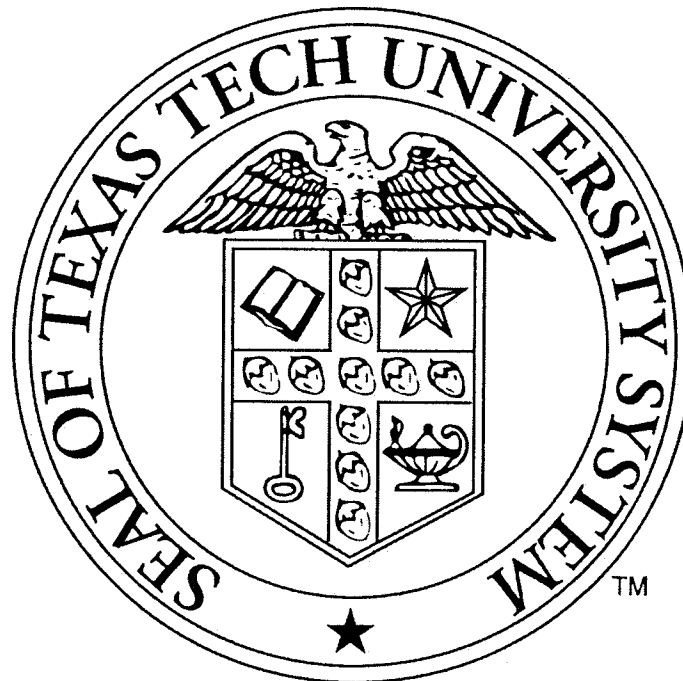


TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER
BUDGET ADJUSTMENTS FOR THE PERIOD
APRIL 1, 2003 through JUNE 30, 2003

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER – BOARD APPROVAL ITEM
(April 1, 2003 – June 30, 2003)

ACTIVITY	SOURCE OF FUNDS		EXPENSE	REMARKS
	OTHER	INCOME		
<u>BOARD APPROVAL:</u>				
General Designated Funds				
Relocate Forensic Institute	311,000		311,000	Budget of fund balance to relocate the Forensic Institute to the Texas Tech Medical Center Southwest Surgery Center.

TEXAS TECH UNIVERSITY SYSTEM ADMINISTRATION



SUMMARY OPERATING BUDGET FISCAL YEAR 2004

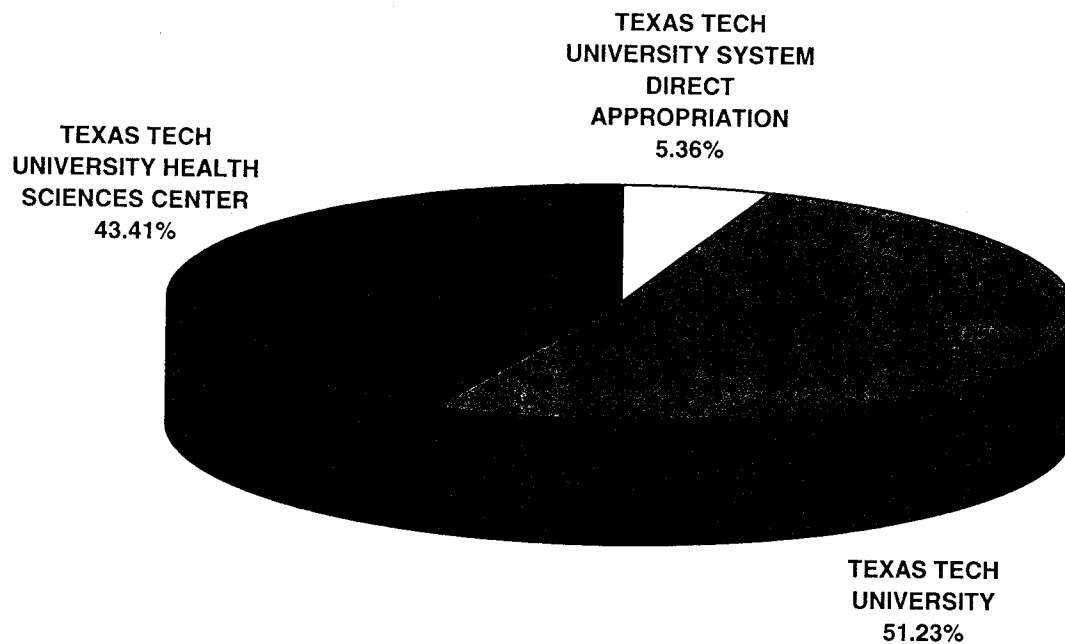
**TEXAS TECH UNIVERSITY
SYSTEM ADMINISTRATION
FISCAL YEAR 2004
SUMMARY OPERATING BUDGET**

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**TEXAS TECH UNIVERSITY
SYSTEM ADMINISTRATION
FY 2004
EDUCATION AND GENERAL BUDGET
SOURCE OF FUNDS**

APPROPRIATIONS



TEXAS TECH UNIVERSITY
SYSTEM ADMINISTRATION

COMPARISON OF EDUCATION AND GENERAL FUNDS

INCOME BUDGET

<u>ITEM</u>	<u>FY 2003</u>	<u>FY 2004</u>
GENERAL REVENUE APPROPRIATIONS:		
GENERAL REVENUE - ARTICLE III	\$ 500,000	\$ 437,500
SUB-TOTAL	<u>\$ 500,000</u>	<u>\$ 437,500</u>
TRANSFERS		
TEXAS TECH UNIVERSITY	\$ 4,136,410	\$ 4,177,866
TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER	<u>3,450,715</u>	<u>3,540,267</u>
SUB-TOTAL	<u>\$ 7,587,125</u>	<u>\$ 7,718,133</u>
TOTAL	<u><u>\$ 8,087,125</u></u>	<u><u>\$ 8,155,633</u></u>
DOLLAR CHANGE		\$ 68,508
PERCENT CHANGE		0.85%

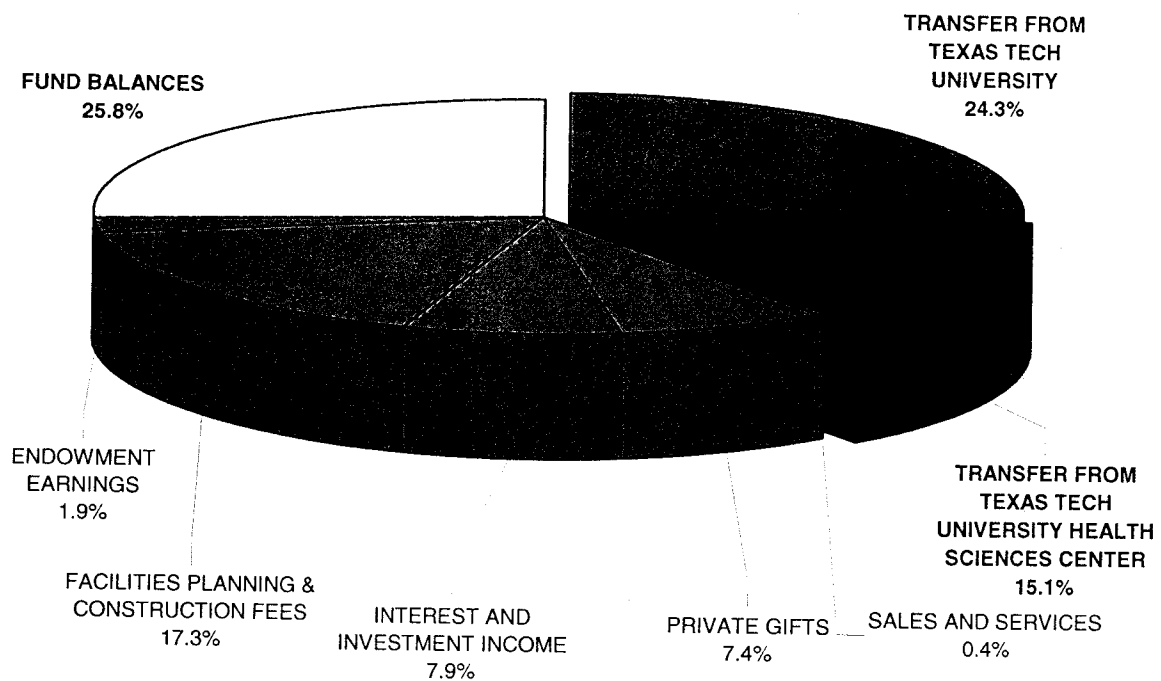
TEXAS TECH UNIVERSITY
SYSTEM ADMINISTRATION

COMPARISON OF EDUCATION AND GENERAL FUNDS

EXPENSE BUDGET

<u>ITEM</u>	<u>FY 2003</u>	<u>FY 2004</u>
GENERAL ADMINISTRATION	\$ 4,426,263	\$ 4,668,599
INSTITUTIONAL ADVANCEMENT	1,058,273	1,064,193
TEXAS TECH POLICE	2,602,589	2,422,841
TOTAL	<u>\$ 8,087,125</u>	<u>\$ 8,155,633</u>
DOLLAR CHANGE		\$ 68,508
PERCENT CHANGE		0.85%

**TEXAS TECH UNIVERSITY
SYSTEM ADMINISTRATION
FY 2004
DESIGNATED FUNDS BUDGET
SOURCE OF FUNDS**



**TEXAS TECH UNIVERSITY
SYSTEM ADMINISTRATION
COMPARISON OF DESIGNATED FUNDS
INCOME BUDGET**

<u>ITEM</u>	<u>FY 2003</u>	<u>FY 2003</u>
TRANSFERS:		
TEXAS TECH UNIVERSITY	\$ 1,925,029	\$ 2,307,651
TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER	<u>1,394,391</u>	<u>1,431,891</u>
SUB-TOTAL	<u>\$ 3,319,420</u>	<u>\$ 3,739,542</u>
ADDITIONAL REVENUES:		
SALES AND SERVICES	\$ 36,500	\$ 36,500
PRIVATE GIFTS	700,000	700,000
INTEREST AND INVESTMENT INCOME	750,000	750,000
FACILITIES PLANNING & CONSTRUCTION FEES	1,148,800	1,642,038
ENDOWMENT EARNINGS	<u>180,000</u>	<u>180,000</u>
SUB-TOTAL	<u>\$ 2,815,300</u>	<u>\$ 3,308,538</u>
CURRENT YEAR REVENUE	\$ 6,134,720	\$ 7,048,080
OTHER:		
FUND BALANCES	<u>\$ 2,703,600</u>	<u>\$ 2,445,926</u>
TOTAL	<u>\$ 8,838,320</u>	<u>\$ 9,494,006</u>
DOLLAR CHANGE		\$ 655,686
PERCENT CHANGE		7.42%

TEXAS TECH UNIVERSITY
SYSTEM ADMINISTRATION

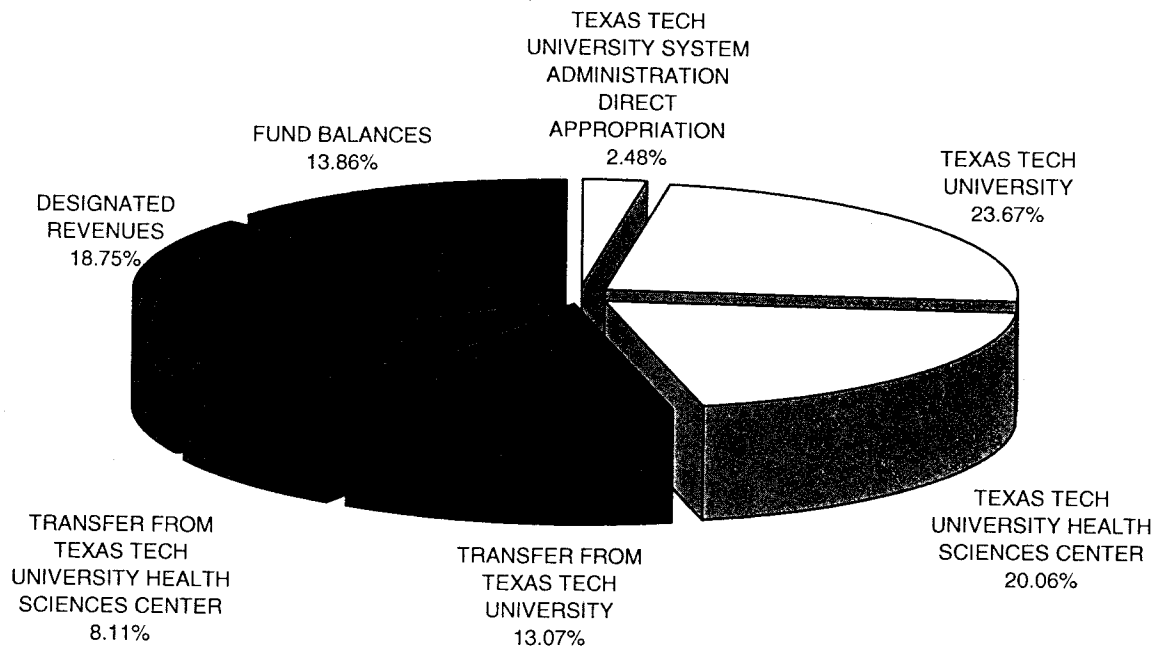
COMPARISON OF DESIGNATED FUNDS

EXPENSE BUDGET

<u>ITEM</u>	<u>FY 2003</u>	<u>FY 2004</u>
GENERAL ADMINISTRATION	\$ 3,816,555	\$ 4,020,989
INSTITUTIONAL ADVANCEMENT	2,509,287	2,378,353
TEXAS TECH POLICE		346,622
FACILITIES PLANNING AND CONSTRUCTION	<u>2,512,478</u>	<u>2,748,042</u>
TOTAL	<u>\$ 8,838,320</u>	<u>\$ 9,494,006</u>
DOLLAR CHANGE		\$ 655,686
PERCENT CHANGE		7.42%

**TEXAS TECH UNIVERSITY
SYSTEM ADMINISTRATION
FY 2004
SUMMARY OPERATING BUDGET
SOURCE OF FUNDS**

**Education and General
46.2% Total**

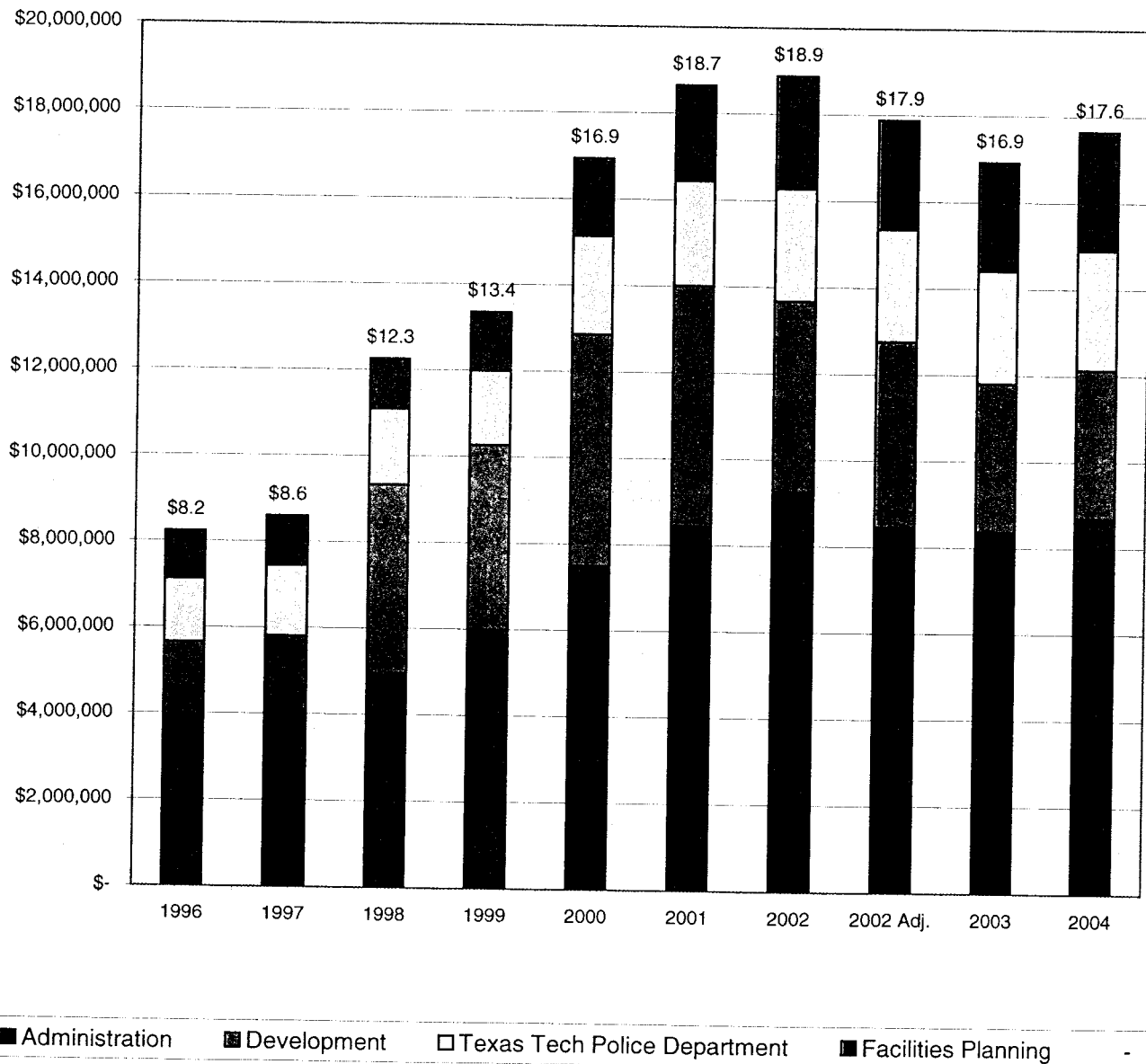


**Designated
53.8% Total**

**TEXAS TECH UNIVERSITY
SYSTEM ADMINISTRATION
SUMMARY OPERATING BUDGET
FOR FISCAL YEAR 2004**

FUND	PROJECTED 09/01/2003 BALANCE	ESTIMATED INCOME	ESTIMATED EXPENSE	PROJECTED 09/01/2004 BALANCE
EDUCATIONAL AND GENERAL	\$ -	\$ 8,155,633	\$ 8,155,633	\$ -
DESIGNATED	3,081,000	7,048,080	9,494,006	\$ 635,074
TOTAL	\$ 3,081,000	\$ 15,203,713	\$ 17,649,639	\$ 635,074

Texas Tech University System Administration Budgeted Expenses



TEXAS TECH UNIVERSITY

SUMMARY OPERATING BUDGET

FISCAL YEAR 2004

**FY 2004 SUMMARY OPERATING BUDGET
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DEFINITIONS

EDUCATIONAL AND GENERAL FUNDS:

UNRESTRICTED FUNDS FOR ADMINISTRATION, INSTITUTIONAL EXPENSE, INSTRUCTION AND DEPARTMENTAL RESEARCH, PHYSICAL PLANT OPERATION, LIBRARIES AND OTHER ITEMS RELATED TO INSTRUCTION.

DESIGNATED FUNDS:

UNRESTRICTED FUNDS WHICH HAVE BEEN INTERNALLY ALLOCATED FOR SPECIFIC PURPOSES (E.G., STUDENT SERVICES FEES, INSTITUTIONAL TUITION, ETC...).

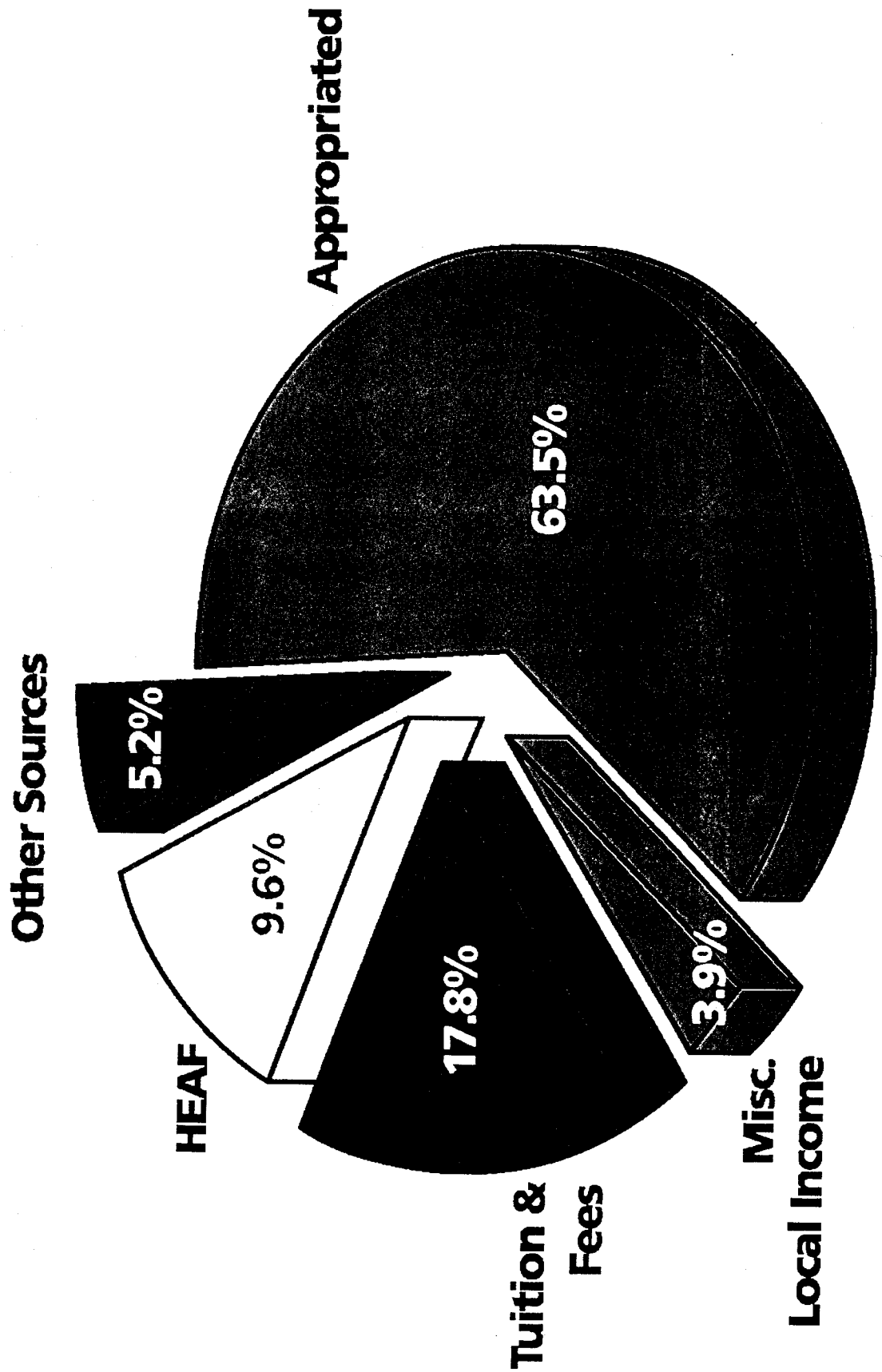
AUXILIARY FUNDS:

THOSE FUNDS USED TO PROVIDE SERVICES FOR STUDENTS, FACULTY, AND STAFF WHICH GENERALLY CHARGE A FEE DIRECTLY RELATED TO THE COST OF THE SERVICE PROVIDED (E.G., ATHLETICS, RESIDENCE HALLS, FOOD SERVICE, UNIVERSITY CENTER, AND BOOKSTORE, ETC...). NO STATE FUNDS CAN BE USED TO SUPPORT AUXILIARY OPERATIONS.

CURRENT RESTRICTED FUNDS:

FUNDS AVAILABLE FOR CURRENT PURPOSES, THE USE OF WHICH IS RESTRICTED BY THE DONOR/GRANTOR TO BE UTILIZED AS STIPULATED BY THE FUNDING SOURCE (E.G., RESEARCH GRANTS, SCHOLARSHIPS, EARNINGS FROM ENDOWMENTS, ETC...).

FY 2004
EDUCATIONAL AND GENERAL BUDGET
SOURCE OF FUNDS



TEXAS TECH UNIVERSITY

Board Minutes
August 8, 2003
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COMPARISON OF EDUCATIONAL AND GENERAL FUNDS

INCOME BUDGET

<u>ITEM</u>	<u>FY 2003</u>	<u>FY 2004</u>
TUITION AND FEES		
GROSS TUITION	\$39,245,964	\$45,029,206
GRADUATE TUITION	5,627,421	5,627,421
TPEG	(3,976,631)	(5,367,184)
SKILES	(317,225)	(229,080)
REMISSIONS AND EXEMPTIONS	(7,000,000)	(7,100,000)
TOTAL TUITION	\$33,579,529	\$37,960,363
LABORATORY FEE	\$880,000	\$884,609
INTEREST EARNINGS	3,100,000	1,000,000
MISCELLANEOUS	317,500	304,197
TOTAL FEES	\$4,297,500	\$2,188,806
TOTAL TUITION AND FEES	\$37,877,029	\$40,149,169
STATE APPROPRIATIONS		
GENERAL REVENUE	\$108,780,101	\$111,613,919
SALARY ALLOCATION - SBI, 77TH LEGISLATURE	1,100,000	0
HB 658, TUITION REVENUE BONDS	1,760,092	0
LONGEVITY - SBI, 77TH LEGISLATURE	500,000	0
LESS: OASI	(1,852,000)	0
STATE PAID STAFF BENEFITS	0	27,414,083
	\$110,288,193	\$139,028,002
HEAF	\$20,961,881	\$20,961,881
TOTAL STATE APPROPRIATIONS	\$131,250,074	\$159,989,883
RECOVERY OF INDIRECT COSTS	\$5,754,000	\$7,180,000
COORDINATING BOARD TRANSFERS	\$100,000	\$50,000
TEXAS EXCELLENCE FUNDS	5,733,724	0
TOTAL STATE PASS-THROUGH GRANTS FROM OTHER AGENCIES	\$5,833,724	\$50,000
TOTAL CURRENT FUNDS REVENUES	\$180,714,827	\$207,369,052
TRANSFER FROM INSTITUTIONAL TUITION-DESIGNATED	\$8,555,540	\$8,555,540
UTILIZATION OF FUND BALANCE	2,823,810	2,852,000
TOTAL CURRENT FUNDS REVENUES-BELOW THE LINE	\$192,094,177	\$218,776,592
PERCENT CHANGE		13.9%

TEXAS TECH UNIVERSITY

COMPARISON OF EDUCATIONAL AND GENERAL FUNDS

EXPENSE BUDGET

<u>ITEM</u>	<u>FY 2003</u>	<u>FY 2004</u>
TEXAS TECH UNIVERSITY SYSTEM	\$3,995,797	\$4,177,866
INSTITUTIONAL SUPPORT	6,212,255	7,427,281
STUDENT SERVICES	3,134,028	1,135,599
ACADEMIC OPERATIONS SUPPORT	1,108,275	1,595,375
STAFF BENEFITS	5,658,291	35,895,283
FACULTY SALARIES	71,576,587	78,802,693
DEPARTMENTAL OPERATING EXPENSE	14,621,525	14,572,662
INSTRUCTIONAL ADMINISTRATION	6,246,988	6,615,773
LIBRARY	9,179,705	4,531,749
PHYSICAL PLANT	11,806,404	11,499,707
UTILITIES	11,868,987	12,770,787
ORGANIZED RESEARCH SERVICES AND ENHANCEMENT	5,017,106	5,451,016
RESEARCH AND EXCELLENCE FUNDING	5,733,724	0
GRADUATE TUITION	3,501,583	4,102,956
OTHER	2,533,294	4,042,945
SPECIAL ITEMS - EXISTING	10,002,434	9,075,464
SPECIAL ITEMS - NEW	0	0
DEBT SERVICE	4,887,130	3,858,966
HB 658, TUITION REVENUE BONDS	1,760,092	0
MAJOR REPAIRS AND REHABILITATION	2,250,000	2,250,000
NEW CONSTRUCTION	8,730,000	8,730,000
SCHOLARSHIPS	2,269,972	2,240,470
TOTAL	\$192,094,177	\$218,776,592
PERCENT CHANGE		13.9%

TEXAS TECH UNIVERSITY

Board Minutes
August 8, 2003
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COMPARISON OF EDUCATIONAL AND GENERAL FUNDS

SPECIAL ITEMS BUDGET

<u>ITEM</u>	<u>FY 2003</u>	<u>FY 2004</u>
MASTERS OF SOCIAL WORK	\$50,000	\$0
AGRICULTURAL RESEARCH	2,725,259	2,407,354
ENGINEERING RESEARCH	1,163,687	1,049,121
EMERGING TECHNOLOGIES	312,895	133,279
JUNCTION	412,033	409,973
SMALL BUSINESS	1,008,389	1,008,639
MUSEUMS AND CENTERS	2,944,020	2,732,118
INTERNATIONAL TRADE CENTER	638,517	639,741
FINANCIAL RESPONSIBILITY	243,537	189,880
MITC-FREDERICKSBURG	503,797	505,359
TOTAL	\$10,002,134	\$9,075,464
PERCENT CHANGE		-9.3%

TTU E&G CAPITAL FINANCING PLAN

July 23, 2003
FY 1998 - 2005

23-Jul-03

	FY 1998	FY 1999	Tot Rev	Account Number	FY 2000	FY 2001	Tot Rev	FY 2002	FY 2003	FY 2004	FY 2005	TOTALS
LIBRARY	2,812,257	2,852,870		0231-44-3504	3,100,513	3,255,539	77th Reg. Approp	3,418,316	3,589,231	3,765,693	3,957,128	30,801,809
SOUTHWEST COLLECTION	19,051	20,004		0231-44-3827	21,004	22,054		23,157	24,315	25,530	26,807	181,822
LAW LIBRARY	552,280	578,804		0240-44-0885	608,900	639,345		671,312	704,877	740,121	777,127	5,273,876
SUPPLEMENTAL LAW LIBRARY				0240-44-0885	120,000	120,000		120,000	120,000	120,000	120,000	720,000
ENGLISH/PHILOSOPHY/EDUCATION	6,000,000	3,000,000	24,900,000	0225-42-1842	3,822,543	4,055,629		1,471,828	500,000			43,800,000
ANIMAL SCIENCE (PLANNED)				0225-42-1750	680,000	0		1,071,715	5,943,543	5,590,242	4,234,500	17,000,000
EXP SCIENCE - Phase I	250,000	0	1,800,000	0225-42-1864	180,000	2,230,398		2,037,398	2,037,398	2,037,398	1,917,418	13,000,000
EXP SCIENCE - Phase II					3,550,000						0	23,987,000
ANIMAL SCIENCE (Furnishing)							23,647,000	463,781				463,781
ENGINEERING (STAGE I)	590,640			0236-44-3604	284,380	725,000		800,000				875,000
ENGINEERING (PLANNED)				225-42-1866	428,543	1,140,914		1,000,000	500,000	500,000	989,698	1,625,000
ART (PLANNED)	343,543	525,000		0225-42-1749	200,000			125,000				5,407,688
COBA Planning						0		1,000,000	0			325,000
ENGLISH/PHILOSOPHY/EDUCATION- furnishings												1,000,000
IRRIGATION WELLS		235,000		0225-42-1710		(50,000)						235,000
IRRIGATION WELLS - PHASE I, II		85,000		0225-42-1709								85,000
FINE ARTS COMPLEX		50,000										50,000
WOMEN'S GYM RELOCATION		50,000										50,000
WEST HALL ADDITION		50,000	3,300,000									3,300,000
COMPUTER SCIENCE RENOVATION				0225-49-8449		80,000						80,000
HYPER FACILITY				0225-42-1768		200,000		0				200,000
PERFORMING ARTS CENTER				0225-42-1763		120,000						120,000
LAW LIBRARY SHELVING				0240-44-0895		250,000						250,000
LAW LOW INCOME CLINIC						100,000						100,000
OTHER MAJOR PROJECTS					0							0
MINOR AND INTERMEDIATE		500,000		0225-49-8245	500,000	500,000		500,000	500,000	353,301	1,289,043	11,842,344
VISITOR'S CENTER RELOCATION	50,000	1,925,000		0225-42-1865	725,000					500,000	500,000	3,500,000
RELOCATION OF ASTRONOMY FAC	50,000			0225-42-1866				200,000				2,700,000
RELOCATION OF PLANT SCIENCES				NEW								50,000
CENTRAL CAMPUS LANDSCAPING		100,000		0225-49-2428	300,000							400,000
DEFERRED MAINTENANCE	1,775,000	2,000,000		0225-42-8310	5,000	1,879,281		1,750,000	1,500,000	1,500,000	1,500,000	18,809,281
ADMINISTRATION BLDG	0	0		0225-42-1869	1,600,000							1,600,000
ADMINISTRATION BLDG	200,000	0		0225-42-1823								200,000
VISITOR'S CENTER RELOCATION	0	0										0
BA BLDG PAINT SUP		380,100										380,100
RESERVE (MR&P PROJECTS, ETC.)												754,478
DEBT SERVICE												0
ADMINISTRATIVE UNITS	135,000	135,000			182,847	398,484		135,000	135,000	135,000	135,000	1,597,808
PHYSICAL PLANT	458,200	458,200		0243-45-2245	458,200	458,200		458,200	458,200	458,200	458,200	4,582,000
COMPUTING	400,000	400,000		0228-45-6004	400,000	400,000		400,000	400,000	400,000	400,000	4,000,000
ACADEMIC UNITS	2,844,000	2,844,000		0242-44-3818	2,844,000	2,844,000		3,380,219	2,844,000	2,844,000	2,844,000	28,132,219
ACADEMIC AFFAIRS						181,000						181,000
EDUCATION				0242-44-3818								30,000
BIOLOGY REMODEL				0235-44-3603		30,000						30,000
ARTS AND SCIENCES				0225-49-8448	53,000	53,000						53,000
TECHNOLOGY	548,151	493,336		0233-44-3581	444,003	398,502		359,642	323,870	275,120	233,857	90,000
MISCELLANEOUS PROJ						12,721						4,383,088
MADDOX CHAIR	400,000				200,000							716,484
MUSEUM - CHATTERJEE	175,000	175,000										1,000,000
TECHNOLOGY CLASSROOMS	200,000	200,000										500,000
TASP RENOVATION	32,000											400,000
POLICE	25,000											32,000
UNALLOCATED NEW HEAF - RESERVE				0225-44-0798								25,000
TO BE ALLOCATED						0		451,315	517,308	517,308	517,309	2,003,242
COMMITTED TO PRIOR YEARS						0		500,000	500,000	500,000	500,000	2,000,000
UNALLOCATED						848,837		0	0	0	0	781,989
TOTALS	(182,407)	(791,969)	30,000,000		(1,129,796)	20,581,881	23,647,000	20,581,881	20,581,881	20,581,881	20,581,881	242,881,830

Major Projects

STATEMENT OF BUDGETED EXPENSES BY OBJECT
OF THE YEAR BEGINNING SEPTEMBER 1, 2003

	FACULTY SALARIES (01)	OTHER SALARIES (02,03,06)	FRINGE BENEFITS (05,07)	TRAVEL (11)	MAINTENANCE & OPERATIONS (10,24,26,30,35, 40,46,84,90,99)	CAPITAL OUTLAY (50)	SCHOLAR- SHIPS (45)	INDEBTED- NESS (62,63)	TRANSFERS (84,94)	TOTALS
EDUCATIONAL AND GENERAL										
INSTRUCTION	69,308,646	17,319,856	22,193,222	32,001	2,336,471	11,420	0	0	0	111,201,616
RESEARCH	59,783	5,304,688	2,714,860	118,150	2,384,485	147,375	5,000	0	0	10,734,341
PUBLIC SERVICE	0	2,161,749	560,466	141,426	506,279	45,385	0	0	0	3,415,305
ACADEMIC SUPPORT	229,565	11,701,212	3,949,736	158,623	2,022,351	416,990	585,726	0	0	19,064,203
STUDENT SERVICES	0	1,504,540	691,152	25,000	207,487	22,106	0	0	0	2,450,285
INSTITUTIONAL SUPPORT	0	7,525,619	4,735,289	4,566	24,390,284	3,100	0	0	4,177,866	40,836,724
OPERATION AND MAINTENANCE OF PLANT	0	6,105,199	1,741,025	7,745	17,601,439	5,000	0	0	0	25,460,408
SCHOLARSHIPS AND FELLOWSHIPS	0	0	0	0	0	0	1,754,744	0	0	1,754,744
DEBT SERVICE	0	0	0	0	0	0	0	3,858,966	0	3,858,966
TOTAL EDUCATIONAL AND GENERAL	69,597,994	51,622,863	36,585,750	487,511	49,448,796	651,376	2,345,470	3,858,966	4,177,866	218,776,592
DESIGNATED										
INSTRUCTION	856,048	6,842,487	2,127,327	313,663	6,687,464	166,476	19,250	0	0	17,012,715
RESEARCH	0	169,487	32,933	22,500	883,425	17,545	0	0	0	1,125,890
PUBLIC SERVICE	5,000	329,650	77,967	7,101	331,295	1,500	29,775	0	0	782,288
ACADEMIC SUPPORT	177,160	5,930,686	1,841,242	261,667	10,595,846	4,926,791	314,600	0	0	24,047,992
STUDENT SERVICES	0	7,323,563	2,230,305	453,167	8,853,760	320,975	36,618	0	0	19,218,388
INSTITUTIONAL SUPPORT	0	3,970,137	4,107,700	55,925	9,234,955	1,690,068	183,100	0	0	19,241,885
OPERATION AND MAINTENANCE OF PLANT	0	3,122,016	1,103,095	17,389	9,504,656	211,000	0	0	0	13,958,156
SCHOLARSHIPS AND FELLOWSHIPS	0	0	0	0	1,553,735	0	7,510,000	0	0	9,063,735
DEBT SERVICE	0	0	0	0	0	0	0	3,128,026	0	3,128,026
TOTAL DESIGNATED	1,038,208	27,688,026	11,520,369	1,131,412	47,645,136	7,334,355	8,093,343	3,128,026	0	107,579,075
AUXILIARY ENTERPRISES										
AUXILIARY ENTERPRISES	0	22,482,889	6,450,856	289,442	40,413,931	3,034,571	3,400,435	0	8,654,483	84,726,607
DEBT SERVICE	0	0	0	0	0	0	0	18,381,256	0	18,381,256
TOTAL AUXILIARY ENTERPRISES	0	22,482,889	6,450,856	289,442	40,413,931	3,034,571	3,400,435	18,381,256	8,654,483	103,107,863
GRAND TOTAL	70,636,202	101,793,778	54,557,175	1,908,365	137,507,863	11,020,302	13,839,248	25,368,248	12,832,349	429,463,530

TEXAS TECH UNIVERSITY

COMPARISON OF DESIGNATED FUNDS

INCOME BUDGET

<u>ITEM</u>	<u>FY 2003</u>	<u>FY 2004</u>
TUITION & FEES:		
INSTITUTIONAL TUITION	\$28,807,508	\$31,011,564
OTHER GENERAL FEES:		
STUDENT HEALTH SERVICES	3,100,000	3,656,250
STUDENT RECREATION CENTER	3,000,000	3,272,500
COURSE FEES	3,358,977	5,579,169
INFORMATION TECHNOLOGY FEES	6,558,970	10,000,000
TEXAS PUBLIC EDUCATION GRANT	4,289,015	5,367,184
LIBRARY USE FEE	3,000,000	12,000,000
OTHER STUDENT FEES	6,281,269	13,959,994
STUDENT SERVICE FEES	5,550,000	6,630,000
CORRESPONDENCE & EXTENSION FEES	5,022,537	5,935,613
SUBTOTAL - TUITION & FEES	\$68,968,276	\$97,412,274
FEDERAL GRANTS & CONTRACTS	\$125,000	\$125,000
NON-GOVERNMENTAL GRANTS & CONTRACTS	28,625	123,625
GIFTS	361,053	220,175
ENDOWMENT INCOME	289,250	809,250
SALES & SERVICES OF EDUCATIONAL ACTIVITIES:		
SALES & SERVICES	\$36,988,019	\$36,171,110
LESS: SALES TO OTHER DEPARTMENTS	(30,204,615)	(30,010,876)
SUBTOTAL - SALES & SERVICES	\$6,783,404	\$6,160,234

TEXAS TECH UNIVERSITY
COMPARISON OF DESIGNATED FUNDS
INCOME BUDGET

<u>ITEM</u>	<u>FY 2003</u>	<u>FY 2004</u>
OTHER SOURCES:		
INVESTMENT INCOME	\$1,127,030	\$625,038
INTEREST INCOME	3,770,900	2,250,677
OTHER MISCELLANEOUS INCOME	<u>2,785,791</u>	<u>2,941,062</u>
SUB-TOTAL - OTHER SOURCES	<u>\$7,683,721</u>	<u>\$5,816,777</u>
TOTAL DESIGNATED REVENUE	<u><u>\$84,239,329</u></u>	<u><u>\$110,667,335</u></u>
PERCENT CHANGE		31.37%

TEXAS TECH UNIVERSITY

COMPARISON OF DESIGNATED FUNDS

EXPENSE BUDGET

<u>ITEM</u>	<u>FY 2003</u>	<u>FY 2004</u>
ACADEMIC SUPPORT		
LIBRARY SUPPORT	\$3,000,000	\$12,000,000
COURSE FEES	3,358,977	5,579,169
INFORMATION TECHNOLOGY	3,461,374	5,148,806
TEXAS PUBLIC EDUCATION GRANT	4,289,015	6,500,000
OTHER ACADEMIC SUPPORT	9,509,013	5,966,394
SUBTOTAL ACADEMIC SUPPORT	\$23,618,379	\$35,194,369
DESIGNATED TUITION SUPPORT (0471)		
DATA PROCESSING COSTS	\$2,699,983	\$731,470
RETIREMENT OF INDEBTEDNESS	3,921,868	4,186,513
DEPARTMENTAL OPERATING EXPENSE	3,209,989	3,250,267
TEXAS TECH SUPPORT SYSTEM	1,925,029	2,307,651
TEXAS TECH EXCELLENCE FUND	500,000	2,000,000
PRESIDENT'S SCHOLARSHIP FUND	1,969,875	2,569,875
INTERCOLLEGIATE ATHLETICS	0	2,500,000
TRANSFER TO EDUCATIONAL & GENERAL ACCTS.	8,314,152	8,555,540
OTHER INSTITUTIONAL TUITION ACTIVITIES	6,266,612	4,910,248
SUBTOTAL DESIGNATED TUITION SUPPORT	\$28,807,508	\$31,011,564
STUDENT SERVICE SUPPORT		
STUDENT SERVICE ACTIVITIES	\$5,325,000	\$6,354,050
STUDENT RECREATIONAL CENTER	2,082,670	2,813,382
STUDENT HEALTH CENTER	3,050,000	3,643,750
OTHER STUDENT SUPPORT ACTIVITIES	2,597,412	8,036,366
SUBTOTAL STUDENT SERVICE SUPPORT	\$13,055,082	\$20,847,548
CORRESPONDENCE AND EXTENSION STUDIES	\$7,549,674	\$7,582,076
INSTITUTIONAL SUPPORT	8,498,527	7,603,739
GRANTS & CONTRACTS	153,625	177,840
GIFTS	361,053	220,175

TEXAS TECH UNIVERSITY

COMPARISON OF DESIGNATED FUNDS

EXPENSE BUDGET

<u>ITEM</u>	<u>FY 2003</u>	<u>FY 2004</u>
INTERNAL SERVICES		
DEPARTMENTAL POSTAGE	\$1,420,432	\$1,392,734
BUILDING MAINTENANCE - LOCAL	1,770,754	1,728,802
UTILITIES, BOTH PLANTS	15,057,469	14,690,372
COMMUNICATION SERVICES	9,140,542	9,285,217
ALL OTHER INTERNAL SERVICES	<u>4,932,736</u>	<u>4,660,724</u>
SUBTOTAL INTERNAL SERVICES	<u>\$32,321,933</u>	<u>\$31,757,849</u>
EXTERNAL SERVICES	3,530,600	3,194,791
SUBTOTAL	<u>\$117,896,381</u>	<u>\$137,589,951</u>
LESS: SALES TO OTHER DEPARTMENTS	(30,204,615)	(30,010,876)
TOTAL	<u>\$87,691,766</u>	<u>\$107,579,075</u>
PERCENT CHANGE		22.68%

TEXAS TECH UNIVERSITY

COMPARISON OF CURRENT RESTRICTED FUNDS

INCOME AND EXPENSE BUDGETS

<u>ITEM</u>	<u>FY 2003</u>	<u>FY 2004</u>
SOURCES OF FUNDS		
FEDERAL PROGRAMS	\$37,542,800	\$44,853,300
STATE PROGRAMS	3,397,000	3,564,100
PRIVATE	23,280,700	24,415,500
ALL OTHERS	1,858,800	1,540,000
TOTAL FUNDS FROM ALL SOURCES	\$66,079,300	\$74,372,900

DISTRIBUTION BY COLLEGE OR AREA:

AGRICULTURAL SCIENCES	\$5,850,000	\$6,170,400
ARTS AND SCIENCES	8,515,000	10,456,200
BUSINESS ADMINISTRATION	2,344,100	2,487,700
EDUCATION	1,669,900	1,279,300
ENGINEERING	12,139,000	13,531,000
ARCHITECTURE	76,500	99,400
GRADUATE SCHOOL	36,300	38,800
HUMAN SCIENCES	4,850,000	5,254,200
SCHOOL OF LAW	121,800	198,900
CONTINUING EDUCATION	850,000	932,500
INTERDISCIPLINARY STUDIES	7,650,000	7,138,000
MUSEUM	771,800	1,130,000
LIBRARIES	331,700	157,900
FEDERAL FINANCIAL AID	10,600,000	14,832,000
SCHOLARSHIPS AND FELLOWSHIPS	6,500,000	6,844,000
TEXTILE RESEARCH CENTER	1,121,200	1,000,200
ADMINISTRATIVE AND OTHER	2,652,000	2,822,400
TOTAL DISTRIBUTION TO ALL COLLEGES AND AREAS	\$66,079,300	\$74,372,900

PERCENT CHANGE

12.6%

TEXAS TECH UNIVERSITY

COMPARISON OF AUXILIARY FUNDS

INCOME BUDGET

<u>ITEM</u>	<u>FY 2003</u>	<u>FY 2004</u>
INTERCOLLEGIATE ATHLETICS	\$27,604,020	\$38,315,863
UNIVERSITY BOOKSTORE	653,355	125,000
STUDENT UNION	5,873,366	10,265,690
HIGH TECH - COMPUTER STORE	3,991,000	0
RESIDENCE HALLS	34,130,000	41,255,694
HOSPITALITY SERVICES	1,850,000	0
TRAFFIC & PARKING/GARAGE OPERATION	3,840,398	4,000,000
GOLF COURSE	0	2,717,189
SUB-TOTAL	\$77,942,139	\$96,679,436
OTHER:		
SALES AND SERVICE	\$3,900,021	\$3,534,435
INVESTMENT REVENUES	3,470,431	472,853
VARIOUS	1,577,161	2,859,213
SUB-TOTAL	\$8,947,613	\$6,866,501
TOTAL	\$86,889,752	\$103,545,937
PERCENT CHANGE		19.2%

TEXAS TECH UNIVERSITY

COMPARISON OF AUXILIARY FUNDS

EXPENSE BUDGET

<u>ITEM</u>	<u>FY 2003</u>	<u>FY 2004</u>
INTERCOLLEGIATE ATHLETICS	\$27,604,020	\$38,315,863
UNIVERSITY BOOKSTORE	653,355	125,000
STUDENT UNION	5,787,883	10,252,608
HIGH TECH - COMPUTER STORE	3,959,403	0
RESIDENCE HALLS	34,017,160	24,736,641
HOSPITALITY SERVICES	1,850,000	16,519,053
TRAFFIC & PARKING/GARAGE OPERATION	3,580,393	3,732,717
GOLF COURSE	0	2,717,189
OTHER:		
VARIOUS	<u>9,030,788</u>	<u>6,708,792</u>
TOTAL	<u>\$86,483,002</u>	<u>\$103,107,863</u>
PERCENT CHANGE		19.22%

TEXAS TECH UNIVERSITY

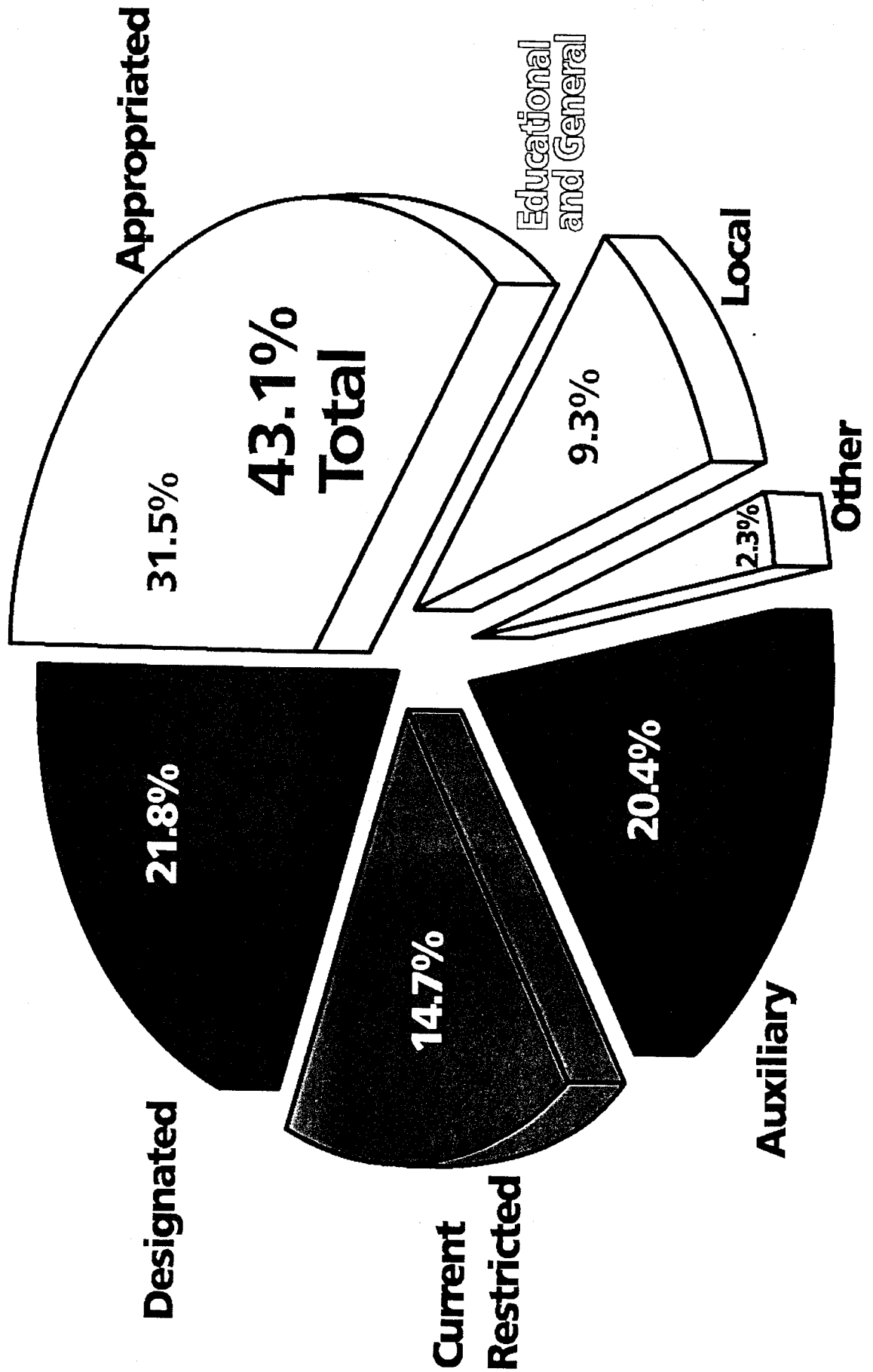
COMPARISON OF SERVICE DEPARTMENTS

<u>ITEM</u>	<u>FY 2003</u>	<u>FY 2004</u>
ACADEMIC AND ADMINISTRATIVE COMPUTING	\$8,811,224	\$9,838,972
PHYSICAL PLANT SERVICES	9,461,578	8,992,636
PRINTECH	1,887,954	2,404,199
ALL OTHER	<u>1,587,030</u>	<u>1,342,465</u>
TOTAL	<u>\$21,747,786</u>	<u>\$22,578,272</u>
PERCENT CHANGE		3.8%

FY 2004

SUMMARY OPERATING BUDGET

SOURCE OF FUNDS



TEXAS TECH UNIVERSITY
SUMMARY OPERATING BUDGET
FOR FISCAL YEAR 2004

FUND	PROJECTED 9/1/2003 BALANCE	ESTIMATED INCOME	ESTIMATED EXPENSE	PROJECTED 8/31/2004 BALANCE
EDUCATIONAL & GENERAL	\$7,162,847	\$215,924,592	\$218,776,592	\$4,310,847
AUXILIARY	9,168,867	103,545,937	103,107,863	\$9,606,941
CURRENT RESTRICTED	700,000	74,372,900	74,372,900	\$700,000
DESIGNATED	52,371,161	110,667,335	107,579,075	\$55,459,421
TOTAL	<u>\$69,402,875</u>	<u>\$504,510,764</u>	<u>\$503,836,430</u>	<u>\$70,077,209</u>
 SERVICE DEPARTMENTS	 \$1,127,316	 \$22,578,272	 \$22,578,272	 \$1,127,316

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

*Fiscal Year 2004
Operating Budget Summary*

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**TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER
EDUCATIONAL AND GENERAL FUNDS
BUDGET SUMMARY**

Board Minutes
August 8, 2003
Attachment 4, page 3

	FY 2003	FY 2004	% CHANGE
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SOURCES OF FUNDS

GENERAL REVENUE

General Appropriations Act	\$ 86,987,769	\$ 79,566,289	
General Appropriations Act, Art III, Section 56		18,703,475	
Reserve for FY 2005 Operating Budget		(5,127,061)	
El Paso Four Year Medical School, Art. IX, Sec. 11.33		1,000,000	
Higher Education Assistance Funds (HEAF)	7,735,000	7,735,000	
House Bill 658, Tuition Revenue Bonds	4,978,195	0	
Non-Faculty Salary Increase	720,000	0	
Longevity Increase	174,008	0	

TOTAL GENERAL REVENUE	100,594,972	101,877,703	1.28%
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LOCAL EDUCATIONAL AND GENERAL INCOME

Tuition and Fees	6,343,954	6,832,305	
Indirect Cost Recovery	2,000,000	2,200,000	
Interest Earnings	650,000	500,000	
Other Miscellaneous Income	30,000	30,000	

TOTAL LOCAL EDUCATIONAL AND GENERAL INCOME	9,023,954	9,562,305	5.97%
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OTHER SOURCES

Advanced Technology / Advanced Research Program	365,000	230,000	
Salary Lapses	420,000	0	
Transfer from Institutional Tuition	250,000	0	

TOTAL OTHER SOURCES	1,035,000	230,000	
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TOTAL SOURCES OF FUNDS	\$ 110,653,926	\$ 111,670,008	0.92%
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**TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER
EDUCATIONAL AND GENERAL FUNDS
BUDGET SUMMARY**

Board Minutes
August 8, 2003
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	FY 2003	FY 2004	% CHANGE
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ESTIMATED EXPENDITURES

Texas Tech University System Administrative Support	3,450,715	3,540,267	
Institutional Support	7,268,988	7,500,522	
Student Services	621,699	651,129	
Library	2,574,357	2,575,557	
Information Technology	3,285,716	2,987,714	
Medical Education			
Lubbock			
Basic Sciences	5,396,056	5,412,343	
Clinical	12,788,680	12,935,305	
Amarillo	4,189,149	4,240,349	
Odessa	1,991,669	1,991,669	
El Paso	7,536,498	7,543,398	
Total Medical Education	<u>31,902,052</u>	<u>32,123,064</u>	
Nursing Education	3,419,560	3,620,250	
Allied Health Education			
Lubbock	3,456,794	4,154,371	
Amarillo	701,083	548,926	
Odessa	732,282	456,382	
Physician Assistant Program	514,281	764,281	
Total Allied Health Education	<u>5,404,440</u>	<u>5,923,960</u>	
Graduate School for Biomedical Education	996,545	1,000,385	
Pharmacy Education	7,919,909	8,124,789	
Research	3,233,815	3,736,249	
Infrastructure Support	12,177,798	12,281,265	
Staff Benefits	1,330,000	2,551,934	

**TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER
EDUCATIONAL AND GENERAL FUNDS
BUDGET SUMMARY**

Board Minutes
August 8, 2003
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	FY 2003	FY 2004	% CHANGE
Special Items			
TPEG	747,000	768,000	
Medical Loans	62,400	65,600	
Tuition Revenue Bond	7,113,239	4,981,796	
Integrated Health Network	1,371,772	1,203,250	
Office of Rural Health	1,067,920	928,006	
Family and Community Medicine Residency Program	623,265	545,743	
S. Texas Border Region Health Professional Education	884,957	871,129	
Border Health Academic Expansion	4,033,823	3,530,533	
Border Health Academic Operations Support	407,043	357,087	
Border Health Resident Support	402,487	351,915	
Diabetes Research Center	300,000	262,500	
El Paso Medical	1,512,783	1,355,721	
El Paso Four Year Medical School		1,000,000	
Midland Surgical Residency Program	133,967	117,303	
Midland Cardiology Residency Program	307,676	269,407	
Midland School of Medicine - Enhancement		479,933	
Total Special Items	<u>18,968,332</u>	<u>17,087,923</u>	
Advanced Technology / Advanced Research Program	365,000	230,000	
Higher Education Assistance Funds	<u>7,735,000</u>	<u>7,735,000</u>	
TOTAL ESTIMATED EXPENDITURES	<u>\$ 110,653,926</u>	<u>\$ 111,670,008</u>	0.92%

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER
HIGHER EDUCATION ASSISTANCE FUNDS
FY 2004 - 2005

	FY 2004	FY 2005	Total
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REVENUE	\$ 7,735,000	\$ 7,735,000	\$ 15,470,000
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PROJECTS

Library Acquisition Support	1,200,000	1,200,000	2,400,000
Deferred Maintenance	700,000	700,000	1,400,000
TTU Administrative Computing Support	200,000	200,000	400,000
Roof Replacement - Lubbock	1,250,677	592,112	1,842,789
Renovate Clinic/Library & Student Services - Amarillo	2,300,000	155,750	2,455,750
Master Plan Infrastructure - Lubbock	2,084,323	1,000,000	3,084,323
Campus Master Plan-FPC		3,887,138	3,887,138
TOTAL PROJECTS	\$ 7,735,000	\$ 7,735,000	\$ 15,470,000

**TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER
DESIGNATED FUNDS
BUDGET SUMMARY**

	FY 2003	FY 2004	% CHANGE
SOURCES OF FUNDS			
Medical Practice Income Plan			
Estimated Income	\$ 112,471,399	\$ 117,913,445	
Lapsed Salaries	319,342		
Use of Fund Balance	983,692	945,465	
Total Medical Practice Income Plan	113,774,433	118,858,910	
Nursing Income Plan			
Estimated Income	302,265	243,000	
Use of Fund Balance		30,000	
Total Nursing Income Plan	302,265	273,000	
Allied Health Income Plan			
Estimated Income	195,000	214,250	
Total Allied Health Income Plan	195,000	214,250	
Pharmacy Income Plan			
Estimated Income	4,008,136	2,987,188	
Use of Fund Balance		38,685	
Total Pharmacy Income Plan	4,008,136	3,025,873	
General Designated Funds			
Estimated Income	17,167,056	18,004,861	
Use of Fund Balance	2,488,665	3,780,186	
Total General Designated Funds	19,655,721	21,785,047	
Self Insurance Fund			
Estimated Income	1,033,933	1,033,933	
Total Self Insurance Fund	1,033,933	1,033,933	
TOTAL SOURCES OF FUNDS	\$ 138,969,488	\$ 145,191,013	4.48%

ESTIMATED EXPENDITURES

Medical Practice Income Plan	\$ 113,774,433	\$ 118,858,910	
Nursing Income Plan	302,265	273,000	
Allied Health Income Plan	195,000	214,250	
Pharmacy Income Plan	4,008,136	3,025,873	
General Designated Funds	19,655,721	21,785,047	
Self Insurance Fund	1,033,933	1,033,933	
TOTAL ESTIMATED EXPENDITURES	\$ 138,969,488	\$ 145,191,013	4.48%

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER
SERVICE DEPARTMENTS
BUDGET SUMMARY

Board Minutes
August 8, 2003
Attachment 4, page 8

	FY 2003	FY 2004	% CHANGE
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SOURCES OF FUNDS

Estimated Income	\$ 7,874,713	\$ 8,221,332	
Use of Fund Balance	475,174	597,500	
TOTAL SOURCES OF FUNDS	\$ 8,349,887	\$ 8,818,832	5.62%

ESTIMATED EXPENDITURES

Printing and Copying Service	\$ 1,460,000	\$ 1,415,000	
Central Stores	1,006,689	804,713	
Staff Benefits	1,870,000	2,070,000	
Computer Support	736,725	1,046,708	
Various Service Departments	3,276,473	3,482,411	
TOTAL ESTIMATED EXPENDITURES	\$ 8,349,887	\$ 8,818,832	5.62%

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER
AUXILIARY FUNDS
BUDGET SUMMARY

Board Minutes
August 8, 2003
Attachment 4, page 9

	FY 2003	FY 2004	% CHANGE
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SOURCES OF FUNDS

Estimated Income	\$ 462,000	\$ 472,000	
TOTAL SOURCES OF FUNDS	\$ 462,000	\$ 472,000	2.16%

ESTIMATED EXPENDITURES

Traffic and Parking	\$ 386,000	\$ 399,000	
Various Auxiliaries	76,000	73,000	
TOTAL ESTIMATED EXPENDITURES	\$ 462,000	\$ 472,000	2.16%

**TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER
CURRENT RESTRICTED FUNDS
BUDGET SUMMARY**

Board Minutes
August 8, 2003
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	FY 2003	FY 2004	% CHANGE
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SOURCES OF FUNDS

Federal	\$ 10,136,488	\$ 12,126,073	
State	88,459,467	91,164,385	
Local	37,721,056	33,834,042	
Private	<u>12,682,989</u>	<u>14,375,500</u>	
TOTAL SOURCES OF FUNDS	<u>\$ 149,000,000</u>	<u>\$ 151,500,000</u>	1.68%

ESTIMATED EXPENDITURES

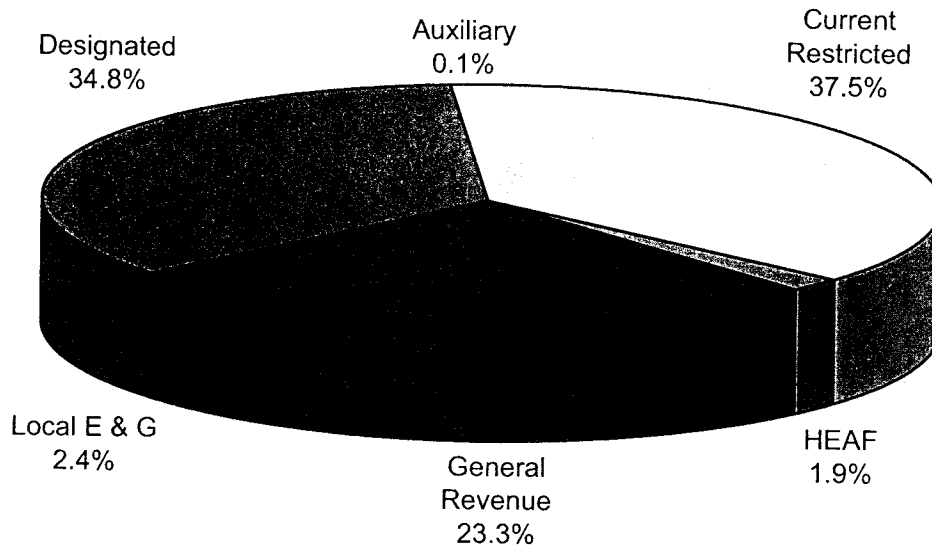
Health Care Systems	\$ 84,718,327	\$ 90,735,031	
School of Medicine	35,900,697	28,862,361	
Resident Support	24,255,806	26,136,543	
School of Allied Health	531,204	101,520	
School of Nursing	1,287,995	2,745,280	
School of Pharmacy	1,091,765	1,591,937	
Student Financial Aid	926,303	1,100,000	
Other	<u>287,903</u>	<u>227,328</u>	
TOTAL ESTIMATED EXPENDITURES	<u>\$ 149,000,000</u>	<u>\$ 151,500,000</u>	1.68%

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER
BUDGET SUMMARY
FISCAL YEAR 2004

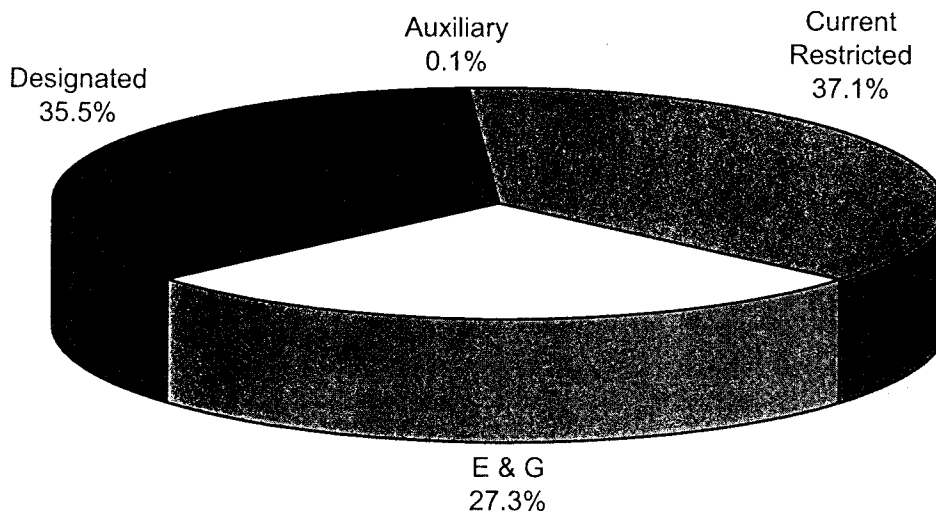
	Estimated 9/1/2003 Balance	Estimated Income	Estimated Expenditures	Reappropriations	Estimated 8/31/2004 Balance
Educational and General	\$ 2,000,000	\$ 111,440,008	\$ 111,670,008	\$ 230,000	\$ 2,000,000
Designated	60,000,000	140,396,677	145,191,013		55,205,664
Current Restricted	32,000,000	151,500,000	151,500,000		32,000,000
Auxiliary	900,000	472,000	472,000		900,000
Total All Funds	\$ 94,900,000	\$ 403,808,685	\$ 408,833,021	\$ 230,000	\$ 90,105,664

Service Departments \$ 5,400,000 \$ 8,221,332 \$ 8,818,832 \$ 4,802,500

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER FY 2004 REVENUE BUDGET



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER FY 2004 EXPENDITURE BUDGET



**NINTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION
AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF
TEXAS TECH UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM REFUNDING
AND IMPROVEMENT BONDS, NINTH SERIES (2003) AND APPROVING AND
AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO**

NINTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION
AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF
REGENTS OF TEXAS TECH UNIVERSITY SYSTEM REVENUE FINANCING
SYSTEM REFUNDING AND IMPROVEMENT BONDS, NINTH SERIES (2003),
AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES
RELATING THERETO

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**NINTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION
AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF
REGENTS OF TEXAS TECH UNIVERSITY SYSTEM REVENUE
FINANCING SYSTEM REFUNDING AND IMPROVEMENT BONDS,
NINTH SERIES (2003), 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"), adopted the **"MASTER RESOLUTION ESTABLISHING THE REVENUE FINANCING SYSTEM UNDER THE AUTHORITY AND RESPONSIBILITY OF THE BOARD OF REGENTS OF TEXAS TECH UNIVERSITY"** 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 an "**AMENDED AND RESTATED 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, the Board heretofore has 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 heretofore has adopted a "**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**" (defined as the "Seventh Supplement") and pursuant to the Seventh Supplement to the Master Resolution issued its "*BOARD OF REGENTS OF TEXAS TECH*

UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM BONDS, SEVENTH SERIES (2001)" in the aggregate principal amount of \$126,865,000 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 SYSTEM REVENUE FINANCING SYSTEM BONDS, EIGHTH SERIES (TAXABLE 2001) AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO" (defined as the "Eighth Supplement") and pursuant to the Eighth Supplement to the Master Resolution issued its "*BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM BONDS, EIGHTH SERIES (TAXABLE 2001)*" in the aggregate principal amount of \$42,810,000 as Parity Obligations under the terms of the Master Resolution; and

WHEREAS, the Board currently has outstanding Commercial Paper Notes in the aggregate principal amount of \$19,471,000 (the "Outstanding Commercial Paper Notes"); and

WHEREAS, the Board deems it appropriate to issue the hereinafter authorized bonds in part for the purpose of retiring all or a portion of the Outstanding Commercial Paper Notes in the manner hereinafter authorized; 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 Board hereby determines that it is in the best interest of the Revenue Financing System to (a) refund with a portion of the proceeds of the Bonds certain of the outstanding Parity Obligations (the "Refunded Bonds") in order to achieve both a present value savings and an absolute savings to the Revenue Financing System and (b) retire with a portion of the proceeds of the Bonds all or a portion of the Outstanding Commercial Paper Notes (the "Refunded Notes") (the Refunded Notes and Refunded Bonds are sometimes collectively referred to herein as the "Refunded Obligations"); and

WHEREAS, the bonds authorized to be issued by this Ninth 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 1207, Texas Government Code, Chapter 1371, Texas Government Code, and other applicable laws; and

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 Ninth Supplement, the terms used in this Ninth 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 Ninth 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 REFUNDING AND IMPROVEMENT BONDS, NINTH SERIES (2003)**", are hereby authorized to be issued and delivered in the aggregate principal amount not to exceed \$110,000,000 **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 THE REFUNDED BONDS; (iii) REFUNDING THE REFUNDED NOTES; AND (iv) PAYING THE COSTS RELATED THERETO.**

(b) *New Money Authorization.* The Bonds authorized for the purposes described in clause (i) of 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. The Chief Financial Officer shall designate the amount of proceeds from the sale of the Bonds that is attributable to the authority of the System to issue bonds for specified purposes as derived from Section 55.1739, Texas Education Code. The Board heretofore has not issued bonds under such authority. The Chief Financial Officer shall execute a certificate providing such documentation as may be required by the Public Finance Division of the Office of the Attorney General to: (i) describe the specific projects for which the Bonds are being issued; (ii) 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; (iii) identify which specific projects are being financed with the proceeds of the Bonds issued under authority of Section 55.1739, Texas Education Code; and (iv) evidence the approval, if any, required to be obtained from the Texas Higher Education Coordinating Board for the projects to be financed with the proceeds of the Bonds.

(c) *Refunding Bonds Authorization.* The Bonds authorized for the purposes described in clauses (ii) and (iii) of subsection (a) of this Section are being issued by the Board under authority of Chapter 55, Texas Education Code, particularly Section 55.19 thereof, and Chapter 1207, Texas Government Code. The refunding of the Refunded Bonds shall be accomplished in a manner that will result in a target present value savings for the transaction of at least two percent (2%) of the Refunded Bonds being achieved, which constitutes a public purpose. The refunding of the Refunded Notes will enable the Board to effect the conversion of interim financing for improvements to the System to permanent financing, which constitutes a public purpose and is in the best interest of the System, and the manner in which the refunding of the Refunded Notes is to be executed does not make it practicable to make the findings set forth in Section 1207.008(b), Texas Government Code. Prior to the execution of the Bond Purchase Contract, the Chief Financial Officer shall confirm that the Bonds and the Refunded Notes satisfy the definition of "obligations" as set forth in Chapter 1371, Texas Government 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, 2035, 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 its 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. Subject to the limitation set forth in Section 2(a), the Chief Financial Officer is directed to negotiate all matters relating to the sale of the Bonds, including determining and fixing the principal amount of the Outstanding Commercial Paper Notes to be refunded, 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 fund the projects to be described by the certificate executed by the Chief Financial Officer in accordance with Section 2(b) hereof, the principal amount of Bonds to be issued to refund the Refunded Obligations, as described in Section 2(c) 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 and the use or uses of premium, if any, received as a part of the purchase price 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. In establishing the aggregate principal amount of the Bonds, the Pricing Committee shall establish an amount not to exceed the amount authorized in Section 2(a) hereof, which amount shall be sufficient to provide, *inter alia*, for the refunding of the Refunded Bonds in a manner that will result in a target present value savings for the transaction of at least two percent (2%) of the Refunded Bonds being achieved. Any finding or determination made by the Pricing Committee, acting under the authority granted by this Ninth 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 authority hereby granted by the Board to the Pricing Committee expires at 5:00 p.m., Friday, October 31, 2003.

(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, 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 Contract.

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.* JPMorgan Chase Bank 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 the 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 Ninth 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 Ninth 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 Ninth 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 Ninth 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 Ninth 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, 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 Ninth Supplement shall constitute one of the Bonds for all purposes of this Ninth 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 Ninth Supplement there shall be

printed an Authentication Certificate. 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 subsection (e) of this Section, 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 Ninth 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 Ninth 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 Ninth 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 Ninth Supplement, and a certified copy of this Ninth 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 and filed with DTC.

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

(j) *Payments to Cede & Co.* Notwithstanding any other provision of this Ninth 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 referred to in subsection (f) of this Section.

(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 United States 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 Ninth 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 Ninth 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 Ninth Supplement provides for the authorization, issuance, sale, delivery, form, characteristics, provisions of payment and redemption, and security of the Bonds which are the ninth 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 to meet the financial obligations of each participant in the Financing System (currently TTU and the Health Sciences Center), 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 and the Health Sciences Center each possess the financial capability to satisfy its respective Direct Obligation after taking into account 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 Ninth 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 TO PAYING AGENT/REGISTRAR. 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 Ninth Supplement equally and proportionately with any and all other Bonds duly issued under this Ninth 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) hereof for Bonds issued in exchange and replacement for other Bonds.

Section 11. **AMENDMENT OF SUPPLEMENT.** (a) *Amendments Without Consent.* This Ninth 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 Ninth 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 Ninth Supplement;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Ninth Supplement, upon receipt by the Board of an opinion of nationally recognized bond counsel, that the same is needed for such purpose, and will more clearly express the intent of this Ninth 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 Ninth 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 Ninth 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 Ninth 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 Ninth Supplement other than pursuant to subsection (a) of this Section, 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 Ninth Supplement pursuant to the provisions of this Section, this Ninth Supplement shall be deemed to be amended in accordance with the amendatory resolution, and the respective rights, duties, and obligations of the Board and all the owners of then Outstanding Bonds and all future Bonds shall thereafter be determined, exercised, and enforced under the Master Resolution and this Ninth 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 Ninth Supplement to the contrary, it is hereby provided that any determination not to redeem Bonds defeased under the terms of this Ninth 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. **NINTH 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 Ninth 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 Ninth Supplement by the Board and the covenants and agreements set forth in this Ninth 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 Ninth 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 Ninth 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 NINTH SUPPLEMENT.** With the exception of the rights or benefits herein expressly conferred, nothing

expressed or contained herein or implied from the provisions of this Ninth 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 Ninth Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Ninth 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 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 Ninth Supplement is hereby adopted and made a part of this Ninth 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 Ninth 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 Ninth 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 2003, financial information and operating data with respect to the Board of the general type included in the final Official Statement authorized by Section 18 hereof, 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 Ninth 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 Ninth Supplement for purposes of any other provision of this Ninth 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 Ninth Supplement that authorizes such an amendment) of the Outstanding Bonds consent to such amendment; or (B) a person that is

unaffiliated with the Board (such as nationally recognized bond counsel) 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 or that would result in the interest on the Bonds being treated as an item of tax preference under section 57(a)(5) of the Code. 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 or refinanced 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 Ninth 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 or refinanced 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 or refinance 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 (other than transferred proceeds) expected to be used to pay the costs of capital projects invested for an initial temporary period of three years or less and satisfying the requirements set forth in Regulation §1.148-2(e)(2);

(2) in the case of refunding bonds, amounts invested for (i) 90 days or less with respect to current refunding bonds, (ii) 30 days or less with respect to advance refunding bonds, or (iii) 13 months or less with respect to proceeds to be used to pay costs of issuance of refunding bonds;

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

(4) amounts deposited in any reasonably required reserve or replacement fund;

(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);

(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;

(i) to refrain from using any of the proceeds of the Bonds to advance refund another issue;

(j) that the Refunded Bonds have not been refunded since they were issued; and

(k) the Board will comply with the provisions set forth in the Tax and No-Arbitrage Certificate executed by the Chief Financial Officer and delivered in connection with the issuance of the Bonds.

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 written opinion of nationally-recognized bond counsel addressed to the Paying Agent/Registrar for the Bonds and the Board, 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) hereof (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 interest on the Bonds under section 103 of the Code.

(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. **REDEMPTION OF REFUNDED BONDS.** The Chief Financial Officer is hereby authorized to take such actions, consistent with the resolutions authorizing the issuance of the Refunded Bonds, that may be required to redeem prior to their scheduled maturities any of the Refunded Bonds. It is hereby declared that upon the execution of the Bond Purchase Contract, the Chief Financial Officer may implement, on behalf of the Board, the redemption of any of the Refunded Bonds so designated in the Bond Purchase Contract, and that the redemption date for any of the Refunded Bonds shall be within ninety days from the date of issuance of the Bonds.

Section 23. **DEPOSIT FOR REFUNDED BONDS AND REFUNDED NOTES.** In the event the level of savings described in Section 2(c) of this Resolution is achieved, concurrently with the delivery of the Bonds, the Chief Financial Officer shall cause to be deposited with the Paying Agent for the Refunded Bonds an amount, from available moneys including the proceeds from the sale of the Bonds, sufficient to provide for the refunding of the Refunded Bonds. The Chief Financial Officer is hereby authorized, for and on behalf of the Issuer, to execute an agreement to accomplish such purposes, and the form of such agreement is hereby approved. It is specifically found and determined that it is advisable to refund the Refunded Bonds in order to achieve the level of savings described in Section 2(c) of this Resolution. The Chief Financial Officer shall cause to be deposited to the credit of the "Note Payment Fund" established in the Fifth Supplement an amount, from available funds including proceeds of the Bonds, sufficient to pay in full the principal of and interest on the Refunded Notes.

Section 24. **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 Ninth Supplement are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

Section 25. **RULES OF CONSTRUCTION.** For all purposes of this Ninth Supplement, unless the context requires otherwise, all references to designated Sections and other subdivisions are to the Sections and other subdivisions of this Ninth Supplement. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Ninth Supplement as a whole and not to any particular Section or other subdivision. Except where the context otherwise requires, terms defined in this Ninth Supplement to impart the singular number shall be considered to include the plural number and vice versa. References to any named person means that party and its

successors and assigns. References to any constitutional, statutory or regulatory provision means such provision as it exists on the date this Ninth Supplement is adopted by the Board and any future amendments thereto or successor provisions thereof. Any reference to the payment of principal in this Ninth Supplement shall be deemed to include the payment of mandatory sinking fund redemption payments. Any reference to "FORM OF BOND" shall refer to the form of the Bonds set forth in Exhibit B to this Ninth Supplement.

Section 26. **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 Ninth Supplement was adopted; that this Ninth 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 Ninth 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, Chapter 1207, Texas Government Code, and Chapter 1371, Texas Government Code.

The term "*Authorized Denominations*" shall mean Authorized Denominations as defined in Section 2 of this Ninth 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 Ninth Series Bonds by the Underwriters.

The term "*Bonds*" shall mean the Ninth Series Bonds, and all substitute bonds exchanged therefor, and all other substitute and replacement bonds issued pursuant to this Ninth 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 "*Designated Trust Office*" shall have the meaning ascribed to said term in Section 5(b) of this Ninth 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 "*Fifth Supplement*" shall mean the amended and restated resolution adopted by the Board on February 27, 2003, 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 "*Ninth Series Bonds*" shall mean the bonds, in one or more designated series, as authorized by this Ninth Supplement.

The term "*Ninth Supplement*" shall mean this Ninth Supplemental Resolution adopted by the Board on August 8, 2003, authorizing the sale of the Bonds.

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, the Seventh Series Bonds, the Eighth Series Bonds and, when delivered, the Ninth Series Bonds.

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

The term "*Pricing Committee*" shall mean the committee as designated by the Board of Regents and as recorded in the minutes of the August 8, 2003 Board of Regents meeting.

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 "*Refunded Bonds*" shall mean those First Series Bonds maturing on and after February 15, 2004 identified in the Bond Purchase Contract as being refunded through the issuance of the Ninth Series Bonds, selected in accordance with the parameters set forth in Section 2(c) of this Ninth Supplement.

The term "*Refunded Notes*" shall mean those Outstanding Commercial Paper Notes identified in a certificate executed by a Board Representative to be refunded with a portion of the proceeds of the Ninth Series Bonds.

The term "*Refunded Obligations*" shall mean the Refunded Bonds and the Refunded Notes.

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 Ninth 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 amended and restated resolution 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 Ninth 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 Ninth Supplement.

EXHIBIT B
FORM OF BONDS

UNITED STATES OF AMERICA
STATE OF TEXAS
BOARD OF REGENTS OF TEXAS TECH UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM
REFUNDING AND IMPROVEMENT BOND,
NINTH SERIES (2003)

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

September 1, 2003

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 February 15, 2004, and semiannually on each February 15 and August 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 Dallas, Texas (the "Designated Trust Office") of JPMorgan Chase Bank, 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 Ninth Supplemental Resolution to the Master Resolution adopted August 8, 2003, 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 THE REFUNDED BONDS, (iii) REFUNDING THE REFUNDED NOTES, AND (iv) 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 Bond 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, any outstanding 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.

**Exhibit C
to
Resolution**

**DESCRIPTION OF ANNUAL FINANCIAL INFORMATION
OF THE BOARD**

The following information is referred to in Section 19 of this Resolution.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the Board to be provided annually in accordance with such Section are the quantitative financial information and operating data pertaining to the Board included in the Official Statement under the Tables 1, 2, A-1, A-2, A-3, A-4, A-5, A-9, A-10, A-11, A-12, and A-13, and in Appendix B to the Official Statement relating to the Bonds.

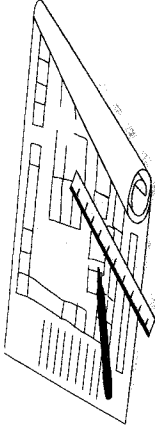
Accounting Principles

The accounting principles referred to in such Section are generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time, as such principles may be changed from time to time to comply with state law or regulation.

Bricks and Mortar Report

Projects Under Construction

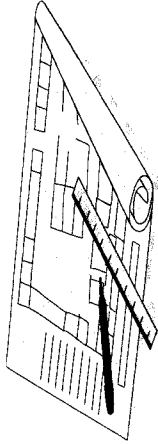
August 2003



Project	Cost	Status	Completion Date
<u>TTU</u>			
Jones Stadium Stage IIA	\$51,900,000	Under Construction	August 2003
Football Training Facility	\$11,000,000	Under Construction	September 2003
Student Union Bldg. Expansion/Renov.	\$38,000,000	Under Construction	September 2003/November 2004
Experimental Sciences Building	\$36,997,000	Under Construction	September 2004
Golf Course	\$9,013,000	Substantially Complete	August 2003
Golf Course Support Facilities	\$1,692,000	Under Construction	September 2003
Admin. Bldg. Roof Repairs	\$850,000	Under Construction	September 2003
Marsha Sharp Center for Student Athletes	\$4,100,000	Under Construction	November 2003
Animal and Food Sciences Facility	\$17,000,000	Under Construction	August 2004
TOTAL	\$170,552,000		
<u>HSC</u>			
HSC Academic Classroom Bldg.	\$15,400,000	Under Construction	September 2003
HSC El Paso Clinic Expansion/Renov	\$9,700,000	Under Construction	September 2004
HSC El Paso Hydronic Pipe Replacement	\$1,700,000	Under Construction	September 2004
TOTAL	\$26,800,000		
GRAND TOTAL	\$197,352,000		

Bricks and Mortar Report

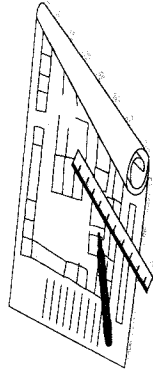
Projects In Design
August 2003



Project	Cost	Status	Completion Date
TTU			
Admin Building Stone Repair	\$950,000	Design in Progress	TBD
Marsha Sharp Freeway [TxDOT Project]	TBD	Design in Progress	2007+
Student Wellness Center	\$8,500,000	Restarting Design	TBD
Residence Hall Fire Protection	\$7,000,000	Design in Progress	TBD
Business Administration Bldg.	\$20,000,000	Programming in Progress	TBD
Art 3-D Annex	\$6,000,000	Design in Progress	September 2004
Vietnam Center	\$35,000,000	Planning In Progress	TBD
Retirement Village	TBD	Qualification Review	TBD
Hulen/Clement Food Court Renovation	\$4,400,000	Restarting Design	TBD
Museum NSRL Expansion	\$4,100,000	Design in Progress	February 2005
TOTAL	\$85,950,000		
HSC			
HSC Clinical Tower Research Center	\$33,747,550	Design in Progress	TBD
HSC Campus Infrastructure Improvement	\$5,000,000	Design in Progress	February 2004
Amarillo Clinic Renovation	\$2,900,000	Design in Progress	TBD
HSC El Paso Research Facility I	\$38,500,000	Design in Progress	TBD
El Paso Medical School	\$45,000,000	Design RFQ Issued	TBD
Texas Tech Parkway	\$9,237,000	Design in Progress	TBD
International Pain Institute	\$3,500,000	Design RFQ Issued	TBD
TOTAL	\$137,884,550		
GRAND TOTAL	\$223,834,550		

Bricks and Mortar Report

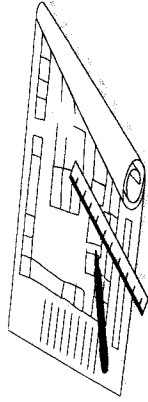
Future Projects
August 2003



Project	Cost	Status	Completion Date
<u>Texas Tech System</u>			
System Office Relocation	\$2,000,000	Proposed	TBD
<u>TTU</u>			
Museum Davies Addition	\$2,000,000	Planned	TBD
Rec. Center New Pool	\$3,800,000	On Hold	TBD
Graduate Library	TBD	On Hold	TBD
Engineering Expansion/Renovation	\$10,000,000	Proposed	TBD
Honors College Academic Build.	\$20,000,000	Planned	TBD
New Residence Hall	\$20,000,000	Planned	TBD
Golf Clubhouse/Team Facility	\$6,600,000	On Hold	TBD
Law School Courtroom	\$6,000,000	Proposed	TBD
Advanced Research Center	TBD	Planning Budget Approved	TBD
Art Building Renovation	\$400,000	Deferred	TBD
College of Fine & Performing Arts	\$40,000,000	On Hold	TBD
Performing Arts Center	\$40,000,000	On Hold	TBD
Child Care Center	\$2,000,000	On Hold	TBD
Dairy Barn Renovation/Relocation	\$2,000,000	On Hold	TBD
TOTAL	\$152,800,000		
<u>HSC</u>			
HSC Roof Replacement	\$2,000,000	Planned	TBD
HSC Research Renovation	\$5,000,000	Planned	TBD
TOTAL	\$7,000,000		
GRAND TOTAL	\$161,800,000		

Bricks and Mortar Report

Projects Completed
August 2003
TTU



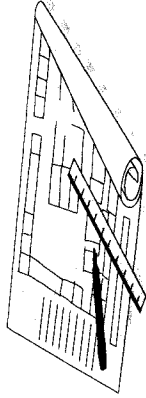
Project	Cost	Status	Completion Date
English-Philosophy & Education	\$46,199,000	Complete	August 2002
Flint Avenue Parking Facility	\$10,900,000	Complete	August 2002
Jones Stadium Stage I	\$22,000,000	Complete	September 2001
Museum Addition	\$6,900,000	Complete	March 2002
West Hall/Visitors Center	\$6,000,000	Complete	August 2001
Recreation Center Expansion/Renovation	\$12,000,000	Complete	November 2001
Broadway Gatehouses	\$816,000	Complete	August 2001
Pfluger Fountain	\$826,000	Complete	April 2002
Indiana Marquee	\$352,000	Complete	August 2001
Frazier Plaza and Statue	\$515,000	Complete	September 2001
Tennis Softball Complex	\$4,059,784	Complete	September 2001
Dan Law Field	\$1,612,000	Complete	June 2002
Fuller Track Field House	\$480,000	Complete	June 2002
Bonfire	\$400,000	Complete	September 2002
Campus Fiber Optic Connection	\$1,667,000	Complete	September 2001
Stangel/Murdough Fire Suppression	\$1,704,000	Complete	August 2001
Chitwood Weymouth Fire Suppression	\$2,769,000	Complete	August 2000
Horn/Knapp Fire Suppression	\$3,600,000	Complete	December 2002
TOTAL	\$122,799,784		

Bricks and Mortar Report


Projects Completed

July 2003

HSC



Project	Cost	Status	Completion Date
Amarillo Academic/Clinic Facility	\$23,319,252	Complete	April 2002
Midland Physicians Assistant Building	\$6,000,000	Complete	August 2001
Odessa Clinic Renovation	\$1,200,000	Complete	September 2000
Communications Disorders Renovation	\$2,161,000	Complete	May 2000
HSC Admin Relocation	\$1,862,000	Complete	March 2001
HSC Synergistic Center	\$2,300,000	Complete	March 2003
TOTAL	\$36,842,252		
GRAND TOTAL	\$159,642,036		



TEXAS TECH UNIVERSITY SYSTEM

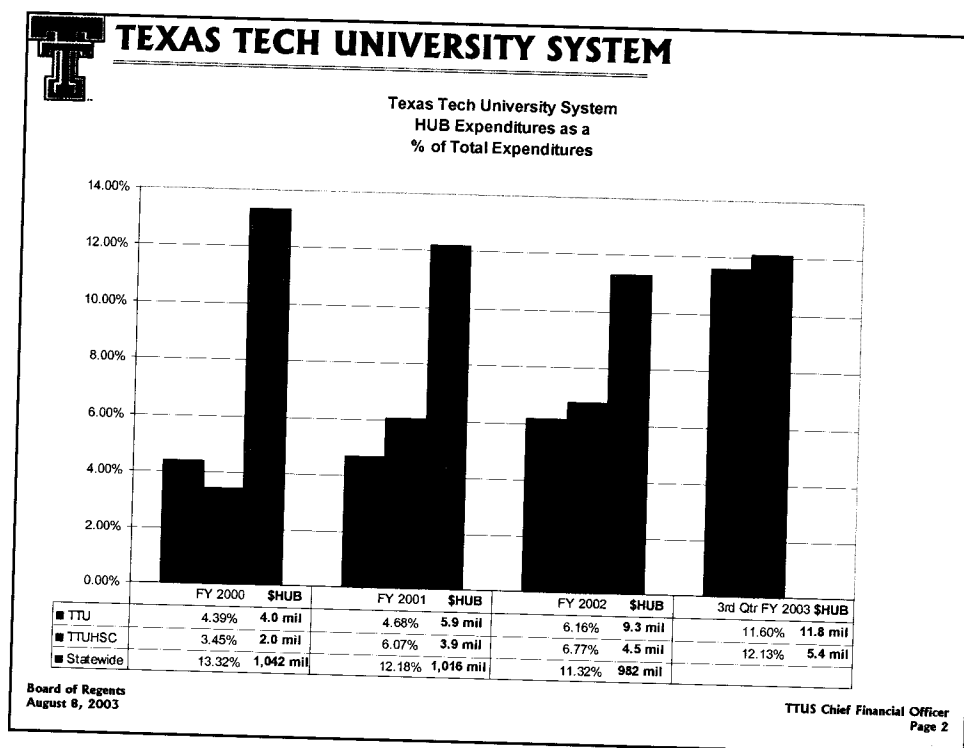
Texas Tech University System

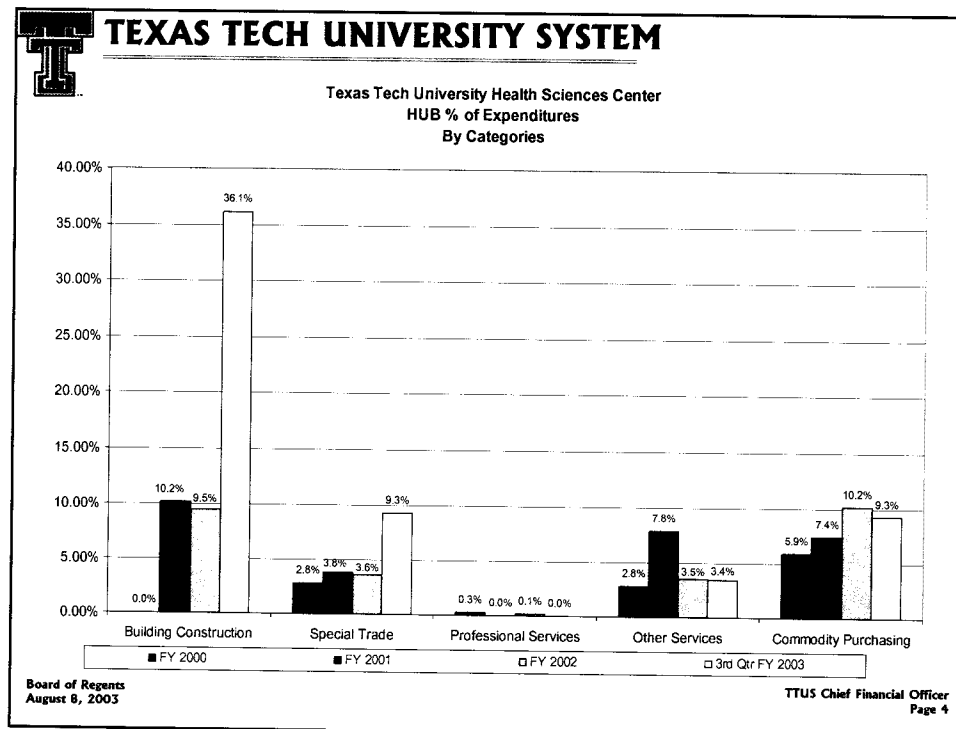
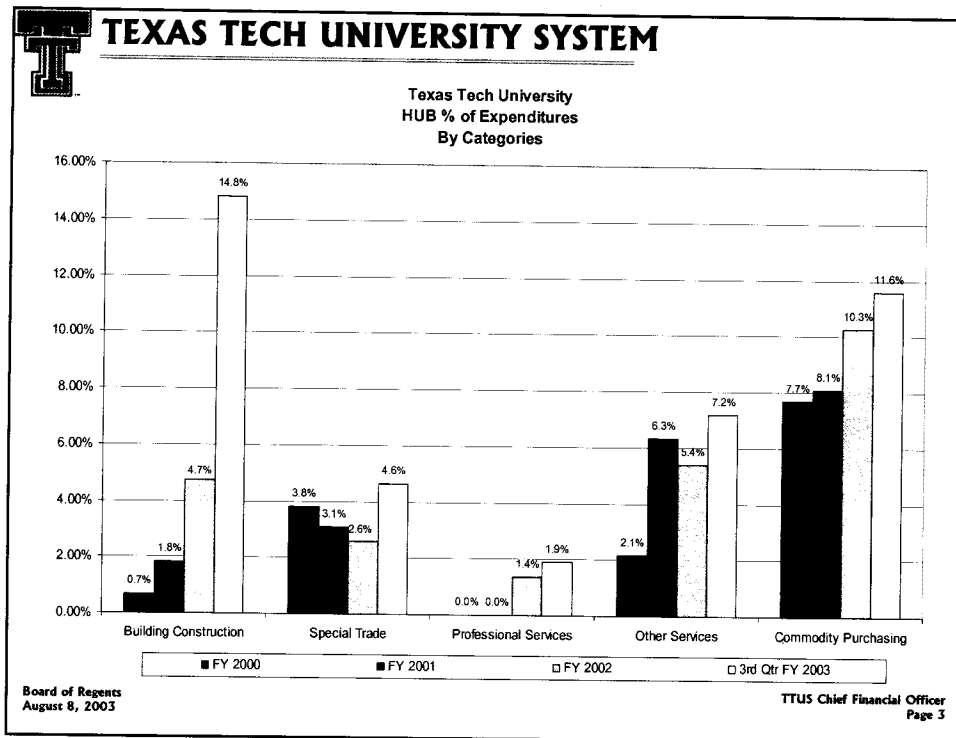
HUB Report

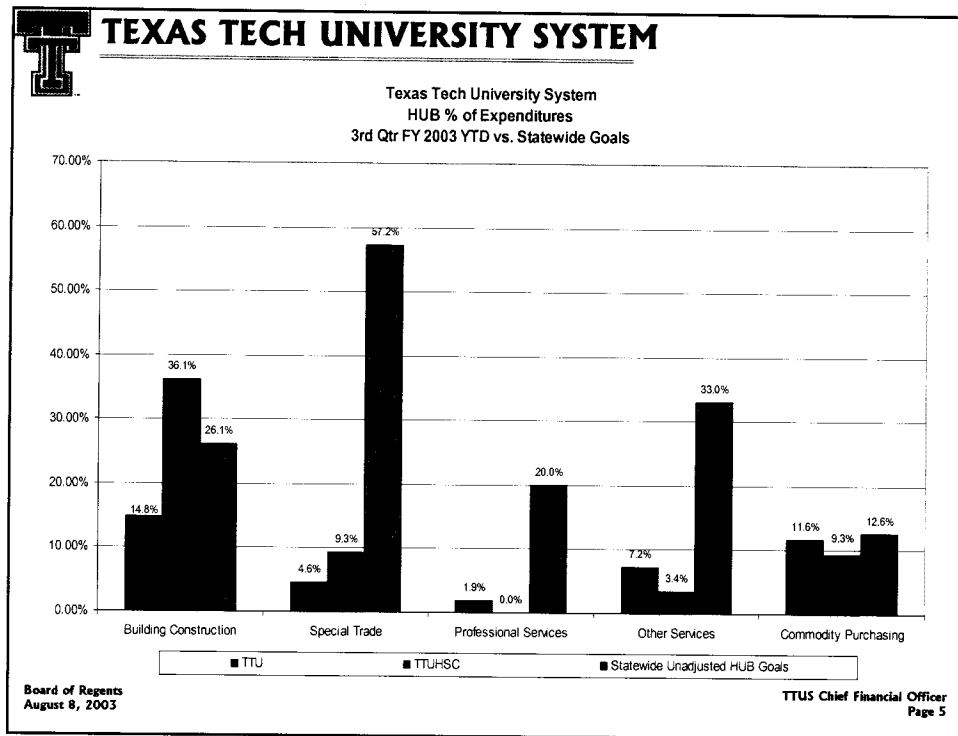
*Office of the Senior Vice Chancellor
and Chief Financial Officer*

Board of Regents
August 8, 2003

TTUS Chief Financial Officer
Page 1







President's Report
Texas Tech University
Board of Regents Meeting
August 8, 2003

Dr. Haragan noted that he had good news to share with the board. We talked a lot today about some of our budget woes and the things in the state that have caused a reduction in resources for the university, but there are still some good things going on, as well. Once again, as has been the case at least for twelve successive years now, the quality of our entering students is at an all-time high. I've told you this on so many occasions that every year – every fall – we bring in a class of freshmen that is better than the class we brought in the year before. We have done that now for twelve successive years. I think this will be the best class academically that has ever entered the university and it will also be the largest class. Getting bigger and better at the same time is a good thing. We are expecting a freshman class of approximately 4,400 students. They have an average SAT score of about 1117, which is five points higher than the average last fall. In addition to the freshmen, we are expecting somewhere between 2,200 and 2,400 transfer students. We are looking right now for a total enrollment that will exceed 29,000 and could be as high as 29,500.

This increase in both the quantity and quality of students is also reflected in the numbers for the Honors College. Dean Bell is expecting as many as 320 new students with an average SAT score of 1367, which is twenty points higher than the average SAT score for last year. This freshman class and the Honors Program will include 37 high school valedictorians and 23 salutatorians. We are continuing to attract some of the very best students in the state. This is certainly what you just approved in the new degree program in the Honors College. We have described it often as being a small liberal arts-type institution within a large research university and now we have that liberal arts program that I think will continue to attract some of the best students in the state. This is going to be competitive with the Plan 2 Program at the University of Texas.

Regent Brown asked to know the number of presidential scholars currently enrolled at Texas Tech. Dr. Haragan responded that we are nearing 400 presidential scholars at this time.

Regent Brown asked what a presidential scholar receives in the way of scholarships. Dr. Haragan stated that they receive \$4,000. Mr. Brunjes noted that most presidential scholars also qualify for other scholarships.

Dr. Haragan commented that the quality of the presidential scholars is unbelievable. These students are well over 1450 on average SAT scores. This is something we all need to be aware of in order to continue. We need to make a concerted effort to increase the scholarship endowment because we are going to need to continue to be

competitive and now the environment for resources is getting even more so, as far as the competition is concerned.

Chairman Black stated that there appears to be a very marked increase in the entering freshmen to the Honors College.

Chairman Black asked how large of an enrollment can the Honors College realistically maintain. Dr. Haragan commented that he and Dean Bell have talked a lot about that and the size is really only limited to the quality faculty that we can identify. Dr. Haragan noted that the Honors College is moving into the old McClellan Hall within the next few weeks. For those of you who are not familiar with that building, it is the old infirmary and it has housed many different departments. The Honors College is now going to take over that entire building and everyone is really excited about that. We will have offices and plenty of room for the honor students reading room and library. We will actually be teaching honors classes on the second floor of the west wing of the Administration Building and that is just right across the street. So, the only thing this building is missing is classrooms. As you no doubt know, we are talking now about construction of a residential college for honors somewhere in the future. I am excited about what is happening with this program. There is no doubt that the move that you approved to create this Honors College has resulted in our being able to recruit some of the very best. We are very proud.

Chairman Black asked how many students are expected to be enrolled in the Honors College this year. Dr. Haragan responded that we expect close to 1,000 students in the Honors College. Dr. Bell's best estimate at this time is 975 or 980. We are getting close to 1,000. There is no question that we could take more right now. There are more of the quality students out there that we could incorporate into the Honors College. For right now, we are full. We have class size limits on this, so there are just so many students that we can handle.

Dr. Haragan noted that this follows a summer school of record enrollment and we had some concerns about the summer classes because this was the first semester after we had raised the tuition and fees by a significant amount. So, we were pleased with the enrollment in the summer and now this is being reflected once again by an increased enrollment in the fall. It is absolutely essential if we are going to continue this growth once again, we are going to have to remain competitive with scholarships and to do that, we are going to have to continue to give a lot of emphasis to increasing that scholarship endowment.

Dr. Haragan reported that one of the recommendations that he will not be present to make but will leave with his successor is that we try to do something this year for faculty and staff salaries. We have not been able to do that in quite some time and we are hoping that perhaps in the spring semester we can, once again, make some adjustments in tuition and fees perhaps just enough to allow us to give some recognition to the faculty and the staff before the end of this year. Hopefully, the new president and

the chancellor will be able to find a way to reward these employees and I know if it is possible they will do so.

Dr. Haragan stated that not only are we interested in rewarding the current faculty, but the setback that we have had this year has caused us not to be able to add to the faculty and there is a serious need for additional faculty at the university. We made just a very rough calculation using the projected student enrollment for this fall and the number of faculty that we have on board this fall as to how many faculty we would need this fall to maintain the same student/faculty ratio that we had last fall. We would be looking at approximately 90 new faculty. So, there definitely is a need for new faculty and he discussed this need with Jon Whitmore.

Dr. Haragan noted that it was mentioned earlier, but we cannot say it too often, that our number one assets at this university are our faculty and our students. Everything we do, we must be able to set priorities and redirect policies and resources to ensure that we maintain and enhance that primary asset. Someone asked him about this the other day and he responded that about all the different programs that we have and there is no question that when it comes to prioritizing programs, academic programs are more important than non-academic programs. This is probably the first guideline that we need to recognize in planning for the future.

Before closing, Dr. Haragan congratulated Regent Newby and the search committee on the tremendous job that they did. They identified at least four or five candidates that I think any one of the five would have been acceptable as president of Texas Tech University. No doubt we have identified the best in Dr. Jon Whitmore.

Dr. Haragan reminded the board about the summer commencement scheduled for Saturday, August 9. The good thing about the summer commencement is there is only one ceremony. Also, in the summer we depart a little bit from our standard of bringing in academics or distinguished academics or sometimes politicians and this year we have singer/songwriter Pat Greene who is actually from the Class of 1997 at Texas Tech. He is going to be our speaker and everyone is invited to attend.

Thank you.

Chairman Black commented on behalf of the board members – both present and absent – in saying thank you for what you have done for us during the last few months. He noted that it has not been an easy task to be interim but Dr. Haragan has done an outstanding job and has moved us forward without losing momentum. Chairman Black stated that Dr. Whitmore will also be grateful for Dr. Haragan's hard work, as well.

President's Report
Texas Tech University Health Sciences Center
Board of Regents Meeting
August 8, 2003

Dr. Wilson stated that he is very excited to be here at Texas Tech and at the Texas Tech University Health Sciences Center. It was about time for him to tackle some new challenges and he noted that there are plenty of challenges here. Dr. Wilson stated that Texas Tech has great potential and he is excited to be a part of it.

Dr. Wilson noted that his staff had prepared several pages of informational items that the board might be interested in, but as it is his first time before the board he wanted to take a few minutes to provide for the board some of his thoughts having been here for two months now and having had a chance to think about a few things. In terms of where he should be placing most of his energies over the short term – over the next six to nine months – there are a few areas of focus that need to be addressed.

First, we have a SACS accreditation site visit on October 6-9. That is the Southern Association of Colleges and Schools. This is for our independent accreditation as an institution separate from Texas Tech University. As you know, statutorily we are two separate institutions but from an operational standpoint and from an accreditation standpoint, it has been through Texas Tech University. So, this is a very important step for us.

As part of the preparation for the site visit, Dr. Wilson has charged a steering committee to consider the question of where are we and where do we want to be in five years. This is an important exercise that we need to enter into in preparation for the site visit, but more importantly, this committee will continue to function once the site visit is completed because this is a very important question that we need to continue to re-evaluate.

In the press conference earlier today, Dr. Whitmore mentioned that when he comes here he is going to take a few months to talk to people before coming up with a detailed agenda. Dr. Wilson agrees with this approach and the secondary purpose of the steering committee will be to continue to reassess and look at our strategic goals, monitor them and see how they are doing and really lay out the plan in a more detailed way for the next five years. He wants to do that in conjunction with the steering committee with proper input from the broader constituents of the Health Sciences Center.

Second, in terms of having an institutional identity, one of the real challenges for the Texas Tech Health Sciences Center is the regional campuses. That certainly offers a lot of opportunities, but it also offers significant challenges in terms of an institutional identity. Much of his time over the next six to nine months will be spent on some of the other campuses. For example, next week, he plans to spend an entire week in El Paso

and in September, he plans to do the same thing in Amarillo as well as Odessa-Midland. He thinks it is important to do that because we are a system. It is not just Lubbock with these other campuses as peripherals which some of them think they are, but it is a system and we are a single institution. At this time, he isn't sure how much of the time the other vice presidents asked to spend at the other campuses. This will be assessed at each visit. It might be appropriate for some to spend more time than others. It is important to reinforce this institutional identity and to try to find out what is going on in the other campuses and make them feel a part of Texas Tech University Health Sciences Center because we are an entity.

Third, Texas Tech Health Sciences Center is a fairly new institution as far as health science centers go and it is maturing. In the next stage in terms of its maturation, we need to strengthen its academic programs. He talked about improving research productivity and that has to be done but academics is more than just research productivity. There are rigors in terms of academic productivity, but also in terms of systems in place that you have that are academic as well as academic policies and procedures. These are the kind of things that need to be focused upon over the next six to nine months to make sure that we develop a real academic culture. He is particularly concerned about the clinical faculty. We do not do well in terms of our academic faculty in terms of them feeling that they are part of an academic center. Their research productivity is very, very low. There is a lot of turnover in the clinical faculty and unless we can get some academic incentives for the clinical faculty to be able to enjoy, there will continue to be that kind of turnover because private practice pays a whole lot more than academics and you need to have these other incentives in place. People have got to want to do research. They have got to want to teach. They have got to want to be a part of the academic infrastructure and there are certain academic incentives that have to be put in place to attract the best clinicians and to make them real academic clinicians. So, that is an area that he wants to place a lot of emphasis on.

One of the additions that he plans to make is to use some unfilled lines to create a new position. That new position will be executive vice president for academic affairs. That person will act as a provost does in a lot of university situations where most of the academic processes will be under that person. We have a lot of issues in terms of compliance. We have issues in terms of productivity. We have issues in terms of academic culture. This is an extremely important position and he is hopeful that he will be able to hire the appropriate person by the late winter. He mentioned that he does not know how much time the other vice presidents need to spend at the other campuses at this point, but he knows that the new executive vice president for academic affairs will need to spend a lot of time at the other campuses. For example, at the El Paso campus as we look at the probability of having a four-year medical school there it is very important that you do it in such a way that academics is really at the forefront and not as a side show. There aren't too many opportunities to start a new medical school and we need to make sure that it has appropriate academic input. So, this person will have to spend a lot of time in El Paso. For example, Mr. Ellicott showed a schematics of the proposed campus in El Paso with the medical school building in the middle and the two research buildings on the side. That looks beautiful aesthetically, but it is just not

functional. It is not the way research is performed in the modern day world. He would like to sacrifice the esthetics for the functionality and that is why it will be re-evaluated. That is an example by what he means as making sure we keep academics at the forefront of our decisions. This person will be somebody that will have to spend a lot of time there as well as here.

Fourth, Dr. Smith mentioned this earlier today during my introduction, but I am very interested in making sure that as an academic health center that we don't just treat disease, but really promote health. Academic health centers have got to take the lead nationally in promoting health. One of the things he likes to do, and we have already taken some steps in this direction, is to promote Lubbock as the healthiest city in Texas. We are going to start off by combating childhood obesity. It is a real major problem. Recently, San Antonio was named as having the worst childhood obesity problem in the entire country by the Center for Disease Control. It looks like, by preliminary data, that Lubbock is actually worse than San Antonio if just for ethnicity. The final data analysis has not been performed. It is a problem. It is a problem here, in Texas and nationally. It is something that we can start off. We can engage the community in partnership with and try to do something to promote health in that area. We already have a good start with that. We responded to a request for proposal from the Association of Academic Health Centers for a \$20,000 planning grant. We were able to get that as well along with four other institutions. Our plan is to start off with childhood obesity.

There are some things that my staff thought I should talk to you about. I'll mention a few of those. We are very proud of the fact that we were asked to accept an invitation to testify before the Committee on Agriculture for the U.S. House of Representatives. This testimony was related to rural telemedicine. Patti Patterson is the person who went to testify. She did a great job. Just yesterday I was reading my mail and I noticed that the House of Representatives passed an appropriations bill that provides \$678 million for rural telemedicine programs for next year. That \$250 million more than they had last year.

You may have also heard, I think it is important to mention, the Shirley Garrison gift of \$1.5 million that was accepted earlier in the month. This is a matching grant so we do need to come up with another \$1.5 million to fulfill his wishes. This is to expand the programs in healthy aging, particularly with an emphasis on Alzheimer's. We are very happy to receive that gift and we will do our best to come up with the match.

Thank you.

Chancellor's Report
Texas Tech University System
Board of Regents Meeting
August 8, 2003

Chancellor Smith stated that he had four points to make. He wanted to thank the board for its diligence and leadership during both the legislative session. Of course, this is an outstanding period of growth consistent with the strategic plan of the board. A lot of other good pieces of information and momentum occurring, the HUB work that has been occurring that a team has pulled together. I think this is the same theme we have used several times. The board used that this morning when we talked. We are a very good team at Texas Tech and if you look at the faculty, the staff – you've seen representatives of those today. Clearly, the students are part of that team. Of course, then the administration which is really a small part of that but tries to provide some cohesion and direction when necessary. He wanted to commend all of them, but particularly the board for its insight and interest in these areas.

The second point is again, once more, to publicly commend the search committee -- our regent members of that search committee, particularly the chairman, Brian Newby, for his work in the presidential search. We have had a lot of searches and we are "searched out" right now, but the work was outstanding. The candidates, the end result is proof of the pudding.

The third point is what we have done already and that is to welcome Dr. Wilson to Texas Tech and the Texas Tech family. He has already hit the ground running. We knew that would happen. He has some great insights and he can provide an impetus to push Tech at the national level. There are many areas where we have opportunities to better ourselves across the system and provide growth in many different ways and continue to provide a necessary resource to this region – not just economically but in the health care side.

Finally, I would be very remiss if I didn't do the same thing the Chairman did and that is to thank Don Haragan for his service to Texas Tech. He is now heading into 35 years – very short years – but he has continually been there when Texas Tech has needed him. He stepped up once more to provide the leadership we needed and we can't thank him enough. So, I'd again like to commend him in another round of applause for his fine efforts on behalf of this institution. He alluded to it and I alluded to it earlier, but he is going to continue to work with us. Dr. Haragan is an emeritus president and it is appropriate that that be a real role. He is going to be helping us in several things including this Honors College concept.

Thank you.