (including, but not limited to, The Texas Bond Reporter). Such notice also shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, not less than 30 days prior to the date fixed for any such redemption, to the registered owner of each Bond to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure to send, mail, or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond, and it is hereby specifically provided that the publication of such notice as required above shall be the only notice actually required in connection with or as a prerequisite to the redemption of any Bonds or portions thereof. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the

Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is published and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, payable in the same manner, in any authorized denomination at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Resolution.

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

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

and, to the extent permitted by law, the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons in the denomination of any integral multiple of \$5,000. As provided in the Bond - Resolution, this Bond, or any unredeemed portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, in the same form, and bearing interest at the same rate, in any Authorized Denomination as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering, or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

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

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

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

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

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

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the Chair or Vice Chair of the Issuer and countersigned with the manual or facsimile signature of the Secretary or Assistant Secretary of the Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

Secretary, Board of Regents
of Texas Tech University

Chair, Board of Regents of
Texas Tech University

(BOARD SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S
AUTHENTICATION CERTIFICATE

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

Dated

Paying Agent/Registrar

[FORM OF REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS TO ACCOMPANY
THE BONDS UPON INITIAL DELIVERY]

COMPTROLLER'S REGISTRATION CERTIFICATE:

REGISTER NO. _____

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

Witness my signature and seal this

Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

FORM OF ASSIGNMENT:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner of this Bond, or duly authorized representative or attorney thereof, hereby assigns this Bond to

/ _____ /

(Assignee's Social Security or Taxpayer Identification Number)

(print or typewrite Assignee's name and address, including zip code)

and hereby irrevocably constitutes and appoints

attorney to transfer the registration of this Bond on the Paying Agent/Registrar's Registration Books with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: This signature must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: This signature must correspond with the name of the Registered Owner appearing on the face of this Bond.

Approved 11/02/01

**EIGHTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION
AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF
TEXAS TECH UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM BONDS,
EIGHTH SERIES (TAXABLE 2001) AND APPROVING AND AUTHORIZING
INSTRUMENTS AND PROCEDURES RELATING THERETO**

EIGHTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION
AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF
REGENTS OF TEXAS TECH UNIVERSITY SYSTEM REVENUE FINANCING
SYSTEM BONDS, EIGHTH SERIES (TAXABLE 2001), AND APPROVING
AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING
THERETO

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EIGHTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM BONDS, EIGHTH SERIES (TAXABLE 2001) AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

WHEREAS, on October 21, 1993, the Board of Regents of Texas Tech University (now known as the Board of Regents of Texas Tech University System, and herein referred to either as the "Board" or the "Issuer"), acting separately and independently for and on behalf of Texas Tech University ("TTU") and separately and independently for and on behalf of Texas Tech University Health Sciences Center (the "Health Sciences Center"), which resolution, together with the resolutions adopted November 8, 1996 and on August 22, 1997, is referred to herein as the "Master Resolution"; and

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

WHEREAS, the Master Resolution establishes the Revenue Financing System comprised of TTU and the Health Sciences Center, and pledges the Pledged Revenues to the payment of Parity Obligations to be outstanding under the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF TEXAS TECH UNIVERSITY REVENUE FINANCING SYSTEM REFUNDING BONDS, FIRST SERIES (1993) AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "First Supplement") and pursuant to the First Supplement to the Master Resolution issued its "**BOARD OF REGENTS OF TEXAS TECH UNIVERSITY REVENUE FINANCING SYSTEM REFUNDING BONDS, FIRST SERIES (1993)**" in the aggregate principal amount of \$46,420,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "**RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF TEXAS TECH UNIVERSITY REVENUE FINANCING SYSTEM BONDS, SECOND SERIES (1995) AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**" (defined as the "Second Supplement") and pursuant to the Second Supplement to the Master Resolution issued its "**BOARD OF REGENTS OF TEXAS TECH UNIVERSITY REVENUE FINANCING SYSTEM BONDS, SECOND SERIES (1995)**" in the aggregate principal amount of \$25,000,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "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" (defined as the "Third Supplement") and pursuant to the Third Supplement to the Master Resolution issued its "*BOARD OF REGENTS OF TEXAS TECH UNIVERSITY REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, THIRD SERIES (1996)*" in the aggregate principal amount of \$71,285,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "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" (defined as the "Fourth Supplement") and pursuant to the Fourth Supplement to the Master Resolution issued its "*BOARD OF REGENTS OF TEXAS TECH UNIVERSITY REVENUE FINANCING SYSTEM BONDS, FOURTH SERIES (TAXABLE 1996)*" in the aggregate principal amount of \$7,380,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board heretofore has adopted a "FIFTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION ESTABLISHING THE REVENUE FINANCING SYSTEM COMMERCIAL PAPER PROGRAM AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO" (defined as the "Fifth Supplement") and pursuant to the Fifth Supplement to the Master Resolution has the authority to issue at any one time outstanding up to \$100,000,000 in aggregate principal amount of its "*BOARD OF REGENTS OF TEXAS TECH UNIVERSITY REVENUE FINANCING SYSTEM COMMERCIAL PAPER NOTES, SERIES A*" as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, on February 12, 1999, the Board adopted an "AMENDED AND RESTATED SIXTH 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, SIXTH SERIES (1999) AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO" (defined as the "Sixth Supplement") and pursuant to the Sixth Supplement to the Master Resolution issued its "*BOARD OF REGENTS OF TEXAS TECH UNIVERSITY REVENUE FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS, SIXTH SERIES (1999)*" in the aggregate principal amount of \$115,100,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board reserved the right under the terms of the Master Resolution to issue obligations on a parity with the outstanding Parity Obligations; and

WHEREAS, the bonds authorized to be issued by this Eighth Supplement (the "Bonds") are to be issued and delivered pursuant to Chapter 55, Texas Education Code, Chapter 1371, Texas Government Code, and other applicable laws; and

WHEREAS, the bonds hereinafter authorized are being issued concurrently with other bonds of the Board (herein defined as the "Concurrent Bonds"), all of which constitute Parity Obligations.

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

Section 1. **DEFINITIONS.** In addition to the definitions set forth in the preamble of this Eighth Supplement, the terms used in this Eighth Supplement (except in the FORM OF BONDS) and not otherwise defined shall have the meanings given in the Master Resolution or in Exhibit "A" to this Eighth Supplement attached hereto and made a part hereof.

Section 2. **AMOUNT, PURPOSE, AND DESIGNATION OF THE BONDS.** (a) *Maximum Amount Authorized.* The "**BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM BONDS, EIGHTH SERIES (TAXABLE 2001)**", are hereby authorized to be issued and delivered in the aggregate principal amount not to exceed \$43,000,000 **FOR THE PURPOSE OF (i) ACQUIRING, PURCHASING, CONSTRUCTING, IMPROVING, RENOVATING, ENLARGING OR EQUIPPING PROPERTY, BUILDINGS, STRUCTURES, FACILITIES, ROADS, OR RELATED INFRASTRUCTURE FOR TTU AND THE HEALTH SCIENCES CENTER, AND (ii) PAYING THE COSTS RELATED THERETO.**

(b) *New Money Authorization.* The Bonds authorized for the purposes described in subsection (a) of this Section are being issued by the Board under authority of Chapter 55, Texas Education Code, particularly Section 55.13 thereof. The Chief Financial Officer shall execute such documentation as may be required by the Public Finance Division of the Office of the Attorney General to describe the specific projects for which the Bonds authorized for the purposes described in subsection (a) of this Section are being issued.

Section 3. **DATE, DENOMINATIONS, NUMBERS, MATURITIES AND TERMS OF BONDS.** (a) *Terms of Bonds.* Initially there shall be issued, sold, and delivered hereunder fully registered bonds, without interest coupons, numbered consecutively from R-1 upward, payable to the respective initial registered owners thereof, or to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the "Registered Owner"), in the denomination of \$5,000 or any integral multiple thereof (an "Authorized Denomination"), maturing not later than February 15, 2032, serially or otherwise on the dates, in the years and in the principal amounts, respectively, and dated, all as determined in the manner provided below. The foregoing notwithstanding, (i) the price to be paid for the Bonds shall not be less than 95% of the aggregate

principal amount thereof, (ii) none of the Bonds shall bear interest at a rate greater than 10% per annum, and (iii) the Bonds shall not be delivered unless (A) prior to the execution of the Bond Purchase Contract, the approval of the issuance of the Bonds by the Texas Bond Review Board has been received and (B) the Bonds have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations, as required by Chapter 1371, Texas Government Code.

(b) ***Method of Sale of the Bonds.*** As authorized by Chapter 1371, Texas Government Code, the Pricing Committee is hereby authorized, appointed, and designated to act on behalf of the Board in the selling and delivering the Bonds. The Chief Financial Officer is directed to effect a negotiated sale of the Bonds, and is hereby further authorized to negotiate, on behalf of the Board, with the senior managing underwriter acting on their behalf and on behalf of the other investment banking firms comprising the underwriting syndicate, and as named in the Bond Purchase Contract (such firms, together with the senior managing underwriter, are hereafter collectively referred to as the "Underwriters") to assure that the Bonds are sold on the most advantageous terms to the Board. The Chief Financial Officer is directed to negotiate all matters relating to the sale of the Bonds, including determining and fixing the date of the Bonds, any additional designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, and the aggregate principal amount of the Bonds, the rate or rates of interest to be borne by each such maturity, the interest payment periods, the dates, price, and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Board, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of the Bonds, including, without limitation, the use of municipal bond insurance for the Bonds. The actual sale of the Bonds, and the Bond Purchase Contract setting forth the terms of the sale of the Bonds, shall be approved by a resolution duly adopted by the Pricing Committee. Any finding or determination made by the Pricing Committee, acting under the authority granted by this Eighth Supplement, in adopting said resolution shall have the same force and effect as if made by the Board. The form of the Bond Purchase Contract is hereby approved. The Chief Financial Officer is authorized to sign the Bond Purchase Contract approved by the Pricing Committee. The Bond Purchase Contract may also contain the terms of the sale of the Concurrent Bonds, the sale of which is authorized by and subject to the terms and conditions set forth in the Seventh Supplement, if any Concurrent Bonds are sold concurrently with the sale of the Bonds. The authority hereby granted by the Board to the Pricing Committee expires at 5:00 p.m., Thursday, January 31, 2002.

(c) ***In General.*** The Bonds (i) may and shall be redeemed prior to the respective scheduled maturity dates, (ii) may be assigned and transferred, (iii) may be exchanged for other Bonds, (iv) shall have the characteristics, and (v) shall be signed and sealed, and the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the FORM OF BONDS set forth in Exhibit B to this Eighth Supplement, with such changes and additions as are necessary to conform the FORM OF BONDS to the terms of the sale of the Bonds contained in the Bond Purchase Agreement.

Section 4. **INTEREST.** The Bonds shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM OF BONDS to their respective dates of maturity at the rates approved by the Pricing Committee.

Section 5. **REGISTRATION, TRANSFER, AND EXCHANGE; AUTHENTICATION; BOOK-ENTRY ONLY SYSTEM.** (a) *Paying Agent/Registrar.* _____, shall act as the Paying Agent/Registrar for the Bonds. Any Board Representative is authorized to enter into and carry out a Paying Agent/Registrar Agreement with the Paying Agent/Registrar with respect to the Bonds.

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

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

(d) *Payment of Bonds and Interest.* The Paying Agent/Registrar shall further act as the paying agent for paying the principal of, premium, if any, and interest on the Bonds, all as provided in this Eighth Supplement. The Paying Agent/ Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds.

(e) *Authentication.* The Bonds initially issued and delivered pursuant to this Eighth Supplement shall be authenticated by the Paying Agent/Registrar by execution of the Paying Agent/Registrar's Authentication Certificate unless they have been approved by the Attorney General

of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and on each substitute Bond issued in exchange for any Bond or Bonds issued under this Eighth Supplement the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE (the "Authentication Certificate"). The Authentication Certificate shall be in the form set forth in the FORM OF BONDS.

(f) *Transfer, Exchange, or Replacement.* Each Bond issued and delivered pursuant to this Eighth Supplement, to the extent of the unpaid or unredeemed principal amount thereof, may, upon surrender of such Bond at the Designated Trust Office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, may, at the option of the registered owner or such assignee or assignees, as appropriate, be exchanged for fully registered bonds, without interest coupons, in the appropriate form prescribed in the FORM OF BONDS set forth in this Eighth Supplement, in any Authorized Denomination (subject to the requirement hereinafter stated that each substitute Bond shall be of the same series and have a single stated maturity date), as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the unpaid or unredeemed principal amount of any Bond or Bonds so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. If a portion of any Bond shall be redeemed prior to its scheduled maturity as provided herein, a substitute Bond or Bonds having the same series designation and maturity date, bearing interest at the same rate, and payable in the same manner, in Authorized Denominations at the request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon surrender thereof for cancellation. If any Bond or portion thereof is assigned and transferred, each Bond issued in exchange therefor shall have the same series designation and maturity date and bear interest at the same rate and payable in the same manner as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange or replace Bonds as provided herein, and each fully registered bond delivered in exchange for or replacement of any Bond or portion thereof as permitted or required by any provision of this Eighth Supplement shall constitute one of the Bonds for all purposes of this Eighth Supplement, and may again be exchanged or replaced. On each substitute Bond issued in exchange for or replacement of any Bond or Bonds issued under this Eighth Supplement there shall be printed an Authentication Certificate, in the form set forth in Exhibit B to this Eighth Supplement. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Authentication Certificate, and, except as provided in (e) above, no such Bond shall be deemed to be issued or outstanding unless the Authentication Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Bonds surrendered for transfer, exchange, or replacement. No additional orders or resolutions need be passed or adopted by the Issuer or any other body or person so as to accomplish the foregoing transfer, exchange, or replacement of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and said Bonds shall be in typed or printed form as determined by a Board Representative. Pursuant to Chapter 1206, Texas Government Code, the duty of transfer, exchange, or replacement

of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the Authentication Certificate, the exchanged or replaced Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which were originally issued pursuant to this Eighth Supplement. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges, if any, for transferring and exchanging any Bond or any portion thereof, but the one requesting any such transfer and exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, exchange, or replacement of Bonds or any portion thereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following interest payment date, or, (ii) with respect to any Bond or portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. To the extent possible, any new Bond issued in an exchange, replacement, or transfer of a Bond will be delivered to the registered owner or assignee of the registered owner not more than three business days after the receipt of the Bonds to be cancelled and the written request as described above.

(g) ***Substitute Paying Agent/Registrar.*** The Issuer covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Eighth Supplement, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Eighth Supplement. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Eighth Supplement, and a certified copy of this Eighth Supplement shall be delivered to each Paying Agent/Registrar.

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

of DTC. A "Blanket DTC Letter of Representations" in connection with utilizing the DTC Book-Entry Only System has been executed by a Board Representative.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Board and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest on the Bonds. Without limiting the immediately preceding sentence, the Board and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown on the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Bondholder, as shown in the Registration Books of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Eighth Supplement to the contrary but to the extent permitted by law, the Board and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest, with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective owners, as shown in the Registration Books as provided in this Eighth Supplement, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Board's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the Board to make payments of principal, premium, if any, and interest pursuant to this Eighth Supplement. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Eighth Supplement with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the word "Cede & Co." in this Eighth Supplement shall refer to such new nominee of DTC.

(i) ***Successor Securities Depository; Transfers Outside Book-Entry Only System.*** In the event that the Board or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Board to DTC described in subsection (h) of this Section or DTC determines to discontinue providing its services with respect to the Bonds, the Board shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but

may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Eighth Supplement.

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

(k) *Notice of Redemption.* In addition to the method of providing a notice of redemption set forth in the FORM OF BONDS, the Paying Agent/Registrar shall give notice of redemption of Bonds by mail, first-class postage prepaid at least thirty (30) days prior to a redemption date to each registered securities depository and to any national information service that disseminates redemption notices. In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Paying Agent/Registrar shall send a second notice of redemption to the persons specified in the immediately preceding sentence at least thirty (30) days but not more than ninety (90) days prior to the actual redemption date. Any notice sent to the registered securities depositories or such national information services shall be sent so that they are received at least two (2) days prior to the general mailing or publication date of such notice. The Paying Agent/Registrar shall also send a notice of prepayment or redemption to the registered owner of any Bond who has not sent the Bonds in for redemption sixty (60) days after the redemption date.

Each Notice of Redemption, whether required in the FORM OF BONDS or in this Section, shall contain a description of the Bonds to be redeemed including the complete name of the Bonds, the Series, the date of issue, the interest rate, the maturity date, the CUSIP number, the amounts of maturity so called for redemption, the publication and mailing date for the notice, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and the address at which the Bonds may be redeemed, including a contact person and telephone number.

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

Section 6. FORM OF BONDS. The forms of the Bonds, including the form of the Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas, with respect to the Bonds initially issued and delivered to the Underwriters pursuant to this Eighth Supplement, shall be, respectively, substantially as set forth in Exhibit B, with such appropriate variations, omissions, or insertions as are permitted or required by this Eighth Supplement.

Section 7. ESTABLISHMENT OF FINANCING SYSTEM AND ISSUANCE OF PARITY OBLIGATIONS. By adoption of the Master Resolution the Board has established the Revenue Financing System for the purpose of providing a financing structure for revenue supported

indebtedness of TTU and the Health Sciences Center. The Master Resolution is intended to establish a master plan under which revenue supported debt of the Financing System can be incurred. This Eighth Supplement provides for the authorization, issuance, sale, delivery, form, characteristics, provisions of payment and redemption, and security of the Bonds which are the eighth series of Parity Obligations issued under the terms of the Master Resolution. The Master Resolution is incorporated herein by reference and as such made a part hereof for all purposes, except to the extent modified and supplemented hereby, and the Bonds are hereby declared to be Parity Obligations under the Master Resolution. As required by Section 5(a) of the Master Resolution, the Board hereby determines, in connection with the issuance of the Bonds, that it will have sufficient funds, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the Board relating to the Financing System. Furthermore, the Board hereby determines that TTU possesses the financial capability to satisfy its Direct Obligation in respect to the payment of the Annual Debt Service Requirements on the Bonds.

Section 8. **SECURITY AND PAYMENTS.** The Bonds are special obligations of the Board payable from and secured solely by the Pledged Revenues pursuant to the Master Resolution and this Eighth Supplement. The Pledged Revenues are hereby pledged, subject to the liens securing the Prior Encumbered Obligations, if any, to the payment of the principal of, premium, if any, and interest on the Bonds as the same shall become due and payable. The Board agrees to pay the principal of, premium, if any, and the interest on the Bonds when due, whether by reason of maturity or redemption. Currently, there are no outstanding Prior Encumbered Obligations.

Section 9. **PAYMENTS.** Semiannually on or before each principal or interest payment date while any of the Bonds are outstanding and unpaid, commencing on the first interest payment date for the Bonds, the Board shall make available to the Paying Agent/Registrar, money sufficient to pay such interest on and such principal of the Bonds as will accrue or mature, or be subject to mandatory redemption prior to maturity, on such principal, redemption, or interest payment date. The Paying Agent/Registrar shall cancel all paid Bonds and shall furnish the Board with an appropriate certificate of cancellation.

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

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

Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the applicant shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

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

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

(e) *Authority for Issuing Replacement Bonds.* In accordance with Chapter 1206, Texas Government Code, this Section shall constitute authority for the issuance of any such replacement bond without the necessity of further action by the Issuer or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 5(f) of this Eighth Supplement for Bonds issued in exchange and replacement for other Bonds.

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

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

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

(iii) To supplement the security for the Bonds, replace or provide additional credit facilities, or change the form of the Bonds or make such other changes in the provisions

hereof as the Board may deem necessary or desirable and which shall not, in the judgment of the Board, materially adversely affect the interests of the owners of the Outstanding Bonds;

(iv) To make any changes or amendments requested by any bond rating agency then rating or requested to rate Parity Obligations, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Board, materially adversely affect the interests of the owners of the Outstanding Parity Obligations;

(v) To make such changes, modifications or amendments as may be necessary or desirable, which shall not adversely affect the interests of the owners of the Outstanding Parity Obligations, in order, to the extent permitted by law, to facilitate the economic and practical utilization of Credit Agreements with respect to the Parity Obligations; or

(vi) To make such other changes in the provisions hereof as the Board may deem necessary or desirable and which shall not, in the judgment of the Board, materially adversely affect the interests of the owners of Outstanding Parity Obligations.

Notice of any such amendment may be published by the Board in the manner described in subsection (c) of this Section; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory resolution and the failure to publish such notice shall not adversely affect the implementation of such amendment as adopted pursuant to such amendatory resolution.

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

- (i) Make any change in the maturity of the Outstanding Bonds;
- (ii) Reduce the rate of interest borne by Outstanding Bonds;
- (iii) Reduce the amount of the principal payable on Outstanding Bonds;
- (iv) Modify the terms of payment of principal of or interest on the Outstanding Bonds, or impose any conditions with respect to such payment;
- (v) Affect the rights of the owners of less than all Bonds then Outstanding; or

- (vi) Change the minimum percentage of the Outstanding Principal Amount of Bonds necessary for consent to such amendment.

(c) *Notice.* If at any time the Board shall desire to amend this Eighth Supplement other than pursuant to subsection (a) above, the Board shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in The City of New York, New York once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Registrar for inspection by all owners of Bonds. Such publication is not required, however, if the Board gives or causes to be given such notice in writing to each owner of Bonds.

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

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

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

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

Section 12. **DEFEASANCE.** That in accordance with the provisions of Section 1207.033, Texas Government Code, the Board may call for redemption, at a date earlier than their scheduled

maturities, those Bonds which have been defeased to their maturity date. Notwithstanding any other provision of this Eighth Supplement to the contrary, it is hereby provided that any determination not to redeem Bonds defeased under the terms of this Eighth Supplement that is made in conjunction with the payment arrangements specified in the Master Resolution shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Board expressly reserves the right to call Bonds so defeased for redemption; (2) the Board gives notice of the reservation of that right to the owners of the Bonds so defeased immediately following the making of the payment arrangements; and (3) the Board directs that notice of the reservation be included in any redemption notices that it authorizes.

Section 13. EIGHTH SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY. In consideration of the acceptance of the Bonds, the issuance of which is authorized hereunder, by those who shall hold the same from time to time, this Eighth Supplement shall be deemed to be and shall constitute a contract between the Board and the Holders from time to time of the Bonds and the pledge made in this Eighth Supplement by the Board and the covenants and agreements set forth in this Eighth Supplement to be performed by the Board shall be for the equal and proportionate benefit, security, and protection of all Holders, without preference, priority, or distinction as to security or otherwise of any of the Bonds authorized hereunder over any of the others by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Eighth Supplement.

Section 14. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements, or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements, or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

Section 15. PAYMENT AND PERFORMANCE ON BUSINESS DAYS. Except as provided to the contrary in the FORM OF BONDS, whenever under the terms of this Eighth Supplement or the Bonds, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Bonds, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Bonds, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the date of performance or payment.

Section 16. LIMITATION OF BENEFITS WITH RESPECT TO THE EIGHTH SUPPLEMENT. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Eighth Supplement or the Bonds is intended or should be construed to confer upon or give to any person other than the Board, the Holders, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Eighth Supplement or any covenant, condition, stipulation, promise,

agreement, or provision herein contained. This Eighth Supplement and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Board, the Holders, and the Paying Agent/Registrar as herein and therein provided.

Section 17. CUSTODY, APPROVAL, BOND COUNSEL'S OPINION, CUSIP NUMBERS, PREAMBLE AND INSURANCE. The Chief Financial Officer is hereby authorized to have control of the Bonds issued hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and approval by the Attorney General of the State of Texas of the proceedings authorizing the Bonds in accordance with Chapter 1371, Texas Government Code. The Chief Financial Officer is hereby authorized, to the extent deemed necessary or advisable thereby, in the discretion thereof, to request that the Attorney General approve the Bonds in accordance with the provisions of Chapter 1202, Texas Government Code, in which case the Chief Financial Officer also is authorized to request the Comptroller of Public Accounts register the Bonds, and to cause an appropriate legend reflecting such approval and registration to appear on the Bonds and the substitute Bonds. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Bonds and on any Bonds issued and delivered in exchange or replacement of any Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. The preamble to the Eighth Supplement is hereby adopted and made a part of this Eighth Supplement for all purposes. If insurance is obtained on any of the Bonds, the Bonds shall bear, as appropriate and applicable, a legend concerning insurance as provided by the municipal bond insurance company issuing any such insurance.

Section 18. FURTHER PROCEDURES; OFFICIAL STATEMENT. Each Board Representative, and all other officers, employees, and agents of the Board, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Issuer all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Eighth Supplement, the Bonds, the sale and delivery of the Bonds and fixing all details in connection therewith, and to approve any Official Statement, or supplements thereto, in connection with the Bonds. The form of the Official Statement relating to the Bonds shall be approved by the Pricing Committee at the meeting at which the sale of the Bonds is approved. The Chief Financial Officer is authorized to approve any supplement to the Official Statement incorporating information as deemed material consistent with the requirements of the Rule and to authorize the distribution of such final Official Statement to the Underwriters for their use in the sale of the Bonds to members of the general public. The use of such final Official Statement in the offer and sale of the Bonds is hereby approved. Should the Chief Financial Officer be incapable of performing any of the duties and responsibilities set forth in this Eighth Supplement, any Board Representative may perform such duties and responsibilities. In case any officer whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 19. **CONTINUING ONGOING DISCLOSURE.** (a) *Annual Reports.* (i) The Board shall provide annually to each NRMSIR and any SID, within six months after the end of each fiscal year ending in or after 2001, financial information and operating data with respect to the Board of the general type included in the final Official Statement authorized by Section 18 of this Eighth Supplement, being the information described in Exhibit C hereto. Any financial statements so to be provided shall be prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as the Board may be required to employ from time to time pursuant to state law or regulation. If the Board commissions an audit of such statements and the audit is completed within the period during which they must be provided, a copy of such audit also shall be provided in accordance with the Rule. If any such audit of such financial statements, if one is commissioned by the Board, is not complete within such period, then the Board shall provide unaudited financial statements and audited financial statements for the applicable fiscal year to each NRMSIR and any SID, when and if the audit report on such statements become available.

(ii) If the Board changes its fiscal year, it will notify each NRMSIR and any SID of the change (and of the date of the new fiscal year end) prior to the next date by which the Board otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to each NRMSIR and any SID or filed with the SEC.

(b) *Material Event Notices.* The Board shall notify any SID and either each NRMSIR or the MSRB, in a timely manner, of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
7. Modifications to rights of holders of the Bonds;
8. Bond calls;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds; and
11. Rating changes.

The Board shall notify any SID and either each NRMSIR or the MSRB, in a timely manner, of any failure by the Board to provide financial information or operating data in accordance with subsection (a) of this Section by the time required by such subsection.

(c) *Limitations, Disclaimers, and Amendments.* (i) The Board shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Board remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Board in any event will give notice of any deposit made in accordance with this Eighth Supplement or applicable law that causes the Bonds no longer to be Outstanding.

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

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

(iv) No default by the Board in observing or performing its obligations under this Section shall comprise a breach of or default under the Eighth Supplement for purposes of any other provision of this Eighth Supplement. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Board under federal and state securities laws.

(v) The provisions of this Section may be amended by the Board from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Board, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or ~~interpretations of the Rule since such offering as well as such changed circumstances and~~ (2) either (A) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Eighth Supplement that authorizes such an amendment) of the Bonds then outstanding consent to such amendment or (B) a person that is unaffiliated with the Board (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. If the Board so amends the provisions of this Section, it shall include with any amended financial information or operating data

next provided in accordance with subsection (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Board may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

Section 20. **TAX EXEMPTION.** The Board does not intend to issue the Bonds in a manner such that the Bonds would constitute obligations described in section 103(a) of the Code and all applicable temporary, proposed and final regulations and procedures promulgated thereunder or promulgated under the Internal Revenue Code of 1954, to the extent applicable to the Code.

Section 21. **REPEAL OF CONFLICTING RESOLUTIONS.** All resolutions and all parts of any resolutions (other than the Master Resolution) which are in conflict or inconsistent with this Eighth Supplement are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

Section 22. **PUBLIC NOTICE.** It is hereby found and determined that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting at which this Eighth Supplement was adopted; that this Eighth Supplement would be introduced and considered for adoption at said meeting; and that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

EXHIBIT A DEFINITIONS

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

The term "*Acts*" shall mean, collectively, Chapter 55, Texas Education Code, as amended, and Chapter 1371, Texas Government Code.

The term "*Authorized Denominations*" shall mean Authorized Denominations as defined in Section 2 of this Eighth Supplement.

The term "*Board Representative*" shall mean the Chancellor of the System, the Chief Financial Officer, the Assistant Chief Financial Officer, Cash Management and Investments, the Vice President for Fiscal Affairs of TTU, the Vice President for Fiscal Affairs of the Health Sciences Center, or such other official of the System, TTU or the Health Sciences Center appointed by the Board to carry out the functions of the Board specified herein.

The term "*Bond Purchase Contract*" shall mean the bond purchase agreement, if any, between the Board and the Underwriters pertaining to the purchase of the Eighth Series Bonds and the Concurrent Bonds (if any) by the Underwriters.

The term "*Bonds*" shall mean the Eighth Series Bonds, and all substitute bonds exchanged therefor, and all other substitute and replacement bonds issued pursuant to this Eighth Supplement; and the term "Bond" means any of the Bonds.

The term "*Business Day*" shall mean any day which is not a Saturday, Sunday, legal holiday, or a day on which banking institutions in The City of New York, New York or in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close.

The term "*Chief Financial Officer*" shall mean the Chief Financial Officer of the System so appointed by the Board or the Chancellor of the System.

The term "*Code*" shall mean the Internal Revenue Code of 1986, as amended.

The term "*Commercial Paper Notes*" shall mean the Board of Regents of Texas Tech University Revenue Financing System Commercial Paper Notes, Series A, issued pursuant to the provisions of the Master Resolution and the Fifth Supplement.

The term "*Concurrent Bonds*" shall mean the Seventh Series Bonds.

The term "*Designated Trust Office*" shall have the meaning ascribed to said term in Section 5(b) of this Eighth Supplement.

The term "*DTC*" shall mean The Depository Trust Company, New York, New York, or any successor securities depository.

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

The term "*Eighth Series Bonds*" shall mean the bonds, in one or more designated series, as authorized by this Eighth Supplement.

The term "*Eighth Supplement*" shall mean this Eighth Supplemental Resolution adopted by the Board on November 2, 2001, authorizing the sale of the Bonds.

The term "*Fourth Series Bonds*" shall mean the Board of Regents of Texas Tech University Revenue Financing System Bonds, Fourth Series (Taxable 1996) authorized by the Fourth Supplement.

The term "*Fourth Supplement*" shall mean the resolution adopted by the Board on November 8, 1996, authorizing the Fourth Series Bonds.

The term "*Fifth Supplement*" shall mean the resolution adopted by the Board on November 7, 1997, authorizing the Commercial Paper Notes.

The term "*First Series Bonds*" shall mean the Board of Regents of Texas Tech University Revenue Financing System Refunding Bonds, First Series (1993) authorized by the First Supplement.

The term "*First Supplement*" shall mean the resolution adopted by the Board on October 21, 1993, authorizing the First Series Bonds.

The term "*Fourth Series Bonds*" shall mean the Board of Regents of Texas Tech University Revenue Financing System Bonds, Fourth Series (Taxable 1996) authorized by the Fourth Supplement.

The term "*Fourth Supplement*" shall mean the resolution adopted by the Board on November 8, 1996, authorizing the Fourth Series Bonds.

The term "*Issuance Date*" shall mean the date of delivery the Bonds to the Underwriters against payment therefor.

The term "*Master Resolution*" shall mean the Master Resolution Establishing The Revenue Financing System under the Authority and Responsibility of the Board of Regents of Texas Tech University, adopted by the Board on October 21, 1993, as amended on November 8, 1996 and on August 22, 1997.

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

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

The term "*NRMSIR*" shall mean each person whom the SEC or its staff has determined to be a nationally recognized municipal securities information repository within the meaning of the Rule from time to time.

The term "*Parity Obligations*" shall mean, collectively, the First Series Bonds, the Second Series Bonds, the Third Series Bonds, the Fourth Series Bonds, the Commercial Paper Notes, the Sixth Series and, when delivered, the Eighth Series Bonds and the Concurrent Bonds.

The terms "*Paying Agent/Registrar*", "*Paying Agent*" or "*Registrar*" shall mean the agent appointed pursuant to Section 5 of this Eighth Supplement, or any successor to such agent.

The term "*Pricing Committee*" shall mean the committee comprised of the Chancellor, the Chief Financial Officer, and the members of the "Finance Committee" of the Board of Regents.

The term "*Record Date*" shall mean, with respect to the Bonds, the last business day of each month preceding an interest payment date.

The term "*Registration Books*" shall mean the books or records relating to the registration, payment, and transfer or exchange of the Bonds maintained by the Paying Agent/Registrar pursuant to Section 5 of this Eighth Supplement.

The term "*Regulations*" shall mean all applicable temporary, proposed and final regulations and procedures promulgated under the Code or promulgated under the Internal Revenue Code of 1954, to the extent applicable to the Code.

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

The term "*SEC*" shall mean the United States Securities and Exchange Commission.

The term "*Second Series Bonds*" shall mean the Board of Regents of Texas Tech University Revenue Financing System Bonds, Second Series (1995) authorized by the Second Supplement.

The term "*Second Supplement*" shall mean the Second Supplement adopted by the Board on February 10, 1995, authorizing the sale of the Second Series Bonds.

The term "*Seventh Series Bonds*" shall mean the Board of Regents of Texas Tech University Revenue Financing System Bonds, Seventh Series (2001) authorized by the Seventh Supplement.

The term "*Seventh Supplement*" shall mean the resolution adopted by the Board on November 2, 2001, authorizing the Seventh Series Bonds.

The term "*SID*" shall mean any person designated by the State of Texas or an authorized department, officer, or agency thereof as, and determined by the SEC or its staff to be, a state information depository within the meaning of the Rule from time to time.

The term "*Sixth Series Bonds*" shall mean the Board of Regents of Texas Tech University Revenue Financing System Refunding and Improvement Bonds, Sixth Series (1999) authorized by the Sixth Supplement.

The term "*Sixth Supplement*" shall mean the Second Supplement adopted by the Board on February 12, 1999, authorizing the sale of the Sixth Series Bonds.

The term "*Stated Maturity*" shall mean, when used with respect to the Bonds, the scheduled maturity or mandatory sinking fund redemption of the Bonds.

The term "*System*" shall mean the Texas Tech University System, under the governance of the Board.

The term "*Third Series Bonds*" shall mean the Board of Regents of Texas Tech University Revenue Financing System Refunding and Improvement Bonds, Third Series (1996) authorized by the Third Supplement.

The term "*Third Supplement*" shall mean the Third Supplement adopted by the Board on November 8, 1996, authorizing the sale of the Third Series Bonds.

The term "*Underwriters*" shall mean the investment banking firm or syndicate of investment banking firms selected by the Pricing Committee which contract to purchase the Bonds in accordance with the terms and conditions of the Bond Purchase Contract.

All terms not herein defined shall have the meanings given to said terms by the Master Resolution or as otherwise defined in this Eighth Supplement.

EXHIBIT B

FORM OF BONDS

UNITED STATES OF AMERICA
STATE OF TEXAS
BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM BOND,
EIGHTH SERIES (TAXABLE 2001)

NO. R-__			PRINCIPAL AMOUNT
			\$ _____
INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP

_____, 2001

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

ON THE MATURITY DATE specified above, the BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM (the "Issuer"), being an agency and political subdivision of the State of Texas, hereby promises to pay to the Registered Owner, specified above, or the registered assignee hereof (either being hereinafter called the "registered owner") the principal amount, specified above, and to pay interest thereon, calculated on the basis of a 360-day year composed of twelve 30-day months, from the Bond Date, specified above, to the Maturity Date, specified above, or the date of redemption prior to maturity, at the interest rate per annum, specified above; with interest being payable on _____ 15, 2002, and semiannually on each _____ 15 and _____ 15 thereafter, except that if the date of authentication of this Bond is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges, solely from funds of the Issuer required by the resolution authorizing the issuance of the Bonds to be on deposit with the Paying

Agent/Registrar for such purpose as hereinafter provided. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at the corporate trust office in _____, _____ (the "Designated Trust Office") of _____, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check, dated as of such interest payment date, and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at the address of the registered owner, as it appeared on the last business day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described; provided, that upon the written request of any owner of not less than \$1,000,000 in principal amount of Bonds provided to the Paying Agent/Registrar not later than the Record Date immediately preceding an interest payment date, interest due on such Bonds on such interest payment date shall be made by wire transfer to any designated account within the United States of America. In addition, interest may be paid by such other method, as shall be acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner hereof. Any accrued interest due upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for redemption and payment at the Designated Trust Office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Issuer and the securities depository. Terms used herein and not otherwise defined have the meaning given in the Bond Resolution (hereinafter defined).

THIS BOND is one of a series of bonds authorized in the aggregate principal amount of \$ _____ pursuant to a Eighth Supplemental Resolution to the Master Resolution adopted November 2, 2001, and pursuant to the Master Resolution referred therein (collectively, the "Bond Resolution") ***FOR THE PURPOSE OF (i) ACQUIRING, PURCHASING, CONSTRUCTING, IMPROVING, RENOVATING, ENLARGING OR EQUIPPING PROPERTY, BUILDINGS, STRUCTURES, FACILITIES, ROADS, OR RELATED INFRASTRUCTURE FOR TTU AND THE HEALTH SCIENCES CENTER, AND (ii) PAYING THE COSTS RELATED THERETO.***

ON _____ 15, 20____, or on any date thereafter, the Bonds of this series scheduled to mature on and after _____ 15, 20____ may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portion thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the par value thereof and accrued interest to the date fixed for redemption; provided that during any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing

such interest rate shall be selected in accordance with the arrangements between the Issuer and the securities depository.

BONDS MATURING _____ 15, 20__ are "Term Bonds" and are subject to mandatory redemption at a price equal to the principal amount to be so redeemed and accrued and unpaid interest to the date of redemption, to-wit:

Said Bonds shall be redeemed in part by lot prior to maturity annually on _____ 15 in each of the years 20__ through 20__, and in the amounts designated below, to-wit:

Years

Amounts

* Maturity

THE ISSUER shall redeem Term Bonds by lot, or purchase in the open market Bonds of the same maturity. The Board shall effect the retirement of the Term Bonds required to be retired by mandatory redemption, by either redemption in accordance herewith or prior purchase for cancellation in the open market at a price not exceeding the redemption price. To the extent that Term Bonds have been previously purchased for cancellation or redeemed other than pursuant to a sinking fund redemption payment, each sinking fund payment amount for such Term Bonds shall be reduced, to the extent practicable, by the amount obtained by multiplying the principal amount of such Term Bonds so purchased or redeemed by the ratio which each remaining sinking fund payment amount of such maturity bears to the total remaining sinking fund payment amounts of such maturity, and by rounding each such sinking fund payment amount to the nearest \$5,000 integral multiple. On the maturity date of any Term Bonds, the Board shall effect the payment of the principal of maturing Term Bonds. The foregoing notwithstanding, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, the particular Bonds to be so redeemed shall be selected in accordance with the arrangements between the Board and the securities depository.

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be published once in a financial publication, journal, or report of general circulation among securities dealers in The City of New York, New York (including, but not limited to, The Bond Buyer and The Wall Street Journal), or in the State of Texas (including, but not limited to, The Texas Bond Reporter). Such notice also shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, not less than 30 days prior to the date fixed for any such redemption, to the registered owner of each Bond to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure to send, mail, or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond, and it is hereby specifically provided that the publication of such notice as required above shall be the only notice actually required in connection with or as a prerequisite to the redemption of any Bonds or portions thereof. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions

thereof which are to be so redeemed. If such written notice of redemption is published and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, payable in the same manner, in any authorized denomination at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Resolution.

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

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

permitted by law, the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons in the denomination of any integral multiple of \$5,000. As provided in the Bond Resolution, this Bond, or any unredeemed portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, in the same form, and bearing interest at the same rate, in any Authorized Denomination as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering, or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

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

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

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

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

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Resolution, agrees to be bound by such

terms and provisions, acknowledges that the Bond Resolution is duly recorded and available for inspection in the official minutes and records of the Issuer, and agrees that the terms and provisions of this Bond and the Bond Resolution constitute a contract between each registered owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the Chair or Vice Chair of the Issuer and countersigned with the manual or facsimile signature of the Secretary or Assistant Secretary of the Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

Secretary, Board of Regents
of Texas Tech University

Chair, Board of Regents of
Texas Tech University

(BOARD SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

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

Dated

Paying Agent/Registrar

[FORM OF REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS TO ACCOMPANY
THE BONDS UPON INITIAL DELIVERY]

COMPTROLLER'S REGISTRATION CERTIFICATE:

REGISTER NO. _____

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

Witness my signature and seal this

Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

FORM OF ASSIGNMENT:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner of this Bond, or duly authorized representative or attorney thereof, hereby assigns this Bond to

/ _____ /

(Assignee's Social Security or Taxpayer Identification Number)

(print or typewrite Assignee's name and address, including zip code)

and hereby irrevocably constitutes and appoints

attorney to transfer the registration of this Bond on the Paying Agent/Registrar's Registration Books with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: This signature must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: This signature must correspond with the name of the Registered Owner appearing on the face of this Bond.

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS :
TEXAS TECH UNIVERSITY SYSTEM :

I, the undersigned, Chief Financial Officer of the Texas Tech University System, hereby certify as follows:

1. The Board of Regents of Texas Tech University System convened in REGULAR MEETING ON THE 2ND DAY OF NOVEMBER, 2001, at the designated meeting place in Lubbock, Texas, and the roll was called of the duly constituted officers and members of said Board, to-wit:

J. Robert Brown	:	Chair
Dr. Nancy E. Jones	:	Vice Chair
Carin Marcy Barth,	:	
C. Robert Black,	:	
E.R. "Dick" Brooks,	:	Board
John W. Jones,	:	
David R. Lopez,	:	
Brian C. Newby,	:	
J. Michael Weiss	:	
Jim Brunjes	:	Chief Financial Officer

and all of said persons were present, except for the following absentees: _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

EIGHTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM BONDS, EIGHTH SERIES (TAXABLE 2001) AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

was duly introduced for the consideration of said Board and duly read. It was then duly moved and seconded that said Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: _____

NOES: _____

2. That a true, full, and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Board's minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said Board's minutes of said Meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing

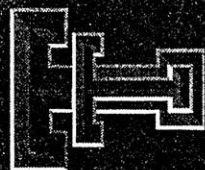
paragraph are the duly chosen, qualified, and acting officers and members of said Board as indicated therein; that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid Meeting, and that said 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.

3. That the Resolution has not been modified, amended or repealed and is in full force and effect on and as of the date hereof.

SIGNED AND SEALED this

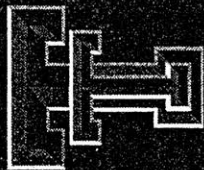
Chief Financial Officer

(SEAL)



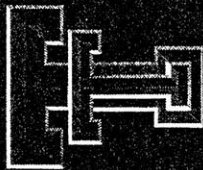
Dirt and Dust Report Under Construction

Project	Cost	Completion Date
Jones Stadium Stage I	\$ 22,000,000	September 2001
Jones Stadium Stage IIA	\$ 51,500,000	TBD
English-Philosophy & Education	\$ 45,199,000	July 2002
Student Union Bldg. Renov/Expansion	\$ 38,000,000	March 2003/June 2004
Flint Avenue Parking Facility	\$ 11,500,000	August 2002
Student Rec Center Expansion	\$ 12,000,000	December 2001
Tennis Softball Complex	\$ 4,059,784	September 2001
Amarillo Academic/Clinic Facility	\$ 23,167,533	March 2002
Bonfire-Phase II & III	\$ 398,000	October 2001/May 200
Pfluger Fountain	\$ 840,000	February 2002
Garrison Center [Sears Methodist Projec	\$ 12,000,000	March 2002
Marquee	\$ 326,000	September 2001
Sundial	\$ 90,000	October 2001
Reese Fiber Optic Cable	\$ 1,667,000	August 2001
TOTAL	\$ 222,747,317	



Dirt and Dust Report In Design

Project	Cost	Completion Date
Jones Stadium Stage III	\$ 11,000,000	March 2003
Experimental Sciences Building	\$ 36,997,000	February 2004
Food Technology Building	\$ 17,000,000	TBD
HSC Academic Classroom Bldg.	\$ 15,006,072	February 2003
HSC Synergistic Center	\$ 2,100,000	August 2002
HSC Ophthalmology	\$ 3,000,000	TBD
HSC El Paso Third Floor Addition	\$ 8,900,000	TBD
Golf Course	\$ 12,500,000	May 2003
Texas Tech Parkway	\$ 9,237,000	August 2003
Marsha Sharp Freeway [TxDOT Project]	TBD	2006
Hotel/Conference Center	TBD	TBD
Marsha Sharp Athletic Academic Center	\$ 4,000,000	TBD
Health Exercise & Sports Science Bldg.	\$ 4,000,000	TBD
HSC Academic Clinic & Research Bldg.	\$ 30,915,025	TBD
HSC El Paso Research Facility I	\$ 40,000,000	TBD
Business Administration Bldg.	\$ 50,000,000	TBD
Student Wellness Center	\$ 6,000,000	TBD
Art Program Relocation	\$ 2,500,000	TBD
Horn/Knapp Fire Suppression	\$ 3,600,000	TBD
TOTAL	\$ 256,755,097	



Dirt and Dust Report In Development

Project	Cost	Completion Date
Advanced Research Center	\$ 50,000,000	TBD
College of Fine & Performing Arts	\$ 40,000,000	TBD
Performing Arts Center	\$ 40,000,000	TBD
Art Building Renovation	\$ 5,000,000	TBD
Retirement Village	TBD	TBD
19th Street Median Improvements	\$ 3,000,000	TBD
Child Care Center	\$ 2,000,000	TBD
Dairy Barn Relocation	\$ 2,000,000	TBD
TOTAL	\$ 142,000,000	

President's Report
Texas Tech University System
Board of Regents Meeting
November 2, 2001

Dr. Schmidly stated that a new format of the president's report was being distributed for review by the board (see attached). The new report covers institutional accomplishments; new things regarding faculty, staff and students; and new programs. Dr. Schmidly noted that the new report will continue to be distributed at future board meetings.

Dr. Schmidly encouraged board members who planned to remain on campus today and tomorrow to attend the various scheduled activities. He invited the regents to join the student pep rally taking place in front of the Student Union. The regents were also invited to attend the Red Raider Student Tailgating Section on Saturday, three hours prior to the football game. The Texas Tech vs. Texas A&M football game is at 1:00 p.m. tomorrow. This will be an exciting weekend on campus and the students would love to have the regents participate in as many activities as they can.



A regular report on the ACCOMPLISHMENTS

of Texas Tech University from the Office of the President

November 2, 2001

Number One

Volume One

REPORT TO THE REGENTS

INSTITUTIONAL ACCOMPLISHMENTS

Overall Enrollment

■ This fall's enrollment of 25,573 is the largest in school history. (The previous record of 25,363 was set in 1990.)

■ Graduate student enrollment increased 7.4 percent and now graduate students make up 25 percent of total enrollment.

■ 1,936 transfer students enrolled, a 9.32 percent increase over last year.

■ Freshman enrollment was 3,921 students, down less than 1 percent from last year. However, 12,000 freshmen applied to attend, an all-time record.

Minority enrollment

■ Among transfer students, African American enrollment increased by 89.3 percent, from 28 to 53 students.

■ Also among transfer students, Hispanic enrollment increased from 233 to 256, an almost 10 percent increase.

■ Among graduate students, African American enrollment increased by 31 percent, from 65 to 85 students, and Hispanic enrollment increased from 248 to 271 students, just over 9 percent.

■ Over all categories of students, our minority enrollment grew in every category. This trend will continue as we fine-tune our plan to recruit a more diverse student body.

Minority faculty hiring

■ Of the 76 new faculty members on campus this fall, 19 or 26 percent are minority hires. That is a record for this university.

■ New staff hires also reflect our emphasis on access and diversity. In 5 years we have seen a 25 percent increase in Hispanic staff members; a 43 percent increase in African American staff; and a 53 percent increase in Asian American staff. Of our entire staff this fall, 33 percent is classified as ethnic staff.

■ The mean SAT for this year's entering freshmen was 1112, also an all-time record. The previous high was 1095, set in 1999. The freshman retention rate for last year's class is 81 percent, also an institutional record.

■ The six-year graduation rate is 52 percent, also a record.

Student Athlete Academic Performance

■ Last spring, 4 percent of our athletes had a perfect 4.0 GPA, and 37 percent had a GPA from 3.0 to 3.9. Another 30 percent carried a GPA from 2.5 to 2.99. Twenty-one percent had a GPA from 2.4 to 2.0, and only 9 percent carried a GPA below 2.00. The average GPA for our student athletes was 2.88, compared to 2.83 for the entire student body.

Research

■ Record-breaking funded research of \$44 million in the last fiscal year.

FACULTY ACCOMPLISHMENTS

■ **Dr. Vivien Allen**, Thornton Distinguished Professor in the Department of Plant and Soil Science, will begin to serve her term as President of Crop Science of America this October. The Crop Science Society is an educational and scientific organization with more than 4,700 members from 100 countries dedicated to the advancement of crop science. Vivien was also elected this past February to chair the continuing committee of the International Grasslands Conference and will serve in this capacity through the 20th International Grasslands Conference in 2005 in Ireland.

■ Horn Professor **Clyde Martin** of the Department of Mathematics & Statistics was awarded an honorary doctorate from the Royal Institute of Technology, Stockholm, Sweden.

■ Horn Professor **Keshor Mehta** has received honorary membership in the American Society of Civil Engineers. He is one of 13 engineers nationally to receive the award of honorary membership.

■ **Dr. Clyde Hendrick** and **Dr. Susan Hendrick** (Horn Professor and Professor of Psychology, respectively) received Lifetime Achievement Awards from the International Network on Personal Relationships.

■ Horn Professor **Purnendu Dasgupta** of the Department of Chemistry & Biochemistry was the only person from North America invited to the biennial National Meeting on Analytical

Chemistry of Brazil. He gave a plenary presentation to nearly 1,000 delegates.

■ Associate Professor **Robert Paine** (an anthropologist in the Department of Sociology, Anthropology, and Social Work), was a Visiting Professor at the Universita "La Sapienza," Roma, Italy, during the summer of 2001. His research projects there focused on the frequency of criminal trauma and an assessment of health found in Iron Age skeletal remains in Alfedena, Italy.

■ Assistant Professor **Richard Nisbett** (also an anthropologist in SASW) completed field work in Costa Rican arbovirus surveillance with colleagues from Duke, Tulane, and Johns Hopkins Universities, and co-directed a field epidemiology course on infectious diseases in Jamaica with colleagues from the University of Alabama at Birmingham School of Public Health, University of the West Indies, and the Jamaican Ministry of Health.

■ **Dr. Ali Belduz** and **Dr. Zibni Demirbag**, both TTU Chemistry & Biochemistry Ph.D. alumni on the faculty of Karadeniz Technical Institute in Trabzon, Turkey, organized an international meeting at which several TTU faculty lectured. These included Horn Professor **David Knaff** and Associate Professor **James Harman** of Chemistry & Biochemistry and Associate Professor **Shan Bilimoria** of Biological Sciences.

■ **Dr. Marjean Purinton**, Associate Professor of English, is the first TTU faculty member to win a Summer Stipend from the National Endowment for the Humanities.

■ **Dr. Stephen Saideman**, Associate Professor, Department of Political Science, received a Council on Foreign Relations Fellowship that is allowing him to work in Washington, D.C., at the Joint Chiefs of Staff Directorate of Strategic Planning and Policy, Central and Eastern Europe Division, Balkans Branch.

■ The USEPA appointed **Dr. Ron Kendall**, Chairperson, Department of Environmental Toxicology, to another year as Chairperson of the agency's Scientific Advisory Panel.

■ **Dr. Paul Johnson**, Chairperson, Department of Sociology, Anthropology, and Social Work, is President of the Religious Research Association, a national organization that deals with the social scientific study of religion.

■ **Dr. Ruth Maki**, Chairperson, Psychology, is serving as Chair of the Executive Board of the Council of Graduate Departments of Psychology in 2001-2002.

■ Assistant Professor of English **Tita Chico** was awarded a Mellon Postdoctoral Fellowship to work at the Newberry Library in Chicago.

■ Assistant Professor of English **Stephen Jones's** novel, Fast Red Road, has won the Independent Publisher's Multicultural Award and has been a finalist for the Texas Institute of Letters Stephen Turner Award for First Fiction and for Foreward's (magazine) Book of the Year Award.

■ **Dr. Todd Anderson**, Associate Professor, Department of Environmental Toxicology, received the Sigma Xi 2001 Southwest Regional Young Investigator Award in the life and social sciences.

■ **Dr. Julian Perez**, Associate Professor, CMLL (Spanish), and Director of the Latin American and Iberian Studies program, was named President of the South Central Organization of Latin American Studies at its 2001 conference and will preside over the 2002 conference in Mexico.

■ **Brian Shannon**, Texas Tech University School of Law associate dean and professor, was appointed to Lt. Gov. Bill Ratliff's newly created task force on competency for criminal defendants. Also appointed were State Sen. Robert Duncan of Lubbock, and 14 others.

■ **Marilyn Phelan**, Robert H. Bean Professor at Texas Tech's School of Law, is able to actively participate in the creation of legislative measures as a recently appointed Texas Commissioner to the National Conference on Uniform State Laws.

■ The South Central Society for Environmental Toxicology and Chemistry (SETAC) named **Dr. Todd Anderson** to its Board of Directors (2000-2002) and elected **Dr. George Cobb** Vice President of the Regional Chapter for 2000-2001 and President for 2001-2002. Both are faculty in the Department of Environmental Toxicology.

■ English Professor **William Wenthe** and Music Professor **Steve Paxton** have collaborated to write the musical drama "Bellini's War," which received its world premier on campus October 19 and 20. The drama tells the true story of a prisoner of war camp for Italian soldiers located in Hereford, Texas during World War II.

NEW APPOINTMENTS

■ **Dr. Donald Dyal** is the new Dean of Libraries at Texas Tech. Dr. Dyal is currently serving as an Associate Dean for the Libraries of Texas A&M University. He is scheduled to assume his position as Dean on December 3, 2001. In the meantime **Dr. Bill Tydeman**, Associate Dean of Libraries for the Southwest Collection/Special Collections Library is serving as Interim Dean of Libraries.

■ **Dr. Bruce Daniels** is the new department chair in the Department of History. Dr. Daniels earned his undergraduate and graduate degrees from Syracuse University and the University of Connecticut, respectively, and came to us from the faculty of the University of Winnipeg. His area of research is Colonial and Puritan America.

■ **Dr. Hossein Mansouri** has been appointed Associate Dean, College of Arts and Sciences. Dr. Mansouri earned the B.S. from the Institute of Statistics and Informatics (Iran) in 1974, the M.S. from The Ohio State University in 1977, and the Ph.D. from the University of Kentucky in 1983. He joined the Texas Tech University faculty in 1985 and has contributed strongly to the Statistics area of his department. Dr. Mansouri's responsibilities in the college office will be primarily in the undergraduate division.

■ **Maximiliano Hinojosa, III**, is the new vice president for operations, effective Sept. 10. He replaces Gene West, who recently retired after 19 years. Hinojosa formerly served as assistant vice president for facilities management and construction at the University of Houston-Clear Lake.

STUDENT ACHIEVEMENT

■ Texas Tech University's 2001 **Meat Judging Team** remains undefeated with their fourth win of the year at the Eastern National Collegiate Meat Judging contest held in Wyalusing, Pennsylvania.

■ Texas Tech's student chapter of the **Society of Petroleum Engineers** won the society's International Outstanding Student Chapter of the Year Award for the second year in a row.

■ Three students in Psychology received national scholarships.

Stephanie R. Carrera received the American Psychological Association of Graduate Students' Ellin Block and Pierre Ritchie Honorary Scholarship in 2001 as an award for her dissertation in counseling psychology evaluating the mentoring component of the Ronald E. McNair Program in universities across the country. **April Foreman**, also a doctoral student in counseling psychology, received a Gallup Organization Travel Scholarship to attend the Positive Psychology Summit in 2001. **Michael Mebane**, an undergraduate major, was one of 32 students selected for the American Psychological Association's Summer Science Institute at the University of Colorado.

■ Achievement Rewards for College Scientists (ARCS) scholarships were awarded to

Jason Montgomery of Chemistry & Biochemistry and **Thomas Rainwater** and **Kevin Reynolds** of Environmental Toxicology.

■ **Texas Tech's Air Force ROTC** unit received an "Excellent" rating in their inspection in January 2001. This year, AFROTC will commission the largest number of cadets in 15 years. Over 50 percent of AFROTC cadets (in a Corps of about 100) are receiving scholarships, books, and/or stipends from the USAF, bringing the Air Force contribution to over \$200,000 this year.

■ The TTU chapter of the **Society of Physics** Students was one of the chapters designated "Outstanding Chapter" by the national SPS office.

■ **Ted Genoways**, who received his M.A. from the Department of English, received the 2000 Samuel French Morse Prize, a very competitive and prestigious first-book contest.

■ **Texas Tech Forensics Union** (competitive speech and debate team) placed 8th nationally in the 2001 American Forensics Association national tournament held at George Mason University. The Union and its activities are an educational and service function of the Department of Communication Studies.

NEWS FROM THE ACADEMIC UNITS

■ **The College of Engineering** is leading the "Building Computers, Families and Communities" program which has impacted more than 126 minority families to help "close the gap" between students, families and communities that have been left behind the digital revolution.

■ **The College of Engineering** is also partnering with Estacado High School to establish an Engineering Academy that will bring significant numbers of minority students into Engineering and other programs at Texas Tech. Caroline Thompson, Principal of Estacado High, a former Lady Raider, is the champion for this effort. Approximately 100 students are participating.

■ **The National Institute of Engineering Ethics** has become a permanent part of Texas Tech University under the Murdough Center for Engineering Professionalism. It is a major recognition of the leading role that the College of Engineering, and specifically Dr. Jimmy H. Smith, has played in the area of engineering ethics and professionalism, nationally and internationally for the last 20 years.

■ **The Department of Philosophy** has been ranked 10th nationally as a masters-only program by Blackwell's Publishing Company's Philosophical Gourmet Report (which lists the top 50 Ph.D. programs, top 10 masters-only programs, top 10 programs in 18 specialized areas of Philosophy, and selected international programs).

■ **The Fine Arts Doctoral Program** bestowed its 201st doctorate at the August 2001 Commencement.

■ **The Architecture Research Center Ranching Heritage Initiative** has completed the documentation of the historic JA Ranch, started by Charles Goodnight, and is the longest surviving single-owner ranch in Texas. Continuing that effort, in 2001-2002, a team of researchers and students will begin the documentation of the 6666 Ranch, with funding from the CH Foundation.

■ Texas Tech University and the **College of Agricultural Sciences and Natural Resources** has the only textile research center in the U.S. addressing short staple cotton, new fabrics and advanced (and new) pulse and non-woven fibers research.

■ **The Bob Knight Basketball Library Fund** is now over \$68,000. Next weekend the inaugural Bob Knight 3 on 3 Basketball Tournament, hosted by the Phi Gamma Delta fraternity will take place at the Rec. Center. Proceeds will go to the Bob Knight Basketball Library Fund.

■ The first event of a 3-part series entitled *Losing Geography, Discovering Self*, opened on September 30, 2001. "**Heart-work**," an exhibit of poetry and photography opened with a reception hosted at the University Library. The display includes the poetry of students who participated in an English class for the visually handicapped taught by **Jacqueline McLean**. The poems are displayed in both text and Braille. Accompanying the writings are special photographs by Dallas photographer and TTU alumnus **Roger Moore**.

■ Texas Tech University's **College of Human Sciences** and the Housing Authority of the City of Lubbock are celebrating the first anniversary of the opening of the Early Head Start Center Parkway/Cherry Point at 515 N. Zenith in Lubbock. The facility opened Sept. 22, 2000.

■ The **College of Education** is part of an 18-member university/public school consortium "Quality Teachers for Texas" (QT2), created to develop distance delivery of teacher education and to graduate more teachers for Texas public schools.

■ The **RHIM program of the College of Human Sciences** recently renovated their Skyviews laboratory, making it one of the nicest dining facilities in the city. They continue outreach programs, partnering with entities such as the Texas Workforce Commission and South Plains Food Bank.

DISTINGUISHED VISITORS

■ **Tom Jones**, acclaimed author of Broadway musicals (including "The Fantastiks", the longest continually running show on Broadway) visited Texas Tech and participated in the Charles Maedgen Theatre's performance of "110 in the Shade" in October.

■ **Allan Bromley**, Sterling Professor of Sciences and former Dean of the College of Engineering at Yale University, lectured to faculty and students on September 10. His public lecture on "Science, Technology, and Politics" scheduled for September 11 will be rescheduled.

■ **Barry Lopez**, distinguished essayist and short story writer, lectured at the Helen Jones Auditorium on October 9 to a full house. Lopez has given his papers to the James Sowell Family Collection in Literature, Community and the Natural World at the Southwest Collection.

President's Report
Texas Tech Health Sciences Center
Board of Regents Meeting
November 2, 2001

Dr. Smith noted that four handouts are being distributed for review by the board (see attached). One handout refers to the enrollment for this year. As you know, enrollment for this year was up. We are up about 18.2% since 1996. We are the only health science center in the country and in Texas that is seeing any kind of growth in enrollment. The credit for this increase goes to the deans and the faculty and what they have been able to accomplish.

An additional report is a brief review of some of the exciting things going on in Amarillo and the work that Dr. Berk is doing with the School of Pharmacy in an interdisciplinary effort to look at women's health issues. They have done an incredible program with academic and research components.

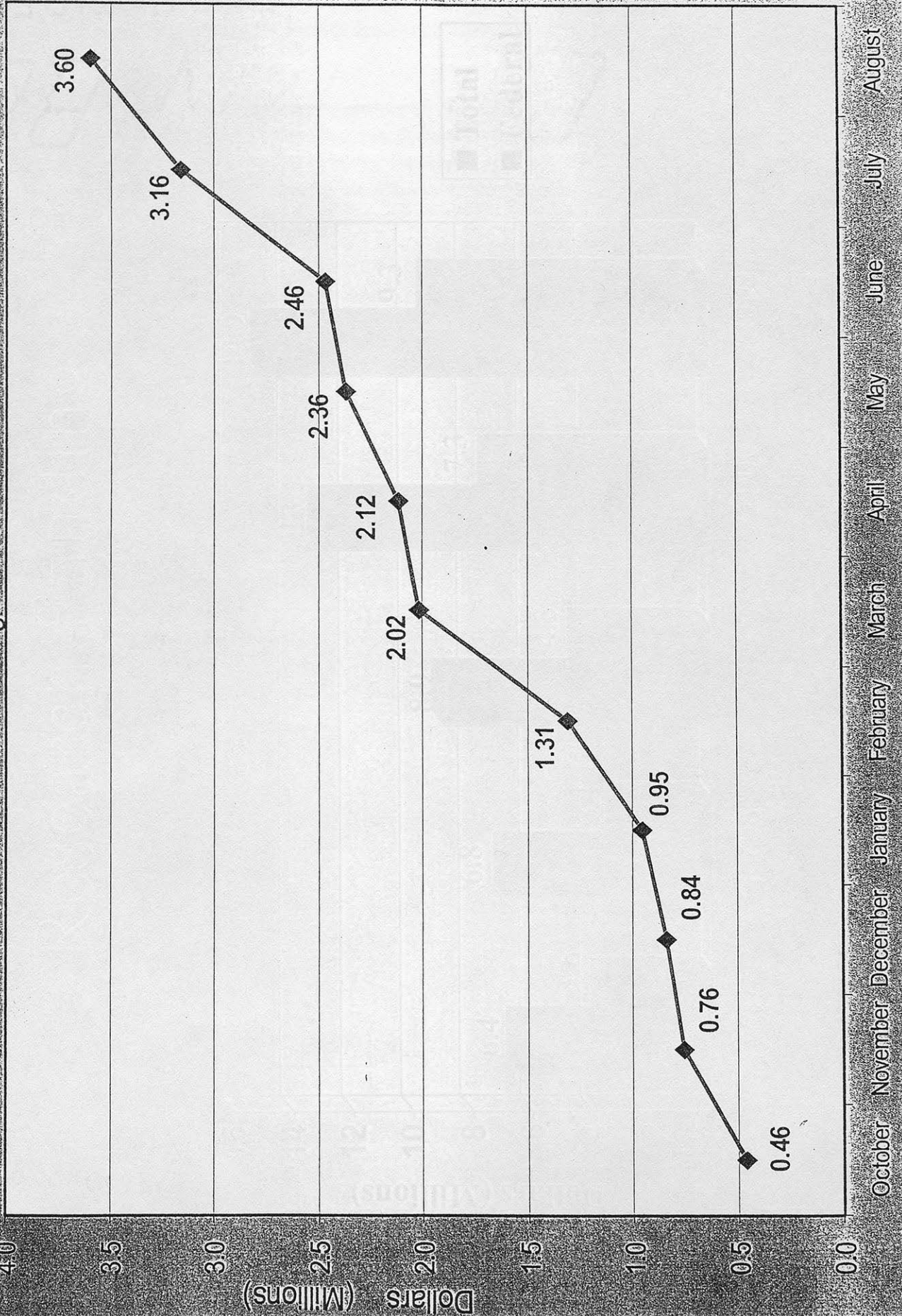
Finally, there are two graphs. One graph is research funding expenditures which shows the trends that the health science center is realizing in total and federal in the last five years. We are quite excited about this. The other graph shows one of our new clinical enterprises that Dr. Alexia Green alluded to and that is our clinical trials office which we patterned after the Duke model. In October we were only booking about \$.5 million per year in clinical trials in new drugs. We are now booking a business of \$3.6 million due in part to the collaboration between the School of Pharmacy, the School of Medicine and the School of Nursing. We are excited about the aging issues that are on the

horizon, the work we are doing with cancer drugs, as well as the work done in women's health. These efforts are putting us in a great position and we are utilizing all four campuses. The reason the drug companies like us and work with us is because we can reach such a far-reaching population with a great deal of diversity.

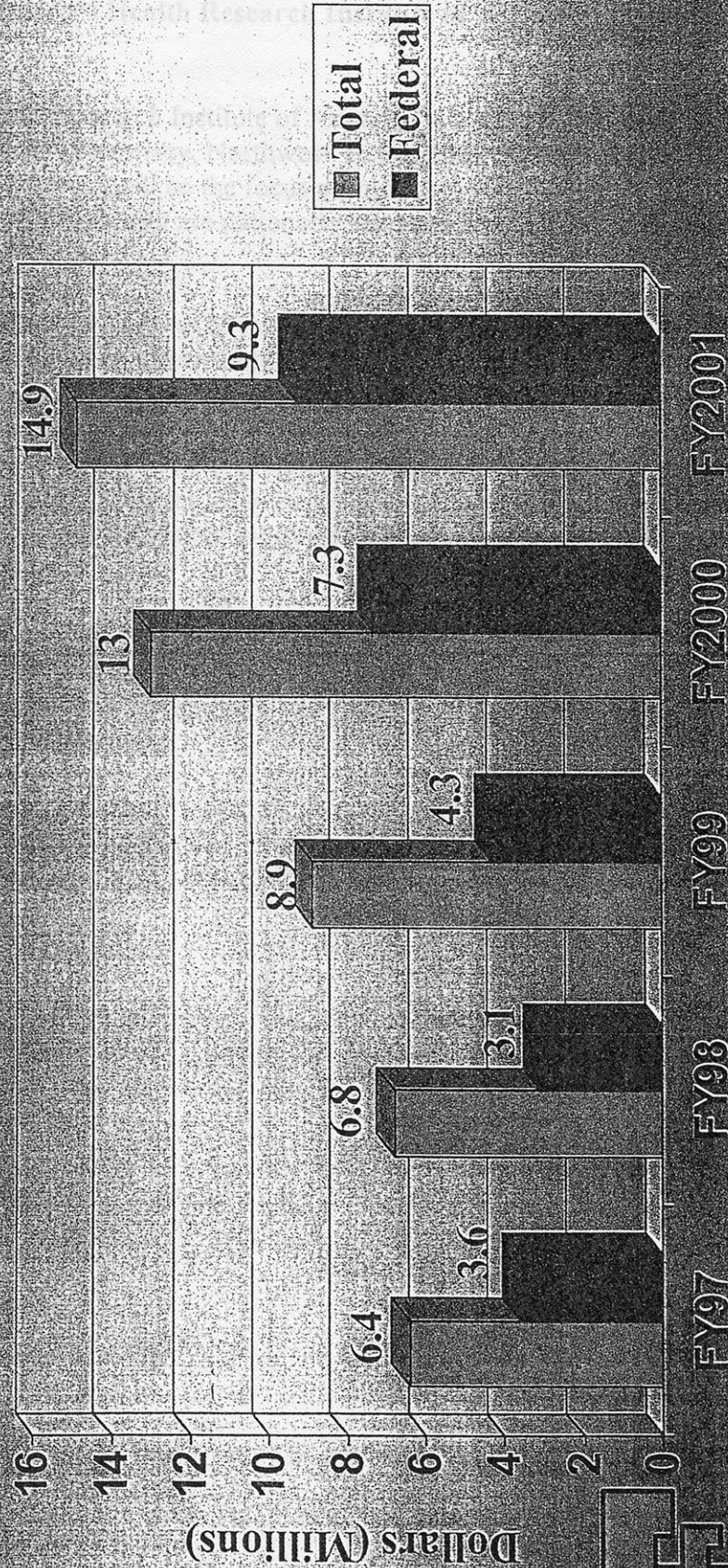
The final handout is an update regarding the School of Medicine. We have a new heart surgeon who has done transplants. We are going to be going forward with some animal-based work in transplantation and new ways to preserve organs. We are not involving humans at this point. He has done those in the past, but we are excited that not only is he going to be doing transplantation work, he will also be doing the cardiovascular bypass surgery and valve work, which he is also trained in. We will introduce him to the board in the future.

Clinical Trial Awards

October 2000 - August 2001



Research Funding



Women's Health Research Institute of Amarillo

The Women's Health Research Institute of Amarillo is a joint effort of the Texas Tech School of Medicine, School of Pharmacy, Northwest Texas Hospital, Harrington Cancer Center and the community. The Institute will be the focus point for research of the Texas Tech School of Medicine. Some Texas Tech faculty are nationally known for their work in women's health issues.

The objectives of the WHRI are to advance knowledge of women's health issues and facilitate collaborative development of research in a wide range of problems affecting women's health.

Sixteen grants have been provided to support collaborative research efforts, which have included studies of breast cancer, diabetes, osteoporosis, Alzheimer's Disease, estrogen delivery, hormone replacement therapy, hypertension, morning sickness, gender-specific drug reactions, teen pregnancy and depression.

The Institute has sponsored eight summer research fellowships for high school students interested in obtaining research training in women's health. The Institute also will sponsor one or two Visiting Professorships to bring internationally known researchers in some aspect of women's health to the Amarillo campus.

TTUHSC Student Enrollment

School	Fall, 2000	Fall, 2001*	Change
School of Medicine	484	487	3
School of Allied Health	458	500	42
School of Nursing	387	392	5
School of Pharmacy	326	324	(2)
Graduate School of Biomedical Sciences	64	85	21
Total	1,719	1,788	69

* Preliminary Fall, 2001 numbers subject to certification by the THECB

Chancellor's Report
Texas Tech University System
Board of Regents Meeting
November 2, 2001

Dr. Smith introduced Dr. Victoria Sutton, who is the chair of the task force in anti-terrorism and public security. Dr. Sutton is a J.D., Ph.D. and has done extensive work at the federal level, working at the White House as well as in the area of blending law policy science. Dr. Sutton was asked to make a brief presentation of the task force preliminary report. The task force was asked to review everything we should be doing in education, integrating new research lines and how we can bring to bear the entire value of Texas Tech on this critical issue.

Dr. Sutton noted that it was the foresight of Interim Chancellor Smith and President Schmidly which inspired and led them to appoint this task force on anti-terrorism and public security. The importance of their inspiration is not stated lightly because we were the first university to start to look at anti-terrorism in terms of our public institutional focus and our responsibilities. While other universities were still reeling, and that is quite understandable, our leadership was going forward and asking us to look at what kind of activities we were doing here at the university that might play into a supporting role for our local, regional and national response to the disaster on September 11. That was on September 25. We met on October 1 and we were charged to begin to look across the board at all of TTU System's activities. Our membership is made up of representatives from TTU, from the Health Sciences Center, from the Amarillo campus, from the El Paso campus and we put our forces together and this is a very distinguished

panel. She noted that she was honored to chair the task force. The task force looked across the board at our inventories and our activities and asked for the input of all faculty. We asked through the vice presidents, through the department chairs and directly to the scientists and researchers and faculty to describe what they are doing that may support these activities in terms of research, in terms of service and in terms of educational activities. We also asked how this addresses anti-terrorism or public security, does it address the preparedness, the surveillance or the response area. We conducted this in the first half of our thirty days. Then the intellectual work of the committee really began because we pulled those together and took a look at what were our strengths in the system and how could we carry out a mission here in our service role.

A report was distributed to the board that highlights what the task force determined to be strengths and resources in those categories throughout the TTU System. In the basic and applied research areas, we identified our strengths in two different areas. We had a West Texas focus strength. We had agriculture terrorism responses and research as well as oil field terrorism. The data completed the picture of what economic disaster might follow if we did not prepare and look at this issue. We are looking to fill in the complete picture of the West Texas risk factors and our strengths. In the human component, we have some very strong areas in environmental conditions. Our arts and sciences and social sciences are very strong. We have language opportunities that are being offered next semester. We have the psychology/sociology area that is combining resources to look at this area and to increase our strengths.

The core facilities are very important to building what we have here. We do have some strengths in the core facilities area and these are strengths that we hope to build on to build a broad look at what we are doing in terms of this response. We have identified strengths where we are offering educational opportunities. We have identified places where we think we could do more and build on what we have in our degree programs, for example. We have included some recommendations in this report as well where we think we can go to after this first thirty-day report. We are working state-wide with the task force appointed by Governor Perry. They have asked us to report to them. Regionally, we have been working with the city, the county and the state public health officials, as well as with the governmental officials. They joined us in our first panel meeting which we held on October 18 in response to the public security concerns and immediate issues that we hope to provide information for the public such as issues about anthrax, mail handling, Cipro and gas masks. The issues were addressed through the expertise of the faculty as well as what the city, county and state government can do. Hopefully, we will continue to work with the city government. We have also initiated activities with other universities. As mentioned, we were the first to begin looking at this. We are taking the lead in talking with other universities about working together.

Regent Nancy Jones asked if the task force would be assisting other communities in the West Texas area prepare or have a plan. Dr. Sutton responded that we have formulated a model for other universities to incorporate. The task force has had

inquiries from other universities. The National Academies of Science is interested because we are one of the first to start to look at this. Some of the associations are now starting to ask universities about what they are doing. We were involved very early in the process. We will be able to provide a model for universities to work with their local city and state governments.

Dr. Smith noted that the City of Lubbock asked the task force in their efforts to reach out to the other communities around this region about how we can also provide skill sets and individual talents that we have to them. We will be reviewing methodologies to accomplish both delivering web-based as well as some educational seminar-type resources. In fact, the Mayor has requested a meeting with Dr. Sutton to talk about some of those topics and how we can reach out beyond that. Dr. Sutton has other full-time work and she deserves an incredible amount of credit for what she has done and for her organizational skills and the ability to pull this together in less than thirty days.

Dr. Smith had one final point of personal privilege. He wanted to thank the team that has been helping him in the period of transition. He asked for the following to stand: Dr. David Schmidly, Jim Brunjes, Ben Lock, Pat Campbell, Richard Butler, Bess Haley, Mike Sanders, Lynda Gilbert and Elmo Cavin. Dr. Smith wanted to personally thank each one for their work during the term.