

TRANSITION AGREEMENT

This Transition Agreement (the "Agreement") is made and entered into this 12th day of June 2009, between Dr. Elsa A. Murano ("Murano") and The Texas A&M University System ("System") (collectively, the "Parties").

WHEREAS, Murano has served with distinction as President of Texas A&M University ("University") since January 2008;

WHEREAS, Murano has determined she wishes to step down as President of the University, and to return to her faculty position with the University; and

WHEREAS, the System accepts Murano's resignation from her position of President of the University;

Now, therefore, as part of Murano's transition to the faculty it is agreed by the Parties as follows:

1. In consideration of the recitals set forth above, Murano's stepping down from her position of President of the University effective June 15, 2009, the award of a development leave for the period of June 16, 2009 through June 15, 2010 at her present salary as President (\$425,000 annually), a payment to Murano of \$295,000 to be paid in full by no later than June 18, 2009, the receipt and sufficiency of which is hereby acknowledged; and the mutual releases described in this Agreement; Murano has this day released and by these presents does hereby release, acquit and forever discharge The Board of Regents of The Texas A&M University System ("Board"), the System, the University, its officers, employees, agents and representatives from any and all claims, demands and causes of action of any kind whatsoever, which Murano has or might have, known or unknown, directly or indirectly, based upon any matters that have occurred prior to the execution of this Agreement (with the exceptions set forth in paragraph 5 below); and, the System (for itself, the University, and the Board) has this day released and by these presents does hereby release, acquit and forever discharge Murano from any and all claims, demands and causes of action of any kind whatsoever, which the System has or might have, known or unknown, directly or indirectly, based upon any matters that have occurred prior to the execution of this Agreement.
2. Murano will resume her service to the University as a tenured Professor in the Nutrition and Food Science Department ("Department") of the College of Agriculture & Life Sciences and, upon her return from development leave, will have a starting annual salary of \$260,000. As with any other member of the faculty, she will be eligible for salary increases and merit bonuses. Additionally, Murano will have available for her use in carrying out her official duties as a Professor of the University a departmental budget of \$100,000 per year for four years. Murano agrees to carry a teaching and research workload comparable to others in the Department. Murano's annual salary and merit bonuses as a tenured Professor in the Department, and her \$100,000 per year departmental budget, will come from a source other than the College of Agriculture and Life Sciences' operating budget for a period of at least four years.

3. As part of her transition, Murano has incurred and will incur fees and expenses associated with the retention of counsel. The System agrees to reimburse her for these fees and costs to an amount up to but not exceeding \$25,000. Such reimbursement will be subject to the normal review and approval of the invoices for the actual fees and expenses incurred by her counsel.
4. Murano's distinguished service to the University over the course of her career justifies her recognition as "President Emerita." Consequently, a recommendation will be made to the Board to confer upon her this status at the Special Meeting scheduled for June 15, 2009. Further and consistent with Paragraph 1 above, a recommendation will be made to the Board to approve development leave for Murano at her current salary as President (\$425,000 annually) commencing on June 16, 2009 through June 15, 2010 at the Board's Special Meeting scheduled for June 15, 2009.
5. Notwithstanding any provision in this Agreement that may be to the contrary, nothing in this Agreement releases, waives, or adversely affects any right Murano has under any compensation plan, benefit plan, or welfare benefit plan, including, without limitation, the Optional Retirement Plan, the Supplemental Optional Retirement Plan, and the Nonqualified Share Option Plan.
6. Murano specifically represents and warrants that she understands that by signing this Agreement she is waiving her rights and releasing the Board, the System, the University, its officers, employees, agents and representatives from any and all claims or liabilities, however determined, arising prior to the execution of this Agreement associated with her employment with University, with the exceptions set out in paragraph 5 above. This release and waiver is intended by the parties to bar any and all legal and/or equitable actions in any judicial or administrative forum, including but not limited to, claims or actions under any federal or state civil rights or employment statutes, including the Age Discrimination in Employment Act.
7. It is expressly understood and agreed that the terms hereof are contractual and not merely recitals and that the agreements herein contained, and consideration transferred, is to compromise doubtful and disputed claims, avoid litigation and buy peace, and that no payment made nor release or other consideration given shall be construed as an admission of any obligation or liability by Murano, the Board, the System, or the University, its officers, employees, agents and representatives. Each person executing this Agreement represents that she/he has the authority to bind the entity on whose behalf she/he is signing.
8. Each party executing this Agreement acknowledges that she/he has had the opportunity to secure the advice of counsel, including legal counsel, and she/he understands the terms of this Agreement and freely enters into this Agreement. Murano also acknowledges that she has been advised that she may revoke this Agreement by written notice to Andrew Strong, General Counsel of the Texas A&M University System, at any time prior to the

commencement of the Special Board Meeting scheduled for 9:00 am CST on June 15, 2009.

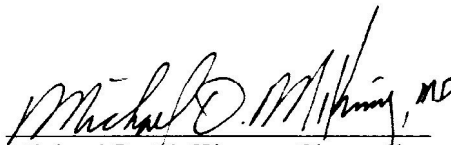
9. It is understood and agreed that this Agreement contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements or understandings between the parties relating to this matter. No oral understandings, statements, promises or inducements contrary to the terms of this Agreement exist.
10. This Agreement shall be governed by the laws of the State of Texas.
11. This Agreement becomes effective (the "Effective Date") upon Board authorization at its Special Meeting scheduled for June 15, 2009, and becomes null and void if the Board does not authorize this Agreement at its Special Meeting scheduled for June 15, 2009, or if the Board does not confer "President Emerita" recognition and approve development leave as detailed in paragraph 4 above at its Special Meeting scheduled for June 15, 2009. If this Agreement becomes effective, the Chairman of the Board will, at or promptly following the conclusion of the Special Meeting scheduled for June 15, 2009, issue the following statement:

"Over the course of her distinguished career, Dr. Murano has served this University with distinction and has lived the Aggie Core Values of excellence, integrity, selfless service, leadership, loyalty and respect. We look forward to her continued service to the University, its faculty and students."



Elsa A. Murano

Date: 6/14/09



Michael D. McKinney, Chancellor
The Texas A&M University System

Date: June 12, 2009