

## MEETING NO. 581

JULY 9, 1959. --The Board of Regents of The University of Texas met with the Board of Directors of the Agricultural and Mechanical College of Texas in a special session in the Colonial Room of the Driskill Hotel in Austin, Texas, at 2:30 p. m. on Thursday, the 9th day of July, 1959.

The purpose of the joint meeting was to transact the business as outlined in the Notice of Special Meeting issued by Chairman Minter and presented by Secretary Thedford to each member of the Board present at the meeting on June 13, 1959. (Eight Regents were present June 13, 1959.) The Notice of Special Meeting was mailed to Mr. Joe C. Thompson. Each Regent signed the Consent to Meeting at the close of the Notice of Special Meeting and returned it to the Secretary prior to June 26, 1959, (copies of signed Consent to Meeting by all nine members of the Board are in the Secretary's Files, Volume VIa Pages 82 ).

ATTENDANCE. --Below is the attendance at the joint meeting with Chairman Minter presiding for the Board of Regents of The University of Texas and President Zachry presiding for the Board of Directors of the Agricultural and Mechanical College of Texas.

Board of Regents  
The University of Texas

Present	Absent
Chairman Minter Vice-Chairman Johnson Regent Bryan Regent (Mrs.) Devall Regent Heath Regent McNeese  President Wilson Secretary Thedford	Regent Hardie--excused Regent Madden--excused Regent Thompson--excused

Also among those present were:

Doctor J. C. Dolley, Vice-President for Fiscal Affairs  
 Mr. C. H. Sparenberg, Comptroller  
 Mr. W. W. Stewart, Endowment Officer  
 Mr. Burnell Waldrep, Land and Trust Attorney  
 Mr. Walter C. Moore, Architect and Assistant to the Comptroller  
 Miss Mary E. Cook, Assistant to Endowment Officer  
 Miss Thelma Lockwood, Executive Assistant, Investment Office  
 Mr. Paul Horton of McCall, Parkhurst, Crowe, McCall and Horton of Dallas, Texas, representing the Bond Counsel  
 Mr. W. E. Keys, Director of News and Information Service  
 Miss Jo Eickmann, Acting Editor of The Summer Texan

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Board of Directors  
Agricultural and Mechanical College of Texas

Present

Director H. B. Zachry, President  
Director Price Campbell  
Director Eugene B. Darby  
Director Harold Dunn  
Director Sterling Evans  
Director Herman Heep

Chancellor M. T. Harrington  
Vice-President and Secretary E. L. Angell

Also among those present were:

Mr. W. C. Freeman, Comptroller  
Mr. R. L. Anderson, Assistant Comptroller  
Mr. Henderson Shuffler, Director of Information and Publications

(These Minutes reflect only the action taken by the Board of Regents of The University of Texas. Immediately preceding the adoption of the three resolutions by the Regents as set out below, the Directors of the Agricultural and Mechanical College of Texas had adopted similar resolutions for the issuance of \$6,000,000, Permanent University Fund Bonds, Series 1959.)

PERMANENT UNIVERSITY FUND BONDS, SERIES, 1959

At the request of Chairman Minter, Vice-President Dolley gave a brief statement with reference to the four bids received and the prices submitted for the Permanent University Fund Bonds, Series 1959. Each Regent had been furnished in the Supplementary Material Supporting the Agenda a letter from Moody's Investors Service stating that these bonds would be rated Aaa. Also, each Regent was furnished at the meeting a copy of the bids for the sale of the bonds, for the printing of the bonds, and for the paying agency.

Mr. Paul Horton of the firm of McCall, Parkhurst, Crowe, McCall and Horton of Dallas, Texas, was present to answer any questions.

RESOLUTION AUTHORIZING THE ISSUANCE OF THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1959, IN THE AMOUNT OF \$4,000,000, AND AWARDING BONDS TO PHELPS, FENN AND COMPANY. --  
Vice-President Dolley stated that, as authorized, bids were called for and received on \$4,000,000 Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1959. These bids were opened and tabulated at 10:00 a.m. CST on July 8, 1959, as reflected on Page 9.

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It was recommended by the Administration that the Board adopt the resolution authorizing the issuance of the bonds, which resolution includes the awarding of the sale of the bonds to a syndicate headed by Phelps, Fenn and Company at the price of par and accrued interest to date of delivery at rates of interest shown on Page 9. (Each member of the Board had been furnished prior to the meeting a copy of the proposed resolution authorizing the issuance of the bonds.)

Mr. Heath introduced a resolution and moved that it be adopted. The caption of the resolution is as follows:

BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS AUTHORIZING THE ISSUANCE OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1959, IN THE AMOUNT OF \$4,000,000.00, BEARING INTEREST AT THE RATES HEREINAFTER SET FORTH, AND MATURING AS HEREINAFTER PRESCRIBED, FOR THE PURPOSE OF CONSTRUCTING, EQUIPPING OR ACQUIRING BUILDINGS OR OTHER PERMANENT IMPROVEMENTS, PRESCRIBING THE FORM OF THE BONDS, PLEDGING TO THE PAYMENT OF THE INTEREST AND PRINCIPAL THEREOF THE INTEREST OF THE UNIVERSITY IN THE INCOME DERIVED FROM THE PERMANENT UNIVERSITY FUND, 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 THE INTEREST THEREON.

The resolution was read in full by the Secretary. The motion was seconded by Mr. McNeese.

The motion carrying with it the adoption of the resolution prevailed by the following vote:

AYES: Messrs. Minter, Johnson, Bryan, Heath, and McNeese, and Mrs. Devall.

NOES: None.

The resolution as adopted and as certified by the Secretary is attached to and made a part of these Minutes. (Attachment No. 1, Pages 1-14).

AWARD OF CONTRACT FOR PRINTING THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1959, IN THE AMOUNT OF \$4,000,000.--Chairman Minter presented the following report of the Administration with reference to printing the Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1959:

The bids for printing the Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1959, in the amount of \$4,000,000, were received and opened July 1,

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1959 at 10 a. m. in accordance with specifications previously furnished the bidders. (See Page 10.) The bonds are to be book type bonds, printed on twenty-four pound, one hundred per cent rag bond paper and to have steel engraved borders.

It is recommended that the Board of Regents accept the proposal for the printing of these bonds made by the Northern Bank Note Company, Chicago, Illinois, for the sum of \$908.00, there being three coupon rates. Payment will be made from [REDACTED] - Investment Office - Permanent University Fund Bonds, Series 1959 - Miscellaneous Costs.

It was moved by Vice-Chairman Johnson, seconded by Mrs. Devall, and adopted that the foregoing recommendation of award for printing the Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1959, in the amount of \$4,000,000, be approved.

**DESIGNATION OF PAYING AGENCY FOR THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1959, IN THE AMOUNT OF \$4,000,000.** --The following report of the Administration was presented by Chairman Minter:

The bids for designating a paying agency for the Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1959, in the amount of \$4,000,000, were received and opened July 1, 1959 at 10 a. m. in accordance with specifications previously furnished the bidders. (See Page 11.)

It is recommended that the Board of Regents accept the proposal of the Texas National Bank of Houston for a charge of One Cent (1¢) per coupon paid and Ten Cents (10¢) per bond paid. The co-paying agents selected by the Texas National Bank are The New York Trust Company, 100 Broadway, New York 15, New York and the Continental Illinois National Bank and Trust Company of Chicago, 231 South LaSalle, Chicago 30, Illinois.

Upon motion of Mr. McNeese, seconded by Mrs. Devall, the Board adopted the foregoing recommendation for a paying agency for the Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1959, in the amount of \$4,000,000.

**JOINT MEETING ADJOURNED.** --The purpose of the joint meeting of the Board of Regents of The University of Texas and the Board of Directors of the Agricultural and Mechanical College of Texas having been accomplished, the two Boards adjourned.

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MEETING OF THE BOARD OF REGENTS. --Following the joint meeting with the Board of Directors of the Agricultural and Mechanical College of Texas, the Board of Directors retired from the room and the Board of Regents and the University personnel present remained for a brief session.

#### LAND AND INVESTMENT MATTERS

TEXAS HIGHWAY DEPARTMENT - RIGHT-OF-WAY NO. 1193 FOR CONTROLLED ACCESS HIGHWAY NO. 10 UNDER INTERSTATE HIGHWAY PROGRAM AND CHANNEL EASEMENT NO. 1193A. -- Chairman Minter presented the following report from the Administration. Mr. Madden, who was absent but who had been furnished this report in the Material Supporting the Agenda, had notified Chairman Minter of his approval of the recommendation.

At the June 13, 1959 meeting of the Board of Regents, the matter of rights of way on University Lands in connection with the Interstate Highway Program was considered, particularly as it pertains to Interstate Highway No. 10 for 341.67 acres of University Lands in Block L, University Lands, El Paso County. Easement No. 1193 for this highway was authorized by the Board of Regents at its December 12, 1958 meeting but question as to the form of instrument had delayed the execution of the instrument. Under this highway system, the Highway Department is reimbursed 90% from Federal Funds for such construction and it has been the policy of the Texas Highway Commission to require fee simple title. It has, however, been the policy of the Board of Regents to grant easements but not fee simple title for other highway construction over the years and there has been no consideration involved. It is proposed that the University would receive \$5,566 for the 341.67 acres in El Paso County.

The Board of Regents agreed at the June 13, 1959 meeting to consider this matter as a special item of business at the meeting on July 9, 1959. The form of instrument on a determinable fee basis with reversion of the land to the University if and when the highway is abandoned, and with reservation of all minerals, has now been agreed upon between the University Staff and the Highway Department. (A copy of the form for such instrument and a copy of a letter from Mr. D. C. Greer, State Highway Engineer, dated June 19, 1959 were in the Material Supporting the Agenda and are in the Secretary's Files, Volume VI, Pages 93 .) It is recommended that this form be approved with the instrument to be submitted to the Chairman for signature.

In connection with Interstate Highway No. 10 in El Paso County, the matter of channel easements has not yet been submitted to the Board pending the decisions on the larger project. However, as indicated in Mr. Greer's letter, easement rights for drainage purposes continue to be acceptable according to past procedure. It is therefore recommended



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that channel easements for Interstate Highway No. 10 (Channel Easement No. 1193A) be granted, covering approximately 18 acres in Block 1, Sections 12, 13, 16, 17, 19, 21, 22, and 24 for which a consideration of \$102.00 will be received by the University and that the Chairman be authorized to execute the instrument upon approval by the University Attorney and Endowment Officer.

Upon motion of Vice-Chairman Johnson, seconded by Mr. Bryan, the foregoing report and the recommendations contained therein were adopted.

#### BUILDINGS AND GROUNDS MATTERS

Chairman Minter presented the following recommendations of Comptroller Sparenberg, concurred in by Vice-President Dolley and President Wilson:

**MAIN UNIVERSITY - APPOINTMENT OF ASSOCIATE ARCHITECT FOR NEW PRINTING DIVISION BUILDING.** --At the Regents' Meeting held June 13, 1959, authorization was given to the Consulting Architect to proceed with the preparation of preliminary plans for a new Printing Division Building at the Main University, with a total overall cost not to exceed \$200,000.00. It is now recommended that an Associate Architect be appointed to prepare the working drawings and specifications. (A joint recommendation of the Comptroller and the Consulting Architect in regard to the choice of an Associate Architect was distributed at the meeting.)

It was moved by Mrs. Devall, seconded by Vice-Chairman Johnson, and adopted that the firm of Baldrige and Saunders of Austin be designated as Associate Architect for the new Printing Division Building and that the Chairman be authorized to execute the contract when it has been approved as to subject matter by Comptroller Sparenberg and as to form by Attorney Waldrep.

**CONSTRUCTION OF RESEARCH FACILITIES AND HEAD-QUARTERS BUILDING AT THE INSTITUTE OF MARINE SCIENCE.** --Among the construction projects which it is contemplated will be financed out of the proceeds of the Permanent University Fund bonds to be issued this year is the Research Facilities and Headquarters Building at the Institute of Marine Science, Port Aransas. In order that plans may go forward on this building, it is recommended that the Board authorize the Consulting Architect to proceed with the preparation of preliminary plans for this building, to cost not more than a maximum of \$250,000.00, including Architects' fees and movable furniture and equipment. It is further recommended that the Board appoint an Associate Architect to prepare the working drawings and specifications on this building and to work with the Consulting Architect on the design of the preliminary plans. (A joint recommendation of the Comptroller and the Consulting Architect on the design of an Associate Architect was distributed at the meeting.)

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Upon motion of Mr. Bryan, seconded by Vice-Chairman Johnson, the Board (1) adopted the foregoing recommendations, (2) designated the firm of Smyth and Smyth of Corpus Christi, Texas, as Associate Architect for the Research Facilities and Headquarters Building at The Institute of Marine Science, Port Aransas, Texas, and (3) authorized Chairman Minter to execute the contract when it had been approved as to subject matter by Comptroller Sparenberg and as to form by Attorney Waldrep.

#### CENTRAL ADMINISTRATION

APPROVAL OF TRAVEL DOCKET. -- Upon motion of Mrs. Devall, seconded by Mr. Heath, the Board approved a travel docket for Central Administration to which President Wilson had attached and incorporated travel dockets for Main University, Texas Western College, Medical Branch, M. D. Anderson Hospital and Tumor Institute, and Southwestern Medical School. This docket, dated July 9, 1959, (Pages C-1, M-1 through M-3, W-1, G-1 through G-4, A-1 and A-2, S-1 through S-3) and labeled Attachment No. 2, is appended following Page 14 of Attachment No. 1.

CONSULTANTS FOR PRELIMINARY SURVEY, THE SOUTH TEXAS MEDICAL SCHOOL (THIRD MEDICAL SCHOOL). -- In accordance with the Board's request at its meeting June 13, 1959, the Administration recommended that a committee composed of Doctor Joseph C. Hinsey as Chairman and Doctors Anthony J. J. Rourke and Stafford Warren be appointed to conduct a survey and to make recommendations in general, if possible, by the October 1-3, 1959 meeting relating to the following in the establishment of The South Texas Medical School (Third Medical School) as authorized by House Bill No. 9, 56th Legislature, R. S., 1959:

1. The location of the school in Bexar County; currently two alternatives present themselves, with local elements supporting each location.
2. The needs for teaching hospital beds, both in terms of the suitability of existing beds and of new construction.
3. The approximate cost to the state, both in capital investment and in annual operating expenses.
4. Feasible utilization of staff and facilities of the various military installations in the San Antonio area.

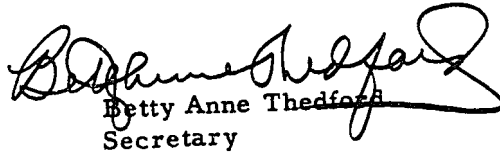
It was moved by Mrs. Devall, duly seconded, and carried that the Board adopt the recommendation of the Administration with the understanding that details of financing the survey from private funds would be reported at a subsequent meeting. President Wilson was of the opinion that the committee as a whole would not need to make more than two trips to San Antonio, with a two-day stay there each time.

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RESIGNATION OF MELVIN A. CASBERG, VICE-PRESIDENT FOR MEDICAL AFFAIRS. --Chairman Minter reported that Doctor Melvin A. Casberg, Vice-President for Medical Affairs, had submitted to the Board his resignation, effective August 31, 1959. He is accepting the directorship of Ludhiana Christian Medical College, Punjab, India.

It was moved by Vice-Chairman Johnson, seconded by Mrs. Devall, and adopted by the Board that Doctor Casberg's resignation be accepted.

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

  
Betty Anne Theofanis  
Secretary



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\$4,000,000  
BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS  
PERMANENT UNIVERSITY FUND BONDS  
SERIES 1959

(Dated July 1, 1959)

Tabulation of Bids Received  
July 8, 1959 - 10:00 a.m.

	Bear, Stearns & Co. Eastman Dillon Union Securities & Co.	Drexel & Co. Blyth & Co.	Phelps, Fenn & Co. and Associates	Halsey, Stuart & Co. Inc. and Associates	
Coupon Rate for Bonds Maturing	1960 thru <u>67 4</u> %	1960 thru <u>65 4</u> %	1960 thru <u>67 4</u> %	1960 thru <u>64 4</u> %	1960 thru _____ %
" " " " "	<u>1968</u> thru <u>71 3.25</u> %	<u>1966</u> thru <u>70 3.25</u> %	<u>1968</u> thru <u>69 3.25</u> %	<u>1965</u> thru <u>69 3.25</u> %	_____ thru _____ %
" " " " "	<u>1972</u> thru <u>79 3.50</u> %	<u>1971</u> thru <u>79 3.50</u> %	<u>1970</u> thru <u>79 3.40</u> %	<u>1970</u> thru <u>79 3.50</u> %	_____ thru _____ %
Premium	\$ <u>- 0 -</u>	\$ <u>- 0 -</u>	\$ <u>- 0 -</u>	\$ <u>80.00</u>	\$ _____
Net Interest Cost	\$ <u>1,592,400.00</u>	\$ <u>1,578,150.00</u>	\$ <u>1,568,780.00</u>	\$ <u>1,575,470.00</u>	\$ _____
Weighted Average Annual Interest Rate	<u>3.523</u> %	<u>3.49148</u> %	<u>3.47075</u> %	<u>3.48555</u> %	_____ %
Attached Check	No. _____ Amt. \$ <u>80,000</u> American National Austin	No. _____ Amt. \$ <u>80,000</u> American National Austin	No. <u>60671</u> Amt. \$ <u>80,000</u> American National Austin	No. _____ Amt. \$ <u>80,000</u> American National Austin	No. _____ Amt. \$ _____

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## BIDS FOR PRINTING BONDS

\$4,000,000  
 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS  
 PERMANENT UNIVERSITY FUND BONDS  
 SERIES 1959

(Dated July 1, 1959)

Tabulation of Bids  
 Received July 1, 1959  
 10:00 a.m.

Bidder	One Coupon Rate	Two Coupon Rates	Three Coupon Rates	No. of Working Days
American Bank Note Company 118-132 East 20th Street Chicago 16, Illinois	\$1,825.70	\$1,860.70	\$1,895.70	20
Northern Bank Note Company 833 North Orleans Street Chicago 10, Illinois	878.00	893.00	908.00	19-21
Security-Columbian Banknote Co. 500 South Ashland Avenue Chicago 7, Illinois	911.00	926.00	941.00	15
The Steck Company P. O. Box 16 Austin 61, Texas	1,095.00	1,105.00	1,115.00	28

Note: Award for printing will be made at meeting of the Board of Regents in Austin, Texas on July 9, 1959 at 2:30 p.m.

Note: Award for paying agency will be made at meeting of the Board of Regents in Austin, Texas on July 9, 1959 at 2:30 p.m.

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BIDS FOR PAYING AGENCY

\$4,000,000  
 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS  
 PERMANENT UNIVERSITY FUND BONDS  
 SERIES 1959

(Dated July 1, 1959)

Tabulation of Bids Received  
 July 1, 1959 - 10:00 a.m.

Bidder	Co-Paying Agents	Per Coupon Paid	Per Bond Paid
First National Bank Dallas, Texas	N.Y.: Chemical Corn Exchange Bank Chicago: Continental Illinois Natl. Bank & Trust Co.	2½¢	12½¢
Mercantile Natl. Bank Dallas, Texas	N.Y.: The Chase Manhattan Bank Chicago: The City Natl. Bank & Trust Co.	3	30
Republic National Bank Dallas, Texas	N.Y.: Bankers Trust Company Chicago: Continental Illinois Natl. Bank & Trust Co.	2½	10
State National Bank El Paso, Texas	N.Y.: Morgan Guaranty Trust Co. Chicago: The First National Bank	4.98¢	74
First National Bank Fort Worth, Texas	N.Y.: The Hancock Bank Chicago: The First National Bank	3	20
Fort Worth Natl. Bank Fort Worth, Texas	N.Y.: Bankers Trust Company Chicago: Continental Illinois Natl. Bank & Trust Co.	2½	12½
Bank of the Southwest Houston, Texas	N.Y.: Bankers Trust Company Chicago: Harris Trust & Savings Bank	2½	17½
First City Natl. Bank Houston, Texas	N.Y.: Manufacturers Trust Company Chicago: The First National Bank	3	25
Texas National Bank Houston, Texas	N.Y.: The New York Trust Company Chicago: Continental Illinois Natl. Bank & Trust Co.	1	10
Natl. Bank of Commerce Houston, Texas	N.Y.: The New York Trust Company Chicago: Northern Trust Company	3¼	20
Frost National Bank San Antonio, Texas	N.Y.: The Chase Manhattan Bank Chicago: Harris Trust & Savings Bank	5	\$1.00

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THE STATE OF TEXAS :  
 COUNTY OF TRAVIS :

The Board of Regents of The University of Texas convened in Special Meeting, on this the 9th day of July, 1959, in Austin, Texas, with the following members and officers of the Board present, to-wit:

Merton M. Minter,	:	Chairman,
J. Lee Johnson, III,	:	Vice Chairman,
J. P. Bryan,	:	
Mrs. Charles Devall,	:	Regents,
W. W. Heath,	:	
A. G. McNeese, Jr.,	:	
Miss Betty Anne Thedford,	:	Secretary,

with the following members of the Board of Regents absent, to-wit:  
 Thornton Hardie, Wales H. Madden, Jr. and Joe C. Thompson, constituting a quorum of the said Board, at which meeting the following among other business was transacted, to-wit:

Mr. Heath introduced a resolution and moved that it be adopted. The resolution was read in full by the Secretary. The motion was seconded by Mr. McNeese.

The motion carrying with it the adoption of the resolution prevailed by the following vote:

AYES: Messrs. Minter, Johnson, Bryan, Heath and McNeese,  
 and Mrs. Devall.

NOES: None.

The resolution as adopted is as follows:

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## RESOLUTION

BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS AUTHORIZING THE ISSUANCE OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1959, IN THE AMOUNT OF \$4,000,000.00, BEARING INTEREST AT THE RATES HEREINAFTER SET FORTH, AND MATURING AS HEREINAFTER PRESCRIBED, FOR THE PURPOSE OF CONSTRUCTING, EQUIPPING OR ACQUIRING BUILDINGS OR OTHER PERMANENT IMPROVEMENTS, PRESCRIBING THE FORM OF THE BONDS, PLEDGING TO THE PAYMENT OF THE INTEREST AND PRINCIPAL THEREOF THE INTEREST OF THE UNIVERSITY IN THE INCOME DERIVED FROM THE PERMANENT UNIVERSITY FUND, 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 THE INTEREST THEREON.

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

WHEREAS, the Amendment to Section 18, Article VII of the Texas Constitution adopted by vote of the people of Texas on November 6, 1956, provides that the Board is authorized to issue negotiable bonds and notes for the purpose of constructing, equipping or acquiring buildings or other



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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 has determined to authorize, issue, sell and deliver an installment or issue of negotiable bonds in the amount of \$4,000,000.00 for such constitutional purpose, to constitute Additional Parity Bonds as described above; and

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

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

1. Definitions. Throughout this resolution the following terms and expressions as used herein shall have the meanings set 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 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 expense of administering such Fund, excepting one-third of the income arising and accruing to the Agricultural and Mechanical College of Texas from the 1,000,000 acres of land appropriated by the Constitution of 1876 and the land appropriated by the Act of 1883, as more particularly defined by Chapter 42, Acts of the 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 "University" as used herein shall refer to The University of Texas.

The term "Bonds" shall mean the issue of bonds authorized in this Resolution, unless the context clearly indicates otherwise.

The term "Refunding Bonds, Series 1958" shall mean that issue of 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 \$5,076,000.00.

The term "Additional Parity Bonds and Notes" shall mean the additional parity bonds and the additional parity notes permitted to be issued pursuant to Section 17 of the Resolution dated July 23, 1958, authorizing the issuance of the Refunding Bonds, Series 1958, and further referred to in this Resolution.

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

2. That 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, there shall be issued the negotiable Bonds of the Board of Regents of The University of Texas in the principal amount of Four Million Dollars (\$4,000,000.00).

3. Said Bonds shall be known as "Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1958" shall be in the denomination of One Thousand Dollars (\$1,000.00) each, numbered from One (1) to Four Thousand (4,000), both inclusive; and shall bear interest from their date at the following rates:

Bonds Nos. 1 to 1,360, both inclusive, 4% per annum;  
 Bonds Nos. 1,361 to 1,760, both inclusive, 3-1/4% per annum;  
 Bonds Nos. 1,761 to 4,000, both inclusive, 3.40% per annum;

payable January 1, 1960, and semi-annually thereafter on July 1 and January 1 of each year until said Bonds are fully paid.

4. Said Bonds shall be dated July 1, 1959, and shall become due and payable serially as follows:

<u>BOND NUMBERS</u>	<u>MATURITY DATES</u>	<u>AMOUNTS</u>
1 to 160, both incl.	July 1, 1960	\$ 160,000.00
161 to 320, " "	July 1, 1961	160,000.00
321 to 480, " "	July 1, 1962	160,000.00
481 to 640, " "	July 1, 1963	180,000.00
641 to 820, " "	July 1, 1964	180,000.00
821 to 1,000, " "	July 1, 1965	180,000.00
1,001 to 1,180, " "	July 1, 1966	180,000.00
1,181 to 1,360, " "	July 1, 1967	200,000.00
1,361 to 1,560, " "	July 1, 1968	200,000.00
1,561 to 1,760, " "	July 1, 1969	200,000.00
1,761 to 1,960, " "	July 1, 1970	200,000.00
1,961 to 2,160, " "	July 1, 1971	200,000.00
2,161 to 2,380, " "	July 1, 1972	220,000.00

<u>BOND NUMBERS</u>	<u>MATURITY DATES</u>	<u>AMOUNTS</u>
2,381 to 2,600, both incl.,	July 1, 1973	\$ 220,000.00
2,601 to 2,820, " "	July 1, 1974	220,000.00
2,821 to 3,040, " "	July 1, 1975	220,000.00
3,041 to 3,280, " "	July 1, 1976	240,000.00
3,281 to 3,520, " "	July 1, 1977	240,000.00
3,521 to 3,760, " "	July 1, 1978	240,000.00
3,761 to 4,000, " "	July 1, 1979	240,000.00

Each of the Bonds of this issue maturing on and after July 1, 1970 shall be subject to redemption prior to maturity on July 1, 1969 and on any interest payment date thereafter at the price effective on such date determined as follows: par and accrued interest to the date so fixed for redemption, plus a premium of 2% of the par value if redeemed on or prior to January 1, 1974, such premium to be reduced on and after July 1, 1974 to 1%. Notice of intention to redeem Bonds shall be published in a financial publication in the City of New York, New York, at least once, not less than thirty (30) days before the date fixed for redemption, and at least thirty (30) days' notice in writing prior to the date fixed for redemption shall be given to the places of payment. If, by the date fixed for redemption, funds shall have been made available sufficient to pay any Bond so called for redemption and accrued interest thereon plus the premium specified, it shall not thereafter bear interest. In the event less than all of the Bonds outstanding then eligible for redemption shall be thus called the Bonds then proposed to be redeemed shall be called in inverse numerical order.

5. That said Bonds and interest thereon shall be payable at the Texas National Bank of Houston, Houston, Texas, or, at the option of the holder, at The New York Trust Company, New York, New York, or at the Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, in lawful money of the United States of America, upon surrender of proper Bond or coupons, without exchange or collection charges to the owners or holders thereof.

6. Each of said Bonds and the coupons attached thereto shall be executed by the imprinted facsimile signatures of the Chairman of the Board and the Secretary of the Board, and such facsimile signatures shall have the same effect as manual signatures, and the corporate seal of the Board shall be impressed upon each of the Bonds.

7. Said Bonds, at the option of the holder, shall be registerable as to principal only on the books of the Registrar, and for

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such purpose the Comptroller of the University is hereby designated "Registrar." Such registration shall be noted also on the Bonds thus registered and after such registration no transfer of such Bonds shall be valid unless made on the books of the Registrar at the instance of the registered holder or his lawful attorney, thereunto duly authorized, and similarly noted on the Bonds. Bonds thus registered may be discharged from registration by being transferred to bearer, after which they shall be transferable by delivery, but may be again registered as to principal as before. Bonds not so registered or which have been so transferred to bearer shall be in all respects negotiable. The registration of Bonds as to principal shall not restrain the negotiability by delivery of the coupons appertaining thereto.

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

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

NO. \_\_\_\_\_ \$ 1,000.00

UNITED STATES OF AMERICA  
STATE OF TEXAS  
BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS  
PERMANENT UNIVERSITY FUND BOND  
SERIES 1959

For value received, the Board of Regents of The University of Texas hereby acknowledges itself indebted to and promises to pay, out of the Fund specified herein, to the bearer, or if this bond be registered as to principal, to the registered holder hereof, on the 1st day of July, 19\_\_, the sum of

ONE THOUSAND DOLLARS

with interest thereon, also payable out of the Fund specified herein, from the date hereof, at the rate of \_\_\_\_\_ per cent (\_\_\_\_%) per annum, until the principal amount of this bond shall have been paid, payable January 1, 1960, and semi-annually thereafter on July 1 and January 1 of each year. Until final maturity hereof interest shall be payable upon presentation and surrender of proper coupons as they severally become due. Both principal and interest shall be payable in lawful money of the United States of America at the Texas National Bank of Houston, Houston, Texas, or, at the option of the holder, at The New York Trust Company, New York, New York, or

the Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, without exchange or collection charges to the owner or holder hereof.

This bond is one of a series of bonds of like tenor and effect, except as to number, interest rate, reserved option of redemption and maturity, numbered One (1) to Four Thousand (4,000), both inclusive, of the denomination of One Thousand Dollars (\$1,000.00) each, aggregating Four Million Dollars (\$4,000,000.00), issued for the purpose of constructing, equipping or acquiring buildings or other permanent improvements for The University of Texas System, to the extent and in the manner provided by law, in accordance with the provisions of the Amendment to Section 18, Article VII of the Texas Constitution, adopted by vote of the people of Texas on November 5, 1956, and pursuant to a 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 and duly of record in the minutes of said Board, hereinafter sometimes called the "Resolution."

The date of this bond, in conformity with the Resolution, is July 1, 1959.

\*(Each of the bonds of this issue maturing on and after July 1, 1970, shall be subject to redemption prior to maturity on July 1, 1969 and on any interest payment date thereafter at the price effective on such date determined as follows: par and accrued interest to the date so fixed for redemption, plus a premium of 2% of the par value if redeemed on or prior to January 1, 1974, such premium to be reduced on and after July 1, 1974 to 1%. Notice of intention to redeem bonds shall be published in a financial publication in the City of New York, New York, at least once, not less than thirty (30) days before the date fixed for redemption, and at least thirty (30) days' notice in writing prior to the date fixed for redemption shall be given to the places of payment. If, by the date fixed for redemption, funds shall have been made available sufficient to pay any such bond so called for redemption and accrued interest thereon plus the premium specified, it shall not thereafter bear interest. In the event less than all of the bonds outstanding then eligible for redemption shall be thus called the bonds then proposed to be redeemed shall be called in inverse numerical order.)

This bond and the series of which it is a part are in all respects of equal dignity and on a parity with that issue of Board of Regents



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of The University of Texas Permanent University Fund Refunding Bonds, Series 1958, dated July 1, 1958, with this bond and the series of which it is a part constituting "Additional Parity Bonds" as permitted by Section 17 of the resolution dated July 23, 1958, authorizing said Refunding Bonds, Series 1958. All of said Refunding Bonds, Series 1958 and this bond and the series of which it is a part are equally and ratably secured by and payable from a first lien on and pledge of the Interest (as such term is defined in the Resolution) of The University of Texas in the income from the Permanent University Fund, as such Interest is apportioned by Chapter 42 of the Acts of the Regular Session of the Forty-second Legislature of Texas.

Subject to the terms and conditions referred to in the Resolution, the Board reserves the right to issue other Additional Parity Bonds and Notes which shall be equally and ratably payable from the same source and secured in the same manner as the aforesaid Refunding Bonds, Series 1958, and this bond and the series of which it is a part.

This bond is registerable as to principal only on the books of the Registrar. For such purpose the Comptroller of The University of Texas has been designated "Registrar." If registered, the fact of registration is to be noted on the back hereof and thereafter no transfer of this bond shall be valid unless made on the books of Registrar at the instance of the registered holder and similarly noted hereon. Registration as to principal may be discharged by transfer to bearer, after which this bond may again be registered as before. The registration of this bond as to principal shall not restrain the negotiability of the coupons pertaining hereto, which shall continue to be negotiable by delivery merely.

Subject to the provision for registration as to principal alone endorsed hereon and contained in the Resolution, nothing contained in this bond nor in said Resolution shall affect or impair the negotiability of this bond and this bond shall constitute a negotiable instrument within the meaning of the Uniform Negotiable Instruments Act of the State of Texas.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required to be done precedent to and in the issuance of this bond and the series of which it forms 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

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Resolution, that this issue of bonds does not exceed any constitutional or statutory limitation, and that provision has been made for the payment of the principal of and interest on this bond and the issue of which it is a part by an irrevocable pledge of the funds specified herein.

IN WITNESS WHEREOF, THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS has caused the corporate seal of said Board to be impressed 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 July 1, 1959.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS

\_\_\_\_\_  
Secretary  
\_\_\_\_\_  
Chairman

\*(This paragraph shall be omitted from Bonds Nos. 1 to 1,760, both inclusive.)

9. The form of coupons shall be substantially as follows:

NO. \_\_\_\_\_ ON THE 1ST DAY OF \_\_\_\_\_, 19\_\_\_\_ \$ \_\_\_\_\_

The Board of Regents of The University of Texas hereby promises to pay to the bearer \*(unless the bond to which this coupon is attached has been called for redemption and provision for the redemption thereof made as therein provided) solely out of the fund specified in the bond to which this coupon is attached, the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), at the Texas National Bank of Houston, Houston, Texas, or, at the option of the holder, at The New York Trust Company, New York, New York, or the Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, in lawful money of the United States of America, without exchange or collection charges to the owner or holder hereof, said sum being six months' interest due that day on "Board of Regents of The University of Texas Permanent University Fund Bond, Series 1959," bearing the number hereinafter specified, dated July 1, 1959, Bond No. \_\_\_\_\_.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS

\_\_\_\_\_  
Secretary  
\_\_\_\_\_  
Chairman

\*(This parenthetical expression should be printed only in coupons maturing January 1, 1970, and subsequent.)

10. Each of said Bonds shall be registered in the office of the Comptroller of Public Accounts of the State of Texas. The form of

Comptroller's Certificate, which shall be printed on the back of each Bond shall be substantially as follows:

OFFICE OF COMPTROLLER : REGISTER NO. 33243  
STATE OF TEXAS :

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 funds pledged to its payment by and in the Resolution authorizing same, and said bond has this day been registered by me.

WITNESS MY HAND and seal of office at Austin, Texas, \_\_\_\_\_

Comptroller of Public Accounts of the State of Texas.

(SEAL)

11. That the form of ownership registration endorsement on the reverse side of the Bond shall be substantially as follows:

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

It is hereby certified that, at the request of the holder of the within bond, I have this day registered it as to principal in the name of such holder as indicated in the registration blank below, on the books kept by me for such purpose. The principal of this bond shall be payable only to the registered holder hereof named in the below registration blank or his legal representative, and this bond shall be transferable only on the books of the Registrar and by an appropriate notation in such registration blank. If the last transfer recorded on the books of the Registrar and in the below registration blank shall be to bearer, the principal of this bond shall be payable to bearer and it shall be in all respects negotiable. In no case shall negotiability of the coupons attached hereto be affected by any registration as to principal.

<u>NAME OF REGISTERED HOLDER</u>	<u>DATE OF REGISTRATION</u>	<u>SIGNATURE OF REGISTRAR</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

12. (a) It is hereby certified and recited that the Bonds authorized in this Resolution are Additional Parity Bonds permitted to be issued under Section 17 of the resolution of the Board of Regents of The University of Texas dated July 23, 1958, authorizing the issuance of the Refunding Bonds, Series 1958, and that all conditions and requirements of said Section 17 have been or will be met prior to the delivery of the Bonds herein authorized. Said Refunding Bonds, Series 1958, and the Bonds herein authorized, and the interest on all of same, are and shall be on a parity and in all respects of equal dignity.

(b) Pursuant to the authority conferred upon the Board by the provisions of Section 18, Article VII of the Texas Constitution, approved by vote of the people of Texas on August 23, 1947, and pursuant to the provisions of the amendment to said Section 18, Article VII, approved by vote of the people of Texas on November 6, 1956, and pursuant to the provisions of Chapter 255, page 546, Acts of 1957, Fifty-fifth Legislature of Texas, Regular Session, the aforesaid Refunding Bonds, Series 1958, together with the Bonds authorized by this Resolution and all other Additional Parity Bonds and Notes, when issued pursuant to the provisions of Section 17 of the above described resolution authorizing the issuance of said Refunding Bonds, Series 1958, and the interest on all of same, shall be and are hereby equally and ratably secured by and payable from a first lien on and pledge of the Interest of the University in the income from the Permanent University Fund as such Interest is defined in Section 1 of this Resolution.

13. (a) The aforesaid resolution dated July 23, 1958, authorizing the issuance of said Refunding Bonds, Series 1958, 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 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 said Refunding Bonds, Series 1958, the Comptroller of Public Accounts of the State of Texas shall, for the benefit of the Bonds herein authorized, transfer to the Interest and Sinking Fund out of The University of Texas Available University Fund (the fund in the State Treasury to which is deposited the Interest of the University), on or before November 1, 1959, and

semi-annually thereafter on or before May 1 and November 1 of each year while the Bonds or interest thereon are outstanding and unpaid, a sum of money equal to the amount of interest or principal and interest (when both are scheduled to accrue and mature) which will become due on the Bonds on the January 1 or July 1 next following.

(b) To the end that money will be available at the places of payment in ample time to pay the principal of and the interest on the Bonds as such principal and interest respectively mature, on or before November 5, 1959, and semi-annually thereafter on or before May 5 and November 5 of each year while any of the Bonds or interest thereon are outstanding and unpaid, the Comptroller of the University, or such officer as may hereafter be designated by the Board 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 (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 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 legally available for such purpose in an amount sufficient to redeem the 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 that place of payment situated in the State of Texas, specified in Section 5 above, and shall deliver such warrant to such place of payment on, or before the November 15 or May 15 next following.

(d) The place of payment situated in the State of Texas, designated in Section 5 hereof, shall, out of moneys remitted to it under the provisions of Section 13 hereof, and not otherwise, make available at the other places of payment specified in Section 5 hereof, funds sufficient to pay such of the Bonds (whether payable to the bearer or payable to the registered holder thereof) and such of the coupons as are presented for payment at such places of payment and said place of payment situated in the State of Texas by accepting designation as such place of payment agrees and is obligated to perform such service.



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(e) All Bonds and coupons paid by the places of payment, after cancellation by perforation, shall be forwarded by such places of payment to the University at Austin, Texas.

(f) The Board of Regents shall make provision with the places of payment designated as paying agents for the rendition of a statement to the University for any sums due such paying agents for services rendered in connection with the payment of the coupons and Bonds by such paying agents and the amount of such charges shall be paid by the University from funds available for such purpose.

14. That all of the language, terms, provisions, covenants and agreements of Sections 15 through 19, both inclusive, of the resolution dated July 23, 1958, authorizing the issuance of the Refunding Bonds, Series 1958, be and are hereby referred to, adopted and made applicable to the Bonds authorized by this Resolution for all purposes.

15. That after the 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 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 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.

16. That the sale of the Bonds herein authorized to a syndicate headed by Phelps, Fenn & Co., New York, New York, at a price of par and accrued interest to date of delivery, plus a premium of \$ -0- , is hereby confirmed. Delivery of such Bonds shall be made to such purchaser as soon as may be after the adoption of this Resolution upon payment therefor in accordance with the terms of sale.

ADOPTED AND APPROVED this the 9th day of July, 1959.

s/ Merton M. Minter  
Chairman, Board of Regents of  
The University of Texas.

ATTEST:

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

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CERTIFICATE BY SECRETARY

THE STATE OF TEXAS :

COUNTY OF TRAVIS :

I, the undersigned, Secretary of the Board of Regents of The University of Texas, do hereby certify that the above and foregoing is a true, full and correct copy of an excerpt from the minutes of a meeting of the Board of Regents of said University, held on the 9th day of July, 1959, pertaining to the issuance of its Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1959, in the amount of \$4,000,000.00, all of which is recorded in the official minutes of such meeting.

GIVEN UNDER MY HAND and the seal of said Board, this the 9th day of July, 1959.

Secretary, Board of Regents of  
The University of Texas.

(SEAL)