


We, the undersigned members of the Board of Regents of
The University of Texas, hereby ratify and approve all
actions taken at this meeting to be reflected in the Minutes.


Signed this the 23rd day of February , 1967, A. D.


Frank C. Erwin, Jr., Chairman


Jack S. Josey, Vice-Chairman

W. H. Bauer, Member


Walter P. Brennan, Member


H. F. Connally, Jr., M. D., Member


W. W. Heath, Member

Frank N. Ikard, Member

(Mrs.) J. Lee Johnson III, Member

Levi A. Olan, Member

12-23-67

MEETING NO. 650

THURSDAY, FEBRUARY 23, 1967.-- At three o'clock on February 23, 1967, the Board of Regents of The University of Texas convened in regular session in Suite 212, Main Building, Austin, Texas, with the following in attendance recorded:

ATTENDANCE:

<u>Present</u>	<u>Absent</u>
Chairman Erwin, Presiding	Regent Bauer - excused
Vice-Chairman Josey	Regent Ikard - excused
Regent Brenan	Regent Johnson - excused
Regent Connally	Regent Olan - excused
Regent Heath	
Chancellor Ransom	
Secretary Thedford	

INVOCATION.-- Chairman Erwin called the meeting to order. At the request of the Chairman, Regent Connally offered the invocation.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS HOUSING SYSTEM REVENUE BONDS, SERIES 1967, \$16,500,000: RESOLUTION AUTHORIZING ISSUANCE AND SALE TO A SYNDICATE HEADED BY HALSEY, STUART & COMPANY, INC.-- The following resolution as prepared by the Bond Counsel authorizing the issuance and sale of the Board of Regents of The University of Texas Housing System Revenue Bonds, Series 1967, in the amount of \$16,500,000, and the sale (as recommended by the Executive Director of Investments, Trusts and Lands) to a syndicate with Halsey, Stuart and Company, Inc.; Phelps, Fenn & Company; Lehman Brothers; Bear, Stearns & Company; Eastman Dillon, Union Securities & Company, Managers and Associates, at the price of par and accrued interest to date of delivery, at rates of interest as set out in the resolution on Pages 4&5, was duly introduced for the consideration of said Board and read in full. It was then duly moved by Regent Brenan and seconded by Vice-Chairman Josey that said resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of said resolution, unanimously prevailed and carried by the following vote:

AYES: Chairman Erwin
Vice-Chairman Josey
Regent Brenan
Regent Connally
Regent Heath

NOES: None.

Chairman Erwin announced that the motion had duly and lawfully carried and that the resolution had been duly and lawfully adopted in the form as set out on Pages 7 - 33.

A RESOLUTION

BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS AUTHORIZING THE ISSUANCE OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS HOUSING SYSTEM REVENUE BONDS, SERIES 1967, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$16,500,000.00, BEARING INTEREST AT THE RATES HEREINAFTER SET FORTH, TO PROVIDE THE FUNDS TO CONSTRUCT AND EQUIP DORMITORY AND DINING FACILITIES FOR APPROXIMATELY 3,000 STUDENTS, ESTABLISHING A STUDENT HOUSING SYSTEM, PLEDGING THE GROSS REVENUES THEREFROM TO THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SAID BONDS, PRESCRIBING THE FORM OF THE BONDS, PROVIDING FOR THE EXECUTION AND DELIVERY OF SAID BONDS, AWARDING SAID BONDS TO THE PURCHASER, PRESCRIBING THE DUTIES OF THE OFFICERS OF SAID BOARD AND OF THE UNIVERSITY IN REFERENCE TO SAID BONDS, AND STIPULATING THAT THE BONDS SHALL BE SPECIAL OBLIGATIONS OF THE BOARD PAYABLE ONLY FROM THE PLEDGED REVENUES AND SHALL NOT BE INDEBTEDNESS OF, NOR OBLIGATIONS OF, THE STATE OF TEXAS, AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, pursuant to applicable laws including Article 2909c of Vernon's Edition of the 1925 Revised Civil Statutes of Texas, the Board of Regents of The University of Texas (hereinafter called the "Board" or "Board of Regents") is authorized to construct and equip dormitory and dining facilities on the campus of The University of Texas, and to provide funds therefor by issuance of its negotiable revenue bonds; and

WHEREAS, it is deemed by the Board to be desirable, appropriate, necessary and for the good of The University of Texas to issue its negotiable revenue bonds for the purpose of providing the funds to construct and equip dormitory and dining facilities for approximately 3,000 students on the campus of The University of Texas; and

WHEREAS, the Board has approved the total cost, capacity, type and plans and specifications of such dormitory and dining facilities.

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

1. That the total cost, capacity, type and plans and specifications of the construction and equipment of the proposed dormitory and dining facilities are hereby approved by the Board.

2. That for the purpose of providing the funds for the construction and equipment of dormitory and dining facilities for approximately 3,000 students on the campus of The University of Texas there shall be issued the negotiable bonds of the Board of Regents of The University of Texas in the aggregate principal amount of Sixteen Million Five Hundred Thousand (\$16,500,000.00) Dollars, which shall be entitled "Board of Regents of The University of Texas Housing System Revenue Bonds, Series 1967," and said bonds shall be and are hereby issued for the same purpose, secured and payable in the same manner, and are of like tenor and effect except as to serial number, maturity, interest rate and right of prior redemption.

3. That said bonds shall be dated January 1, 1967, shall be numbered consecutively from One (1) to Three Thousand Three Hundred (3,300), both inclusive, shall be in the denomination of \$5,000 each, and shall mature serially on May 1 of each of the years and in the amounts, respectively, as follows:

<u>YEARS</u>	<u>AMOUNTS</u>	<u>YEARS</u>	<u>AMOUNTS</u>	<u>YEARS</u>	<u>AMOUNTS</u>
1971	\$190,000	1983	\$315,000	1996	\$540,000
1972	200,000	1984	330,000	1997	565,000
1973	210,000	1985	340,000	1998	590,000
1974	220,000	1986	355,000	1999	615,000
1975	225,000	1987	370,000	2000	640,000
1976	235,000	1988	390,000	2001	665,000
1977	245,000	1989	405,000	2002	695,000
1978	255,000	1990	420,000	2003	725,000
1979	265,000	1991	440,000	2004	755,000
1980	280,000	1992	460,000	2005	790,000
1981	290,000	1993	480,000	2006	820,000
1982	300,000	1994	500,000	2007	860,000
		1995	520,000		

4. That as to said bonds scheduled to mature on or after May 1, 1978, the Board of Regents reserves the right and option to redeem such bonds prior to their scheduled maturities, in whole or in part on May 1, 1977 and on any interest payment date thereafter at par and accrued interest to date of redemption plus the following premiums on the principal amount redeemed, to-wit:

3% if redeemed on or before May 1, 1981;

2% if redeemed thereafter and on or before
May 1, 1986;

1% if redeemed thereafter and on or before
May 1, 1991,

and at par and accrued interest to date of redemption if redeemed thereafter. Notice of redemption is to be published in a financial publication published in the English language in the City of New York, New York, or in the City of Austin, Texas, at least once, not less than thirty (30) days before the date fixed for such payment, and thirty (30) days' notice in writing is to be given to the Banks of Payment before the date so fixed for such redemption. Prior to the date fixed for redemption, funds shall be placed in the Banks of Payment sufficient to pay the bonds called, the accrued interest and the premium thereon. Upon the happening of the above conditions said bonds thus called shall not thereafter bear interest.

5. That said bonds shall bear interest from date at the following rates:

all bonds scheduled to mature during the

years 1971 through 1978 ----- 5.00% per annum;

all bonds scheduled to mature during the
years 1979 through 1980 ----- 4.40% per annum;
all bonds scheduled to mature during the
years 1981 through 1983 ----- 4½% per annum;
all bonds scheduled to mature during the
years 1984 through 1989 ----- 4.00% per annum;
all bonds scheduled to mature during the
years 1990 through 1999 ----- 4.10% per annum;
all bonds scheduled to mature during the
years 2000 through 2007 ----- 4.15% per annum;
with said interest to be evidenced by interest coupons payable on
November 1, 1967, and semi-annually thereafter on each May 1 and
November 1.

6. That the principal of and interest on said bonds shall be payable to bearer, in lawful money of the United States of America, without exchange or collection charges to the bearer, upon presentation and surrender of proper bond or coupon at El Paso National Bank, El Paso, Texas, or, at the option of the holder at Bankers Trust Company, New York, New York, or, at Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, which places shall be the "Banks of Payment" for said bonds.

7. That no one of said bonds shall be entitled to priority over any other bond of this issue in the application of the revenues hereinafter pledged to the payment of principal of and interest on the bonds, except as to maturity date and right of prior redemption as provided in this resolution, regardless of the fact that some of the bonds may be delivered

prior to the delivery of other bonds of the issue, it being the intent of this resolution that all bonds of this issue shall rank equally.

8. That each of said bonds and interest coupons shall be signed by the imprinted or lithographed facsimile signature of the Chairman of the Board of Regents and countersigned by the imprinted or lithographed facsimile signature of the Secretary of the Board of Regents, and the official seal of said Board shall be impressed, or printed, or lithographed on each of said bonds.

9. That the form of said bonds, including the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be printed and endorsed on each bond, and the form of interest coupons to be attached to said bonds, shall be, respectively, substantially as follows:

NO. _____ \$5,000

UNITED STATES OF AMERICA
STATE OF TEXAS
BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS
HOUSING SYSTEM REVENUE
BOND
SERIES 1967

For value received the Board of Regents of The University of Texas hereby acknowledges itself indebted to and promises to pay to the bearer, on the 1st day of May, 19__, the sum of

FIVE THOUSAND DOLLARS

and to pay interest thereon from the date hereof at the rate of _____ (____%) per cent per annum, payable

November 1, 1967, and semi-annually thereafter on May 1 and November 1 of each year until said principal sum is paid, but until the maturity hereof only upon presentation and surrender of the interest coupons hereto appertaining as they severally become due. Both the principal of and the interest on this bond shall be payable to the bearer in lawful money of the United States of America, without exchange or collection charges to the bearer, at El Paso National Bank, El Paso, Texas, or, at the option of the holder, at Bankers Trust Company, New York, New York, or, at Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois.

This bond is one of a duly authorized series of bonds of like tenor and effect except as to serial number, rate of interest, maturity and right of prior redemption numbered One (1) to Three Thousand Three Hundred (3,300), both inclusive, in the denomination of Five Thousand (\$5,000.00) Dollars each, aggregating Sixteen Million Five Hundred Thousand (\$16,500,000.00) Dollars, issued pursuant to a resolution adopted by the Board of Regents for the purpose of providing the funds for the construction and equipment of dormitory and dining facilities for approximately 3,000 students on the campus of The University of Texas, in Austin, Travis County, Texas.

The bonds of this issue are issued under the laws of the State of Texas, and are equally and ratably secured by and are payable both as to principal and interest from (1) a first lien on and pledge of the gross revenues of the University Housing System and (2) a lien on and pledge of the gross revenues of the Encumbered Facilities, subject only to the prior liens securing the Encumbered Facilities Bonds. The University Housing System is defined in the resolution authorizing the bonds to

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be (a) existing dormitories known as Brackenridge Hall (capacity 149 men); Roberts Hall (capacity 153 men); Prather Hall (capacity 164 men); Littlefield Dormitory (capacity 166 women) and the dining facilities located therein; (b) existing separate dining facilities known as University Cafeteria (capacity 610); Chuck Wagon (capacity 485); Faculty-Staff Dining Room (capacity 185); (said University Cafeteria, Chuck Wagon, and Faculty-Staff Dining Room being sometimes collectively referred to as "University Commons"); and Law School Snack Bar (capacity 75); (c) the dormitory and dining facilities to be constructed and equipped with the proceeds of the series of bonds of which this is one; (d) any facilities at any time hereafter added to the University Housing System; (e) the Encumbered Facilities (certain existing dormitories and dining facilities) after they become a part of the University Housing System when the Encumbered Facilities Bonds (outstanding bond issues variously secured by revenues from the Encumbered Facilities) shall have been retired; and (f) all buildings, facilities and services of all the foregoing, together with all improvements, extensions and additions thereto and replacements thereof. This bond and the issue of which it is a part, and the interest thereon constitute special obligations of the Board and are payable solely from such revenues and do not constitute an indebtedness of the State of Texas, the Board or The University of Texas. The holder hereof and of the coupons attached hereto shall never have the right to demand payment of this bond or of such coupons out of any funds raised or to be raised by taxation.

The Board shall have the option of calling bonds maturing serially on or after May 1, 1978, for redemption.

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prior to maturity, in whole or in part, on May 1, 1977 and on any interest payment date thereafter at par and accrued interest to date of redemption plus the following premiums on the principal amount redeemed, to-wit: 3% if redeemed on or before May 1, 1981; 2% if redeemed thereafter and on or before May 1, 1986; 1% if redeemed thereafter and on or before May 1, 1991, and at par and accrued interest to date of redemption if redeemed thereafter. Notice of redemption is to be published in a financial publication published in the English language in the City of New York, New York, or in the City of Austin, Texas, at least once, not less than thirty (30) days before the date fixed for such payment, and thirty (30) days' notice in writing is to be given to the Banks of Payment before the date so fixed for such redemption. Prior to the date fixed for redemption, funds shall be placed in the Banks of Payment sufficient to pay the bonds called, the accrued interest and the premium thereon. Upon the happening of the above conditions said bonds thus called shall not thereafter bear interest.

This bond and the interest coupons attached hereto are and shall be negotiable instruments in accordance with the laws of the State of Texas, and shall be transferable by delivery.

It is hereby declared and represented in issuing this bond and the series of which it is a part that while any part of the principal or interest of said issue of bonds is outstanding and unpaid the Board of Regents of The University of Texas has covenanted and agreed to operate and maintain continuously the said University Housing System, the Encumbered Facilities, and the

facilities and services afforded thereby; to establish and continuously maintain charges and rates for the facilities and services of the University Housing System which together with available income from the Encumbered Facilities will be sufficient to pay the reasonable operation and maintenance expenses of said University Housing System, the principal of and interest on said series of bonds as each bond matures and as such interest falls due, and to establish and maintain an adequate reserve as is more fully provided in the resolution authorizing said bonds; and that it has established and will maintain in force such rules as shall be necessary to insure maximum use and occupancy of the dormitories included in the University Housing System.

The Board reserves the right to issue additional parity bonds under the terms and conditions stated in said resolution and said bonds may be made payable from the same source, secured in the same manner and placed on a parity with this bond.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuance of this bond and the series of which it 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 the laws of the State of Texas and the proceedings herein mentioned, that this series of revenue bonds does not exceed any constitutional or statutory limitation, and that provision has been made for the payment of principal of and interest on this bond and the series of which it is a part by an irrevocable pledge of the revenues specified herein.

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IN WITNESS WHEREOF, the Board of Regents of The University of Texas has caused the official seal of said Board to be impressed, printed or lithographed hereon and has caused this bond and the interest coupons attached hereto to be executed by the imprinted facsimile signatures of the Chairman of the Board and the Secretary of the Board, and this bond to be dated January 1, 1967.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS

By _____
Chairman

ATTEST:

Secretary

NO. _____ \$ _____

ON THE _____ DAY OF _____,

The Board of Regents of The University of Texas, unless the Bond to which this coupon is attached shall have been previously called for redemption and payment duly provided therefor, hereby promises to pay to the bearer out of the revenues specified in the Bond to which this coupon is attached the sum of _____ (\$ _____) Dollars at El Paso National Bank, El Paso, Texas, or, at the option of the holder at Bankers Trust Company, New York, New York, or, at Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, in lawful money of the United States of America, being the interest then due on Board of Regents of The University of Texas Housing System Revenue Bonds, Series 1967, bearing the number herein specified, dated January 1,

1967. The holder hereof shall never have the right to demand payment of this obligation out of funds raised or to be raised by taxation.

BOND NO. _____

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS

Secretary Chairman

OFFICE OF COMPTROLLER :
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 said Board of Regents of The University of Texas payable from the revenues 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

(SEAL)

10. Definitions. That throughout this resolution the following terms and expressions as, used herein shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

The term "Additional Bonds" shall mean the additional parity bonds herein permitted to be authorized.

The term "Board" or "Board of Regents" shall mean the Board of Regents of The University of Texas.

The term "Bonds" shall mean and refer to the "Board of Regents of The University of Texas Housing System Revenue Bonds, Series 1967," authorized by this resolution.

The term "Bondholder" shall mean any person or persons who shall be the holder of one or more of the Bonds.

The term "Current Expenses" when used with reference to any facility shall mean all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, cost of food served, properly allocated share of charges for insurance and all other expenses incident to the operation thereof, but shall exclude depreciation and all general administrative expenses (education and general) of the University, and payments into any funds or accounts mentioned in the bond resolution.

The term "Encumbered Facilities" shall mean and include the following facilities owned and operated by the University and located on its main campus: Blanton Hall (capacity 270 women) and the dining facilities contained therein; Simkins Hall (capacity 204 men); Moore Hall (capacity 321 men); Varsity Cafeteria (single seating capacity 350 (collectively referred to as the 1954 Facilities)); Kinsolving Dormitory (capacity 776 women) and the dining facilities contained therein; Andrews Dormitory (capacity 126 women) and the dining facilities contained therein; Carothers Dormitory (capacity 124 women (collectively referred to as the 1956 Facilities)); together with all improvements, extensions, and additions thereto and replacements thereof.

The term "Encumbered Facilities Bonds" shall mean and include the following presently outstanding issues of The University of Texas: the Series 1954 Bonds and the Series 1956 Bonds. The Net Revenues from Blanton Hall, Simkins Hall, Moore Hall and Varsity Cafeteria are pledged to the Series 1954 Bonds. The Net Revenues from Kinsolving Dormitory, Andrews Dormitory, and Carothers Dormitory are pledged to the Series 1956 Bonds.

The term "Gross Revenues" when used with reference to any facility or facilities, shall mean all of the revenues and income of every nature derived from the operation and ownership thereof.

The term "Net Revenues" when used with reference to any facility or facilities, shall mean all Gross Revenues derived therefrom after deduction of the Current Expenses thereof.

The term "Project" shall mean and include the housing and dining facilities for approximately 3,000 students to be constructed and equipped on the main campus of the University with the proceeds from the sale of the Bonds.

The expression "Proper Officers of the Board" as used in this resolution, unless the contrary is clearly shown, shall mean the administrative officials of the University designated by the Board to perform on behalf of the Board the duties specified herein.

The term "Series 1954 Bonds" shall mean "Board of Regents of the University of Texas Dormitory Revenue Bonds, Series 1954," dated September 1, 1954, and issued in the aggregate principal amount of \$3,402,000.

The term "Series 1956 Bonds" shall mean "Board of Regents of The University of Texas Dormitory Revenue Bonds, Series 1956,"

dated April 1, 1956, and issued in the aggregate principal amount of \$4,150,000.

The term "University" shall mean The University of Texas at Austin, Texas.

The term "University Housing System" shall mean and include the following facilities owned and operated by the University and located on its main campus:

(a) Existing dormitories known as Brackenridge Hall (capacity 149 men); Roberts Hall (capacity 153 men); Prather Hall (capacity 164 men); Littlefield Dormitory (capacity 166 women) and the dining facilities located therein;

(b) Existing separate dining facilities known as University Cafeteria (capacity 610); Chuck Wagon (capacity 485); Faculty-Staff Dining Room (capacity 185); (the University Cafeteria, Chuck Wagon and Faculty-Staff Dining Room being sometimes collectively referred to as the "University Commons"); and Law School Snack Bar (capacity 75);

(c) The Project;

(d) Any facilities at any time hereafter added to the University Housing System;

(e) The Encumbered Facilities after they become a part of the University Housing System when the Encumbered Facilities Bonds shall have been retired;

(f) All buildings, facilities and services of all of the foregoing, together with all improvements, extensions

and additions thereto and replacements thereof.

11. That the principal of and interest on the Bonds shall be paid and secured by (1) a first lien on and pledge of the Gross Revenues received from the ownership and operation of the University Housing System, and (2) a lien on and pledge of the Gross Revenues of the Encumbered Facilities, subject only to the prior liens and pledges securing the Encumbered Facilities Bonds, and said liens and pledges are hereby irrevocably created.

So long as any of the Bonds remains outstanding it is agreed that the Board will not issue any additional bonds of equal or superior dignity payable from the revenues herein pledged except in accordance with the terms of Section 16. In no event while any of the Bonds herein authorized is outstanding will the Board mortgage the University Housing System or any part thereof or dispose of any substantial part thereof, and pending the times the Encumbered Facilities become a part of the University Housing System, nor will the Board mortgage the Encumbered Facilities or dispose of any substantial part thereof, provided that the Board reserves the right to refund or refinance all or any part of the Encumbered Facilities Bonds in a manner that will not increase the debt service in any year or extend the terms thereof.

12. That there are hereby created and ordered to be established in a depository of the University by the Proper Officers of the Board the following special funds of the University of Texas:

(a) "Housing System Interest and Redemption Fund"
(hereinafter called the "Interest and Redemption Fund");

(b) "Housing System Reserve Fund" (hereinafter
called the "Reserve Fund");

and that there are hereby created and ordered to be established
as separate accounts on the books of the University by the Proper
Officers of the Board the following special funds of The University
of Texas:

(c) "University Housing System Gross Revenue Fund"
(hereinafter called the "Gross Revenue Fund");

(d) "Housing System Repair and Replacement Reserve
Account" (hereinafter called the "Repair Account");

(e) "Housing System Operation and Maintenance Fund"
(hereinafter called the "Operation and Maintenance Fund").

The moneys held in the said Funds shall be held for the benefit
of the holders of the Bonds and coupons thereto appertaining.

13. (a) That the Gross Revenues from the University
Housing System shall be deposited as received to the credit of
the Gross Revenue Fund.

(b) That it is hereby ordered that there be placed in the
Interest and Redemption Fund the accrued interest and premium, if any,
received upon delivery of the Bonds to the purchasers thereof,
and in addition thereto there is hereby appropriated from the
proceeds of the sale of the Bonds, \$900,000.00 which is hereby
ordered to be placed in the Interest and Sinking Fund concurrently
with the delivery of the Bonds to the said purchasers. Said
amounts together with sums to be transferred from the Project
Account shall be used to pay the interest that shall accrue on
the Bonds during the construction of the Project. That on or

before October 15, 1967, and on or before each April 15 and October 15 thereafter to and including October 15, 1969, the Proper Officers of the Board shall transfer from the Gross Revenue Fund and deposit in the Interest and Redemption Fund, an amount which together with other moneys in the Interest and Redemption Fund shall be sufficient to pay the interest coming due on the Bonds on the next succeeding interest payment date. That on or before November 15, 1969, and on or before the 15th day of each month thereafter to and including April 15, 1970, the Proper Officers of the Board shall transfer from the Gross Revenue Fund and deposit in the Interest and Redemption Fund, an amount equal to 1/6 of the interest coming due on the Bonds on the next succeeding interest payment date. Beginning on or before May 15, 1970, and on or before the 15th day of each month thereafter the Proper Officers of the Board shall transfer from the Gross Revenue Fund and deposit in the Interest and Redemption Fund, an amount equal to 1/6 of the interest coming due on the next succeeding interest payment date and 1/12 of the principal of the Bonds maturing on the next succeeding May 1.

(c) That until the Encumbered Facilities Bonds are no longer outstanding, it is intended that the Net Revenues from the Encumbered Facilities shall be deposited as received in the funds established by the resolutions authorizing such Encumbered Facilities Bonds, and shall be applied to the payment of the interest on and the principal of the Series 1954 Bonds and the Series 1956 Bonds and otherwise in accordance with the terms of such resolutions; that during the time that any of the Series 1954 Bonds is outstanding only such Net Revenues from the 1954 Facilities shall be paid into the Gross Revenue Fund established

by this Resolution as shall not be required to be otherwise employed by the resolution authorizing the Series 1954 Bonds; and that during the time that any of the Series 1956 Bonds is outstanding only such Net Revenues from the 1956 Facilities shall be paid into the Gross Revenue Fund established by this Resolution as shall not be required to be otherwise employed by the resolution authorizing the Series 1956 Bonds. That said available Net Revenues from the Encumbered Facilities shall be paid into the Gross Revenue Fund on or before the end of each fiscal year of the University. That on the date the Series 1954 Bonds are no longer outstanding the 1954 Facilities shall automatically become a part of the University Housing System, and commencing on such date all of the Gross Revenues from the 1954 Facilities shall be deposited as received into the Gross Revenue Fund established by this Resolution; and that on the date the Series 1956 Bonds are no longer outstanding the 1956 Facilities shall automatically become a part of the University Housing System, and commencing on such date all of the Gross Revenues from the 1956 Facilities shall be deposited as received into the Gross Revenue Fund established by this Resolution.

(d) That on or before November 15, 1970, and on or before the 15th day of each month thereafter, the Proper Officers of the Board shall transfer from the Gross Revenue Fund and deposit in the Reserve Fund a sum of not less than \$15,000.00. Such transfers and deposits shall continue until the amount in the Reserve Fund is no less than \$900,000.00. If the Reserve Fund shall be depleted to an amount less than \$900,000.00 in

cash or investments at market value, the Board shall promptly restore to the Reserve Fund such deficiency from the first available funds and such transfers shall be resumed until such sum is restored. The moneys in the Reserve Fund shall be used from time to time to pay the principal of or interest due on the Bonds should the money in the Interest and Redemption Fund be insufficient. The funds and investments thus accumulated in the Reserve Fund shall be used in retiring the last of the Bonds outstanding.

(e) That on or before the 15th day of first month after the Reserve Fund has therein no less than \$900,000.00, and on or before the 15th day of each month thereafter, the Proper Officers of the Board shall transfer from the Gross Revenue Fund and deposit in the Repair Account a sum of not less than \$7,500.00. Such transfers and deposits shall continue until the amount in the Repair Account is no less than \$900,000.00. If the Repair Account shall be depleted to an amount less than \$900,000.00 in cash or investments at market value, the Board shall promptly restore to the Repair Account such deficiency from the first available funds and such transfers shall be resumed until such sum is restored. The moneys and the investments in the Repair Account are for the primary purpose and may be used for paying the cost of unusual or extraordinary maintenance or repairs, renewals and replacements in connection with the University Housing System. However, the moneys and the investments in the Repair Account shall be used from time to time to pay the principal of or interest due on the Bonds should the funds in the Interest and Redemption Fund and the Reserve Fund be insufficient, and together with the moneys and investments in

the Reserve Fund shall be used in retiring the last of the Bonds outstanding.

(f) That if on any occasion there shall not be sufficient money in the Gross Revenue Fund to make the required deposits into the Interest and Redemption Fund, the Reserve Fund or the Repair Account, then such deficiency shall be made up as soon as possible from the next available moneys in the Gross Revenue Fund, or from other sources lawfully available to the University.

(g) That after each transfer of the required amounts from the Gross Revenue Fund to the credit of any one or more of the Interest and Redemption Fund, the Reserve Fund, or the Repair Account, the Proper Officers of the Board shall cause the balance in said Gross Revenue Fund to be deposited to the credit of the Operation and Maintenance Fund. In addition to the deposits required in this subsection (g) to be made to the Operation and Maintenance Fund, during the construction of the Project the Proper Officers of the Board may make transfers of moneys from the Gross Revenue Fund to the Operation and Maintenance Fund that may be needed to pay the Current Expenses of the existing facilities, excluding the Encumbered Facilities, which are included in the University Housing System. Said Operation and Maintenance Fund shall be used for paying the Current Expenses of the University Housing System. It is specifically provided, however, that the deposits required to be made into the Interest and Redemption Fund, the Reserve Fund and the Repair Account shall have priority over those to be made into the Operation and Maintenance Fund, and no deposit shall ever be made into the Operation and Maintenance

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Fund unless the Interest and Redemption Fund, the Reserve Fund and the Repair Account contain the total amounts then required to be on deposit therein.

(h) All money in the Operation and Maintenance Fund in excess of that required to pay the Current Expenses of the University Building System may be used by the Board for any lawful purpose.

14. On or before the 15th day of October, 1967, and on or before the 15th day of each April and of each October thereafter while any of the Bonds, or coupons thereon, is outstanding and unpaid, there shall be made available to the Banks of Payment, out of the Interest and Redemption Fund, money sufficient to pay such interest on and such principal of the Bonds, as will accrue or mature on the May 1 or November 1 immediately following.

15. (a) That moneys in all Funds created by this resolution, to the extent not invested, shall be secured in the manner prescribed by law for the securing of funds of The University of Texas in principal amounts at all times not less than the amounts of money respectively credited to such Funds.

(b) That whenever the total sum in the Interest and Redemption Fund and Reserve Fund shall be equivalent to (1) the aggregate principal amount of Bonds and Additional Bonds then outstanding, plus (2) the aggregate amount of all unpaid coupons thereto appertaining, unmatured and matured, no further payments need be made into the Interest and Redemption Fund or Reserve

Fund. In determining the amount of Bonds and Additional Bonds outstanding, there shall be subtracted the amount of Bonds which shall have been duly called for redemption and for which funds shall have been deposited in the Banks of Payment sufficient for such redemption.

(c) Moneys in the Interest and Redemption Fund, Reserve Fund and the Repair Account may, upon order of the Proper Officers of the Board, be invested in direct obligations of the United States Government, or obligations unconditionally guaranteed by the United States Government. Such obligations shall be held subject to the same lien as the moneys with which they were purchased. All interest accruing on any such obligations shall be placed immediately into the Fund or Account containing such obligations. Such obligations shall be sold when necessary or when so ordered by the Board, and the Board shall in all events order such sale of obligations purchased when necessary to prevent any default in connection with the Bonds. All moneys collected on such sales or at maturity shall be deposited in the Fund or Account containing such obligations. If a loss be incurred on any sale, the Board covenants to deposit immediately into the appropriate Fund or Account moneys available therefor sufficient to offset such loss.

16. (a) The Board reserves and shall have the right and power to issue in one or more series "Additional Bonds" for purposes permitted by law, which Additional Bonds, when issued, shall be secured by and payable from liens on and pledges of

the revenues herein pledged in the same manner and to the same extent as the Bonds and any other then outstanding Additional Bonds, if any; and the Additional Bonds permitted by this Section 16, when issued, shall be payable from the Interest and Redemption Fund and shall be in all respects of equal dignity and on a parity with the Bonds and any other then outstanding Additional Bonds, if any. Each resolution authorizing such Additional Bonds shall prescribe appropriate additional or larger payments to be made from the Gross Revenue Fund into the Interest and Redemption Fund, Reserve Fund and Repair Account. It shall provide that there shall be accumulated in the Reserve Fund within seven years the amount equivalent to the average annual principal and interest requirements on all parity revenue bonds outstanding after the additional parity bonds proposed to be issued are issued. It is specifically provided, however, that the Additional Bonds permitted by this Section 16 shall not be authorized or issued unless:

(1) The improvements and/or additions constructed, acquired (including the addition of existing facilities pursuant to subsection (b) of this Section 16) or equipped through the issuance of Additional Bonds shall be made a part of the University Housing System, and their revenues or fees charged for the use thereof shall be pledged as additional security for all outstanding Bonds issued pursuant to this resolution and Additional Bonds issued pursuant to this Section.

(2) The Board is not in default as to any covenant, condition or obligation set forth herein, and the Senior Financial Officer of the University signs a written certificate, approved by the signatures of the Chancellor of the

University and the Chairman of the Board, to such effect.

(3) The Interest and Redemption Fund, the Reserve Fund and the Repair Account contain the amounts of money then required by the terms hereof to be deposited therein.

(4) The State Auditor of Texas certifies or a certified public accountant who may or may not be regularly employed by the Board signs a written certificate to the effect that for the fiscal year or twelve months period next preceding the adoption of the resolution authorizing the issuance of such Additional Bonds the Net Revenues from the University Housing System together with other pledged revenues were at least equal to 1.25 times the average annual requirements for the payment of principal and interest on all outstanding Bonds and all outstanding Additional Bonds.

(5) The estimated annual Net Revenues from the improvements and/or additions constructed, acquired, or equipped from the proceeds of such Additional Bonds, when added to the estimated future Net Revenues of the University Housing System and other pledged revenues, shall equal each year at least 1.25 times the average annual requirements for principal and interest on all Bonds and Additional Bonds then outstanding and on the Additional Bonds to be so issued. Such estimate shall be made by the senior financial officer of the University and approved by the Chancellor of the University and the Chairman of the Board of Regents.

(6) The resolution authorizing such Additional Bonds shall provide for an identical flow of funds as heretofore prescribed, with payments of principal of the Additional Bonds on May 1, of the appropriate years and interest payments thereon on May 1 and November 1 of each year.

(b) In the event refunding bonds are issued as additional bonds hereunder, paragraphs(4) and (5) shall not apply, and so much of the existing facilities, the income or fees from which are pledged to the bonds to be refunded, shall be added to the University Housing System that shall have earned Net Revenues during the fiscal year or 12 months next preceding such refunding equal to, and the estimated future annual Net Revenues therefrom shall be each year no less than 1.25 times the average annual requirements for principal and interest on the Additional Bonds to be issued as refunding bonds. Such historical earnings shall be certified by the State Auditor or Certified Public Accountant, and such estimates shall be made by the Senior Financial Officer of the University and approved by the Chancellor of the University and the Chairman of the Board of Regents.

17. That it is hereby covenanted and agreed by the Board of Regents that while any part of the principal or interest of said issue of Bonds is outstanding and unpaid:

(a) It will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this resolution and in each and every Bond executed and delivered hereunder, that it will promptly pay or cause to be paid from the revenues herein pledged the principal of and interest on every Bond issued hereunder, on the dates

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and at the places and manner prescribed in such Bond, and that it will, at the times and in the manner prescribed herein, deposit or cause to be deposited, from the revenues pledged, the amounts of money specified herein. All bonds and coupons, when paid, shall be totally destroyed by the Banks of Payment and a certificate or certificates to such effect shall be furnished the Board by the Banks of Payment.

(b) It is duly authorized under the laws of the State of Texas to create and issue the Bonds; that all action on its part for the creation and issuance of the Bonds has been duly, lawfully and effectively taken, and that the Bonds in the hands of the holders and owners thereof will be valid and enforceable special obligations of the Board in accordance with their terms and the terms of this resolution.

(c) It lawfully owns and is lawfully possessed of the land upon which the University Housing System is located and it has a good and indefeasible estate in such land in fee simple; it warrants that it has, and will defend, the title to the said land and every part thereof and improvements thereon, for the benefit of the holders and owners of the Bonds against the claims and demands of all persons whomsoever; that the Project will be constructed in accordance with the plans herein approved and adopted; it is lawfully qualified to pledge the revenues herein pledged in the manner prescribed herein, and has lawfully exercised such right.

(d) It will from time to time, and before the same become delinquent, pay and discharge all taxes, assessments and

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governmental charges, if any, which shall be lawfully imposed upon it, or upon the University Housing System, that it will pay all lawful claims for rents, royalties, labor, materials and supplies which, if unpaid, might by law become a lien or charge upon said structures, or any part of them, the lien of which would be prior to or interfere with the lien hereof, so that the priority of the lien granted hereunder shall be fully preserved in the manner provided herein, and that it will not create or suffer to be created any mechanic's, laborer's, materialman's or other lien or charge which might or could be prior to the lien hereof, or do or suffer any matter or thing whereby the lien hereof might or could be impaired; provided, however, that no such tax, assessment or charge, and that no such claim which might be used as the basis of a mechanic's, laborer's, materialman's or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the Board.

(e) It will not do or suffer any act or thing whereby the University Housing System, or any part thereof, might or could be impaired, and that it will at all times maintain, preserve and keep the real and tangible property of said facilities and every part thereof in good condition, repair and working order and maintain, preserve and keep all structures and equipment pertaining thereto and every part and parcel thereof in good condition, repair and working order.

(f) That it will continuously and efficiently operate and maintain in good condition and at a reasonable cost the University Housing System and the Encumbered Facilities and the facilities and services offered by same.

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(g) That it will establish and continuously maintain charges and rates for the facilities and services of the University Housing System which together with available income from the Encumbered Facilities will be sufficient to pay all Current Expenses of the University Housing System, to pay the principal of and interest on the Bonds as such principal and interest mature, and to establish and maintain the Reserve Fund and the Repair Account, as specified in Section 13 and the said charges and rates shall be revised from time to time in order that the proceeds thereof will be fully sufficient to furnish funds for said purposes.

(h) That it will establish and maintain in force such parietal rules and regulations as shall be necessary to insure, as nearly as possible, maximum use and occupancy of the University Housing System and the Encumbered Facilities.

(i) (1) That with respect to the University Housing System, the Board shall procure boiler explosion insurance on all steam boilers servicing said buildings in an amount not less than \$50,000 against loss suffered by reason of a boiler explosion, and the Board shall also procure fire and extended coverage insurance on such buildings and the contents thereof. The foregoing boiler explosion and fire and extended coverage insurance shall be maintained so long as any of the Bonds is outstanding and such fire and extended coverage insurance shall be in amounts at least sufficient to provide for full recovery on each building and the contents thereof whenever a loss from perils insured against does not exceed eighty per cent (80%) of the full insurable value thereof. In lieu of providing fire and extended coverage insurance as outlined above, the Board may elect to provide such insurance under its System-Wide Fire and

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Extended Coverage Insurance policy, subject to a deductible provision which is reasonable in amount, provided, the Board has theretofore appropriated funds to cover such deductible amount, and has established and will maintain an account for such purpose and in such amount.

(2) Upon the happening of any loss or damage covered by any such policies from one or more of the causes to which reference is made in this Section, the Board shall make due proof of loss and shall do all things necessary or desirable to cause the insuring companies to make payment in full directly to the Board.

(3) The proceeds of insurance, covering such property, shall be used forthwith by the Board for the purpose of repairing the property damaged or replacing the property destroyed, and any insurance proceeds remaining upon the completion of such repair or replacement shall be deposited in the Interest and Redemption Fund.

(4) If the funds received from said insurance policies on account of any loss shall be insufficient to make the building or buildings suffering such loss tenantable or usable, then the Board shall hold said funds for the benefit of the holders of the outstanding Bonds and coupons, as their respective interests may appear.

(j) The Board shall procure and maintain use and occupancy insurance on the University Housing System in an amount sufficient to enable the Board to deposit in the Interest and Redemption Fund, out of the proceeds of such insurance, an amount equal to the sum that normally would have been available for deposit in the Interest and Redemption Fund from said facilities during the time they are wholly or partially non-revenue-producing, as a result of loss of use or occupancy caused by the perils covered

by fire and extended coverage insurance.

(k) That it will, on or before January 1 of each year, file with the original purchaser or purchasers of the Bonds a certificate signed and verified by an officer of the University stating that the Board has complied with the requirements of this Section 17 with respect to the maintenance of insurance, together with the name of each insurance company, the effective dates and numbers of each insurance policy concerned.

(l) That the Bonds shall not constitute an indebtedness of the State of Texas, the Board or The University of Texas such as is prohibited under the statutes authorizing their issuance; but shall be secured by an irrevocable pledge of the revenues as provided in this resolution.

(m) That it shall cause to be kept proper books, records and accounts (separate and apart from all other records and accounts) in which complete and correct entries shall be made of all transactions relating to the University Housing System and the facilities and services afforded therein; and that the Board shall furnish to any holder of any of the Bonds, at written request of such holder, not less than ninety (90) days after the close of each fiscal year, complete operating and income statements of the University Housing System in reasonable detail covering such period, and not less than one hundred twenty (120) days after the close of each fiscal year, the same certified by the Senior Financial Officer.

(n) That any holder or holders of twenty-five (25%) per centum in aggregate amount of the Bonds at the time then outstanding, shall have the right at all reasonable times to

inspect the University Housing System and all records, accounts and data of the Board relating thereto.

18. That there shall be created in a depository of the University a special construction account which shall be entitled "Project Account" (hereinafter called the "Project Account"), into which shall be deposited concurrently with the delivery of the Bonds to the purchaser (1) the proceeds from the sale of the Bonds, less the amount of accrued interest and premium, if any, received on the sale of such Bonds and the amount appropriated therefrom pursuant to Section 13 which shall be deposited in the Interest and Redemption Fund, and (2) \$2,250,000.00 of lawfully available funds which is hereby appropriated for such purpose. The moneys in the Project Account shall be invested in Certificates of Deposit or direct obligations of the United States Government or obligations unconditionally guaranteed by the United States Government in a principal amount at all times not less than substantially all of the money on deposit in the Project Account. All interest accruing on such investments shall be deposited as received into the Interest and Redemption Fund. The money in the Project Account shall be paid out from time to time for all costs of the construction and equipment of the Project and the proposed Academic Building, upon vouchers approved by one or more Proper Officers of the Board. Said Project and Academic Building shall be constructed in accordance with the construction contract executed February 23, 1967, by and between the Board of Regents of The University of Texas and Warrior Constructors Inc. of Houston. Payments on said construction contract shall be made on estimates approved by the associate architect named therein and charged with the supervision of such construction. After the completion of the improvements, any residue remaining in the Project Account shall be transferred to the Interest and Redemption Fund. The Proper Officers of the Board are directed to take all steps necessary to accomplish the transfer of such interest and residue to the Interest and Redemption Fund.

19. That after said Bonds shall have been executed, it shall be the duty of the Chairman of the Board or some officer of the Board acting under authority from him to deliver said Bonds to the Attorney General of Texas, for examination and approval by the Attorney General. After said Bonds shall have been approved by the Attorney General, they shall be delivered to the Comptroller of Public Accounts of the State of Texas for registration. Upon registration of the Bonds, the Comptroller of Public Accounts (or a deputy designated in writing to act for the Comptroller) shall manually sign the Comptroller's certificate of registration prescribed herein to be printed on the back of each Bond, and the seal of said Comptroller shall be affixed to each of said Bonds.

20. That said Bonds are hereby sold and shall be delivered to a syndicate headed by Halsey, Stuart & Co., Inc., for the principal amount thereof and accrued interest to the date of delivery, plus a premium of \$ -0-.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS HOUSING SYSTEM REVENUE BONDS, SERIES 1967, \$16,500,000: RESOLUTION TO ESTABLISH AND ENFORCE PARIETAL RULES AND REGULATIONS
 ---Concurrently with the adoption of the resolution authorizing the Board of Regents of The University of Texas Housing System Revenue Bonds, Series 1967, in the amount of \$16,500,000, a resolution establishing and enforcing parietal rules and regulations was duly introduced for the consideration of said Board and read in full. It was then moved by Regent Brenan and seconded by Vice-Chairman Josey that said resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of said resolution, unanimously prevailed and carried by the following vote:

AYES:	Chairman Erwin	NOES:	None.
	Vice-Chairman Josey		
	Regent Brenan		
	Regent Connally		
	Regent Heath		

The resolution as adopted is on Pages 34 - 37.

RESOLUTION

BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS COVENANTING TO ESTABLISH AND ENFORCE SUCH PARIETAL RULES AND REGULATIONS AS WILL ASSURE MAXIMUM OCCUPANCY AND USE OF THE FACILITIES AND SERVICES TO BE AFFORDED BY CERTAIN DORMITORIES AND DINING FACILITIES, THE REVENUES OF WHICH ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS HOUSING SYSTEM REVENUE BONDS, SERIES 1967.

WHEREAS, concurrently with the adoption of this resolution the Board of Regents of The University of Texas (hereinafter sometimes called the "Board") has authorized the issuance of \$16,500,000.00 of Board of Regents of The University of Texas Housing System Revenue Bonds, Series 1967 (hereinafter sometimes called the "Bonds"), for the purpose of providing the funds for the construction of dormitory and dining facilities for approximately 3,000 students on the campus of the University of Texas (hereinafter called the "Project") and has pledged the gross revenues derived from the ownership and operation of the University Housing System (hereinafter defined) to the payment of the principal of and the interest on the Bonds; and

WHEREAS, the resolution authorizing the Bonds provides for the following definition, to-wit:

The term "University Housing System" shall mean and include the following facilities owned and operated by the University and located on its main campus:

- (a) Existing dormitories known as Brackenridge Hall (capacity 149 men); Roberts Hall (capacity 153 men); Prather Hall (capacity 164 men); Littlefield Dormitory (capacity 166 women) and the dining facilities located therein;

(b) Existing separate dining facilities known as University Cafeteria (capacity 610); Chuck Wagon (capacity 485); Faculty-Staff Dining Room (capacity 185); (University Cafeteria, Chuck Wagon, and Faculty-Staff Dining Room are sometimes collectively referred to as "University Commons"); and Law School Snack Bar (capacity 75);

(c) The Project;

(d) Any facilities at any time hereafter added to the University Housing System;

(e) The Encumbered Facilities (certain existing dormitories and dining facilities) after they become a part of the University Housing System when the Encumbered Facilities Bonds (outstanding bond issues variously secured by revenues from the Encumbered Facilities) shall have been retired;

(f) All buildings, facilities and services of all of the foregoing, together with all improvements, extensions and additions thereto and replacements thereof; and

WHEREAS, the Board has covenanted with the prospective holders of the aforesaid Bonds that it will at all times while the Bonds are outstanding, establish and maintain such parietal rules for the University Housing System, the gross revenues of which are pledged to the payment of the Bonds, as are necessary to assure maximum occupancy and use of same;

WHEREAS, the Board is authorized to enter into an agreement relating to the maintenance of a maximum percentage of occupancy and use of the facilities whose gross revenues are pledged to the payment of principal of and interest on Bonds of said Board:

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

1. That this Board hereby establishes and covenants to enforce so long as any of the Bonds is outstanding or unpaid parietal rules and regulations that will assure maximum occupancy and use of the University Housing System, and the facilities and services afforded by same.

2. That in the event more space or facilities should become available for dormitory purposes than are required by students applying for such space or facilities, the officers of The University of Texas are hereby directed to give preference and priority to the use of the University Housing System, resulting to the extent practicable in the occupancy and use of all the space and services of said buildings, even if such preference results in the non-use of all or a part of other space or facilities available at The University of Texas suitable or usable for dormitory purposes.

3. That to the extent that any surplus space or facilities shall ever become available in the University Housing System, while any of the Bonds remains outstanding and unpaid, it shall be the duty of the officers of The University of Texas to enforce a rule requiring occupancy and use, to the extent practicable, of the University Housing System by students attending The University of Texas, and this provision shall be considered as a rule for guidance of said officers.

4. That the officers of The University of Texas are hereby directed to utilize and to cause the utilization of the University Housing System in such manner as it will yield the maximum revenues of which it is reasonably capable, to the end

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that the Bonds may be adequately serviced.

5. That such rules shall be amended from time to time as the conditions arise so as to meet changing conditions, better to assure the fulfillment of this pledge.

6. Notwithstanding the foregoing provisions of this resolution, it is specifically provided that the parietal rules herein set forth shall be subordinate to all valid parietal rules heretofore adopted by the Board in connection with the issuance of any revenue bonds or notes of the Board insofar as there may be any conflict.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS HOUSING SYSTEM REVENUE BONDS, SERIES 1967, \$16,500,000: RESOLUTION FIXING ROOM RENTAL RATES AND ROOM AND BOARD RATES FOR DORMITORIES OF THE UNIVERSITY HOUSING SYSTEM.--Also concurrent with the adoption of the resolution authorizing Board of Regents of The University of Texas Housing System Revenue Bonds, Series 1967, in the amount of \$16,500,000, a resolution fixing room rental rates and room and board rates for the dormitories of the University Housing System was duly introduced for the consideration of said Board and read in full. It was then duly moved by Regent Brennan and seconded by Vice-Chairman Josey that said resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of said resolution, unanimously prevailed and carried by the following vote:

AYES: Chairman Erwin
 Vice-Chairman Josey
 Regent Brennan
 Regent Connally
 Regent Heath

NOES: None.

The resolution as adopted is on Pages 38 - 41.

RESOLUTION

BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS FIXING ROOM RENTAL RATES AND ROOM AND BOARD RATES FOR THE DORMITORIES OF THE UNIVERSITY HOUSING SYSTEM, THE REVENUES OF WHICH ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS HOUSING SYSTEM REVENUE BONDS, SERIES 1967.

WHEREAS, concurrently with the adoption of this resolution the Board of Regents of The University of Texas (hereinafter called the "Board") has authorized the issuance of \$16,500,000.00 of Board of Regents of The University of Texas Housing System Revenue Bonds, Series 1967 (hereinafter sometimes called the "Bonds") for the purpose of providing the funds for the construction of dormitory and dining facilities for approximately 3,000 students on the campus of the University of Texas (hereinafter defined as the "Project"); and

WHEREAS, the resolution authorizing the Bonds pledges to the payment of principal of and interest on the Bonds the gross revenues of the University Housing System of The University of Texas; and

WHEREAS, the resolution authorizing the Bonds provides for the following definitions, to-wit:

The term "Encumbered Facilities" shall mean and include the following facilities owned and operated by the University and located on its main campus: Blanton Hall (capacity 270 women) and the dining facilities contained therein; Simkins Hall (capacity 204 men); Moore Hall (capacity 321 men); Varsity Cafeteria (single seating capacity 350 (collectively

referred to as the 1954 Facilities)); Kinsolving Dormitory (capacity 776 women) and the dining facilities contained therein; Andrews Dormitory (capacity 126 women) and the dining facilities contained therein; Carothers Dormitory (capacity 124 women (collectively referred to as the 1956 Facilities)); together with all improvements, extensions and additions thereto and replacements thereof.

The term "Gross Revenues" when used with reference to any facility or facilities, shall mean all of the revenues and income of every nature derived from the operation and/or ownership thereof.

The term "Project" shall mean and include the housing and dining facilities for 3,000 students to be constructed on the main campus of the University with the proceeds of these Bonds.

The term "University Housing System" shall mean and include the following facilities owned and operated by the University and located on its main campus:

(a) Existing dormitories known as Brackenridge Hall (capacity 149 men); Roberts Hall (capacity 153 men); Prather Hall (capacity 164 men); Littlefield Dormitory (capacity 166 women) and the dining facilities located therein;

(b) Existing separate dining facilities known as University Cafeteria (capacity 610); Chuck Wagon (capacity 485); Faculty-Staff Dining Room (capacity 185); (University Cafeteria, Chuck Wagon and Faculty-Staff Dining Room are sometimes collectively referred to as "University Commons"); and Law School Snack Bar (capacity 75);

(c) The Project;

(d) Any facilities at any time hereafter added to the University Housing System;

(e) The Encumbered Facilities (certain existing dormitories and dining facilities) after they become a part of the University Housing System when the Encumbered Facilities Bonds (outstanding bond issues variously secured by revenues from the Encumbered Facilities) shall have been retired;

(f) All buildings, facilities and services of all of the foregoing, together with all improvements, extensions and additions thereto and replacements thereof;

and

WHEREAS, it is therefore proper that before the actual issuance and delivery of said Bonds that rates be fixed for the use of the dormitories of the University Housing System; NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE UNIVERSITY OF TEXAS:

1. That the following room rental rates and room and board rates for the use of the dormitories of the University Housing System, the Gross Revenues of which have been so pledged, is hereby found to be reasonable and are hereby established to be effective beginning with the Fall Semester of 1967, and shall remain in force and effect until changed by this Board in accordance with the covenants contained in the resolution authorizing the Bonds, to-wit:

<u>Dormitories</u>	<u>Room Rates Per Regular Semester</u>
Brackenridge	\$ 120.00
Roberts	120.00
Prather	120.00
Simkins	180.00
Moore	180.00
	<u>Room and Board Rates Per Regular Semester</u>
Littlefield	358.00
Blanton	418.00
Kinsolving	428.00
Andrews	358.00
Carothers	358.00
The Project	480.00/490.00

2. That the administrative officers of The University of Texas be and are hereby authorized, ordered and directed to do any and all things necessary and/or convenient to carry out and accomplish the purpose of this resolution.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS HOUSING SYSTEM REVENUE BONDS, SERIES 1967, \$16,500,000: DESIGNATION OF EL PASO NATIONAL BANK, EL PASO, TEXAS, AS PAYING AGENT AND BANKERS TRUST COMPANY OF NEW YORK, NEW YORK, AND CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, ILLINOIS AS CO-PAYING AGENTS.-- Upon the recommendation of the Executive Director of Investments, Trusts and Lands, and on motion of Regent Brenan, seconded by Vice-Chairman Josey, the El Paso National Bank, El Paso, Texas, was designated by unanimous vote as a Paying Agent for the Board of Regents of The University of Texas Housing System Revenue Bonds, Series 1967, in the amount of \$16,500,000, for a charge of 2 cents (2¢) per coupon and ten cents (10¢) per bond. By the same motion, Bankers Trust Company of New York, New York, and Continental Illinois National Bank and Trust Company of Chicago, Illinois were named as Co-paying Agents.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS HOUSING SYSTEM REVENUE BONDS, SERIES 1967, \$16,500,000: AWARD OF CONTRACT TO THE STECK COMPANY OF AUSTIN, TEXAS, FOR PRINTING OF BONDS.-- Upon the recommendation of the Executive Director, Investments, Trusts and Lands, Regent Brenan moved that the contract for printing the Board of Regents of The University of Texas Housing System Revenue Bonds, Series 1967, in the amount of \$16,500,000 be awarded to The Steck Company of Austin, Texas, for the sum of \$1,116, there being six coupon rates. The bonds will have lithographed borders. Vice-Chairman Josey seconded the motion which unanimously prevailed.

MAIN UNIVERSITY: AWARD OF CONTRACT TO WARRIOR CONSTRUCTORS, INC., OF HOUSTON, TEXAS, FOR THE DORMITORY - ACADEMIC COMPLEX.-- On January 28, 1967, the Board of Regents tentatively awarded a contract to the low bidder, Warrior Constructors, Inc., of Houston, Texas, for the Dormitory-Academic Complex in Austin, contingent upon the sale of the Texas Housing System Revenue Bonds, Series 1967. This contract was subject to the Administration and Architects reviewing in detail the deductive alternates and negotiating with the low bidder, Warrior Constructors, Inc., of Houston, Texas, on other probable reductions.

The Texas Housing System Revenue Bonds Series 1967 have been authorized and have been sold on even date. After reviewing in detail with the Architects the deductive alternates, the Administration has completed negotiations with the low bidder.

Vice-Chairman Josey moved that the recommendation of Main University Business Manager Colvin, Mr. V. E. Thompson, Vice-Chancellors Hackerman, Landrum, and Walker, and Chancellor Ransom that the award of the contract to Warrior Constructors, Inc., of Houston, Texas, in the amount of \$15,821,521 based on the following be in all things approved, ratified, and confirmed. Regent Brenan seconded this motion which prevailed by unanimous vote:

Base Bid	\$16,512,000.00
Deductive Alternates:	
1. Omit central bakery equipment (Alternate No. 1)	\$215,000.00
2. Omit removable partitions in dining room (Alternate No. 2)	24,000.00

3. Change dining room floor from carpet to vinyl asbestos (Alternate No. 3)	24,000.00
4. Change closet doors in student rooms (Alternate No. 5)	48,000.00
5. Omit Type B windows and change to Type A (Alternate No. 6)	35,000.00
6. Omit precast aggregate bands on low rise of dormitory (Alternate No. 8)	<u>36,000.00</u>
Total Deductive Alternates	<u>382,000.00</u>

Negotiated Deductions and Additions:

1. Delete the precast bands on Units M and W, including precast band under coping, but not including spandrel facing, deduct	58,300.00
2. Delete Type E precast units and substitute masonry, deduct	19,200.00
3. Change all precast to limestone, deduct	105,400.00
4. Add back horizontal bands in low rise units in limestone, add	29,600.00
5. Delete carpet in the small lounges in the dormitory, deduct	13,500.00
6. Substitute Amarlite doors in lieu of balanced doors, deduct	59,500.00
7. Substitute Fesco board insulation in lieu of Wethane, deduct	19,900.00
8. Modify stair rails in service areas, deduct	12,000.00
9. Change brand of food carriers from Lincoln to Serv-o-Lift, deduct	7,752.00
10. Substitute steam kettle assemblies, deduct	12,300.00
11. Ovens - change from stainless steel exterior to enamel finish, deduct	3,671.00
12. Omit scale, deduct	3,366.00
13. Change freezer shelf material from aluminum to stainless steel, add	5,710.00
14. Change air chambers from manufactured to job construction, deduct	19,000.00
15. Delete Dole flow control valves for lavatories, deduct	2,000.00
16. Use standard fire hose cabinet in lieu of special, deduct	2,700.00
17. Delete requirement for high pressure valves, deduct	2,800.00
18. Use Weld-o-Lets in lieu of weld tees for branches two sizes smaller than mains, deduct	<u>2,400.00</u>
Total Negotiated Deductions	<u>308,479.00</u>

Total Deductions

690,479.00

Recommended Contract Award

\$15,821,521.00

Chairman Erwin was authorized to execute the contract when it has been approved as to subject matter by Mr. Thompson, Director of Office of Facilities Planning and Construction, and as to form by University Attorney Waldrep.

MAIN UNIVERSITY: SOURCES OF FUNDS FOR FINANCING DORMITORY-ACADEMIC COMPLEX AND AUTHORIZATION TO REIMBURSE HOUSING AND FOOD SERVICE FOR THE PAYMENT OF ARCHITECTS' FEES. -- On motion of Regent Brenan, seconded by Regent Connally, the following recommendation of the Administration was unanimously adopted:

It is recommended that in order to cover the recommended Contract Award, Architects' Fees thereon, Interest During Construction, Movable Furniture and Equipment, and Miscellaneous Expenses, the sources of funds be approved as follows, with appropriation being made of all sources listed except the Title I Grant, for which application has been made and award is still pending.

Revenue Bond Issue	\$16,500,000.00
Permanent University Fund Bond Proceeds (already allocated)	1,250,000.00
Title I Grant	600,000.00
Balances Available in Reserves from Housing and Food Service Operation	<u>400,000.00</u>
Total	<u>\$18,750,000.00</u>

It is understood that the advances made from the Reserve from Housing and Food Service operations to cover Architects' Fees on this project will be repaid and that the Architects' Fees already appropriated from Permanent University Fund Bonds on the Academic portion of the project will be deducted from the amount to be appropriated from Permanent University Fund Bonds as shown above.

REPORT OF THE COMMITTEE OF THE WHOLE: STATEMENT RELATING TO FINANCING TEACHING HOSPITAL FOR SOUTH TEXAS MEDICAL SCHOOL. -- Chairman Erwin reported that the Committee of the Whole had authorized the following statement with respect to the problems relating to financing the teaching hospital for the South Texas Medical School:

The Board of Regents of The University of Texas has received no official communication from Bexar County representatives regarding their decision on financing the operation of the teaching hospital for the South Texas Medical School in San Antonio in spite of the passage of the February 20th date heretofore set.

2-23-67

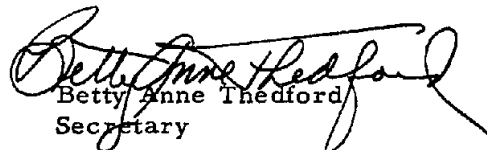
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The Board of Regents has made no final decision in the matter. If, as, and when Bexar County reaches a decision as to whether and how it will finance the operation of the teaching hospital necessary for the Medical School we will undoubtedly be formally advised.

When the Board of Regents makes a decision concerning the future of the South Texas Medical School it will issue a further statement.

Adoption of Report. -- The foregoing report of the Committee of the Whole was unanimously adopted upon motion of Regent Heath, seconded by Regent Brenan.

ADJOURNMENT. -- The Board adjourned at 3:25 p. m.


Betty Anne Thedford
Secretary

February 24, 1967