

Meeting No. 662

THE MINUTES OF THE BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

June 25, 1968

Austin, Texas

6-25-68

MEETING NO. 662

A JOINT MEETING OF THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM AND THE BOARD OF DIRECTORS OF THE TEXAS A & M UNIVERSITY SYSTEM, TUESDAY, JUNE 25, 1968. --The Board of Regents of The University of Texas System met with the Board of Directors of The Texas A & M University System in the Barcelona Room of the Crest Inn, Austin, Texas at 2:00 p.m. on Tuesday, June 25, 1968. The purpose of the joint meeting was for the Board of Regents to authorize issuance and to award sale of the Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1968, in the amount of \$15,000,000, and for the Board of Directors to authorize issuance and to award sale of the Board of Directors of The Texas A & M University System Permanent University Fund Bonds, New Series 1968, in the amount of \$5,000,000.

With Director S. B. Whittenburg presiding, the invocation was offered by Doctor W. O. Trogdon, President of The Tarleton State College of The Texas A & M University System. Mr. Whittenburg introduced the members of the Board of Directors of The Texas A & M University System and called on Chairman Erwin in turn to introduce the members of the Board of Regents.

(These minutes reflect only the proceedings of the meeting of the Board of Regents of The University of Texas System.)

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ATTENDANCE. --

<u>Present</u>	<u>Absent</u>
Chairman Erwin, Presiding	Regent Bauer--Excused
Vice-Chairman Josey	Regent Ikard--Excused
Regent (Mrs.) Johnson	Regent Olan--Excused
Regent Kilgore	Regent Ximenes--Excused
Regent Peace	Chancellor Ransom--Excused
Secretary Thedford	

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RESOLUTION AUTHORIZING ISSUANCE OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1968, IN THE AMOUNT OF \$15,000,000 AND AWARDING SALE TO DREXEL HARRIMAN RIPLEY, INC. AND ASSOCIATES. -- The following resolution as prepared by the Bond Counsel authorizing issuance of Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1968, in the amount of \$15,000,000 and awarding sale (as recommended by the Executive Director of Investments, Trusts and Lands) to a syndicate headed by Drexel Harriman Ripley, Inc.; Blyth & Co., Inc.; Bear, Stearns & Co.; and Eastman Dillon, Union Securities & Co., Joint Managers and Associates, for the principal amount thereof and accrued interest to the date of delivery plus a premium of \$11,002.50 (Page 21), at rates of interest as set out in the following resolution on Page 9 was duly introduced for the consideration of said Board and read in full. It was moved by Vice-Chairman Josey and seconded by Regent Johnson that said resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of said resolution, prevailed and carried by the following vote:

AYES: All members of said Board shown as present.

NOES: None.

Chairman Erwin announced that the motion had duly and lawfully carried and that the resolution as set out on the following pages (3-21) had been duly and lawfully adopted.

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## RESOLUTION

BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM AUTHORIZING THE ISSUANCE OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1968, IN THE AMOUNT OF \$15,000,000.

WHEREAS, the Board of Regents of The University of Texas System (hereinafter sometimes called the "Board") heretofore has authorized, issued, and delivered that issue of Board of Regents of The University of Texas Permanent University Fund Refunding Bonds, Series 1958, dated July 1, 1958, said bonds having been authorized pursuant to the provisions of Section 18, Article VII of the Constitution of Texas; and

WHEREAS, said Refunding Bonds, Series 1958, are payable from and secured by a first lien on and pledge of the Interest of The University of Texas System in the income from the Permanent University Fund, in the manner and to the extent provided in the resolution authorizing said Refunding Bonds, Series 1958; and

WHEREAS, the resolution adopted on July 23, 1958, authorizing the issuance of said Refunding Bonds, Series 1958, reserved the right and power in the Board to issue, under certain conditions, Additional Parity Bonds and Notes for the purposes and to the extent provided in the Amendment to Section 18, Article VII of the Texas Constitution, adopted by vote of the people of Texas on November 6, 1956, said Additional Parity Bonds and Notes to be on a parity with the aforesaid Refunding Bonds, Series 1958, and equally and ratably secured by and payable from a first lien on and pledge

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of the Interest of The University of Texas System in the income from the Permanent University Fund, in the same manner and to the same extent as are said Refunding Bonds, Series 1958; and

WHEREAS, the Amendments to Section 18, Article VII of the Texas Constitution, adopted by vote of the people of Texas on November 6, 1956, and on November 8, 1966, provide that the Board 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 heretofore has authorized, issued, sold and delivered its Permanent University Fund Bonds, Series 1959, dated July 1, 1959, Series 1960, dated July 1, 1960, Series 1961, dated July 1, 1961, Series 1962, dated July 1, 1962, Series 1963, dated July 1, 1963, Series 1964, dated July 1, 1964, Series 1965, dated July 1, 1965, and Series 1966, dated July 1, 1966, as installments or issues of such Additional Parity Bonds; and

WHEREAS, the Board has deemed it necessary and advisable that no more of said Additional Parity Bonds shall be issued because of the excessively restrictive Permanent University Fund investment covenants made in connection with all of the aforesaid Permanent University Fund Bonds heretofore issued; and

WHEREAS, the Board is required by law to keep said investment covenants in full force and effect as to all of the aforesaid Permanent University Fund Bonds heretofore issued and to affirm

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the first lien on and pledge accruing to said outstanding Permanent University Fund Bonds heretofore issued on the Interest of The University of Texas System in the income from the Permanent University Fund; and

WHEREAS, pursuant to a resolution adopted on June 16, 1967, the Board authorized, issued, sold, and delivered an installment or issue of negotiable bonds designated as the Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1967, dated July 1, 1967 (hereinafter sometimes called the "New Series 1967 Bonds"), in the principal amount of \$14,000,000, payable from and secured by a lien on and pledge of the Interest of The University of Texas System in the Permanent University Fund, subject only and subordinate to the first lien on and pledge of said Interest heretofore created in connection with the aforesaid outstanding Permanent University Fund Bonds; and

WHEREAS, in said resolution adopted on June 16, 1967, the Board set forth the terms and conditions under which additional bonds may be issued to be on a parity with the aforesaid New Series 1967 subordinate lien bonds; and

WHEREAS, the Board has determined to authorize, issue, sell, and deliver an installment or issue of such subordinate lien parity bonds in the principal amount of \$15,000,000.

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

1. Throughout this resolution the following terms and expressions as used herein shall have the meanings set

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forth below:

The term "Permanent University Fund," "Permanent Fund," and "Fund" used interchangeably herein shall mean the Permanent University Fund as created by Article VII, Section 11 of the Constitution, further implemented by the provisions of Title 49, Chapter 1, of the Revised Civil Statutes of Texas, 1925, as amended and supplemented.

The expression "Interest of the University" in the Permanent University Fund shall mean all of the income to such 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 expenses of administering such Fund, excepting one-third of the income arising and accruing to The Texas A&M University 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 Forty-second Legislature, Regular Session, 1931 (Article 2592, Vernon's Annotated Civil Statutes of Texas).

The term "Resolution" as used herein and in the Bonds shall mean this resolution authorizing the Bonds.

The term "Bonds" or "New Series 1968 Bonds" shall mean the New Series 1968 Bonds authorized in this Resolution, unless the context clearly indicates otherwise.

The term "Old Series Outstanding Bonds" shall mean the outstanding bonds of the following issues:

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Board of Regents of The University of Texas Permanent University Fund Refunding Bonds, Series 1958, dated July 1, 1958, originally issued in the amount of \$5,076,000.

Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1959, dated July 1, 1959, originally issued in the amount of \$4,000,000.

Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1960, dated July 1, 1960, originally issued in the amount of \$5,000,000.

Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961, dated July 1, 1961, originally issued in the amount of \$6,000,000.

Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1962, dated July 1, 1962, originally issued in the amount of \$5,000,000.

Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1963, dated July 1, 1963, originally issued in the amount of \$4,000,000.

Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1964, dated July 1, 1964, originally issued in the amount of \$4,000,000.

Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1965, dated July 1, 1965, originally issued in the amount of \$6,000,000.

Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1966, dated July 1, 1966, originally issued in the amount of \$11,000,000.



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The term "New Series Additional Parity Bonds and Notes" and "Additional Parity Bonds and Notes" shall mean the additional parity bonds and the additional parity notes permitted to be issued pursuant to Section 11 of the Resolution adopted on June 16, 1967, authorizing the issuance of the New Series 1967 Bonds.

The term "New Series 1967 Bonds" shall mean that issue of the Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1967, authorized by resolution of the Board adopted on June 16, 1967.

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

2. That said Board's negotiable coupon bonds, to be designated the "Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1968," are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas in the principal amount of \$15,000,000 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.

3. That said bonds shall be dated July 1, 1968, shall be in the denomination of \$5,000 each, shall be numbered consecutively from 1 through 3000, and shall mature serially on July 1 in each of the years, and in the amounts, respectively, as set forth in the following schedule:

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1969/72	\$600,000
1973/76	675,000
1977/80	750,000
1981/84	825,000
1985/88	900,000

Said bonds may be redeemed prior to their scheduled maturities, at the option of said Board, on the dates stated, for the prices, and in the manner provided, in the FORM OF BOND set forth in this Resolution; and further, said bonds shall be registrable as to principal only, at the option of the owner, in the manner provided in said FORM OF BOND.

4. That the bonds scheduled to mature during the years, respectively, set forth below shall bear interest from their date, until maturity or redemption, at the following rates per annum:

maturities 1969 through 1974	, <u>4-7/8%</u> ,
maturities 1975 through 1980	, <u>4</u> %,
maturities 1981 through 1984	, <u>4.10</u> %,
maturities 1985 through 1988	, <u>4.20</u> %

Said interest shall be evidenced by interest coupons which shall appertain to said bonds, and which shall be payable on the dates stated in the FORM OF BOND set forth in this Resolution.

5. That said bonds and interest coupons shall be payable, shall have the characteristics, and shall be signed and executed (and said bonds shall be sealed), all as provided, and in the manner indicated, in the FORM OF BOND set forth in this Resolution.

6. 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 of said

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bonds, the form of the aforesaid interest coupons which shall appertain and be attached initially to each of said bonds, and the form of endorsement for registration as to principal, shall be, respectively, substantially as follows:

FORM OF BOND:

NO. \_\_\_\_\_

\$5,000

UNITED STATES OF AMERICA  
STATE OF TEXAS  
BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
PERMANENT UNIVERSITY FUND BOND  
NEW SERIES 1968

ON JULY 1, 19\_\_\_\_, the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM promises to pay to bearer, or if this bond be registered as to principal, then to the registered owner hereof, the principal amount of

FIVE THOUSAND DOLLARS

and to pay interest thereon, from the date hereof, at the rate of \_\_\_\_\_% per annum, evidenced by interest coupons payable JANUARY 1, 1969, and semi-annually thereafter on each JULY 1 and JANUARY 1 while this bond is outstanding. The principal of this bond and the interest coupons appertaining hereto 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 this bond or proper interest coupon, at Bank of the Southwest National Association, Houston, Houston, Texas, or, at the option of the bearer, at Bankers Trust Company, New York, New York, or Continental Illinois National Bank and Trust Company, Chicago, Illinois, which places shall be the paying agents for this

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Series of bonds.

THIS BOND is one of a Series of negotiable coupon bonds dated JULY 1, 1968, issued in the principal amount of \$15,000,000 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, in accordance with the provisions of the Amendments to Section 18, Article VII of the Texas Constitution, adopted by a vote of the people of Texas on November 6, 1956, and on November 8, 1966.

ON JULY 1, 1978, OR ON ANY INTEREST PAYMENT DATE THEREAFTER, any outstanding bonds of this Series may be redeemed prior to their scheduled maturities, at the option of said Board, IN WHOLE, OR IN PART IN INVERSE NUMERICAL ORDER, for the price of par and accrued interest to the date fixed for redemption, plus a premium of 2% of the par value if redeemed on or prior to JANUARY 1, 1983, with such premium to be reduced on and after JULY 1, 1983, to 1%. At least thirty days before the date fixed for any such redemption the Board shall cause a written notice of such redemption to be published at least once in a financial publication published in the City of New York, New York. By the date fixed for any such redemption, due provision shall be made with the paying agents for the payment of par and accrued interest to the date fixed for redemption of the Bonds to be redeemed, plus the required premium. If the written notice of redemption is published, and if due provision for such payment is made, all as provided above, the bonds, which are to be so redeemed, thereby automatically shall be redeemed prior to maturity,

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and they shall not bear interest after the date fixed for redemption, and shall not be regarded as being outstanding except for the purpose of being paid by the paying agents with the funds so provided for such payment.

IT IS HEREBY certified, recited, and covenanted that this bond has been duly and validly issued and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the issuance and delivery of this bond have been performed, existed, and been done in accordance with law; and that the interest on and principal of this bond, and the Series of which it is a part, together with the Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1967, are equally and ratably secured by and payable from a lien on and pledge of the Interest of The University of Texas System in the income from the Permanent University Fund, as such Interest is apportioned by Chapter 42 of the Acts of the Regular Session of the 42nd Legislature of Texas, subject only and subordinate to the first lien on and pledge of said Interest heretofore created in connection with the Old Series Outstanding Bonds (as such terms are defined in the Resolution authorizing this Series of bonds).

SAID BOARD has reserved the right, subject to the restrictions referred to in the Resolution authorizing this Series of bonds, to issue additional parity bonds and notes which also may be secured by and made payable from a lien on and pledge of the aforesaid Interest of The University of

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Texas System in the income from the Permanent University Fund, in the same manner and to the same extent as this Series of bonds.

THIS BOND, at the option of the owner hereof, is registrable as to principal only on the books of the Registrar. For such purpose the Comptroller of The University of Texas System shall be the Registrar. If registered, the fact of registration shall be noted on the back hereof and thereafter no transfer of this bond shall be valid unless made on the books of the Registrar at the instance of the registered owner and similarly noted hereon. Registration as to principal may be discharged by transfer to bearer, after which this bond again may be registered as before. The registration of this bond as to principal shall not affect or impair the negotiability of the interest coupons appertaining hereto, which shall continue to be negotiable by delivery merely. Subject to said provisions for the registration of this bond as to principal only, nothing contained herein shall affect or impair the negotiability of this bond, and this bond shall constitute a negotiable instrument within the meaning of the laws of the State of Texas.

IN WITNESS WHEREOF, this bond and the interest coupons appertaining hereto have been signed with the facsimile signature of the Chairman of said Board and countersigned with the facsimile signature of the Secretary of said Board, and the official seal of said Board has been duly impressed, or

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placed in facsimile, on this bond.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

Secretary

Chairman

FORM OF REGISTRATION CERTIFICATE:

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

I hereby certify that this bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

Comptroller of Public Accounts  
of the State of Texas

FORM OF INTEREST COUPON:

NO. \_\_\_\_\_ \$ \_\_\_\_\_

ON \_\_\_\_\_ 1, 19\_\_\_\_, THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM promises to pay to bearer the amount shown on this interest coupon, in lawful money of the United States of America, without exchange or collection charges to the bearer, unless due provision has been made for the redemption prior to maturity of the bond to which this interest coupon appertains, upon presentation and surrender of this interest coupon, at Bank of the Southwest National Association, Houston, Houston, Texas, or, at the option of the bearer, at Bankers Trust Company, New York,

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New York, or Continental Illinois National Bank and Trust Company,  
 Chicago, Illinois, said amount being interest due that day on  
 the bond, bearing the number hereinafter designated, of that  
 issue of BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
 PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1968, DATED  
 JULY 1, 1968. BOND NO. \_\_\_\_\_.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_  
 Secretary

\_\_\_\_\_  
 Chairman

FORM OF ENDORSEMENT FOR REGISTRATION AS TO PRINCIPAL:

ENDORSEMENT FOR REGISTRATION AS TO PRINCIPAL

(NO WRITING TO BE MADE HEREON EXCEPT BY THE  
 REGISTRAR DESIGNATED FOR THIS ISSUE OF BONDS)

It is hereby certified that, at the request of the  
 owner of the within bond, I have this day registered it as to  
 principal in the name of such owner, as indicated in the regis-  
 tration blank below, on the books kept by me for such purpose.  
 The principal of this bond shall be payable only to the regis-  
 tered owner hereof named in the registration blank below, 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 recorded on the  
 books of the Registrar and in the registration blank below 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 appertaining hereto  
 be affected or impaired by any registration as to principal.



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NAME OF REGISTERED OWNER	DATE OF REGISTRATION	SIGNATURE OF REGISTRAR
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

7. (a) It is hereby certified and recited that the Bonds authorized in this Resolution are Additional Parity Bonds permitted to be issued under Section 11 of the resolution of the Board adopted on June 16, 1967, authorizing the issuance of the New Series 1967 Bonds, and that all conditions and requirements of said Section 11 have been or will be met prior to the delivery of the New Series 1968 Bonds herein authorized. The New Series 1967 Bonds and New Series 1968 Bonds are and shall be on a parity and in all respects of equal dignity.

(b) Pursuant to the provisions of the amendments to Section 18, Article VII, of the Texas Constitution, approved by vote of the people of Texas on November 6, 1956, and on November 8, 1966, the New Series 1967 Bonds, the New Series 1968 Bonds, and any other Additional Parity Bonds and Notes hereinafter issued, and the interest thereon, shall be and are hereby equally and ratably secured by and payable from a 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 1 of this Resolution, subject only and subordinate to the first lien on and pledge of said Interest heretofore created in

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connection with the Old Series Outstanding Bonds.

8. (a) The aforesaid resolution adopted June 16, 1967, authorizing the issuance of the New Series 1967 Bonds has provided that the Comptroller of Public Accounts of the State of Texas shall establish in the State Treasury a fund to be known as "Board of Regents of The University of Texas System New Series Permanent University Fund Interest and Sinking Fund" (hereinafter called the "Interest and Sinking Fund"). In addition to the moneys required to be transferred to the credit of the Interest and Sinking Fund in connection with the New Series 1967 Bonds, the Comptroller of Public Accounts of the State of Texas shall, for the benefit of the New Series 1968 Bonds, transfer to the Interest and Sinking Fund, out of The University of Texas System Available University Fund (the fund in the State Treasury to which is deposited the Interest of the University), on or before November 15, 1968, and semi-annually thereafter on or before May 15 and November 15 of each year while the New Series 1968 Bonds, or interest thereon, are outstanding and unpaid, the amount of interest or principal and interest which will become due on the New Series 1968 Bonds on the January 1 or July 1 next following. It is hereby recognized that the amounts necessary for the payment of principal and interest on the Old Series Outstanding Bonds will have been transferred on or before May 1 and November 1 of each year from the aforesaid Available University Fund to the interest and sinking fund heretofore created for the benefit of the Old Series Outstanding Bonds.

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(b) To the end that money 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 15, 1968, and semi-annually thereafter on or before May 15 and November 15 of each year while any of the New Series 1968 Bonds, or interest thereon, are outstanding and unpaid, the Comptroller of The University of Texas System, or such officer as may hereafter be designated by the Board 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 (hereinafter called the "Comptroller of Public Accounts") a voucher based on which the Comptroller of Public Accounts shall draw a warrant against the Interest and Sinking Fund in the amount of the interest or principal and interest on the New Series 1968 Bonds (when both are scheduled to accrue and mature) which will become due on the January 1 or July 1 next following.

(2) In the event New Series 1968 Bonds shall have been called for redemption on January 1 or July 1 next following of any year, prepare and file with the Comptroller of Public Accounts a voucher based on which the Comptroller of Public Accounts shall draw a warrant against funds of The University of Texas System legally available

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for such purpose in an amount sufficient to redeem the New Series 1968 Bonds thus called.

(c) Whenever a voucher is so filed with the Comptroller of Public Accounts, he shall make the warrant based thereon payable to the order of the paying agent situated in the State of Texas, specified in Section 6 above, and shall deliver such warrant to such paying agent on or before the December 1 or June 1 next following.

(d) The paying agent situated in the State of Texas, designated in Section 6 hereof, shall, out of moneys remitted to it under the provisions of this Section 8 hereof, and not otherwise, make available at the other paying agents specified in Section 6 hereof, funds sufficient to pay such of the New Series 1968 Bonds (whether payable to the bearer or payable to the registered owner thereof) and such of the coupons as are presented for payment, and said paying agent situated in the State of Texas by accepting designation as such paying agent agrees and is obligated to perform such service.

(e) The paying agents shall totally destroy all paid New Series 1968 Bonds and coupons, and shall furnish the Board with an appropriate certificate of destruction covering the New Series 1968 Bonds and coupons thus destroyed.

(f) The Board shall make provision with the paying agents for the rendition of a statement to The University of Texas System for any sums due such paying agents for services rendered in connection with the payment of the New Series 1968

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Bonds and coupons by such paying agents, and the amount of such charges shall be paid by the Board from funds available for such purpose.

9. That all of the language, terms, provisions, covenants, and agreements of Section 8 through 13, both inclusive, of the resolution adopted June 16, 1967, authorizing the issuance of the New Series 1967 Bonds are hereby referred to, adopted, and made applicable to the New Series 1968 Bonds authorized by this Resolution, for all purposes.

10. That after said New Series 1968 Bonds shall have been executed, it shall be the duty of the Chairman of the Board or some officer of the Board acting under his authority, to deliver said Bonds and all necessary records and proceedings 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 said Bonds, the Comptroller of Public Accounts (or a deputy lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate prescribed herein to be printed and endorsed on each of said Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on each of said Bonds.

11. That said New Series 1968 Bonds are hereby sold and shall be delivered to Drexel Harriman Ripley, Incorporated and Associates, for the principal amount

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thereof and accrued interest to the date of delivery, plus  
a premium of \$ 11,002.50 .

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1968, IN  
THE AMOUNT OF \$15,000,000: DESIGNATION OF BANK OF THE  
SOUTHWEST NATIONAL ASSOCIATION TO SERVE AS PAYING  
AGENT AND THE BANKERS TRUST COMPANY OF NEW YORK AND  
CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY  
OF CHICAGO AS THE CO-PAYING AGENTS.-- Upon motion of Regent  
Kilgore, the bid of Bank of the Southwest National Association  
to serve as paying agent for the Board of Regents of The University  
of Texas System Permanent University Fund bonds, New Series 1968,  
in the amount of \$15,000,000, at no charge for payment of bonds and  
coupons was approved without objection. By the same motion,  
Bankers Trust Company of New York and Continental Illinois National  
Bank and Trust Company of Chicago were designated as co-paying  
agents.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM  
PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1968, IN  
THE AMOUNT OF \$15,000,000: AWARD OF CONTRACT FOR  
PRINTING OF BONDS TO STECK-WARLICK COMPANY, THE  
STECK DIVISION, AUSTIN, TEXAS.-- Upon motion of Regent  
Johnson, seconded by Vice-Chairman Josey, the bid of Steck-  
Warlick Company, The Steck Division, Austin, Texas for printing  
with lithograph borders the Board of Regents of The University of  
Texas System Permanent University Fund bonds, New Series 1968,  
in the amount of \$15,000,000 for the sum of \$786.00, there being  
four interest rates, was approved.

AUTHORIZED (1) A CAMPAIGN HEADED BY WINN-MCLANE ASSOCIATES,  
INC. TO SUPPORT H. J. R. 20 (60th LEGISLATURE) AND (2) APPRO-  
PRIATION OF \$30,000 THEREFOR (\$20,000 TO BE RAISED BY U. T.  
SYSTEM AND \$10,000 BY A&M SYSTEM). -- Jointly The University  
of Texas Board and The Texas A&M Board unanimously endorsed  
H. J. R. No. 20 (60th Legislature), a Constitutional Amendment to  
liberalize the investment of the Permanent University Fund. The firm  
of Winn-McLane Associates, Inc. was named to head a campaign for the  
support of this amendment and an appropriation of \$30,000 for this  
purpose was authorized, \$20,000 to be paid by The University of Texas  
System and \$10,000 by The Texas A&M University System.

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AUTHORIZED A RESOLUTION IN OPPOSITION TO ENROLLMENT LIMITATIONS AT U. T. AUSTIN AND AT A&M UNIVERSITY AT COLLEGE STATION AS PROPOSED BY THE COORDINATING BOARD. -- There was authorized by the two Boards a resolution expressing opposition to the arbitrary enrollment limitations for The University of Texas at Austin and The Texas A&M University at College Station as proposed by the Coordinating Board, Texas College and University System. The Secretary to the Board of Regents of The University of Texas System and the Secretary to the Board of Directors of The Texas A&M University System were instructed to prepare an appropriate resolution to be sent to each member of the Coordinating Board and to the Commissioner of Higher Education. (This resolution will be reported as an item for the record in the July 1968 minutes.)

ADJOURNMENT OF JOINT MEETING AND REASSEMBLING OF THE REGENTS AS THE EXECUTIVE COMMITTEE OF THE BOARD OF REGENTS. -- Following the adjournment of the joint meeting of the Board of Directors of The Texas A&M University System and the Board of Regents of The University of Texas System, the Regents convened as the Executive Committee of the Board of Regents with the same attendance as present at the joint meeting.

The necessary rules were suspended and the items listed below were considered and actions taken thereon were by unanimous vote. This report is included herein and will be presented as an interim action for ratification and approval at the next regular meeting of the Board of Regents.

PERMANENT UNIVERSITY FUND INVESTMENT MATTERS: SALE OF CORPORATE BONDS AND PURCHASE OF F. H. A. LOANS. -- Upon recommendation of the Executive Director, Investments, Trusts and Lands, the following sale of corporate bonds and purchase of F. H. A. insured first mortgage notes were authorized by unanimous vote:

Corporate bonds - sale:

	<u>Cost</u>
\$1,000,000. National Cash Register 5.6% bonds due 6-15-91	\$1,000,000.00
500,000. Texaco, Inc. 5-3/4% bonds due 7-15-97	502,187.50
	<u>\$1,502,187.50</u>

F. H. A. insured first mortgage notes - purchase:

F. H. A. insured first mortgage notes conforming to the standards established by the Regents, at par of approximately \$1,750,000.00.

6-25-68

RESOLUTION REQUESTING CHANCELLOR TO SUBMIT RECOMMENDATIONS WITH RESPECT TO ADMISSIONS POLICIES, PRACTICES AND LIMITATIONS. -- The following resolution was unanimously adopted upon motion of Vice-Chairman Josey, seconded by Regent Johnson:

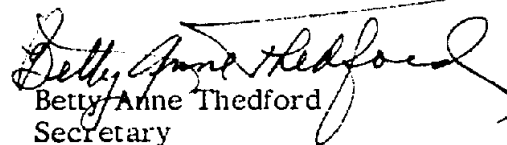
WHEREAS, the Board of Regents of The University of Texas System recognizes that enrollments throughout the University System are steadily increasing; and

WHEREAS, the Board of Regents is concerned about providing educational opportunities to qualified students who are residents of Texas, and maintaining an appropriate ratio of resident to nonresident student populations, and making effective use of existing and planned facilities; and

WHEREAS, the Board of Regents is aware of the need for a review of current practices on admissions;

NOW THEREFORE, BE IT RESOLVED, that the Board of Regents directs the Chancellor of The University of Texas System to obtain from each Institutional Head, who shall work with the advice and assistance of the Executive Vice-Chancellors, recommendations on admissions policies, practices, and limitations, and to report to the Board of Regents at its regular meeting on July 26, 1968.

ADJOURNMENT. -- The meeting was adjourned at 3:45 p. m.

  
Betty Anne Thedford  
Secretary

June 28, 1968