

MATERIAL SUPPORTING THE AGENDA

Volume XIXb

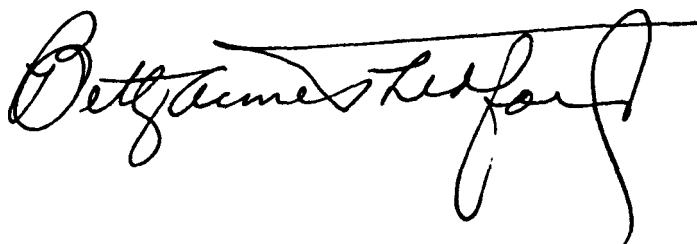
January 1972 - April 1972

This volume contains the Material Supporting the Agenda furnished to each member of the Board of Regents prior to the meetings held on February 4, March 16, April 20 and April 29, 1972.

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

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

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

A handwritten signature in cursive script, reading "Betty James Hedford". The signature is written in black ink and is positioned in the lower right quadrant of the page.

O. C.

The Board of Regents of The University of Texas System

MATERIAL SUPPORTING THE AGENDA

Peace
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 Kilgore
 Nelson
 Williams
 Fairfield
 Walker
 Shelton
 Long
 Kelly McCull
 2 Sec.
 Trust Kilgore

Meeting No. 698

Name Office Copy

Date April 20, 1972

MEETING OF THE BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

Date: Thursday, April 20, 1972
Time: 11:45 a. m.
Place: The Stable, Lutcher Center Telephone: 512-826-6045
636 Ivy Lane
San Antonio, Texas

PURPOSE

1. To authorize the redemption of outstanding bonds of Series 1967, Series 1967-A, and Series 1968 Colleges of the State of Texas Constitutional Tax Bonds - The University of Texas at Arlington.
2. To authorize issuance and sale of State of Texas State Ad Valorem Tax Bonds, Series 1972 - The University of Texas at Arlington, in the amount of \$10,300,000.
3. To designate the paying agents.
4. To award a contract for print bonds.

The Following Action Is Required

1. Adoption of resolution calling bonds and redemption (Pages 2-4).
2. Adoption of resolution authorizing issuance and sale of \$10,300,000 bonds (Pages 5-24).
3. Designation of paying agent in Texas and paying agent in New York City (Page 25).
4. Award of contract for printing bonds (Page 25).

1. RESOLUTION CALLING BONDS FOR REDEMPTION

THE STATE OF TEXAS :

THE UNIVERSITY OF TEXAS SYSTEM :

WHEREAS, the following bonds of The University of Texas at Arlington are presently outstanding, and will mature on September 1, 1973, and thereafter:

- (a) Colleges of the State of Texas Constitutional Tax Bonds, Series 1967 - The University of Texas at Arlington, dated March 1, 1967, Bonds Numbers 415 through 900, in the denomination of \$5,000 each, bearing interest at the rate of 3.50% per annum;
- (b) Colleges of the State of Texas Constitutional Tax Bonds, Series 1967-A - The University of Texas at Arlington, dated September 1, 1967, Bonds Numbers 202 through 698, in the denomination of \$5,000 each, bearing interest at the rate of 4% per annum;
- (c) Colleges of the State of Texas Constitutional Tax Bonds, Series 1968 - The University of Texas at Arlington, dated September 1, 1968, Bonds Numbers 46 through 463, in the denomination of \$5,000 each, bearing interest at the rate of 4% per annum;

hereinafter called the "Outstanding Bonds"; and

WHEREAS, the Outstanding Bonds maturing on September 1, 1973, and thereafter, are subject to redemption on September 1, 1972, upon payment of par and accrued interest to the date of redemption, plus a premium of 2% of the principal amount of each bond so called for redemption; and

WHEREAS, it is hereby officially found and determined that a case of emergency or urgent public necessity exists which requires the holding of the meeting at which this Resolution is passed, such emergency or urgent public necessity being that the redemption of said Outstanding Bonds prior to their scheduled maturity is required as soon as possible and without delay; and that said meeting was open to the public and public notice of the time, place, and purpose of said meeting was given, all as required by Vernon's Ann. Civ. St., Article 6252-17.

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

1. That the Outstanding Bonds described in the preamble hereof are hereby called for redemption on September 1, 1972, at the Republic National Bank of Dallas, Dallas, Texas, or, at the option of the holder of the Outstanding Bonds, at the First National City Bank, New York, New York, or, at the First National Bank of Chicago, Chicago, Illinois, hereinafter called the "Banks of Payment."

2. That prior to September 1, 1972, funds shall be placed in the Banks of Payment sufficient to pay par or principal amount of said Outstanding Bonds called for redemption and accrued interest to the date of redemption, plus a premium of 2% of the principal amount of the Outstanding Bonds so called for redemption.

3. That an appropriate written Notice of Redemption of said bonds shall:

- (a) be published in a financial publication printed in the English language in the City of New York,

New York, at least once not less than 30 days
before the date fixed for such redemption; and
(b) be mailed to the Banks of Payment not less than
30 days before September 1, 1972.

RESOLUTION

2. BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM AUTHORIZING THE ISSUANCE OF ITS UNIVERSITIES OF THE STATE OF TEXAS STATE AD VALOREM TAX BONDS, SERIES 1972 - THE UNIVERSITY OF TEXAS AT ARLINGTON, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$10,300,000, BEARING INTEREST AS HEREINAFTER SET FORTH AND MATURING AS HEREINAFTER PRESCRIBED, TO PROVIDE FUNDS FOR THE PURPOSE OF REFUNDING PART OF ITS COLLEGES OF THE STATE OF TEXAS CONSTITUTIONAL TAX BONDS, SERIES 1966, SERIES 1967, SERIES 1967-A AND SERIES 1968 AND FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND INITIALLY EQUIPPING BUILDINGS AND OTHER PERMANENT IMPROVEMENTS AT THE UNIVERSITY OF TEXAS AT ARLINGTON, PRESCRIBING THE FORM OF THE BONDS, PLEDGING TO THE PAYMENT OF THE INTEREST AND PRINCIPAL THEREOF THAT PART OF THE MONEY ALLOCATED TO SUCH INSTITUTION FROM THE CONTINUING TAX LEVIED BY THE CONSTITUTION UNDER ARTICLE VII, SECTION 17, AS AMENDED, PROVIDING FOR THE EXECUTION AND DELIVERY OF SAID BONDS AND PRESCRIBING THE DUTIES OF THE OFFICERS OF SAID BOARD AND OF THE STATE IN REFERENCE THERETO, AND MAKING CERTAIN COVENANTS WITH RESPECT TO SECURING PAYMENT OF SAID BONDS AND INTEREST.

WHEREAS, by adoption at the general election held in the State of Texas on November 2, 1965, Section 17 of Article VII of the Constitution of Texas was amended as a whole (hereinafter sometimes called the "Constitutional Provision"); and

WHEREAS, the Constitutional Provision is self-enacting and has continued an ad valorem tax on all of the taxable property in the State of Texas at an increased rate of Ten (10¢) Cents on the \$100.00 valuation, and authorizes the proceeds of the tax to be pledged to pay the principal of and interest on the bonds issued pursuant thereto; and

WHEREAS, such tax levy became effective as of January 1, 1966, and will remain effective for taxes which have and will become due and payable in each year for a twelve year period beginning January 1, 1966, and for each successive ten year period thereafter; and

WHEREAS, the Constitutional Provision provides for an allocation of proceeds of such tax for the twelve year period commencing January 1, 1966, among the seventeen designated state supported institutions of higher learning (hereinafter sometimes called "Eligible Institutions") and has authorized the governing board of each of the Eligible Institutions to pledge any part of the fund allocated to it to pay the principal of and interest on bonds; and

WHEREAS, the Constitutional Provision requires the Comptroller of Public Accounts of the State of Texas to make the allocation of the funds to the Eligible Institutions to be raised by such tax for the twelve year period beginning January 1, 1966, 85% of such funds to be allocated on June 1, 1966; and 15% to be allocated on June 1, 1972; and

WHEREAS, the Constitutional Provision requires that the Comptroller of Public Accounts of the State of Texas make the June 1, 1966 allocation (85%) based on the following determinations:

"(1) Ninety per cent (90%) of the funds allocated on June 1, 1966, shall be allocated to state institutions based on projected enrollment increases published by the Coordinating Board, Texas College and University System for fall 1966 to fall 1978;

"(2) Ten per cent (10%) of the funds allocated on June 1, 1966 shall be allocated to certain of the eligible state institutions based on the number of additional square feet needed in education and general facilities by such eligible state institution to meet the average square feet per full time equivalent student of all state senior institutions (currently numbering twenty-two);"

and

WHEREAS, such determinations have been made by the Coordinating Board; and

WHEREAS, the Comptroller has made the June 1, 1966 allocation as required by the Constitutional Provision; and

WHEREAS, of the total funds thus allocated on June 1, 1966, for the twelve year period, The University of Texas at Arlington (herein defined and referred to as the "University") is to receive 13.23138%; and

WHEREAS, the assessed valuation of property in the State of Texas (less homestead exemptions) subject to such levy in accordance with the approved tax rolls, together with the Comptroller's official estimates of valuations for each year of the twelve year period, and the figures representing the June 1, 1966 allocation among the Eligible Institutions afford a basis for estimating the amount of money to be received by the University under such tax levy for each of the years of the said twelve year period; and

WHEREAS, the Board of Regents of The University of Texas System, for and in behalf of The University of Texas at Arlington, authorized the issuance and sold its Colleges of the State of Texas Constitutional Tax Bonds, Series 1966, Series 1967, Series 1967-A and Series 1968, of which there will remain outstanding and unpaid after September 1, 1972, the aggregate principal amount of \$7,545,000; and

WHEREAS, all of such outstanding bonds with the exception of the Series 1966 Bonds are callable for redemption on September 1, 1972; and

WHEREAS, concurrently herewith this Board has called such redeemable bonds for redemption in accordance with their

terms and the law applicable thereto, Article 717k, V.A.C.S., and has provided for the payment of principal of such bonds called, the premium thereon and the interest to date of redemption; and

WHEREAS, of the outstanding bonds, all of the Series 1966 Bonds maturing after September 1, 1972, and part of the bonds being called for redemption, aggregating \$4,665,000 in principal amount will be refunded; and

WHEREAS, it has been and is hereby determined to be to the best interest of the University that the bonds herein authorized payable from its allocated fund be issued at this time and that action necessary for the issuance thereof be taken by this Board;

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

1. The Bonds. That in order to provide funds for the purpose of refunding Colleges of the State of Texas Constitutional Tax Bonds, in the principal amount of \$4,665,000, and for the purpose of acquiring, constructing and initially equipping buildings and other permanent improvements at The University of Texas at Arlington, bonds are hereby authorized to be issued known as "Universities of the State of Texas State Ad Valorem Tax Bonds, Series 1972 - The University of Texas at Arlington," in the aggregate principal amount of Ten Million Three Hundred Thousand Dollars (\$10,300,000), in the denomination of Five Thousand Dollars (\$5,000) each, and numbered from One (1) through Two Thousand and Sixty (2,060) (hereinafter referred to as the "Bonds").

2. Bonds of Issue on Parity. That no one of said Bonds shall be entitled to priority over any other Bond of this

issue in the application of the money in the allocated fund which has been pledged to the payment of the principal of and interest on the Bonds, irrespective of the fact that some of the Bonds may be delivered prior to the delivery of other Bonds, it being the intent of this resolution that all Bonds of this issue shall rank equally.

3. Date of Bonds; Maturity Schedule. That the Bonds shall be dated April 1, 1972, and shall become due and payable on September 1 in each of the years and in the amounts as follows:

<u>YEARS</u>	<u>AMOUNTS</u>	<u>YEARS</u>	<u>AMOUNTS</u>
1973	\$1,300,000	1976	\$1,800,000
1974	1,500,000	1977	1,900,000
1975	1,600,000	1978	2,200,000

4. Interest Rates. That the Bonds shall bear interest at the following rates:

all bonds scheduled to mature during

the years 1973 through ____ --- _____% per annum;

all bonds scheduled to mature during

the years ____ through ____ --- _____% per annum;

all bonds scheduled to mature during

the years ____ through ____ --- _____% per annum;

all bonds scheduled to mature during

the years ____ through ____ --- _____% per annum;

all bonds scheduled to mature during

the years ____ through ____ --- _____% per annum;

all bonds scheduled to mature during

the years ____ through ____ --- _____% per annum;

with said interest to be evidenced by interest coupons payable on September 1, 1972, and semi-annually thereafter on each March 1 and September 1.

5. Banks of Payment. That the principal of and the interest on the Bonds shall be payable, without exchange or collection charges to the owner or holder thereof, at _____, _____, Texas (hereinafter called the "Principal Bank of Payment"), or, at the option of the holder, at _____, (herein collectively called "Banks of Payment"), in lawful money of the United States of America upon surrender of proper Bond or coupon.

6. Execution of Bonds and Coupons. That each of said Bonds and interest coupons shall be signed by the imprinted or lithographed facsimile signature of the Presiding Officer and countersigned by the imprinted or lithographed facsimile signature of the Secretary of the Board, and the official seal of said Board shall be impressed, printed or lithographed on each of said bonds.

7. Negotiability. That nothing contained in the Bonds or in this resolution shall affect or impair the negotiability of the Bonds or the coupons thereto appertaining, and said Bonds and coupons shall constitute negotiable instruments within the meaning of the Negotiable Instruments Acts of the State of Texas.

8. Form of Bonds. That the form of the Bonds shall be substantially as follows:

NO. _____ \$5,000

UNITED STATES OF AMERICA
STATE OF TEXAS
UNIVERSITIES OF THE STATE OF TEXAS
STATE AD VALOREM TAX BOND
SERIES 1972
THE UNIVERSITY OF TEXAS AT ARLINGTON

For value received the Board of Regents of The University of Texas System (hereinafter sometimes called the

"Board"), for and in behalf of The University of Texas at Arlington, Arlington, Texas, an agency of the State of Texas, and as authorized by the Constitution of the State of Texas, hereby acknowledges itself indebted to and promises to pay out of the proceeds of the ad valorem tax herein described to the bearer, on the 1st day of September, 19___, the sum of

FIVE THOUSAND DOLLARS

with interest thereon from the date hereof at the rate of _____ (____%) per cent per annum, until the principal amount of this bond shall have been paid, payable September 1, 1972, and semi-annually thereafter on March 1 and September 1 of each year. Both principal and interest shall be payable in lawful money of the United States of America upon presentation and surrender of proper bond or coupon at _____, Texas, or, at the option of the holder at _____, without exchange or collection charges to the owner or the holder thereof.

This bond is one of a series of bonds (hereinafter sometimes called the "Bonds") of like tenor and effect except as to number, maturity and interest rate, numbered from One (1) through Two Thousand and Sixty (2,060), of the denomination of \$5,000 each, aggregating Ten Million Three Hundred Thousand Dollars (\$10,300,000), issued for the purpose of refunding Colleges of the State of Texas Constitutional Tax Bonds - The University of Texas at Arlington, in the principal amount of \$4,665,000, and for the purpose of acquiring, constructing and initially equipping buildings and other permanent improvements at The University of Texas at Arlington, Arlington, Texas, in

accordance with the provisions of Section 17, of Article VII, as amended, of the Constitution of Texas, and pursuant to the resolution authorizing the issuance of the series of Bonds of which this is one, adopted by the Board of Regents of The University of Texas System, duly of record in the minutes of said Board (herein called the "Resolution").

The date of this Bond in conformity with the Resolution is April 1, 1972.

The Bonds of which this is one are secured by a pledge of that part allocated to The University of Texas at Arlington of the proceeds of a continuing tax on all of the taxable property in the State levied by Section 17 of Article VII of the Constitution, as amended on November 2, 1965, accumulated and held in the State Treasury to be used solely to pay the principal of and interest on the Bonds, and additional parity bonds herein mentioned. The levy of such tax supporting the Bonds and the pledge thereof will remain effective so long as any of the Bonds is outstanding and unpaid.

The Board reserves the right to issue additional parity bonds under the terms and conditions stated in the Resolution authorizing this Bond and the series of which it is a part, and said Bonds may be made payable from the same source, secured in the same manner and placed on a parity with this Bond and the series of which it is a part.

Each successive holder of this Bond, and each successive holder of each of the coupons hereto attached, is conclusively presumed to forego and renounce his equities in favor

of subsequent holders for value without notice, and to agree that this Bond and each of the coupons hereto attached, may be negotiated by delivery by any person having possession thereof, howsoever such possession may have been acquired, and that any holder who shall have taken this Bond or any of the coupons from any person for value without notice, thereby has acquired absolute title thereto, free from any defenses enforceable against any prior holder and free from all equities and claims of ownership of any such prior holder. The Board and the Banks of Payment shall not be affected by any notice to the contrary.

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 been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the proceedings hereinabove mentioned, and that this issue of Bonds does not exceed any constitutional or statutory limitations and that provision has been made for the payment of the principal of and interest on this Bond and the series of which it is a part by irrevocably pledging the allocated proceeds of the continuing ad valorem tax hereinabove mentioned.

IN WITNESS WHEREOF, the Board of Regents of The University of Texas System 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 signature of the Chairman of the Board and the Secretary of the Board.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

By _____
Chairman

ATTEST:

Secretary

9. Form of Coupon. That the form of coupon for the Bonds shall be substantially as follows:

NO. _____ \$ _____

On the ____ day of _____, 19__, the Board of Regents of The University of Texas System for and in behalf of The University of Texas at Arlington, promises to pay to bearer without exchange or collection charges to the owner or holder hereof, out of the allocated proceeds of the ad valorem tax described in the Bond to which this coupon is attached the sum of _____ (\$ _____) Dollars in lawful money of the United States of America at _____, _____, Texas, or, at the option of the holder at _____, _____, being the interest then due on its Universities of the State of Texas State Ad Valorem Tax Bonds, Series 1972 - The University of Texas at Arlington, dated April 1, 1972.

NO. _____

Secretary

Chairman

10. Comptroller's Certificate. That the form of Comptroller's Certificate which shall be printed on the back of each of the Bonds shall be substantially as follows:

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 Section 17 of Article VII of the Constitution, as amended, 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 obligation payable from the proceeds of the State ad valorem tax pledged to its payment by and in the Resolution of said Board of Regents of The University of Texas System, on behalf of The University of Texas at Arlington, an educational institution belonging to the State of Texas duly constituted under authority of law 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)

11. Definitions. That throughout this Resolution, in the bond form prescribed herein and in the Bonds authorized hereby, the following terms and expressions as used herein shall have the meanings set forth, to-wit:

The term "Additional Bonds" shall refer to the additional parity bonds that are permitted to be issued by Section 13;

The term "Board" shall refer to the Board of Regents of The University of Texas System;

The term "Bonds" shall refer to the bonds authorized to be issued under the provisions of this resolution;

The term "Comptroller" shall refer to the Comptroller of Public Accounts of the State of Texas;

The term "Constitutional Provision" shall mean Article VII, Section 17 of the Constitution of Texas as amended November 2, 1965;

The term "Eligible Institutions" shall mean the seventeen state supported institutions of higher learning designated as those institutions to receive allocated proceeds from the tax levied by the Constitutional Provision;

The term "Interest and Sinking Fund" shall mean the fund established for the University in the State Treasury pursuant to the terms of the resolution authorizing the issuance of the Series 1966 Bonds, and further described in Section 13 hereof.

The term "Presiding Officer" shall mean the officer designated by law to preside over the Board;

The term "Resolution" shall mean this resolution authorizing the Bonds;

The term "Series 1966 Bonds" shall refer to Colleges of the State of Texas Constitutional Tax Bonds, Series 1966 - Arlington State College.

The term "University" shall refer to The University of Texas at Arlington (formerly Arlington State College).

12. Findings, Pledge of Payment, Additional Bonds.

That official recognition is hereby given to these facts:

(a) That Section 17 of Article VII of the Constitution, as amended in 1965 (the "Constitutional Provision") has levied a continuing ad valorem tax on all taxable property in the State of Texas, at the rate of Ten (10¢) Cents on the One Hundred Dollars (\$100.00) of valuation;

(b) That such tax has been effective since January 1, 1966 and will remain effective so long as any of the Bonds is outstanding and unpaid;

(c) That as and when the proceeds from such tax levy are received by the Comptroller the net amounts realized therefrom (including the portion thereof allocated to the University) are deposited in the State Treasury to be held for the purposes set forth in the Constitutional Provision;

(d) That the Comptroller on June 1, 1966 allocated among the Eligible Institutions 85% of the said tax to be received for the twelve year period beginning January 1, 1966; and will on June 1, 1972 allocate among the Eligible Institutions the remaining 15% of the said tax for the said twelve year period, all in accordance with the Constitutional Provision.

(e) That it is the duty of the Comptroller to draw all necessary and proper warrants upon the State Treasury to effectuate the pledge of such money made in this Resolution and to facilitate payment of the Bonds, the Additional Bonds and the interest thereon; and

(f) That while such tax will remain effective so long as any of the Bonds or the Additional Bonds is outstanding and unpaid, the Board must arrange the installment maturities of the Bonds and the Additional Bonds and make its pledge of the taxes allocated to the Institution so that the Bonds and Additional Bonds will be actually retired out of taxes collected from assessments made during the twelve year period beginning January 1, 1966.

Accordingly, the Board irrevocably pledges to the payment of the principal of and interest on the Bonds the following:

(1) All of the money now in the State Treasury to the credit of the University, realized from the collection of the continuing tax levied by the Constitutional Provision and not required to pay the principal of and the interest on the outstanding bonds payable therefrom, together with the premium payable on bonds being called for redemption on September 1, 1972;

(2) All of the proceeds from such continuing tax to which it is entitled levied for each of the years 1966 to 1977, both inclusive, and allocated June 1, 1966 by the Comptroller, which tax according to law becomes due on October 1 of each of said years;

(3) In the event that any of the Bonds or any interest thereon remains outstanding and unpaid on the date the last of the Bonds is scheduled to mature, and in the event the Interest and Sinking Fund, created by Section 12 hereof shall then contain insufficient money to pay all of such principal and interest and the expense

incidental to the making of such payments, to the extent of such deficiency, the proceeds from such continuing tax to which the University may be entitled under the allocation made by the Comptroller on June 1, 1966 or additional allocations or reallocation arrangements then in effect are pledged and such pledge shall remain effective until the Bonds shall have been paid in full with interest thereon; but when full provision shall have been made for the final payment of the Bonds by depositing money sufficient for the purpose in the Interest and Sinking Fund, the obligation under this sub-section (2) will have been fully satisfied and the pledge will have been released; and

(4) The money pledged to the payment of the Bonds and to defray the expense incident to such payments so long as any of such bonds or interest thereon is outstanding and unpaid. After full provision shall have been made by accumulating in the Interest and Sinking Fund sufficient money to pay all of such Bonds and interest calculated thereon to maturity, the Board reserves the right to use money in excess thereof for such purposes as may be permitted under the Constitutional Provision.

Provided, however, the Board reserves and shall have the right and power to issue pursuant to the Constitutional Provision additional parity bonds in one or more series, (herein defined as "Additional Bonds") which Additional Bonds, when issued, shall be secured by and payable from the Ten (10¢) Cent tax levied by the Constitutional Provision for the twelve year period beginning January 1, 1966, and allocated to the University, in the

same manner and to the same extent as the Bonds, and the Additional Bonds permitted by this Section 12, when issued, shall be in all respects of equal dignity and on a parity with the Bonds whether payable in whole or in part from the allocation made by the Comptroller on June 1, 1966, or to be made by the Comptroller on June 1, 1972. Provided, further, that Additional Bonds will not be issued in an aggregate principal amount that will cause the total amount required for the payment of the principal of and interest on the Bonds and the Additional Bonds in any year to be more than 85% of the amount of such taxes allocated to the University and officially estimated by the Comptroller of Public Accounts to be collected in such year for the credit of the Interest and Sinking Fund.

13. Interest and Sinking Fund. That (a) the Treasurer of the State of Texas pursuant to the provisions of the resolution authorizing the Series 1966 Bonds established in the State Treasury a fund known as Arlington State College Constitutional Tax Bond Interest and Sinking Fund (herein defined and referred to as the "Interest and Sinking Fund");

(b) As received into the State Treasury the said allocated money of the University shall be credited to the Interest and Sinking Fund in the manner and to be held in accordance with the pledge contained in Section 12 hereof.

14. Procedure for Remitting to Banks of Payment.
That

(a) In accordance with the requirements of the Constitutional Provision that "The State Comptroller of Public

Accounts shall draw all necessary and proper warrants upon the State Treasury, in order to carry out the purpose of this amendment," to the end that money will be available at the Banks of Payment in ample time to pay the principal of and interest on the Bonds, as such principal and interest, respectively, matures and comes due, the Comptroller of Public Accounts of the State of Texas, on or before August 15, 1972, and on or before February 15 and August 15 of each year while any of the Bonds is outstanding and unpaid, shall draw a warrant against the Interest and Sinking Fund in the amount of the interest or interest and principal (when both are scheduled to mature) which will become due on the March 1 or September 1 next following. The amount of each such warrant shall be increased by the amount of the charges of the Banks of Payment for making payment of the Bonds or coupons or both Bonds and coupons scheduled to mature in each such instance. Within the discretion of the Comptroller of Public Accounts he may draw a separate warrant for the payment of such charges.

(b) Each such warrant shall be made payable to the order of the Principal Bank of Payment specified in Section 5 above, and the Comptroller of Public Accounts shall deliver such warrant to the payee Bank;

(c) The Principal Bank of Payment shall, out of moneys remitted to it under the provisions of this Section 14, and not otherwise, make available at the other Bank of Payment specified in Section 5 hereof, funds sufficient to pay such of the Bonds, and such of the coupons as are presented for payment at such bank and the Principal Bank

of Payment. The Principal Bank of Payment agrees and is obligated to perform such service.

15. Enforcement of Rights of Bondholders. That all rights available to the holders of the Bonds under the Constitution and laws of the State, by suit for mandamus or otherwise, to compel the performance of their official duties by the Board, its officers, the officers of counties, or the officers of the State to the end that the principal of and interest on the Bonds may be timely paid, are hereby recognized and reserved to and for the holders of the Bonds and of the appurtenant coupons.

16. Arbitrage Provisions. That the Board covenants that the proceeds from the sale of the Bonds will be used as soon as practicable for the purpose for which the Bonds are issued and will not be used to acquire, or to replace funds which were used directly or indirectly to acquire, securities (within the meaning of Section 165(g)(2)(A) or (B) of the Internal Revenue Code of 1954, as amended, (the "Code")), or obligations (other than obligations described in sub-section (a)(1) of Section 103 of the Code), which produce a yield which is "materially higher" (within the meaning of sub-section (d)(2)(A) of Section 103 of the Code) than the yield on the Bonds except for a temporary period pending such use, to the extent permitted by Section 103(d)(4)(A) of the Code. The Board further covenants that such proceeds will not be used directly or indirectly so as to cause all or any part of the Bonds to be or become "arbitrage bonds" within the meaning of Section 103(d) of the Internal Revenue Code of 1954, as amended.

17. Confirmation of Sale of Bonds. That the sale of the Bonds to _____

_____, at a price of par and accrued interest to date of delivery, plus a premium of \$ _____ be and the same is hereby confirmed.

18. Custody and Delivery of Bonds. That the Presiding Officer is hereby authorized to have control of the Bonds and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Bonds, said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate printed and endorsed on each of the Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on each of the Bonds.

19. That the proceeds of the sale, exclusive of accrued interest (and premium, if any), of Bonds Numbers 1 to 933, inclusive, aggregating \$4,665,000, shall be deposited with the State Treasurer to be remitted to the Republic National Bank of Dallas for the payment of the principal of a like amount of the outstanding bonds being called for redemption on September 1, 1972, or which are scheduled to mature within five years of the date of the Bonds, all in accordance with Article 717k, V.A.C.S.

Such Bonds being refunded are more particularly described as follows, to-wit:

Bonds called for redemption prior to stated maturities:

Series 1967 Bonds, dated March 1, 1967
maturing 9-1-76 - \$ 570,000

Series 1967-A Bonds, dated September 1, 1967
maturing 9-1-75 - \$ 15,000
maturing 9-1-76 - 515,000
maturing 9-1-77 - 1,075,000

Series 1968 Bonds, dated September 1, 1968
maturing 9-1-75 - \$ 75,000
maturing 9-1-76 85,000
maturing 9-1-77 310,000
maturing 9-1-78 1,480,000

Series 1966 Bonds maturing within five years of the date of the Bonds:

Series 1966 Bonds, dated September 1, 1966
maturing 9-1-73 - \$ 125,000
maturing 9-1-74 140,000
maturing 9-1-75 150,000
maturing 9-1-76 125,000

20. That the Comptroller of Public Accounts is hereby instructed to remit to the State Treasurer to be remitted to the Republic National Bank of Dallas sufficient monies held in the Interest and Sinking Fund which together with the proceeds of Bonds Numbers 1 to 933, inclusive, shall be sufficient to pay the principal of, the premium due thereon, and interest accrued to date of redemption on all of said outstanding bonds being called for redemption on September 1, 1972, the principal of and the interest accrued to September 1, 1972 on all of the outstanding bonds maturing on such date, and the principal of and the interest accrued to the respective maturity dates of the Series 1966 Bonds maturing after September 1, 1972, all in accordance with Article 717k, V.A.C.S.

3. DESIGNATION OF PAYING AGENT IN TEXAS AND PAYING AGENT IN NEW YORK CITY. --The bids will be received for the paying agents on April 19, 1972, and a recommendation will be presented to the Board at the meeting.

4. AWARD OF CONTRACT FOR PRINTING BONDS. --The bids will be received for the printing of the bonds on April 19, 1972, and a recommendation will be presented to the Board at the meeting.

UNIVERSITIES OF THE STATE OF TEXAS
STATE AD VALOREM TAX BONDS, SERIES 1972
THE UNIVERSITY OF TEXAS AT ARLINGTON
IN THE AMOUNT OF \$10,300,000

SALE OF THE BONDS.--As authorized, bids were called for and received until 11:00 A.M., CST, on April 19, 1972, and then publicly opened and tabulated. A copy of the tabulation is attached.

It is recommended by the Associate Deputy Chancellor for Investments, Trusts and Lands, that the Board of Regents adopt the resolution authorizing the issuance of the bonds and that the bid of Rauscher Pierce Securities Corporation & Associates, Phelps, Fenn & Company, be accepted.

DESIGNATION OF PAYING AGENCY.--Attached is a tabulation of the bids received and publicly opened and tabulated at 10:00 A.M., CST, April 19, 1972, in accordance with specifications furnished prospective bidders.

It is recommended by the Associate Deputy Chancellor for Investments, Trusts and Lands, that the bid of The Capital National Bank in Austin, to serve as paying agent for this issue be accepted. The bank will charge \$0.09 per coupon and \$0.75 per bond paid. The New York Co-Paying agent is The Chemical Bank.

AWARD OF CONTRACT FOR PRINTING THE BONDS.--Attached is a tabulation of the bids received and publicly opened and tabulated at 10:00 A.M., CST, April 19, 1972, in accordance with specifications furnished prospective bidders.

It is recommended by the Associate Deputy Chancellor for Investments, Trusts and Lands that the bid of Steck-Warlick Company, The Steck Division, Austin, be accepted for printing the bonds with lithographed borders, as set out in the specifications for the sum of \$630.50, there being four interest rates.

TABULATION OF BIDS
 \$10,300,000
 UNIVERSITIES OF THE STATE OF TEXAS
 STATE AD VALOREM TAX BONDS, SERIES 1972
 THE UNIVERSITY OF TEXAS AT ARLINGTON
 Bids Opened Wednesday, April 19, 1972

ACCOUNT	COUPONS	INTEREST COST	EFFECTIVE RATE	
Rauscher Pierce Securities Corporation & Associates, Phelps, Fenn & Company	1973 to 75	4.00%	3.921135%	
	<u>76</u>	-		Gross: <u>\$1,697,525.01</u>
	<u>77</u>	-		Less
	<u>78</u>	-		Prem: <u>-0-</u>
	_____	_____		Net: <u>\$1,697,525.01</u>
	_____	_____		
First National Bank in Dallas & Associates	1973 to -	3.00%	3.936128%	
	<u>74</u>	-		Gross: <u>\$1,704,187.51</u>
	<u>75</u>	78		Less
	_____	_____		Prem: <u>172.00</u>
	_____	_____		Net: <u>1,704,015.51</u>
	_____	_____		
Republic National Bank, Dallas, Texas, Northern Trust Company, Chicago, Illinois	1973 to -	3.50%	3.9785%	
	<u>74</u>	78		Less
	_____	_____		Gross: <u>\$1,722,455.70</u>
	_____	_____		Prem: <u>55.70</u>
	_____	_____		Net: <u>\$1,722,400.00</u>
	_____	_____		
	19 _____ to _____	_____		
	_____	_____		Gross: _____
	_____	_____		Less
	_____	_____		Prem: _____
	_____	_____		Net: _____
	_____	_____		
	19 _____ to _____	_____		
	_____	_____		Gross: _____
	_____	_____		Less
	_____	_____		Prem: _____
	_____	_____		Net: _____
	_____	_____		
	19 _____ to _____	_____		
	_____	_____		Gross: _____
	_____	_____		Less
	_____	_____		Prem: _____
	_____	_____		Net: _____
	_____	_____		
	19 _____ to _____	_____		
	_____	_____		Gross: _____
	_____	_____		Less
	_____	_____		Prem: _____
	_____	_____		Net: _____
	_____	_____		

BIDS FOR PAYING AGENCY

\$10,300,000

UNIVERSITIES OF THE STATE OF TEXAS
STATE AD VALOREM TAX BONDS, SERIES 1972
THE UNIVERSITY OF TEXAS AT ARLINGTON

Tabulation of Bids Received
April 19, 1972 - 10:00 a.m., CST

Bidder	New York Co-Paying Agent	Per Coupon Paid	Per Bond Paid
Mercantile National Bank at Dallas P. O. Box 5415 Dallas, Texas 75222	Chase Manhattan Bank National Association, New York, New York	.08¢	\$.95
Republic National Bank of Dallas P. O. Box 2964 Dallas, Texas 75221	First National City Bank, New York, New York	.10¢	1.25
Bank of the Southwest National Association P. O. Box 2629 Houston, Texas 77001	Bankers Trust Company, New York, New York	.15¢	2.00
The Capital National Bank in Austin P. O. Box 550 Austin, Texas 78767	The Chemical Bank, New York, New York	.09¢	.75¢
El Paso National Bank P. O. Drawer 140 El Paso, Texas 79980	Bankers Trust Company, New York, New York	.15¢	1.05
The First National Bank of Fort Worth P. O. Box 2260 Fort Worth, Texas 76101	Manufacturers Hanover Trust Company, New York, New York	.12½¢	1.50
The Fort Worth National Bank P. O. Box 2050 Fort Worth, Texas 76101	First National City Bank, New York, New York	.12¢	1.50

