

MATERIAL SUPPORTING THE AGENDA

Volume VIIIb

March 1961 - August 1961

This volume contains the Material Supporting the Agenda furnished to each member of the Board of Regents prior to the meetings held on March 17-18, July 11, and July 22, 1961.

The material is divided according to the Standing Committees and the meetings that were held and is submitted on three different colors, namely:

- (1) white paper - for the documentation of all items that were presented before the deadline date
- (2) blue paper - all items submitted to the Executive Session of the Committee of the Whole and distributed only to the Regents, Chancellor, and Chancellor Emeritus
- (3) yellow paper - emergency items distributed at the meeting

Material distributed at the meeting as additional documentation is not included in the bound volume, because sometimes there is an unusual amount and other times maybe some people get copies and some do not get copies. If the Secretary were furnished a copy, then that material goes in the appropriate subject folder.

This volume contains the recommendations to the Land and Investment Committee (Attachment No. 1), Docket (Attachment No. 2), and Budget Docket for meetings 596, 599, and 600.



THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS

MATERIAL SUPPORTING

~~Attachment No. XXXXXXXXX~~

THE AGENDA

~~To Minutes of the Board of Regents~~

Meeting Date: July 11, 1961

Meeting No.: 599

Name: Office Copy

AGENDA
JOINT MEETING
BOARD OF REGENTS OF
THE UNIVERSITY OF TEXAS
and
BOARD OF DIRECTORS OF THE
TEXAS AGRICULTURAL AND
MECHANICAL COLLEGE SYSTEM
Austin, Texas

Date: July 11, 1961

Time: 2:00 p. m.

Place: Driskill Hotel, Little Dining Room, First Floor

Subject: Permanent University Fund Bonds, Series 1961

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II. Approval of Bond Resolution	2 (3-21)
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Bond Counsel: Vinson, Elkins, Weems and Searls represented by
George W. Sparks

SUPPORTING MATERIAL

- I. REPORT BY VICE-CHANCELLOR DOLLEY OF BIDS ON BONDS. -- Vice-Chancellor Dolley will report on the bids received for the Permanent University Fund Bonds, Series 1961, which will be opened at 10:00 a. m. on July 11, 1961, Room 205, Main Building.
- II. APPROVAL OF BOND RESOLUTION. --On the following pages (Pages 3-20) is a resolution authorizing the issuance of \$6,000,000 Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961, as prepared by the Bond Counsel.

On Page 21 is a certificate to be executed by the Secretary.

- III. AWARD OF SALE OF BONDS. --You have previously received a Notice of Sale and Prospectus for Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961, \$6,000,000 and Board of Directors of the Agricultural and Mechanical College of Texas Permanent University Fund Bonds, Series 1961, \$5,000,000. This notice has been furnished to prospective bidders, and the bids on these bonds will be opened at 10:00 a. m. on July 11, 1961, Room 205, Main Building. There will be distributed at the meeting in the Supplementary Material Supporting the Agenda a tabulation of bids received on the \$6,000,000 Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961, together with the Administration's recommendation.
- IV. DESIGNATION OF PAYING AGENCY. --On Page 22 are the specifications furnished to the bidders for designation of a paying agency of the Permanent University Fund Bonds, Series 1961. These bids will be opened on July 11 at 10:00 a. m. , Room 205, Main Building.
- There will be distributed at the meeting in the Supplementary Material Supporting the Agenda a tabulation of the bids received, together with the Administration's recommendation.
- V. AWARD OF CONTRACT FOR PRINTING. --On Page 25 are the specifications furnished companies desiring to submit bids for printing the Permanent University Fund Bonds, Series 1961. These bids will be opened on July 11 at 10:00 a. m. in Room 205, Main Building.

There will be distributed at the meeting in the Supplementary Material Supporting the Agenda a tabulation of the bids received, together with the Administration's recommendation for the award of the contract for printing these bonds.

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

The Board of Regents of The University of Texas convened in special meeting on the 11th day of July, 1961, in Austin, Texas, with the following members and officers of said Board present, to-wit:

Thornton Hardie	Chairman
W. W. Heath	Vice Chairman
Walter P. Brennan	Regent
J. P. Bryan	Regent
Dr. J. F. Connally, Jr.	Regent
A. G. McNeese, Jr.	Regent
Wales H. Madden, Jr.	Regent
John S. Redditt	Regent
Joe C. Thompson	Regent <i>deceased</i>
Miss Betty Anne Thedford	Secretary

and the following members absent, to-wit: _____

_____, constituting a quorum of said Board of Regents, at which meeting the following, among other business, was transacted, to-wit:

The Chairman introduced a resolution which was read in full by the Secretary. Regent _____ made a motion that the resolution be adopted as read. Regent _____ seconded the motion for adoption of the resolution. The motion, carrying with it the adoption of the resolution, prevailed by the following vote:

AYES: Regents Hardie, Heath, Brennan, Bryan,
Connally, McNeese, Madden, Redditt, and
~~Thompson~~.

NOES: None.

The Chairman thereupon announced that the motion had duly and lawfully carried, and that the resolution had been duly and lawfully adopted. The resolution thus adopted follows:

RESOLUTION

OF THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS AUTHORIZING THE ISSUANCE OF \$6,000,000 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1961; PRESCRIBING TERMS, CONDITIONS, AND DETAILS RELATING THERETO; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL THEREOF AND THE INTEREST THEREON; AWARDING THE SALE THEREOF; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Board of Regents of the University of Texas has heretofore authorized and issued the following described bonds, to-wit:

\$5,076,000 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND REFUNDING BONDS, SERIES 1958, dated July 1, 1958, numbered consecutively from 1 to 5,076, both inclusive, in the denomination of \$1,000 each, bearing interest at the rates of 2.10%, 2-1/4%, and 2.40% per annum, and maturing serially in their numerical order on July 1st in each of the years 1959 to 1969, both inclusive, which bonds were authorized by resolution adopted by the Board of Regents on the 23rd day of July, 1958, were approved by the Attorney General of the State of Texas on the 21st day of August, 1958, and were registered by the Comptroller of Public Accounts of the State of Texas on the 25th day of August, 1958, under Register No. 32645;

\$4,000,000 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1959, dated July 1, 1959, numbered consecutively from 1 to 4,000, both inclusive, in the denomination of \$1,000 each, bearing interest at the rates of 4%, 3-1/4%, and 3.40% per annum, and maturing serially in their numerical order on July 1st in each of the years 1960 to 1979, both inclusive, which bonds were authorized by resolution adopted by the Board of Regents on the 9th day of July, 1959, were approved by the Attorney General of the State of Texas on the 3rd day of August, 1959, and were registered by the Comptroller of Public Accounts of the State of Texas on the same date under Register No. 33243; and

\$5,000,000 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1960, dated July 1, 1960, numbered consecutively from 1 to 5,000, both inclusive, in the denomination of \$1,000 each, bearing interest at the rates of 4-1/2%, 3%, and 3.10% per annum, and maturing serially in their numerical order on July 1st in each of the years 1961 to 1980, both inclusive, which bonds were authorized by resolution adopted by the Board of Regents on the 13th day of July, 1960, were approved by the Attorney General of the State of Texas on the 11th day of August, 1960, and were registered by the Comptroller of Public Accounts of the State of Texas on the same date under Register No. 33810;

and

WHEREAS, the outstanding bonds of the bond issues described above are payable from and secured by a first lien on and pledge of the Interest of the University of Texas in the income from the Permanent University Fund, in the manner and to the extent provided and set forth in the resolutions authorizing said outstanding bonds, respectively; and

WHEREAS, said outstanding bonds constitute the only indebtedness payable from said Interest of The University of Texas in the income from the Permanent University Fund; and

WHEREAS, it is expressly provided in said outstanding bonds and in the resolutions authorizing the issuance thereof that the Board of Regents reserves the right and power to issue, under certain conditions, Additional Parity Bonds and Notes for the purposes and to the extent provided in Section 18, Article VII, Constitution of Texas, as amended by vote of the people at the election held in and throughout the State of Texas on the 6th day of November, 1956, said Additional Parity Bonds and Notes to be on a parity with the said outstanding bonds, and equally and ratably secured by and payable from a first lien on and pledge of the Interest of The University of Texas in the income from the Permanent University Fund, in the same manner and to the same extent as said outstanding bonds; and

WHEREAS, said Section 18 of Article VII of the Constitution of Texas, as amended, provides that the Board of Regents is authorized to issue negotiable bonds and notes for the purpose of constructing, equipping or acquiring buildings or other permanent improvements for The University of Texas System, in a total amount not to exceed two-thirds ($2/3$) of twenty per cent (20%) of the value of the Permanent University Fund exclusive of real estate at the time of any issuance thereof; and

WHEREAS, the Board of Regents has determined, and hereby affirmatively determines, to authorize, issue, sell and deliver an installment or issue of \$6,000,000 negotiable bonds for such constitutional purposes, the same to constitute Additional Parity Bonds as

described above; and

WHEREAS, all conditions and requirements pertaining to, and in connection with, the issuance of such installment or issue of Additional Parity Bonds have been met, or will be met prior to the delivery thereof; Therefore

BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS:

Section 1:

AMOUNT, NAME, PURPOSE AND AUTHORIZATION OF BONDS: That the negotiable bonds of the Board of Regents of The University of Texas be issued in the principal amount of \$6,000,000, to be known and designated as "BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1961", for the purpose of constructing, equipping or acquiring buildings or other permanent improvements for The University of Texas System, to the extent and in the manner provided by law, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Section 18 of Article VII of the Constitution of Texas, as amended by vote of the people at the election held in and throughout the State of Texas on the 6th day of November, 1956.

Section 2:

2.01 - DATE, NUMBERS, DENOMINATION, AND MATURITIES: That said bonds shall be dated July 1, 1961, shall be numbered consecutively from 1 to 6000, both inclusive, shall be in the denomination of \$1,000 each, aggregating \$6,000,000, and shall become due and payable serially in their numerical order on July 1st in each of the years 1962 to 1981, both inclusive, in the respective amounts shown in the following schedule, to-wit:

<u>Bond Numbers</u> <u>(both incl.)</u>	<u>Year of</u> <u>Maturity</u>	<u>Amount</u> <u>Maturing</u>
1 - 240	1962	\$240,000
241 - 480	1963	240,000
481 - 720	1964	240,000
721 - 960	1965	240,000
961 - 1230	1966	270,000
1231 - 1500	1967	270,000
1501 - 1770	1968	270,000
1771 - 2040	1969	270,000
2041 - 2340	1970	300,000
2341 - 2640	1971	300,000

<u>Bond Numbers</u> (both incl.)	<u>Year of</u> <u>Maturity</u>	<u>Amount</u> <u>Maturing</u>
2641 - 2940	1972	\$300,000
2941 - 3240	1973	300,000
3241 - 3570	1974	330,000
3571 - 3900	1975	330,000
3901 - 4230	1976	330,000
4231 - 4560	1977	330,000
4561 - 4920	1978	360,000
4921 - 5280	1979	360,000
5281 - 5640	1980	360,000
5641 - 6000	1981	360,000

2.02 - OPTION OF PRIOR REDEMPTION: That each of the bonds of this issue maturing on and after July 1, 1972, shall be subject to redemption prior to maturity on July 1, 1971, and on any interest payment date thereafter, at the price effective on such date determined as follows: par and unpaid accrued interest thereon to the date so fixed for redemption plus a premium of 2% of the par value if redeemed on or prior to January 1, 1976, such premium to be reduced on and after July 1, 1976 to 1%. Notice of the intention to redeem bonds shall be given in writing to the banks at which said bonds are payable, and said notice shall be published at least one (1) time in a financial journal or publication of general circulation in the United States of America, which notice shall be mailed to said banks and published in said journal or publication at least thirty (30) days prior to the date fixed for redemption. If, by the date fixed for redemption, funds shall have been made available sufficient to pay the principal of any bond so called for redemption and unpaid accrued interest thereon to the date fixed for redemption plus the premium specified, it shall not thereafter bear interest. In the event less than all the bonds outstanding then eligible for redemption shall be thus called, the bonds then proposed to be redeemed shall be called in inverse numerical order.

Section 3:

3.01 - INTEREST RATES AND INTEREST PAYMENT DATES: That said bonds shall bear interest from date at the following rates per annum, respectively, to-wit:

Bonds Nos. 1 to _____, both inclusive, _____%,
 Bonds Nos. _____ to _____, both inclusive, _____%,
 Bonds Nos. _____ to _____, both inclusive, _____%,
 Bonds Nos. _____ to _____, both inclusive, _____%.

interest payable January 1, 1962, and semi-annually thereafter on July 1st and January 1st of each year until the principal sum thereof is fully paid.

3.02 - BANKS OF PAYMENT: That both principal of and interest on said bonds shall be payable in lawful money of the United States of America, without exchange or collection charges to the owners or holders of the bonds and/or interest coupons, at _____, or, at the option of the holder, at _____, or at _____.

The principal of said bonds shall be payable only upon presentation and surrender of said bonds as they respectively become due, and interest falling due on and prior to the respective maturity dates of the bonds shall be payable only upon presentation and surrender of the interest coupons attached to said bonds as such coupons severally become due.

Section 4:

EXECUTION OF BONDS AND INTEREST COUPONS: That the corporate seal of the Board of Regents shall be impressed upon each of said bonds and each of said bonds and the interest coupons attached thereto shall be executed by the imprinted facsimile signatures of the Chairman and the Secretary of the Board of Regents. Said facsimile signatures shall have the same effect as if such bonds and interest coupons had been signed in person and manually by said Chairman and Secretary.

Section 5:

REGISTERABILITY OF BONDS: That said bonds, at the option of the holder, shall be registerable as to principal only on the books at the Registrar, and for such purpose the Comptroller of The University of Texas is hereby designated "Registrar." Such registration shall be noted also on the bonds thus registered, and after such registration no transfer of such bonds shall be valid unless made on the books of the Registrar at the instance of the registered holder or his lawful attorney, thereunto duly authorized, and similarly noted on the bonds. Bonds thus registered may be discharged from registration by being transferred to bearer, after which they shall be transferable by delivery, but may

again be registered as to principal as before. Bonds not so registered or which have been so transferred to bearer shall in all respects be negotiable. The registration of bonds as to principal shall not restrain the negotiability by delivery of the interest coupons appertaining thereto.

Subject to the provisions for registration as to principal alone hereinabove provided, nothing contained in the bonds or in this resolution shall affect or impair the negotiability of the bonds, and said bonds shall constitute negotiable instruments within the meaning of the uniform Negotiable Instruments Act of the State of Texas.

Section 6:

6.01 - FORM OF BONDS: That said bonds shall be in substantially the following form:

NO. _____ \$1,000

UNITED STATES OF AMERICA
STATE OF TEXAS

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS
PERMANENT UNIVERSITY FUND BOND

SERIES 1961

FOR VALUE RECEIVED, THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS hereby acknowledges itself indebted to and PROMISES TO PAY, out of the Fund specified herein, to bearer, or, if this bond be registered as to principal, to the registered holder hereof, ON THE FIRST DAY OF JULY, 19____, the sum of

ONE THOUSAND DOLLARS

(\$1,000), with interest thereon, also payable out of the Fund specified herein, at the rate of _____% (NOTE TO PRINTER: For interest rates, see Section 3.01 of bond resolution) per annum, until the principal sum hereof shall have been paid, interest payable January 1, 1962, and semi-annually thereafter on July 1st and January 1st of each year. Both principal of and interest on this bond are payable in lawful money of the United States of America, without exchange or collection charges to the owner or holder, at _____, or, at the option of the holder, at _____, or at _____.

The principal hereof shall be payable only upon presentation and surrender of this bond, and interest hereon falling due on and prior to the maturity of this bond shall be payable only upon presentation and surrender of the interest coupons hereto attached as such coupons severally become due.

THIS BOND IS ONE OF A SERIES OF 6000 SERIAL BONDS of like tenor and effect, except as to serial number, interest rate, maturity, and reserved option of redemption, being numbered consecutively from 1 to 6000, both inclusive, in the denomination of \$1,000 each, AGGREGATING \$6,000,000, and, together with the other bonds of said series, is issued for the purpose of constructing, equipping, or acquiring buildings or other permanent improvements for The University of Texas System, to the extent and in the manner provided by law, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Section 18 of Article VII of the Constitution of Texas, as amended by vote of the people at the election held in and throughout the State of Texas on the 6th day of November, 1956, and pursuant to a resolution duly adopted by the Board of Regents of The University of Texas and duly of record in the official minutes of said Board of Regents, hereinafter referred to as the "Resolution."

THE DATE OF THIS BOND, in conformity with the Resolution, IS JULY 1, 1961.

EACH OF THE BONDS OF THIS ISSUE MATURING ON AND AFTER JULY 1, 1972, to-wit: Bonds Nos. 2641 to 6000, both inclusive, SHALL BE SUBJECT TO REDEMPTION PRIOR TO MATURITY ON JULY 1, 1971, and on any interest payment date thereafter at the price effective on such date determined as follows: par and unpaid accrued interest thereon to the date so fixed for redemption plus a premium of 2% of the par value if redeemed on or prior to January 1, 1976, such premium to be reduced on and after July 1, 1976 to 1%. Notice of the intention to redeem bonds shall be given in writing to the banks at which said bonds are payable, and said notice shall be published at least one (1) time in a financial journal or publication of general circulation in the United States of America, which notice shall be mailed to said banks and

published in said journal or publication at least thirty (30) days prior to the date fixed for redemption. If, by the date fixed for redemption, funds shall have been made available sufficient to pay the principal of any bond so called for redemption and unpaid accrued interest thereon to the date fixed for redemption plus the premium specified, it shall not thereafter bear interest. In the event less than all bonds outstanding then eligible for redemption shall thus be called the bonds then proposed to be redeemed shall be called in inverse numerical order.

THIS BOND AND THE OTHER BONDS OF THE SERIES OF WHICH IT IS A PART are in all respects of equal dignity and on a parity with the outstanding bonds of the following bond issues: Board of Regents of The University of Texas Permanent University Fund Refunding Bonds, Series 1958, dated July 1, 1958, Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1959, dated July 1, 1959, and Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1960, dated July 1, 1960, and this bond and the other bonds of the series of which it is a part constitute "Additional Parity Bonds" as permitted by the Resolutions authorizing the issuance of said Series 1958, Series 1959, and Series 1960 Bonds, and this bond and the other bonds of the series of which this bond is a part are equally and ratably secured by and payable from a first lien on and pledge of the Interest (as such term is defined in the Resolution) of The University of Texas in the income from the Permanent University Fund, as such Interest is apportioned by Chapter 42, Acts of the 42nd Legislature of Texas, Regular Session, 1931.

THE BOARD OF REGENTS RESERVES THE RIGHT TO ISSUE OTHER ADDITIONAL PARITY BONDS AND NOTES which shall be equally and ratably payable from the same source and secured in the same manner as the Series 1958 Bonds, the Series 1959 Bonds, the Series 1960 Bonds, and the bonds of this issue, but such Additional Parity Bonds and Notes may be issued only pursuant to and subject to the terms and conditions provided and contained in the Resolution.

THIS BOND IS REGISTERABLE AS TO PRINCIPAL only on the books

of the Registrar. For such purpose the Comptroller of The University of Texas has been designated "Registrar." If registered, the fact of registration is to be noted on the back hereof, and thereafter no transfer of this bond shall be valid unless made on the books of the Registrar and similarly noted hereon. Registration as to principal may be discharged by transfer to bearer, after which this bond may again be registered as before. The registration of this bond as to principal shall not restrain the negotiability of the interest coupons appertaining hereto, which coupons shall continue to be negotiable by delivery merely. Subject to the provision for registration as to principal alone endorsed hereon and as contained in the Resolution, nothing contained in this bond nor in the Resolution shall affect or impair the negotiability of this bond, and this bond shall constitute a negotiable instrument within the meaning of the Uniform Negotiable Instruments Act of the State of Texas.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required to exist and to be done precedent to and in the issuance of this bond and the other bonds of the series of which this bond is a part have been properly done, have happened and have been performed in regular and due time, form and manner, as required by the Constitution and laws of the State of Texas and the Resolution; that due provision has been made for the payment of the principal of and interest on this bond and the other bonds of the series of which this bond is a part by an irrevocable pledge of the funds specified herein; and that the entire issue of bonds of which this one is a part does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the Board of Regents of The University of Texas has caused the corporate seal of said Board to be affixed hereto and has caused this bond and the interest coupons hereto annexed to be executed by the imprinted facsimile signature of the Chairman and the Secretary of said Board of Regents, all as of the 1st day of July, 1961.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS

Secretary

Chairman

6.02 - FORM OF INTEREST COUPONS: That the interest coupons attached to said bonds shall be in substantially the following form:

No. _____ \$ _____

ON THE 1ST DAY OF

_____, 19__

The Board of Regents of The University of Texas hereby promises to pay to bearer *(unless the bond to which this coupon appertains has been called for previous redemption in accordance with the terms thereof and due provision made to redeem same as therein provided) solely out of the fund specified in the bond to which this coupon appertains, without exchange or collection charges, at _____, or, at the option of the holder, at _____, or at _____, the sum of \$ _____ in lawful money of the United States of America, being interest due that date on "Board of Regents of the University of Texas Permanent University Fund Bond, Series 1961," bearing the number hereinafter specified, dated July 1, 1961. Bond No. _____.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS

Secretary

Chairman

*(The parenthetical expression should be printed only in coupons which mature after July 1, 1971.)

6.03 - FORM OF REGISTRATION ENDORSEMENT: That the ownership registration endorsement to be printed on the back of each of the bonds shall be in substantially the following form:

(NO WRITING TO BE PLACED HEREON
EXCEPT BY BOND REGISTRAR)

It is hereby certified that, at the request of the holder of the within bond, I have this day registered said bond as to principal in the name of such holder as indicated in the registration blank below, on books kept by me for such purpose. The principal of this bond shall be payable only to the registered holder hereof named in the below registration blank or his legal representative, and this bond shall be transferable only on the books of the Registrar and by an appropriate

notation in such registration blank. If the last transfer on the books of the Registrar and in the below registration blank shall be to bearer, the principal of this bond shall be payable to bearer and it shall be in all respects negotiable. In no case shall negotiability of the interest coupons appurtenant to this bond be affected by any registration of this bond as to principal.

Date of Registration	Name of Registered Holder	Signature of Bond Registrar
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

6.04 - FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE: That each of said bonds shall be registered in the office of the Comptroller of Public Accounts of the State of Texas, and said Comptroller's registration certificate, which shall be printed on the back of each of said bonds and manually subscribed, shall be in substantially the following form:

OFFICE OF THE COMPTROLLER
 THE STATE OF TEXAS

REGISTER NO. _____

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this bond has been examined by him as required by law, and that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding special obligation of the Board of Regents of The University of Texas payable from the funds pledged to its payment by and in the Resolution authorizing same; and said bond has this day been registered by me.

WITNESS MY HAND AND SEAL OF OFFICE at Austin, Texas, _____

_____.

 Comptroller of Public Accounts of
 the State of Texas

Section 7:

DEFINITIONS: That, as used in this resolution, the following words, terms, and expressions shall mean and include, and are defined, as follows:

(a) Permanent University Fund, or Fund: the Permanent University Fund as created by Article VII, Section 11, Constitution of Texas, further implemented by the provisions of Title 49, Chapter 1, Revised Civil Statutes of Texas, 1925, as amended.

(b) University: The University of Texas.

(c) Board of Regents, or Board: the Board of Regents of The University of Texas.

(d) Interest of the University in the income from the Permanent University Fund: all of the income to the Permanent University Fund from grazing leases on University lands, and all of the other income from such Fund, after making provision for the payment of the University's proportion of the expense of administering such Fund, excepting one-third of the income arising and accruing to the Agricultural and Mechanical College of Texas from the 1,000,000 acres of land appropriated by the Constitution of 1876 and the land appropriated by the Act of 1883, as more particularly defined by Chapter 42, Acts of the 42nd Legislature of Texas, Regular Session, 1931 (Article 2592, Vernon's Annotated Civil Statutes).

(e) Bonds: the \$6,000,000 Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961, dated July 1, 1961, authorized by this resolution.

(f) Resolution: this resolution authorizing the issuance of the Bonds.

(g) 1958 Bond Resolution: the resolution adopted by the Board of Regents on the 23rd day of July, 1958, authorizing the issuance of the \$5,076,000 Board of Regents of The University of Texas Permanent University Fund Refunding Bonds, Series 1958, dated July 1, 1958.

(h) 1959 Bond Resolution: the resolution adopted by the Board of Regents on the 9th day of July, 1959, authorizing the issuance of the \$4,000,000 Board of Regents of The University of Texas Permanent University

Fund Bonds, Series 1959, dated July 1, 1959.

(i) 1960 Bond Resolution: the resolution adopted by the Board of Regents on the 13th day of July, 1960, authorizing the issuance of the \$6,000,000 Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1960, dated July 1, 1960.

(j) Outstanding Bonds: the outstanding bonds of the \$5,076,000 Series 1958 Bonds, \$4,000,000 Series 1959 Bonds, and \$6,000,000 Series 1960 Bonds, referred to above.

(k) Additional Parity Bonds and Notes: the additional parity bonds and the additional parity notes permitted to be issued pursuant to Section 17 of the 1958 Bond Resolution, which Section 17 is referred to in the 1959 Bond Resolution, the Series 1960 Bond Resolution, and this Resolution.

(l) Interest and Sinking Fund: the "Board of Regents of The University of Texas Permanent University Fund Interest and Sinking Fund" established by the Comptroller of Public Accounts of the State of Texas in the State Treasury under the provisions of the 1958 Bond Resolution, which Fund is referred to in the 1959 Bond Resolution, the Series 1960 Bond Resolution, and this Resolution.

Section 8:

8.01 - BONDS AND OUTSTANDING BONDS ON A PARITY: That it is hereby certified and recited that the Bonds authorized by this Resolution are Additional Parity Bonds permitted and authorized to be issued by Section 17 of the 1958 Bond Resolution, and that all conditions and requirements of said Section 17 have been or will be met prior to the delivery of the Bonds herein authorized. The Outstanding Bonds and the Bonds herein authorized, and the interest on all of same, are and shall be on a parity and in all respects of equal dignity.

8.02 - BONDS SECURED BY FIRST LIEN: That, pursuant to the authority conferred upon the Board of Regents by the provisions of Section 18 of Article VII, Constitution of Texas, approved by vote of the people of Texas at the election held August 23, 1947, and pursuant to the provisions of the amendment to said Section 18 of Article VII approved by vote of the people of Texas at the election held November 6, 1956, and pursuant to the provisions of Chapter 225, Acts of the 55th Legislature of Texas, Regular Session,

1957, the Outstanding Bonds together with the Bonds authorized by this Resolution and all other Additional Parity Bonds and Notes, when issued pursuant to the provisions of Section 17 of the 1958 Bond Resolution, and the interest on all of same, shall be and are hereby equally and ratably secured by and payable from a first lien on and pledge of the Interest of the University in the income from the Permanent University Fund as such Interest is defined in Section 7(d) of this Resolution.

Section 9:

9.01 - ADDITIONAL PAYMENTS INTO INTEREST AND SINKING FUND: That, in addition to the moneys required to be transferred to the credit of the Interest and Sinking Fund in connection with the Outstanding Bonds under the provisions of the Series 1958 Bond Resolution, the Series 1959 Bond Resolution, and the Series 1960 Bond Resolution, the Comptroller of Public Accounts of the State of Texas shall, for the benefit of the Bonds herein authorized, transfer to the Interest and Sinking Fund out of The University of Texas Available University Fund (the fund in the State Treasury to which is deposited the Interest of the University), on or before November 1, 1961, and semi-annually thereafter on or before May 1st and November 1st of each year while the Bonds or interest thereon are outstanding and unpaid, a sum of money equal to the amount of interest or principal and interest (when both are scheduled to accrue and mature) which will become due on the Bonds on the January 1st or July 1st next following.

9.02 - AVAILABILITY OF MONEYS AT PLACES OF PAYMENT:

(a) That, to the end that moneys will be available at the places of payment in ample time to pay the principal of and interest on the Bonds as such principal and interest respectively mature, on or before November 5, 1961, and semi-annually thereafter on or before May 5th and November 5th of each year while any of the Bonds or interest thereon are outstanding and unpaid, the Comptroller of the University, or such officer as may hereafter be designated by the Board of Regents to perform the duties now vested in such officer shall perform the following duties: (1) prepare and file with the Comptroller of Public Accounts of the State of Texas a voucher based on which said Comptroller of Public Accounts of the State of Texas shall draw a warrant against the Interest and Sinking Fund in the

amount of the interest or principal and interest (when both are scheduled to accrue and mature) which will become due on January 1st or July 1st next following; and (2) in the event Bonds shall have been called for redemption on January 1st or July 1st next following of any year, prepare and file with said Comptroller of Public Accounts of the State of Texas a voucher based on which said Comptroller of Public Accounts of the State of Texas shall draw a warrant against funds of the University legally available for such purpose in an amount sufficient to redeem the Bonds thus called.

(b) That, whenever a voucher is so filed with the Comptroller of Public Accounts of the State of Texas, he shall make the warrant based thereon payable to the order of that place of payment situated in the State of Texas, specified in Section 3.02 of this Resolution, and shall deliver such warrant to said place of payment on or before the November 15th or May 15th next following.

(c) That the place of payment situated in the State of Texas, designated in Section 3.02 of this Resolution, shall, out of moneys remitted to it under the provisions of this Section 9.02, and not otherwise, make available at the other places of payment specified in said Section 3.02, funds sufficient to pay such Bonds (whether payable to bearer or payable to the registered holder thereof) and such of the interest coupons as are presented for payment at such places of payment, and said place of payment situated in the State of Texas by accepting designation as such place of payment agrees and is obligated to perform such service.

9.03 - CANCELLATION AND FORWARDING OF BONDS AND COUPONS UPON PAYMENT:

That all Bonds and interest coupons paid by the places of payment, after cancellation by perforation, shall be forwarded by such places of payment to the University at Austin, Texas.

9.04 - PAYMENT OF CHARGES OF PAYING AGENTS: That the Board of Regents shall make provision with the places of payment designated as paying agents for the rendition of a statement to the University for any sums due such paying agents for services rendered in connection with the payment of the Bonds and interest coupons by said paying agents, and the amount of

such charges shall be paid by the University from funds available for such purpose.

Section 10:

ADOPTION OF PROVISIONS OF SERIES 1958 BOND RESOLUTION: That all of the language, terms, provisions, covenants and agreements of Sections 15 to 19, both inclusive, of the 1958 Bond Resolution be and are hereby referred to and adopted and made applicable to the Bonds authorized by this Resolution for all purposes; and, without in any way limiting the foregoing, it is expressly provided that the Board of Regents reserves the right and power to issue and deliver Additional Parity Bonds and/or Additional Parity Notes pursuant to the provisions of Section 17 of said Series 1958 Bond Resolution, to which Section 17 reference is hereby made for full particulars.

Section 11:

APPROVAL AND REGISTRATION OF BONDS: That it shall be the duty of the Chairman of the Board of Regents or some officer of the Board acting under authority from him to submit the record of the Bonds, and, after the Bonds shall have been executed, to submit the Bonds to the Attorney General of the State of Texas for examination and approval. After said Bonds shall have been approved by said Attorney General, they shall be delivered to the Comptroller of Public Accounts of the State of Texas for registration. Upon the registration of said Bonds, said Comptroller of Public Accounts (or a deputy lawfully designated in writing to act for him) shall manually sign the Comptroller's certificate of registration, which certificate, in accordance with Section 6.04 of this Resolution, is to be printed on the back of each Bond, and the seal of office of said Comptroller of Public Accounts shall be affixed to each of said Bonds.

Section 12:

SALE OF BONDS: That the sale of the Bonds authorized herein to _____
_____, at a price equal to the principal amount of said Bonds plus accrued interest thereon from the date thereof to the date of actual delivery, plus a cash premium of \$_____ is hereby authorized, approved, ratified, and confirmed. When

said Bonds 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, they shall be delivered to the named purchasers upon receipt of the full purchase price.

ADOPTED AND APPROVED this 11th day of July, 1961.

/s/ Thornton Hardie
Chairman, Board of Regents, The University
of Texas

ATTEST:

/s/ Betty Anne Thedford
Secretary, Board of Regents,
The University of Texas

(SEAL)

THE STATE OF TEXAS)

COUNTY OF TRAVIS)

I, the undersigned, Secretary of the Board of Regents of The University of Texas, do hereby certify that the attached and foregoing is a true and correct copy of a resolution adopted by said Board of Regents at a meeting thereof held on the 11th day of July, 1961 (which resolution pertains to the issuance of \$6,000,000 Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961, dated July 1, 1961), together with an excerpt from the minutes of said meeting showing the adoption of said resolution, as same appears of record in the official minutes of said Board of Regents on file in my office.

WITNESS MY HAND AND THE OFFICIAL SEAL OF SAID BOARD OF REGENTS,
this the 11th day of July, 1961.

Secretary, Board of Regents, The University
of Texas

(SEAL)

\$6,000,000
BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS
AND
\$5,000,000
BOARD OF DIRECTORS OF THE AGRICULTURAL
AND MECHANICAL COLLEGE OF TEXAS

PERMANENT UNIVERSITY FUND BONDS - SERIES 1961

NOTICE TO TEXAS BANKS (WITH ASSETS IN EXCESS OF \$100,000,000)
CONCERNING PAYING AGENCY

Sealed bids will be received until 10:00 a.m. Central Standard Time, July 10, 1961, by the governing boards of the institutions herein named for paying agency of the above bonds.

Advance copies of proposed resolutions for the two issues are enclosed.

On the date the bonds are sold, which is scheduled for July 11, 1961, the respective governing boards will select a Texas bank with assets in excess of \$100,000,000 as paying agent and a New York bank and a Chicago bank as co-paying agents. The New York and Chicago co-paying agents are to be selected by the Texas bank.

The Texas paying agent selected will have deposited with it, under the terms of the bond resolution, at least forty-five (45) days in advance of each paying date, the full amount of money required to meet principal and interest payments next coming due; such deposits are to be secured by a pledge of the Texas paying agent with a trustee bank of bonds or other evidences of direct indebtedness of the United States of America in amounts at all times equal to such deposits.

The Texas bank will be required to make necessary arrangements with the New York paying agent and the Chicago paying agent for payment of such coupons and maturing bonds as may be presented to such banks. The paying agency fee charged by the New York and Chicago paying agents shall be paid by the Texas paying agent out of its over-all paying agency fee, which fee shall be in full for all services rendered and for all expenses incurred, including counsel fees, by all agents named.

Bids should be submitted on the accompanying forms so far as practicable, but departures therefrom may be made where necessary to show in any instance the actual net charges for acting as paying agent. All bids shall be delivered

or mailed in a sealed envelope plainly marked as a "Sealed Bid for Paying Agency" so that it can be identified readily. All such bids should be addressed to the Board of Regents of The University of Texas and/or the Board of Directors of the Agricultural and Mechanical College of Texas and mailed or delivered to Wm. W. Stewart, Endowment Officer, The University of Texas, Main Building 205, Austin 12, Texas.

The right is reserved to reject any and all bids and to waive any and all irregularities. Inquiries may be made of either of the undersigned.

Wm. W. Stewart, Endowment Officer
The University of Texas
Austin 12, Texas

W. C. Freeman, Comptroller
The Texas Agricultural and Mechanical
College System
College Station, Texas

Austin, Texas
June 16, 1961

BID FORM

Date _____

To: The Board of Regents of
 The University of Texas

 The Board of Directors of the
 Agricultural and Mechanical
 College of Texas

Address: Care of Wm. W. Stewart
 Endowment Officer
 The University of Texas
 Main Building 205
 Austin 12, Texas

Gentlemen:

 In accordance with the Notice to Texas Banks, dated June 16, 1961
we bid the following rates for Paying Agency for the following issues:

\$6,000,000 Board of Regents of The University
of Texas Permanent University Fund Bonds,
Series 1961

_____ ¢ per coupon paid
_____ ¢ per bond paid

\$5,000,000 Board of Directors of the Agricultural
and Mechanical College of Texas Permanent
University Fund Bonds, Series 1961

_____ ¢ per coupon paid
_____ ¢ per bond paid

If we are selected as Texas Paying Agent, the following should be
named as Co-Paying Agents:

New York Paying Agent _____

Chicago Paying Agent _____

Name of Bank _____

Signed by _____

Address _____

\$6,000,000
THE UNIVERSITY OF TEXAS
AND
\$5,000,000
THE AGRICULTURAL AND MECHANICAL COLLEGE OF TEXAS

PERMANENT UNIVERSITY FUND BONDS - SERIES 1961

INFORMATION FOR COMPANIES DESIRING TO SUBMIT BIDS
FOR PRINTING BONDS

Proposals will be received until 10:00 a.m. Central Standard Time, July 10, 1961, by the governing boards of the institutions herein named, for printing bonds herein described.

Enclosed are copies of the proposed Resolutions covering these issues and the OFFICIAL BID FORMS for submitting proposals to print the bonds. Separate bids are requested for each of the issues. Twenty-four pound 100% rag bond paper must be used. Bids are requested for "book" type bonds printed on blanks with steel engraved borders.

The bidder will indicate the number of working days which will be required for printing and delivery of the printed bonds to The Signature Company in New York, New York, including allowance of time for checking proof in Houston and Dallas, Texas, as well as in Austin and College Station. The total bid price is to include the cost of transportation to New York, New York. The bids must be on the OFFICIAL BID FORMS placed in an envelope and sealed, plainly marked as a "Sealed Bid for Printing Bonds" and either addressed to or filed with Wm. W. Stewart, Endowment Officer, The University of Texas, Main Building 205, Austin 12, Texas. The bids will be considered by the respective governing boards on the 11th of July, 1961. The right is reserved to waive irregularities and to reject any and all bids. Special reference is made to the blank for the certificate by the Comptroller of Public Accounts to be printed on the back of the bond. It shall be the duty of the printer to cause the seal of the Comptroller to be impressed thereon. This can be accomplished either through use of a seal die to be furnished by the Comptroller and used in the printing process, or, at the option of the printer, by using a complete seal with handle to be furnished by the Comptroller. Special attention is called to the fact that the Resolutions

authorizing the bonds will specify that the bonds are to be executed by the imprinted facsimile signatures of the Chairman or the President of the governing board, as the case may be, and the Secretary of the Board. It shall be the duty of the printer to cause the seal of the appropriate governing board to be impressed on the bonds. The coupons will carry the lithographed or printed facsimile signatures of the Chairman or President of the Board, as the case may be, and the Secretary of the Board.

Wm. W. Stewart, Endowment Officer
The University of Texas
Austin 12, Texas

W. C. Freeman, Comptroller
The Texas Agricultural and Mechanical
College System
College Station, Texas

Austin, Texas
June 16, 1961

OFFICIAL BID FORM

PROPOSAL FOR PRINTING OF BONDS

THE UNIVERSITY OF TEXAS
AND
THE AGRICULTURAL AND MECHANICAL COLLEGE OF TEXAS

PERMANENT UNIVERSITY FUND BONDS - SERIES 1961

TWO SEPARATE ISSUES
\$11,000,000 (AGGREGATE)

TO: The Board of Regents of
The University of Texas

The Board of Directors of the Agricultural
and Mechanical College of Texas

ADDRESS: Care of Wm. W. Stewart
Endowment Officer
The University of Texas
Main Building 205
Austin 12, Texas

Gentlemen:

In accordance with your request dated June 16, 1961, we make the following proposal for printing bonds of the following issues:

<u>ISSUE</u>	<u>STEEL ENGRAVED BORDERS</u>
\$6,000,000 Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961	
One Coupon Rate	\$ _____
Two Coupon Rates	\$ _____
Three Coupon Rates	\$ _____
Four Coupon Rates	\$ _____
\$5,000,000 Board of Directors of The Agricultural and Mechanical College of Texas Permanent University Fund Bonds, Series 1961	
One Coupon Rate	\$ _____
Two Coupon Rates	\$ _____
Three Coupon Rates	\$ _____
Four Coupon Rates	\$ _____

_____ working days will be required for printing and delivery of printed bonds to New York, New York, including allowance of time for checking proofs in Houston and Dallas, Texas, as well as in Austin and College Station, Texas.

DATED this _____ day of _____, 1961.

Submitted by:

By: _____

Address: _____
