

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

Signed this the 13th day of July , 1960, A. D.

Merton M. Minter
Merton M. Minter, M. D.
Chairman

J. Lee Johnson III
J. Lee Johnson, III
Vice-Chairman

J. P. Bryan
J. P. Bryan, Member

(Mrs.) Charles Devall, Member

Thornton Hardie
Thornton Hardie, Member

W. W. Heath, Member

Wales H. Madden, Jr., Member

A. G. McNees, Jr.
A. G. McNees, Jr., Member

Joe C. Thompson, Member

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MEETING NO. 590

JULY 13, 1960. -- The Board of Regents of The University of Texas met in special session in Room 203 of the Driskill Hotel, Austin, Texas, at 11:00 a. m. on Wednesday, the 13th day of July, 1960.

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 July 13, 1960. (Copies of signed Consent to Meeting by all nine members of the Board are in the Secretary's Files, Volume VII, Pages 117 .)

ATTENDANCE. --

<u>Present</u>	<u>Absent</u>
Chairman Minter, presiding	Regent Devall--excused
Vice-Chairman Johnson	Regent Heath--excused
Regent Bryan	Regent Madden--excused
Regent Hardie	Regent Thompson--excused
Regent McNeese	
Vice-President Dolley	President Wilson--excused
Secretary Thedford	

Also among those present were:

Mr. W. W. Stewart, Endowment Officer
 Mr. Burnell Waldrep, Land and Trust Attorney
 Mr. Berte Haigh, Geologist-in-Charge of University Lands
 Miss Mary E. Cook, Assistant to Endowment Officer
 Miss Thelma Lockwood, Executive Assistant, Investment Office
 Mr. George W. Sparks of Vinson, Elkins, Weems & Searls of Houston, Texas, representing the Bond Counsel

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS
PERMANENT UNIVERSITY FUND BONDS, SERIES 1960

At the request of Chairman Minter, Vice-President Dolley commented briefly on the six bids received and the prices submitted for the Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1960. At the meeting, each Regent was given a copy of the bids for the sale of the bonds, for the paying agency, and for the printing of the bonds.

Mr. George W. Sparks of the firm of Vinson, Elkins, Weems & Searls of Houston, Texas, was present to answer any questions.

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RESOLUTION AUTHORIZING THE ISSUANCE OF \$5,000,000 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1960, AND OTHER PROVISIONS RELATING TO THE SUBJECT. --The Chairman introduced a resolution which was read in full by the Secretary. The caption of the resolution is as follows:

RESOLUTION

OF THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS AUTHORIZING THE ISSUANCE OF \$5,000,000 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1960; PRESCRIBING TERMS, CONDITIONS, AND DETAILS RELATING THERETO; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL THEREOF AND THE INTEREST THEREON; AWARDING THE SALE THEREOF; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

Regent Johnson made a motion that the resolution be adopted as read. Regent Bryan seconded the motion for the adoption of the resolution. The motion, carrying with it the adoption of the resolution, prevailed by the following vote:

AYES: Regents Minter, Johnson, Bryan, Hardie, and McNeese.

NOES: None.

The Chairman thereupon announced that the resolution had been duly and lawfully adopted. The resolution as adopted and as certified by the Secretary is attached to and made a part of these Minutes. (Pages 1-22)

(On July 7, 1960, a copy of the proposed resolution authorizing the issuance of the bonds had been mailed to each Regent.)

SALE OF \$5,000,000 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1960, TO BEAR, STEARNS & COMPANY AND EASTMAN DILLON, UNION SECURITIES & COMPANY. --Vice-President Dolley stated that, as authorized, bids were called for and received on \$5,000,000 Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1960. These bids were opened and tabulated at 10 a. m. CST on July 12, 1960, as shown on Page 7 .

The following recommendation of the Administration was presented and was adopted upon motion of Vice-Chairman Johnson, seconded by Mr. Bryan:

It is recommended 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 Bear, Stearns & Co. and Eastman Dillon,

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Union Securities & Co. at the price of par and accrued interest to date of delivery, plus a premium of \$3,050, at rates of interest shown on the tabulation on Page 7.

DESIGNATION OF PAYING AGENCY FOR BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1960, IN THE AMOUNT OF \$5,000,000. --Vice-President Dolley submitted the following report of the Administration:

The bids for designating a paying agency for the Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1960, in the amount of \$5,000,000, were received and opened on July 11, 1960, at 10 a. m. CST, in accordance with specifications previously furnished the bidders. These are tabulated on Page 8.

It is recommended that the Board of Regents accept the proposal of the Fort Worth National Bank of Fort Worth, Texas, for a charge of Two and one-half Cents (\$0.02 1/2) per coupon paid and Ten Cents (\$0.10) per bond paid. The co-paying agents selected by the Fort Worth National Bank are Bankers Trust Company, New York, New York, and the Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois.

It was moved by Mr. McNeese, seconded by Mr. Hardie, and adopted that the foregoing recommendation for a paying agency for the Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1960, in the amount of \$5,000,000, be approved.

AWARD OF CONTRACT FOR PRINTING THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1960, IN THE AMOUNT OF \$5,000,000. --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 1960:

The bids for printing the Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1960, in the amount of \$5,000,000, were received and opened on July 11, 1960, at 10 a. m. CST, in accordance with specifications previously furnished the bidders. These are tabulated on Page 9. 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 of The Steck Company, Austin, Texas, for the sum of \$1,020.00, there being three coupon rates. Payment will be made from Account No. 89/85 - Endowment Office - Miscellaneous Costs - Permanent University Fund Bonds, Series 1960.

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Upon motion of Vice-Chairman Johnson, seconded by Mr. Hardie, the Board adopted the foregoing recommendation of award for printing the Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1960, in the amount of \$5,000,000.

APPROPRIATION FOR MISCELLANEOUS COSTS (\$8,500). -- Upon motion of Vice-Chairman Johnson, seconded by Mr. McNeese, the Board approved the Administration's recommendation that the sum of \$8,500 be appropriated from the Available Fund Unappropriated Balance to an account in the budget of the Endowment Office to be entitled Miscellaneous Costs -- Permanent University Fund Bonds, Series 1960.

PERMISSION FOR REPRESENTATIVE TO GO TO NEW YORK FOR DELIVERY OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1960. -- The Administration presented the following recommendation which was adopted upon motion of Mr. McNeese, seconded by Mr. Bryan:

Should delivery of the Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1960, in the amount of \$5,000,000, be delivered in New York, New York, rather than in Austin, it is recommended that a staff member designated by the Vice-President for Fiscal Affairs be authorized to represent the University at such delivery without loss of pay but at no expense to the University since such delivery would be at the expense of the purchaser as provided in the Notice of Sale.

TRUST AND SPECIAL FUNDS. -- REAL ESTATE MATTERS

The following item having been approved by the Land and Investment Committee at its meeting on July 2 for submission at this Special Meeting if all details were completed was adopted upon motion of Mr. Hardie, seconded by Vice-Chairman Johnson:

Hogg Foundation: Varner Properties - Sale to A. S. Koehler, Independent Executor of the Estate of George L. H. Koehler, of Sens Property, Milam and Congress, Houston, Texas. --
One of the Varner Properties acquired by the Board of Regents as Trustee of the Hogg Foundation in 1952 was the leasehold on 100 x 100 feet on the northwest corner of Milam and Congress in Houston under a 99-year lease made by the Hoggs with Otto Sens, the owner of the property, in 1920. There were old improvements on this property, occupied by a hotel and some other smaller establishments, which produced at the time the University acquired the leasehold a small net return over the rental of \$700 per month, plus taxes, insurance and maintenance paid by the University to the Sens heirs. The condition of the improvements and decline in this older business area of Houston later caused the University to stand a loss each year, and there were serious problems of fire hazards and accidents due to the age of the improvements.

With permission from the Sens heirs, the improvements were sold and demolished by the University in 1956. As authorized by the Board of Regents on March 15, 1958, the University

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paid \$100,000 to the owners of the property for cancellation of the lease and conveyance of fee title to the University.

The property is carried on the books of the University at \$30,000, its estimated value, free of the lease, in 1956. It has been rented since the improvements were demolished to Classified Parking System. The current lease is for 3 years expiring September 30, 1962, and provides for rental of \$225 per month plus 50 per cent of total annual gross above \$6,000. Total rental is now running at approximately \$4,000 annually, with no taxes or other expenses, giving a rate of 13.3 per cent on book value of \$30,000 and 10.5 per cent of \$38,000 as net sales price recommended below. Ad valorem taxes on the property for a non-exempt owner will amount to approximately \$1,000 annually.

Based on indications of an offer of \$30,000 cash for this property through Mr. Mitchell Koppel, a Houston realtor, the Land and Investment Committee on January 22, 1960 authorized the Endowment Officer to notify Mr. Koppel that sale of the property for \$40,000 would be recommended by the Committee to the Board of Regents. Mr. Koppel has now submitted an offer from A. S. Koehler, Independent Executor of the Estate of George L. H. Koehler to buy the property for \$40,000 cash, with commission of 5 per cent to be paid to Mr. Koppel.

An appraisal by Mr. N. F. Allison, M. A. I. of Houston, dated February 12, 1959, gives a market value of \$37,500 on the property. Mr. Allison in April, 1960, stated that he would still assign a fair market value of about \$37,500 to the property but that he felt the University should give serious consideration to sale at \$35,000 or above. Mr. Allison further stated that in his opinion values in this area of Houston probably have declined at a rate of about 4 1/2 per cent per annum for the past 10 years and that there are at least reasonable indications that such decline will continue, in spite of some developments in the area that may have some stabilizing effect.

It is recommended that the Board of Regents accept the offer of \$40,000 cash and adopt the following resolution:

RESOLUTION

WHEREAS, on March 31, 1958, Mrs. Lynette Schneider Autrey and her husband, Herbert S. Autrey, and Miss Elma Schneider, a feme sole, conveyed to the Board of Regents of The University of Texas, as Trustee of the Hogg Foundation--W. C. Hogg Memorial Fund, certain lands in the City of Houston, Harris County, Texas, described as follows:

Lots 1 and 2 in Block 18 on the South Side of Buffalo Bayou in the City of Houston, County of Harris, State of Texas, and being the same property described as Parcel No. 9 in the deed

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from Varner Company, a Texas corporation, to the Board of Regents of The University of Texas, as Trustee of the Hogg Foundation--W. C. Hogg Memorial Fund, dated July 31, A. D. 1952, recorded in Volume 2478, page 269 of the Deed Records of Harris County, Texas;

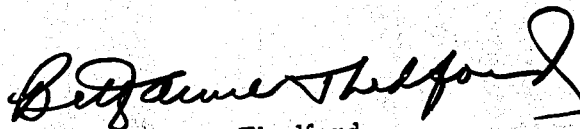
said deed being recorded in Volume 3489, page 608 of the Deed Records of Harris County, Texas; and

WHEREAS, A. S. Koehler, Independent Executor of the Estate of George L. H. Koehler, has submitted an offer of Forty Thousand Dollars (\$40,000.00) to purchase from the Board of Regents of The University of Texas, as Trustee of the Hogg Foundation--W. C. Hogg Memorial Fund, the above-described premises; and

WHEREAS, the offer is duly accepted by the Board of Regents of The University of Texas, as Trustee of the Hogg Foundation--W. C. Hogg Memorial Fund, such sale being advantageous to The University of Texas;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman of the Board of Regents of The University of Texas be and he is hereby authorized and directed upon receipt of the consideration to execute, acknowledge, and deliver a proper deed for and on behalf of the Board of Regents of The University of Texas, as Trustee of the Hogg Foundation--W. C. Hogg Memorial Fund, to A. S. Koehler, Independent Executor of the Estate of George L. H. Koehler, conveying the above-described Lots 1 and 2 in Block 18 on the South Side of Buffalo Bayou in the City of Houston, Harris County, Texas, and to perform all other acts necessary to complete this transaction, and the Secretary of this Board is authorized and directed to attest the deed and affix the common seal of the Board of Regents of The University of Texas.

ADJOURNMENT. --The Board adjourned this special meeting at 11:30 a. m.



Betty Anne Thedford
Secretary

PERMANENT UNIVERSITY FUND BONDS
SERIES 1960

Tabulation of Bids Received
July 12, 1960 - 10:00 a. m.

(Dated July 1, 1960)

	Bear, Stearns & Co. Eastman Dillon, Union Securities & Co. as Joint Mgrs.	Merrill Lynch, Pierce, Fenner & Smith, Inc. and Associates	Halsey, Stuart & Co. and Associates	Drexel & Co., Blyth & Co., Inc. - Joint Managers	Glore, Forgan & Co. Account Manager	Rauscher Pierce & Co. Phelps, Fenn & Co. and Associates
Coupon Rate for Bonds Maturing	1961 thru 65 <u>4.5 %</u>	1961 thru 65 <u>4.5 %</u>	1961 thru 64 <u>4.5 %</u>	1961 thru 65 <u>4.5 %</u>	1961 thru 65 <u>4.5 %</u>	1961 thru 64 <u>4.5 %</u>
" "	1966 thru 75 <u>3.0 %</u>	1966 thru 71 <u>3.0 %</u>	1965 thru 70 <u>3.0 %</u>	1966 thru 71 <u>3.0 %</u>	1966 thru 69 <u>2.8 %</u>	1965 thru - <u>3.7 %</u>
" "	1976 thru 80 <u>3.10%</u>	1972 thru 80 <u>3.25%</u>	1971 thru 74 <u>3.10%</u>	1972 thru 75 <u>3.10%</u>	1970 thru 73 <u>3.0 %</u>	1966 thru 74 <u>3.0 %</u>
" "	thru _____ %	thru _____ %	1975 thru 80 <u>3.25%</u>	1976 thru 80 <u>3.25%</u>	1974 thru 80 <u>3.20%</u>	1975 thru 80 <u>3.2 %</u>
Premium	\$ <u>3,050.00</u>	\$ <u>50.00</u>	\$ <u>None</u>	\$ <u>2,250.00</u>	\$ <u>None</u>	\$ <u>612.50</u>
Net Interest Cost	\$ <u>1,765,425.00</u>	\$ <u>1,844,700.00</u>	\$ <u>1,814,987.50</u>	\$ <u>1,820,675.00</u>	\$ <u>1,797,075.00</u>	\$ <u>1,793,712.50</u>
Weighted Average Annual Interest Rate	<u>3.1246 %</u>	<u>3.2649 %</u>	<u>3.21236 %</u>	<u>3.222433 %</u>	<u>3.18066 %</u>	<u>3.1747 %</u>
Attached Check	No. <u>75754</u> Amt. <u>\$100,000</u> American National Austin	No. <u>34052</u> Amt. <u>\$100,000</u> Capital National Austin	No. <u>X562838</u> Amt. <u>\$100,000</u> First National Dallas	No. <u>75755</u> Amt. <u>\$100,000</u> American National Austin	No. <u>75753</u> Amt. <u>\$100,000</u> American National Austin	No. <u>75757</u> Amt. <u>\$100,000</u> American National Austin

Award for paying agency will be made at meeting of the Board of Regents in 1045
 Austin, Texas on July 13, 1960 at 11:00 a.m.

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BIDS FOR PAYING AGENCY

\$5,000,000
 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS
 PERMANENT UNIVERSITY FUND BONDS
 SERIES 1960

(Dated July 1, 1960)

Compilation of Bids Received
 July 11, 1960 - 10:00 a.m.

Bidder	Co-Paying Agents	Per Coupon Paid	Per Bond Paid
Republic National Bank of Dallas, Texas	New York: Bankers Trust Company Chicago: Continental Illinois National Bank & Trust Co.	\$0.03	\$0.25
Mercantile National Bank at Dallas, Texas	New York: The Chase Manhattan Bank Chicago: Harris Trust & Savings Bank	\$0.03	\$0.35
The First National Bank of Fort Worth, Texas	New York: The Hanover Bank Chicago: Continental Illinois National Bank & Trust Co.	\$0.02½	\$0.20
The Fort Worth National Bank, Fort Worth, Texas	New York: Bankers Trust Company Chicago: Continental Illinois National Bank & Trust Co.	\$0.02½	\$0.10
National Bank of Commerce, Houston, Texas	New York: Chemical Bank New York Trust Company Chicago: Northern Trust Company	\$0.03	\$0.25
Texas National Bank of Houston, Texas	New York: First National City Bank Chicago: Continental Illinois National Bank & Trust Co.	\$0.02½	\$0.12½
First City National Bank of Houston, Texas	New York: Manufacturers Trust Co. Chicago: First National Bank	\$0.03	\$0.25
Bank of the Southwest National Association Houston, Texas	New York: Bankers Trust Company Chicago: Harris Trust & Savings Bank	\$0.02½	\$0.17½
First National Bank of San Antonio, Texas	New York: Chemical Bank New York Trust Company Chicago: First National Bank	\$0.02½	\$0.12½

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BIDS FOR PRINTING BONDS

\$5,000,000
 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS
 PERMANENT UNIVERSITY FUND BONDS
 SERIES 1960

(Dated July 1, 1960)

Tabulation of Bids
 Received July 11, 1960
 10:00 a.m.

Bidder	One Coupon Rate	Two Coupon Rates	Three Coupon Rates	Four Coupon Rates	No. of Working Days
Security-Columbian Banknote Company 500 South Ashland Avenue Chicago 7, Illinois	\$1,090.00	\$1,115.00	\$1,140.00	\$1,165.00	20
Northern Bank Note Company 833 N. Orleans St. Chicago 10, Illinois	\$1,095.00	\$1,110.00	\$1,125.00	\$1,140.00	17-20
The Steck Company P. O. Box 16 Austin 61, Texas	\$1,000.00	\$1,010.00	\$1,020.00	\$1,030.00	22

Note: Award for printing will be made at meeting of the Board of Regents in Austin, Texas on July 13, 1960 at 11:00 a.m.

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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 the 13th day of July, 1960, in Austin, Texas, with the following members and officers of said Board present,

to-wit:

Merton M. Minter	Chairman
J. Lee Johnson, III	Vice Chairman
J. P. Bryan	Regent
Thornton Hardie	Regent
A. G. McNeese, Jr.	Regent
Miss Betty Anne Thedford	Secretary

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

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

AYES: Regents Minter, Johnson, Bryan,
Hardie, and McNeese.

NOES: None.

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

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RESOLUTION

OF THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS
AUTHORIZING THE ISSUANCE OF \$5,000,000 BOARD OF
REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT
UNIVERSITY FUND BONDS, SERIES 1960; PRESCRIBING
TERMS, CONDITIONS, AND DETAILS RELATING THERETO;
PROVIDING FOR THE PAYMENT OF THE PRINCIPAL THERE-
OF AND THE INTEREST THEREON; AWARDING THE SALE
THEREOF; AND CONTAINING OTHER PROVISIONS RELATING
TO THE SUBJECT

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

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

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

and

WHEREAS, the outstanding bonds of the bond issues de-
scribed above are payable from and secured by a first lien on and

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pledge of the Interest of the University of Texas in the income from the Permanent University Fund, in the manner and to the extent provided and set forth in the resolutions authorizing said outstanding bonds, respectively; and

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

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

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

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WHEREAS, the Board of Regents has determined, and hereby affirmatively determines, to authorize, issue, sell and deliver an installment or issue of \$5,000,000 negotiable bonds for such constitutional purposes, the same to constitute Additional Parity Bonds as described above; and

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

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

Section 1:

AMOUNT, NAME, PURPOSE AND AUTHORIZATION OF BONDS: That the negotiable bonds of the Board of Regents of The University of Texas be issued in the principal amount of \$5,000,000, to be known and designated as "BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1960", for the purpose of constructing, equipping or acquiring buildings or other permanent improvements for The University of Texas System, to the extent and in the manner provided by law, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Section 18 of Article VII of the Constitution of Texas, as amended by vote of the people at the election held in and throughout the State of Texas on the 6th day of November, 1956.

Section 2:

2.01 - DATE, NUMBERS, DENOMINATION, AND MATURITIES: That said bonds shall be dated July 1, 1960, shall be numbered consecutively from 1 to 5000, both inclusive, shall be in the denomination of \$1,000 each, aggregating \$5,000,000, and shall become due and payable serially in their numerical order on July 1st in each of the

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years 1961 to 1980, both inclusive, in the respective amounts shown in the following schedule, to-wit:

<u>Bonds Numbers</u> (both incl.)	<u>Maturity</u>	<u>Amount</u>
1 - 200	1961	\$200,000
201 - 400	1962	200,000
401 - 600	1963	200,000
601 - 800	1964	200,000
801 - 1025	1965	225,000
1026 - 1250	1966	225,000
1251 - 1475	1967	225,000
1476 - 1700	1968	225,000
1701 - 1950	1969	250,000
1951 - 2200	1970	250,000
2201 - 2450	1971	250,000
2451 - 2700	1972	250,000
2701 - 2975	1973	275,000
2976 - 3250	1974	275,000
3251 - 3525	1975	275,000
3526 - 3800	1976	275,000
3801 - 4100	1977	300,000
4101 - 4400	1978	300,000
4401 - 4700	1979	300,000
4701 - 5000	1980	300,000

2.02 - OPTION OF PRIOR REDEMPTION: That each of the bonds of this issue maturing on and after July 1, 1971, shall be subject to redemption prior to maturity on July 1, 1970, and on any interest payment date thereafter, at the price effective on such date determined as follows: par and unpaid accrued interest thereon to the date so fixed for redemption plus a premium of 2% of the par value if redeemed on or prior to January 1, 1975, such premium to be reduced on and after July 1, 1975 to 1%. Notice of the intention to redeem bonds shall be given in writing to the banks at which said bonds are payable, and said notice shall be published at least one (1) time in a financial journal or publication of general circulation in the United States of America, which notice shall be mailed to said banks and published in said journal or publication at least thirty (30) days prior to the date fixed for redemption. If, by the date fixed for redemption, funds shall have

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been made available sufficient to pay the principal of any bond so called for redemption and unpaid accrued interest thereon to the date fixed for redemption plus the premium specified, it shall not thereafter bear interest. In the event less than all the bonds outstanding then eligible for redemption shall be thus called, the bonds then proposed to be redeemed shall be called in inverse numerical order.

Section 3:

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

Bonds Nos. 1 to 1025, both inclusive, 4-1/2%,

Bonds Nos. 1026 to 3525, both inclusive, 3%,

Bonds Nos. 3526 to 5000, both inclusive, 3.10%,

interest payable January 1, 1961, and semi-annually thereafter on July 1st and January 1st of each year until the principal sum thereof is fully paid.

3.02 - BANKS OF PAYMENT: That both principal of and interest on said bonds shall be payable in lawful money of the United States of America, without exchange or collection charges to the owners or holders of the bonds and/or interest coupons, at The Fort Worth National Bank, Fort Worth, Texas, or, at the option of the holder, at the Bankers Trust Company, New York, New York, or at the Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois. The principal of such bonds shall be payable only upon presentation and surrender of said bonds as they respectively become due, and interest falling due on and prior to the respective maturity dates of the bonds shall be payable only upon presentation and surrender of the interest coupons attached to said bonds as such coupons severally become due.

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Section 4:

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

Section 5:

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

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

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State of Texas.

Section 6:

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

No. _____ \$1,000

UNITED STATES OF AMERICA
STATE OF TEXAS

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

SERIES 1960

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

ONE THOUSAND DOLLARS

(\$1,000), with interest thereon, also payable out of the Fund specified herein, at the rate of _____% (NOTE TO PRINTER: For interest rates, see Section 3.01 of bond resolution) per annum, until the principal sum hereof shall have been paid, interest payable January 1, 1961, and semi-annually thereafter on July 1st and January 1st of each year. Both principal of and interest on this bond are payable in lawful money of the United States of America, without exchange or collection charges to the owner or holder, at The Fort Worth National Bank, Fort Worth, Texas, or, at the option of the holder, at the Bankers Trust Company, New York, New York, or at the Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois. The principal hereof shall be payable only upon presentation and surrender of this bond, and interest hereon falling due on and prior to the maturity of this bond shall be payable only upon presentation and surrender of the interest coupons hereto attached as such coupons severally become due.

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THIS BOND IS ONE OF A SERIES OF 5000 SERIAL BONDS of like tenor and effect, except as to serial number, interest rate, maturity, and reserved option of redemption, being numbered consecutively from 1 to 5000, both inclusive, in the denomination of \$1,000 each, AGGREGATING \$5,000,000, and, together with the other bonds of said series, is issued for the purpose of constructing, equipping, or acquiring buildings or other permanent improvements for The University of Texas System, to the extent and in the manner provided by law, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Section 18 of Article VII of the Constitution of Texas, as amended by vote of the people at the election held in and throughout the State of Texas on the 6th day of November, 1956, and pursuant to a resolution duly adopted by the Board of Regents of The University of Texas and duly of record in the official minutes of said Board of Regents, hereinafter referred to as the "Resolution."

THE DATE OF THIS BOND, in conformity with the Resolution, IS JULY 1, 1960.

EACH OF THE BONDS OF THIS ISSUE MATURING ON AND AFTER JULY 1, 1971, to-wit: Bonds Nos. 2201 to 5000, both inclusive, SHALL BE SUBJECT TO REDEMPTION PRIOR TO MATURITY ON JULY 1, 1970, and on any interest payment date thereafter at the price effective on such date determined as follows: par and unpaid accrued interest thereon to the date so fixed for redemption plus a premium of 2% of the par value if redeemed on or prior to January 1, 1975, such premium to be reduced on and after July 1, 1975 to 1%. Notice of the intention to redeem bonds shall be given in writing to the banks at which said bonds are payable, and said notice shall be published at least one (1) time in a financial journal or publication of general circulation in the United States of America, which

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

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

THE BOARD OF REGENTS RESERVES THE RIGHT TO ISSUE OTHER ADDITIONAL PARITY BONDS AND NOTES which shall be equally and ratably payable from the same source and secured in the same manner as

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the Series 1958 Bonds, the Series 1959 Bonds, and the bonds of this issue, but such Additional Parity Bonds and Notes may be issued only pursuant to and subject to the terms and conditions provided and contained in the Resolution.

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

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required to exist and to be done precedent to and in the issuance of this bond and the other bonds of the series of which this bond is a part have been properly done, have happened and have been performed in regular and due time, form and manner, as required by the Constitution and laws of the State of Texas and the Resolution; that due provision has been made for the payment of the principal of and interest on this bond and the other bonds

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University Fund Bond, Series 1960", bearing the number hereinafter specified, dated July 1, 1960. Bond No. _____.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS

Secretary Chairman

*(The parenthetical expression should be printed only in coupons which mature after July 1, 1970.)

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

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

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

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

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

OFFICE OF THE COMPTROLLER
THE STATE OF TEXAS

REGISTER NO. _____

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

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

Comptroller of Public Accounts of the
State of Texas

Section 7:

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

(a) Permanent University Fund, or Fund: the Permanent University Fund as created by Article VII, Section 11, Constitution of Texas, further implemented by the provisions of Title 49, Chapte:

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1, Revised Civil Statutes of Texas, 1925, as amended.

(b) University: The University of Texas.

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

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

(e) Bonds: the \$5,000,000 Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1960, dated July 1, 1960, authorized by this resolution.

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

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

(h) 1959 Bond Resolution: the resolution adopted by the Board of Regents on the 9th day of July, 1959, authorizing the issuance of the \$4,000,000 Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1959, dated July 1, 1959.

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

(j) Additional Parity Bonds and Notes: the additional parity bonds and the additional parity notes permitted to be issued pursuant to Section 17 of the 1958 Bond Resolution, which Section 1 is referred to in the 1959 Bond Resolution and in this Resolution.

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

Section 8:

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

8.02 - BONDS SECURED BY FIRST LIEN: That, pursuant to the authority conferred upon the Board of Regents by the provisions of Section 18 of Article VII, Constitution of Texas, approved by vote of the people of Texas at the election held August 23, 1947, and pursuant to the provisions of the amendment to said Section 18 of Article VI approved by vote of the people of Texas at the election held

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November 6, 1956, and pursuant to the provisions of Chapter 225, Acts of the 55th Legislature of Texas, Regular Session, 1957, the Outstanding Bonds together with the Bonds authorized by this Resolution and all other Additional Parity Bonds and Notes, when issued pursuant to the provisions of Section 17 of the 1958 Bond Resolution, and the interest on all of same, shall be and are here by equally and ratably secured by and payable from a first lien on and pledge of the Interest of the University in the income from the Permanent University Fund as such Interest is defined in Section 7(d) of this Resolution.

Section 9:

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

9.02 - AVAILABILITY OF MONEYS AT PLACES OF PAYMENT:

(a) That, to the end that moneys will be available at

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the places of payment in ample time to pay the principal of and interest on the Bonds as such principal and interest respectively mature, on or before November 5, 1960, and semi-annually thereafter on or before May 5th and November 5th of each year while any of the Bonds or interest thereon are outstanding and unpaid, the Comptroller of the University, or such officer as may hereafter be designated by the Board of Regents to perform the duties now vested in such officer shall perform the following duties: (1) prepare and file with the Comptroller of Public Accounts of the State of Texas a voucher based on which said Comptroller of Public Accounts of the State of Texas shall draw a warrant against the Interest and Sinking Fund in the amount of the interest or principal and interest (when both are scheduled to accrue and mature) which will become due on January 1st or July 1st next following; and (2) in the event Bonds shall have been called for redemption on January 1st or July 1st next following of any year, prepare and file with said Comptroller of Public Accounts of the State of Texas a voucher based on which said Comptroller of Public Accounts of the State of Texas shall draw a warrant against funds of the University legally available for such purpose in an amount sufficient to redeem the Bonds thus called.

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

(c) That the place of payment situated in the State of Texas, designated in Section 3.02 of this Resolution, shall, out of

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

9.03 - CANCELLATION AND FORWARDING OF BONDS AND COUPONS UPON PAYMENT: That all Bonds and interest coupons paid by the places of payment, after cancellation by perforation, shall be forwarded by such places of payment to the University at Austin, Texas.

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

Section 10:

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

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pursuant to the provisions of Section 17 of said Series 1958 Bond Resolution, to which Section 17 reference is hereby made for full particulars.

Section 11:

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

Section 12:

SALE OF BONDS: That the sale of the Bonds authorized herein to a syndicate headed by Bear, Stearns & Co. and Eastman Dillon, Union Securities & Co., as joint managers, at a price equal to the principal amount of said Bonds plus accrued interest thereon from the date thereof to the date of actual delivery, plus a cash premium of \$3,050, is hereby authorized, approved, ratified, and confirmed. When said Bonds have been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public

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Accounts of the State of Texas, they shall be delivered to the named purchasers upon receipt of the full purchase price.

ADOPTED AND APPROVED this 13th day of July, 1960.

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

ATTEST:

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

(SEAL)

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THE STATE OF TEXAS §

COUNTY OF TRAVIS §

I, the undersigned, Secretary of the Board of Regents of The University of Texas, do hereby certify that the attached and foregoing is a true and correct copy of a resolution adopted by said Board of Regents at a meeting thereof held on the 13th day of July, 1960 (which resolution pertains to the issuance of \$5,000,000 Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1960, dated July 1, 1960), together with an excerpt from the minutes of said meeting showing the adoption of said resolution, as same appears of record in the official minutes of said Board of Regents on file in my office.

WITNESS MY HAND AND THE OFFICIAL SEAL OF SAID BOARD OF REGENTS, this the 13th day of July, 1960.

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

(SEAL)