

TEXAS TECH UNIVERSITY

LUBBOCK, TEXAS

MINUTES OF BOARD OF REGENTS MEETINGS

1971 - 1972

VOLUME III

MINUTES OF
BOARD OF REGENTS SPECIAL MEETING
JUNE 13, 1972

TEXAS TECH UNIVERSITY
Lubbock, Texas

Minutes

Special Meeting of the Board of Regents
June 13, 1972

M154. The Board of Regents of Texas Tech University met in special session on Tuesday, June 13, 1972 at 10:00 a.m. at the Executive Inn, Ambassador Room, in Dallas. The following Regents were present: Frank Junell, Chairman, Bill E. Collins, Vice Chairman, R. Trent Campbell, Waggoner Carr, and Clint Formby. Regents absent were: Dr. John J. Hinchey, Field Scovell, Charles G. Scruggs, and Judson F. Williams. University officials present were: Dr. Grover E. Murray, President; Dr. Glenn E. Barnett, Executive Vice President; Leo E. Ellis, Comptroller and Treasurer; and Mrs. Freda Pierce, Secretary of the Board.

Also present was Paul Horton, bond attorney.

M155. Chairman Junell called the meeting to order.

M156. Upon motion made by Mr. Collins, seconded by Mr. Campbell, the Board by unanimous vote adopted the attached Resolution authorizing the sale of Universities of the State of Texas State Ad Valorem Tax Bonds, Series 1972-A - Texas Tech University in the amount of \$750,000.00 to the First National Bank of Dallas, Texas, at an effective interest rate of 3.5711%. The Certificate for Resolution is attached and made a part of the Minutes; Attachment No. 1. The Resolution is attached and made a part of the Minutes; Attachment No. 2. The Certificate for the Benefit of the Attorney General is attached and made a part of the Minutes; Attachment No. 3. The Signature Identification and No-Litigation Certificate is attached and made a part of the Minutes; Attachment No. 4.

M157. Upon motion made by Mr. Collins, seconded by Mr. Campbell, the Board by unanimous vote approved two year Time Deposit Open Accounts, bearing interest of 6.10% per annum payable monthly with the following banks in the following amounts:

<u>Amount</u>	<u>Depository Bank</u>
\$1,000,000.00	Bank of Texas 1 Shell Plaza Houston, Texas
2,000,000.00	Cullen Center Bank & Trust Co. P. O. Box 4315 Houston, Texas
2,000,000.00	Bank of Commerce Fort Worth, Texas

The Depository Agreements are attached and made a part of the Minutes; Bank of Texas Agreement, Attachment No. 5; Cullen Center Bank & Trust Co. Agreement, Attachment No. 6, and Bank of Commerce Agreement, Attachment No. 7. Upon inquiry Mr. Ellis explained that all principal Texas banks within the Reserve system had been canvassed for the highest possible interest rate.

M158. There being no further business, the meeting adjourned.

Freda Pierce, Secretary

FP:rc

June 13, 1972

Attachments (June 13, 1972)

1. Certificate for Resolution; Item M156.
2. Resolution; Item M156.
3. Certificate for the Benefit of the Attorney General; Item M156.
4. Signature Identification and No-Litigation Certificate; Item M156.
5. Depository Agreement, Bank of Texas; Item M157.
6. Depository Agreement, Cullen Center Bank & Trust Co.; Item M157.
7. Depository Agreement, Bank of Commerce; Item M157.

* * * * *

I, Freda Pierce, the duly appointed and qualified Secretary of the Board of Regents, hereby certify that the above and foregoing is a true and correct copy of the Minutes of the Texas Tech University Board of Regents Special meeting on June 13, 1972.

Freda Pierce, Secretary

SEAL

June 13, 1972

CERTIFICATE FOR
RESOLUTION AUTHORIZING THE ISSUANCE OF THE UNIVERSITIES OF THE
STATE OF TEXAS STATE AD VALOREM TAX BONDS, SERIES 1972-A -
TEXAS TECH UNIVERSITY, \$750,000

THE STATE OF TEXAS :
COUNTY OF LUBBOCK :
TEXAS TECH UNIVERSITY :

We, the undersigned officers of the Board of Regents of Texas Tech University, hereby certify as follows:

1. That the Board of Regents of said University convened in SPECIAL MEETING ON THE 13TH DAY OF JUNE, 1972, at the regular designated meeting place, and the roll was called of the duly constituted officers and members of said Board of Regents, to-wit:

Frank Junell, Chairman	Mrs. Freda Pierce, Secretary
Bill E. Collins, Vice-Chairman	Waggoner Carr
Johnny Clinton Formby	R. Trent Campbell
Charles G. Scruggs	Dr. John J. Hinchey
Judson F. Williams	Field Scovell

and all of said persons were present, except the following absentees: Charles Scruggs, Judson F. Williams, Dr. John J. Hinchey, and Field Scovell, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written RESOLUTION AUTHORIZING THE ISSUANCE OF THE UNIVERSITIES OF THE STATE OF TEXAS STATE AD VALOREM TAX BONDS, SERIES 1972-A - TEXAS TECH UNIVERSITY, \$750,000 was duly introduced for the consideration of said Board of Regents and read in full. It was then duly moved and seconded that said Resolution be passed, and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed and carried by the following vote, to-wit:

AYES: All members of said Board of Regents shown present above
voted "Aye."
NOES: None.

2. That a true, full and correct copy of the aforesaid Resolution passed at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Board of Regents minutes of said meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said Board of Regents minutes of said meeting pertaining to the passage of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Board of Regents as indicated therein; that each of the officers and members of said Board of Regents was duly and sufficiently notified, officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that said Resolution would be introduced and considered for passage at said meeting; and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; and that said meeting was open to the public as required by law and public

notice of the time, place and purpose of said meeting was given, all as required by Vernon's Ann. Civ. St., Article 6252-17.

3. That the Chairman of the Board of Regents has approved, and hereby approves, the aforesaid Resolution; that the Chairman and Secretary of said Board of Regents have duly signed said Resolution; and that the Chairman and Secretary of said Board of Regents hereby declare that their signing of this Certificate shall constitute their signing of the attached and following copy of said Resolution for all purposes.

SIGNED AND SEALED this the 13th day of June, 1972.

/s/ Freda Pierce
Secretary, Board of Regents,
Texas Tech University

/s/ Frank Junell
Chairman, Board of Regents,
Texas Tech University

(SEAL)

RESOLUTION

BY THE BOARD OF REGENTS OF TEXAS TECH UNIVERSITY AUTHORIZING THE ISSUANCE OF ITS UNIVERSITIES OF THE STATE OF TEXAS STATE AD VALOREM TAX BONDS, SERIES 1972-A, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$750,000, BEARING INTEREST AS HEREINAFTER SET FORTH AND MATURING AS HEREINAFTER PRESCRIBED, TO PROVIDE FUNDS FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND INITIALLY EQUIPPING BUILDINGS AND OTHER PERMANENT IMPROVEMENTS AT TEXAS TECH UNIVERSITY, PRESCRIBING THE FORM OF THE BONDS, PLEDGING TO THE PAYMENT OF THE INTEREST AND PRINCIPAL THEREOF THAT PART OF THE MONEY ALLOCATED TO SUCH INSTITUTION FROM THE CONTINUING TAX LEVIED BY THE CONSTITUTION UNDER ARTICLE VII, SECTION 17, AS AMENDED, PROVIDING FOR THE EXECUTION AND DELIVERY OF SAID BONDS AND PRESCRIBING THE DUTIES OF THE OFFICERS OF SAID BOARD AND OF THE STATE IN REFERENCE THERETO, AND MAKING CERTAIN COVENANTS WITH RESPECT TO SECURING PAYMENT OF SAID BONDS AND INTEREST.

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

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

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

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

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

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

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

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

and

WHEREAS, the Constitutional Provision requires that the Comptroller make the June 1, 1972 allocation (15%) based on the following determinations:

"All of the funds allocated on June 1, 1972, shall be allocated to certain of the eligible state institutions based on determinations used in the June 1, 1966, allocations except that the allocation of fifty per cent (50%) of the funds allocated on June 1, 1972, shall be based on projected enrollment increases for fall 1972 to fall 1978, and fifty per cent (50%) of such funds allocated on June 1, 1972, shall be based on the need for additional square feet of educational and general facilities;"

and

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

WHEREAS, the Comptroller has made both the June 1, 1966, and June 1, 1972 allocations as required by the Constitutional Provision; and

WHEREAS, of the total funds thus allocated, Texas Tech University (herein defined and referred to as the "University") is to receive 13.41922% from the June 1, 1966 allocation, and 5.45438% from the June 1, 1972 allocation; and

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

WHEREAS, the Board of Regents of Texas Tech University has heretofore issued its Universities of the State of Texas State Ad Valorem Tax Bonds, Series 1972-Texas Tech University in the aggregate principal amount of \$10,420,000 payable from such allocations, and said bonds remain outstanding and unpaid; and

WHEREAS, the resolution authorizing the said Series 1972 Bonds permits the issuance of additional bonds payable from said allocations; and

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

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

1. The Bonds. That in order to provide funds for the purpose of acquiring, constructing and initially equipping buildings and other permanent improvements at Texas Tech University, bonds are hereby authorized to be issued known as "Universities of the State of Texas State Ad Valorem Tax Bonds, Series 1972-A - Texas Tech University," in the aggregate principal amount of Seven Hundred Fifty Thousand Dollars (\$750,000), in the denomination of Five Thousand Dollars (\$5,000) each, and numbered from One (1) through One Hundred Fifty (150), (hereinafter referred to as the "Bonds").

2. Parity. That the Bonds are issued as Additional Bonds as permitted in the resolution authorizing the Series 1972 Bonds, and shall be in all respects on a parity with the said Series 1972 Bonds. That no one of the Bonds shall be entitled to priority over any other Bond of this issue in the application of the money in the allocated fund which has been pledged to the payment of the principal of and interest on the Bonds, irrespective of the fact that some of the Bonds may be delivered prior to the delivery of other Bonds, it being the intent of this resolution that all Bonds of this issue shall rank equally.

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

1973	\$ 95,000	1976	\$130,000
1974	105,000	1977	145,000
1975	115,000	1978	160,000

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

all bonds scheduled to mature during
the year 1973 -----3.00% per annum;
all bonds scheduled to mature during
the year 1974 -----4.00% per annum;
all bonds scheduled to mature during
the year 1975 -----3.80% per annum;
all bonds scheduled to mature during
the year 1976 -----3.40% per annum;
all bonds scheduled to mature during
the year 1977 -----3.50% per annum;
all bonds scheduled to mature during
the year 1978 -----3.60% per annum;

with said interest to be evidenced by interest coupons payable March 1, 1973, and semi-annually thereafter on each September 1 and March 1.

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

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

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

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

NO. _____	\$5,000
UNITED STATES OF AMERICA	
STATE OF TEXAS	
UNIVERSITIES OF THE STATE OF TEXAS	
STATE AD VALOREM TAX BOND	
SERIES 1972-A	
TEXAS TECH UNIVERSITY	

For value received the Board of Regents of Texas Tech University, an agency of the State of Texas, and as authorized by the Constitution of the State of Texas, hereby acknowledges itself indebted to and promises to pay out of the proceeds of the ad valorem tax herein described to the bearer, on the 1st day of September, 19__, the sum of

FIVE THOUSAND DOLLARS

with interest thereon from the date hereof at the rate of _____ (____%) per cent per annum, until the principal amount of this bond shall have been paid, payable March 1, 1973, and semi-annually thereafter on September 1 and March 1 of each year. Both principal and interest shall be payable in lawful money of the United States of America upon presentation and surrender of proper bond or coupon at First National Bank in Dallas, Dallas, Texas, or, at the option of the holder at Manufacturers Hanover Trust Company, New York, New York, without exchange or collection charges to the owner or the holder thereof.

This bond is one of a series of bonds (hereinafter sometimes called the "Bonds") of like tenor and effect except as to number, maturity and interest rate, numbered from One (1) through One Hundred Fifty (150) aggregating Seven Hundred Fifty Thousand Dollars (\$750,000), issued for the purpose of acquiring, constructing and initially equipping buildings and other permanent improvements at Texas Tech University, Lubbock, Texas, in accordance with the provisions of Section 17, of Article VII, as amended, of the Constitution of Texas, and pursuant to the resolution authorizing the issuance of the series of Bonds of which this is one, adopted by the Board of Regents of Texas Tech University, duly of record in the minutes of said Board (herein called the "Resolution").

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

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

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

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

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required to be done precedent to and in the issuance of this Bond and the series of which it is a part have been properly done, have happened and been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the proceedings hereinabove mentioned, and that this issue of Bonds does not exceed any constitutional or statutory limitations and that provision has been made for the payment of the principal of and interest on this Bond and the series of which it is a part by irrevocably pledging the allocated proceeds of the continuing ad valorem tax hereinabove mentioned.

IN WITNESS WHEREOF, the Board of Regents of Texas Tech University has caused the official seal of said Board to be impressed, printed or lithographed hereon and has caused this Bond and the interest coupons attached hereto to be executed by the imprinted facsimile signature of the Chairman of the Board and the Secretary of the Board.

BOARD OF REGENTS OF
TEXAS TECH UNIVERSITY

By _____
Chairman

ATTEST:

Secretary

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

NO. _____ \$ _____

On the _____ day of _____, 19____, the Board of Regents of Texas Tech University promises to pay to bearer without exchange or collection charges to the owner or holder hereof, out of the allocated proceeds of the ad valorem tax described in the Bond to which this coupon is attached the sum of _____ (\$ _____) Dollars in lawful money of the United States of America at First National Bank in Dallas, Dallas, Texas, or, at the option of the holder at Manufacturers Hanover Trust Company, New York, New York, being the interest then due on its Universities of the State of Texas State Ad Valorem Tax Bonds, Series 1972-A - Texas Tech University, dated July 1, 1972. NO. _____.

Secretary

Chairman

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

OFFICE OF COMPTROLLER :

REGISTER NO. _____

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 Section 17 of Article VII of the Constitution, as amended, and that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas and that it is a valid and binding obligation payable from the proceeds of the State ad valorem tax pledged to its payment by and in the Resolution of said Board of Regents of Texas Tech University, an educational institution belonging to the

State of Texas duly constituted under authority of law authorizing same and said Bond has this day been registered by me.

WITNESS MY HAND and seal of office at Austin, Texas.

Comptroller of Public Accounts of the
State of Texas

(SEAL)

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

The term "Additional Bonds" shall refer to the additional parity bonds that are permitted to be issued by Section 12;

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

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

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

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

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

The term "Interest and Sinking Fund" shall mean the fund established for the University in the State Treasury and further described in Section 13 hereof;

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

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

The term "Series 1972 Bonds" shall refer to Universities of the State of Texas State Ad Valorem Tax Bonds, Series 1972-Texas Tech University, dated May 1, 1972;

The term "University" shall refer to Texas Tech University.

12. Findings, Pledge of Payment, Additional Bonds. That official recognition is hereby given to these facts:

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

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

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

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

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

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

Accordingly, the Board irrevocably pledges to the payment of the principal of and interest on the Series 1972 Bonds and the Bonds the following:

(1) All of the money now in the State Treasury to the credit of the University, realized from the collection of the continuing tax levied by the Constitutional Provision;

(2) All of the proceeds from such continuing tax to which it is entitled levied for each of the years 1966 to 1977, both inclusive, and allocated June 1, 1966, and June 1, 1972, by the Comptroller, which tax according to law becomes due on October 1 of each of said years;

(3) In the event that any of the Bonds or any interest thereon remains outstanding and unpaid on the date the last of the Bonds is scheduled to mature, and in the event the interest and Sinking Fund shall then contain insufficient money to pay all of such principal and interest and the expense incidental to the making of such payments, to the extent of such deficiency, the proceeds from such continuing tax to which the University may be entitled under the allocations made by the Comptroller on June 1, 1966 and June 1, 1972 or additional allocations or reallocation arrangements then in effect are pledged and

such pledge shall remain effective until the Bonds shall have been paid in full with interest thereon; but when full provision shall have been made for the final payment of the Bonds by depositing money sufficient for the purpose in the Interest and Sinking Fund, the obligation under this sub-section (2) will have been fully satisfied and the pledge will have been released; and

(4) The money pledged to the payment of the Bonds shall be used solely to pay the principal of and interest on the Series 1972 Bonds and the Bonds and to defray the expense incident to such payments so long as any of such bonds or interest thereon is outstanding and unpaid. After full provision shall have been made by accumulating in the Interest and Sinking Fund sufficient money to pay all of such Bonds and interest calculated thereon to maturity, the Board reserves the right to use money in excess thereof for such purposes as may be permitted under the Constitutional Provision.

Provided, however, the Board reserves and shall have the right and power to issue pursuant to the Constitutional Provision additional parity bonds in one or more series (herein defined as "Additional Bonds"), which Additional Bonds, when issued shall be secured by and payable from the Ten (10¢) Cent tax levied by the Constitutional Provision for the twelve year period beginning January 1, 1966, and allocated to the University, in the same manner and to the same extent as the Series 1972 Bonds and the Bonds, and the Additional Bonds permitted by this Section 12, when issued, shall be in all respects of equal dignity and on a parity with the Series 1972 Bonds and the Bonds whether payable in whole or in part from the allocations made by the Comptroller on June 1, 1966 and on June 1, 1972. Provided, further, that Additional Bonds will not be issued in an aggregate principal amount that will cause the total amount required for the payment of the principal of and interest on the Series 1972 Bonds, the Bonds and the Additional Bonds in any year to be more than 85% of the amount of such taxes allocated to the University and officially estimated by the Comptroller of Public Accounts to be collected in such year for the credit of the Interest and Sinking Fund.

13. Interest and Sinking Fund. That (a) the Treasurer of the State of Texas has established in the State Treasury a fund known as Constitutional Tax Bonds Interest and Sinking Fund (herein defined and referred to as the "Interest and Sinking Fund");

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

14. Procedure for Remitting to Banks of Payment.

That

(a) In accordance with the requirements of the Constitutional Provision that "The State Comptroller of Public Accounts shall draw all necessary and proper warrants upon the State Treasury, in order to carry out the purpose of this amendment," to the end that money will be available at the Banks of Payment in ample time to pay the principal of and interest on the Bonds, as

such principal and interest, respectively, matures and comes due, the Comptroller of Public Accounts of the State of Texas, on or before February 15, 1973, and on or before August 15 and February 15 of each year while any of the Bonds is outstanding and unpaid, shall draw a warrant against the Interest and Sinking Fund in the amount of the interest or interest and principal (when both are scheduled to mature) which will become due on the September 1 or March 1 next following. The amount of each such warrant shall be increased by the amount of the charges of the Banks of Payment for making payment of the Bonds or coupons or both Bonds and coupons scheduled to mature in each such instance. Within the discretion of the Comptroller of Public Accounts he may draw a separate warrant for the payment of such charges;

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

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

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

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

17. Confirmation of Sale of Bonds. That the sale of the Bonds to a Syndicate headed by First National Bank in Dallas, Dallas, Texas, at a price of par and accrued interest to date of delivery, plus a premium of \$39.47 be and the same is hereby confirmed.

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

THE STATE OF TEXAS :

COUNTY OF LUBBOCK :

We, the undersigned, Chairman of the Board of Regents and Secretary of the Board of Regents of Texas Tech University do hereby certify as follows:

1. That this certificate is for the benefit of the Attorney General of the State of Texas and the purchasers and subsequent holders of the Universities of the State of Texas State Ad Valorem Tax Bonds, Series 1972-A - Texas Tech University, issued in the principal amount of \$750,000 and dated July 1, 1972 (hereinafter called the "Bonds").

2. That all bonds and notes issued by the Board of Regents of said University payable from the tax levied by Section 17 of Article VII of the Constitution as adopted in 1947, as amended in 1956, or as amended in 1965, have been paid and are no longer outstanding, except with respect to the following issues of bonds:

Series 1966 Bonds, dated September 1, 1966;
Series 1966-A Bonds, dated September 1, 1966;
Series 1967 Bonds, dated March 1, 1967;
Series 1967-A Bonds, dated September 1, 1967;
Series 1968 Bonds, dated September 1, 1968;
(all of which outstanding bonds will be retired on
September 1, 1972); and
the Universities of the State of Texas State Ad Valorem
Tax Bonds, Series 1972, dated May 1, 1972
and Universities of the State of Texas State Ad Valorem
Tax Bonds, Series 1972-A, dated July 1, 1972.

3. That funds sufficient to pay the principal of and interest on all bonds listed in paragraph 2 above, together with the required premium for payment of such bonds prior to stated maturities, with exception of the Series 1972 Bonds and the Series 1972-A Bonds, have been deposited with the Paying Agent for said Bonds, pursuant to Article 717k, V.A.C.S., and firm banking arrangements for the payment thereof have thus been made.

4. That proper notice of the Board of Regents' meeting on June 13, 1972, to adopt the resolution authorizing the aforementioned Series 1972-A Bonds was given in accordance with the by-laws of the University.

EXECUTED this 13th day of June, 1972.

/s/ Frank Junell
Chairman, Board of Regents
Texas Tech University

ATTEST:

/s/ Freda Pierce
Secretary, Board of Regents
Texas Tech University

(SEAL)

SIGNATURE IDENTIFICATION AND NO-LITIGATION CERTIFICATE

THE STATE OF TEXAS :
COUNTY OF LUBBOCK :

We, the undersigned, hereby certify as follows:

- (a) That this certificate is executed and delivered with reference to that issue of
UNIVERSITIES OF THE STATE OF TEXAS STATE AD VALOREM TAX BONDS,
SERIES 1972-A - TEXAS TECH UNIVERSITY, dated July 1, 1972, in the principal
amount of \$750,000.
- (b) That we officially executed and signed said Bonds and the interest
coupons attached thereto by causing facsimiles of our manual signatures to be
imprinted or lithographed on each of said Bonds and interest coupons, and we
hereby adopt said facsimile signatures as our own, respectively, and declare
that said facsimile signatures constitute our signatures the same as if we
had manually signed each of said Bonds and interest coupons.
- (c) That said Bonds and interest coupons are substantially in the form,
and have been duly executed and signed in the manner, prescribed in the order,
resolution, or ordinance authorizing the issuance of said Bonds and interest
coupons.
- (d) That at the time we so executed and signed said Bonds and interest
coupons we were, and at the time of executing this certificate we are, the duly
chosen, qualified, and acting officers indicated therein, and authorized to
execute the same.
- (e) That no litigation of any nature has been filed or is now pending
to restrain or enjoin the issuance or delivery of said Bonds or interest coupons,
or which would affect the provision made for their payment or security, or in
any manner questioning the proceedings or authority concerning the issuance of
said Bonds and interest coupons, and that so far as we know and believe no such
litigation is threatened.
- (f) That neither the corporate existence nor boundaries of said issuer
is being contested, that no litigation has been filed or is now pending which
would affect the authority of the officers of said issuer to issue, execute,
and deliver said Bonds and interest coupons, and that no authority or proceed-
ings for the issuance of said Bonds and interest coupons have been repealed,
revoked, or rescinded.
- (g) That we have caused the official seal of said issuer to be impressed,
or printed, or lithographed on each of said Bonds; and said seal on said Bonds
has been duly adopted as, and is hereby declared to be, the official seal of
said issuer.

EXECUTED and delivered this

MANUAL SIGNATURES

OFFICIAL TITLES

/s/ Frank Junell

Chairman, Board of Regents

/s/ Freda Pierce

Secretary, Board of Regents

The signatures of the officers subscribed above
are hereby certified to be true and genuine.

(BANK SEAL)

First National Bank at Lubbock, Lubbock, Texas
Bank

By /s/ Troy Myers

Authorized Officer Senior Vice President

DEPOSITORY AGREEMENT

STATE OF TEXAS

COUNTY OF LUBBOCK

WHEREAS, the undersigned Bank of Texas (hereinafter referred to as the Depository Bank), a banking corporation duly incorporated and authorized by law to do a banking business in the State of Texas and now carrying on such business in said state and having its legal domicile at Houston, Texas has been designated a depository bank by the Board of Regents of Texas Tech University for funds under the control of said Board of Regents or its successors in office, consisting of the funds of the academic institution, services and agencies now under the control or that may hereafter come under the control of said Board or its successors in office, hereinafter referred to as the University, to serve until this agreement has been cancelled in accordance with its provisions.

AND WHEREAS, all funds on deposit with the above named Depository Bank to the credit of said University shall be secured with bonds or other evidences of indebtedness of the United States of America or bonds of any state, county, city, town, independent school district, common school district, or any state college or university obligations issued under the State Constitutional Tax Act.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the undersigned Bank of Texas shall transfer and deliver unto the trustee Bank hereinafter provided for, bonds or other evidences of indebtedness of the United States of America or bonds of any state, county, city, town, independent school district, common school district, or any state college or university obligations issued under the State Constitutional Tax Act, sufficient to cover the funds of said University now on deposit or to be deposited with said Depository Bank by and on behalf of said University in an amount, either at par or market value whichever is the lower, equal to the amount of University funds which they secure.

The conditions of the aforesaid transfer are such that if the said Depository Bank shall faithfully discharge its duties and pay over upon demand at the termination of this contract all funds deposited with it this date by and on behalf of said University together with the payment of interest on all time deposits at the rate of 6.10% annually, with such interest payment being paid monthly as they accrue from June 13, 1972 to July 1, 1974, to the proper officer or officers of said University according to law, then the transfer of the securities named above shall be void; otherwise to be in full force and effect.

The securities herein transferred shall be delivered to and held by the Texas Bank of Commerce or any other State or National Bank to be mutually agreed upon, hereinafter referred to as Trustee Bank (or Custodian Bank) as Agent and Trustee for both parties hereto, subject to the joint written order of said Depository Bank and the Comptroller and Treasurer of Texas Tech University and shall be disposed of and delivered by the Trustee Bank holding same as Agent and Trustee only as directed by instrument in writing signed by both said Depository Bank and the Comptroller and Treasurer of Texas Tech University except as otherwise provided in the next paragraph of this Agreement.

In case said Depository Bank shall fail at any time to pay and satisfy, when due, any check or draft lawfully drawn against any time deposit and the interest on such deposit or comply with any other term, condition or stipulation in this agreement, then the Board of Regents of Texas Tech University or its successors in office, or any Officer of said University designated by the said Board of Regents or its successors in office shall have the right and power any time thereafter to sell all of said securities or such portion thereof, as may be necessary to produce the entire amount of money belonging to the University then on deposit in said Depository Bank, together with all accrued interest. Such sale may be public or private, may be made in the City in which the Trustee Bank holding the securities as Agent or Trustee is located or elsewhere at the discretion of said Board of Regents or its successors in office, or any Officer of said University designated by the Board of Regents of Texas Tech University or its successors in office and shall convey such securities absolutely to the purchaser thereof. No notice of such sale shall be necessary.

The Trustee Bank holding the securities herein mentioned as Agent and Trustee is hereby specifically authorized to deliver same to the Board of Regents of Texas Tech University or its successors in office or any Officer of said University designated by said Board of Regents or its successors in office upon proper evidence that the Depository Bank has failed to pay and satisfy when due, any check or draft lawfully drawn against any time deposit and the interest on such time deposit, as herein provided or has failed or refused to correct any other default of any term, condition or stipulation of this agreement.

It is distinctly understood that the Trustee Bank holding the securities as Agent and Trustee shall be under no other duty herein save to keep and preserve said securities and to dispose of and deliver same in accordance with the foregoing provisions.

It is understood and agreed that the said Depository Bank shall have the right of substitution of satisfactory securities subject to the approval of the Comptroller and Treasurer of the University.

In case the Board of Regents of Texas Tech University or its successors in office or any Officer of said University designated by said Board of Regents or its successors in office shall elect (as it or he may under this Agreement) to sell less than the entire amount of said securities, and such shall fail to yield sufficient money to pay under the University the entire amount of money it has on deposit in said Depository Bank and the interest thereon, then the said Board of Regents of said Texas Tech University or its successors in office or Officer of said University may exercise such power of sale as often thereafter as may be necessary to produce sufficient money for such purposes.

It is fully understood that all usual and necessary expenses and commissions may be incurred by said Board of Regents of Texas Tech University or its successors in office or said Officer of the University in connection with such sale or sales. Any funds yielded from such sale or sales in excess of the amount necessary to pay the University the entire amount of money it has on deposit in said Depository Bank with all interest thereon and the expenses of sale or

sales shall be remitted by the Board of Regents of Texas Tech University or its successors in office or the Officer of said University designated by said Board of Regents to the said Depository Bank.

All powers conferred upon the Board of Regents of Texas Tech University or its successors in Office or any Officer of said University designated by said Board of Regents or its successors in office may be exercised by said Board or said Officer in respect to any additional or substituted securities which may be pledged by said Depository Bank to secure the funds of said University in pursuance of the provisions of this Agreement or of the laws of Texas.

It is understood and agreed that if during the term of this Agreement the total amount of all funds on deposit with said Depository Bank, by said University is reduced to below the total amount of the securities held by the University then and in that event the University will, upon written request of said Depository Bank, release an amount of securities equal to the difference between the total amount of funds on deposit and the total value, either par or market whichever is the lower, of the securities held, provided that no release will be executed for differences of less than Ten Thousand (\$10,000.00) Dollars.

THIS AGREEMENT IS TO TAKE EFFECT ON June 13, 1972, AND IS TO CONTINUE IN EFFECT UNTIL July 1, 1974.

IN WITNESS WHEREOF, the said above named Bank of Texas acting herein by its Vice President, attested by its Cashier and under its Corporate Seal and under the direction of its Board of Directors does hereby subscribe its name on this the 15th day of June, 1972.

BANK OF TEXAS

(SEAL)

By: /s/ John M. Cutbirth

Attested by: /s/ Lamar Bishop

BOARD OF REGENTS OF TEXAS TECH UNIVERSITY

(SEAL)

By: /s/ Frank Junell

Attested by: /s/ Freda Pierce

The provisions of this Depository Agreement regarding Trustee Bank (or Custodian Bank) are hereby accepted on this the 15th day of June, A. D. 1972.

TEXAS BANK OF COMMERCE, HOUSTON, TEXAS

(SEAL)

By: /s/ Fred W. Jones

Attested by: /s/ Henry B. Fleming

DEPOSITORY AGREEMENT

STATE OF TEXAS

COUNTY OF LUBBOCK

WHEREAS, the undersigned Cullen Center Bank & Trust Company (hereinafter referred to as the Depository Bank), a banking corporation duly incorporated and authorized by law to do a banking business in the State of Texas and now carrying on such business in said state and having its legal domicile at Houston, Texas has been designated a depository bank by the Board of Regents of Texas Tech University for funds under the control of said Board of Regents or its successors in office, consisting of the funds of the academic institution, services and agencies now under the control or that may hereafter come under the control of said Board or its successors in office, hereinafter referred to as the University, to serve until this agreement has been cancelled in accordance with its provisions

AND WHEREAS, all funds on deposit with the above named Depository Bank to the credit of said University shall be secured with bonds or other evidences of indebtedness of the United States of America or bonds of any state, county, city, town, independent school district, common school district, or any state college or university obligations issued under the State Constitutional Tax Act.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the undersigned Cullen Center Bank & Trust Company shall transfer and deliver unto the trustee Bank hereinafter provided for, bonds or other evidences of indebtedness of the United States of America or bonds of any state, county, city, town, independent school district, common school district, or any state college or university obligations issued under the State Constitutional Tax Act, sufficient to cover the funds of said University now on deposit or to be deposited with said Depository Bank by and on behalf of said University in an amount, either at par or market value which ever is the lower, equal to the amount of University funds which they secure.

The conditions of the aforesaid transfer are such that if the said Depository Bank shall faithfully discharge its duties and pay over upon demand at the termination of this contract all funds deposited with it this date by and on behalf of said University together with the payment of interest on all time deposits at the rate of 6.10% annually, with such interest payment being paid monthly as they accrue from June 13, 1972 to July 1, 1974, to the proper officer or officers of said University according to law, then the transfer of the securities named above shall be void; otherwise to be in full force and effect.

The securities herein transferred shall be delivered to and held by the 1st City National Bank of Houston or any other State or National Bank to be mutually agreed upon, hereinafter referred to as Trustee Bank (or Custodian Bank) as Agent and Trustee for both parties hereto, subject to the joint written order of said Depository Bank and the Comptroller and Treasurer of Texas Tech University and shall be disposed of and delivered by the Trustee Bank holding same as Agent and Trustee only as directed by instrument in writing signed by both said Depository Bank and the Comptroller and Treasurer of Texas Tech University except as otherwise provided in the next paragraph of this Agreement.

In case said Depository Bank shall fail at any time to pay and satisfy, when due, any check or draft lawfully drawn against any time deposit and the interest on such deposit or comply with any other term, condition or stipulation in this agreement, then the Board of Regents of Texas Tech University or its successors in office, or any Officer of said University designated by the said Board of Regents or its successors in office shall have the right and power any time thereafter to sell all of said securities or such portion thereof, as may be necessary to produce the entire amount of money belonging to the University then on deposit in said Depository Bank, together with all accrued interest. Such sale may be public or private, may be made in the City in which the Trustee Bank holding the securities as Agent or Trustee is located or elsewhere at the discretion of said Board of Regents or its successors in office, or any Officer of said University designated by the Board of Regents of Texas Tech University or its successors in office and shall convey such securities absolutely to the purchaser thereof. No notice of such sale shall be necessary.

The Trustee Bank holding the securities herein mentioned as Agent and Trustee is hereby specifically authorized to deliver same to the Board of Regents of Texas Tech University or its successors in office or any Officer of said University designated by said Board of Regents or its successors in office upon proper evidence that the Depository Bank has failed to pay and satisfy when due, any check or draft lawfully drawn against any time deposit and the interest on such time deposit, as herein provided or has failed or refused to correct any other default of any term, condition or stipulation of this agreement.

It is distinctly understood that the Trustee Bank holding the securities as Agent and Trustee shall be under no other duty herein save to keep and preserve said securities and to dispose of and deliver same in accordance with the foregoing provisions.

It is understood and agreed that the said Depository Bank shall have the right of substitution of satisfactory securities subject to the approval of the Comptroller and Treasurer of the University.

In case the Board of Regents of Texas Tech University or its successors in office or any Officer of said University designated by said Board of Regents or its successors in office shall elect (as it or he may under this Agreement) to sell less than the entire amount of said securities, and such shall fail to yield sufficient money to pay under the University the entire amount of money it has on deposit in said Depository Bank and the interest thereon, then the said Board of Regents of said Texas Tech University or its successors in office or Officer of said University may exercise such power of sale as often thereafter as may be necessary to produce sufficient money for such purposes.

It is fully understood that all usual and necessary expenses and commissions may be incurred by said Board of Regents of Texas Tech University or its successors in office or said Officer of the University in connection with such sale or sales. Any funds yielded from such sale or sales in excess of the amount necessary to pay the University the entire amount of money it has on deposit in said Depository Bank with all interest thereon and the expenses of sale or

sales shall be remitted by the Board of Regents of Texas Tech University or its successors in office or the Officer of said University designated by said Board of Regents to the said Depository Bank.

All powers conferred upon the Board of Regents of Texas Tech University or its successors in Office or any Officer of said University designated by said Board of Regents or its successors in office may be exercised by said Board or said Officer in respect to any additional or substituted securities which may be pledged by said Depository Bank to secure the funds of said University in pursuance of the provisions of this Agreement or of the laws of Texas.

It is understood and agreed that if during the term of this Agreement the total amount of all funds on deposit with said Depository Bank, by said University is reduced to below the total amount of the securities held by the University then and in that event the University will, upon written request of said Depository Bank, release an amount of securities equal to the difference between the total amount of funds on deposit and the total value, either par or market whichever is the lower, of the securities held, provided that no release will be executed for differences of less than Ten Thousand (\$10,000.00) Dollars.

THIS AGREEMENT IS TO TAKE EFFECT ON June 13, 1972, AND IS TO CONTINUE IN EFFECT UNTIL July 1, 1974.

IN WITNESS WHEREOF, the said above named Cullen Center Bank & Trust Company acting herein by its President, attested by its Cashier and under its Corporate Seal and under the direction of its Board of Directors does hereby subscribe its name on this the 19th day of June, 1972.

CULLEN CENTER BANK & TRUST COMPANY

(SEAL)

By: /s/ Robert G. Greer
President

Attested by: /s/ B. F. Hunte

BOARD OF REGENTS OF TEXAS TECH UNIVERSITY

(SEAL)

By: /s/ Frank Junell

Attested by: /s/ Freda Pierce

The provisions of this Depository Agreement regarding Trustee Bank (or Custodian Bank) are hereby accepted on this the 19th day of June, A. D. 1972.

1st City National Bank of Houston

(SEAL)

By: /s/ N. E. Pater
Assistant Cashier

Attested by: /s/ L. C. Hauck
Assistant Vice President &
Trust Officer

DEPOSITORY AGREEMENT

STATE OF TEXAS

COUNTY OF LUBBOCK

WHEREAS, the undersigned Bank of Commerce (hereinafter referred to as the Depository Bank), a banking corporation duly incorporated and authorized by law to do a banking business in the State of Texas and now carrying on such business in said state and having its legal domicile at Ft. Worth, Texas, has been designated a depository bank by the Board of Regents of Texas Tech University for funds under the control of said Board of Regents or its successors in office, consisting of the funds of the academic institution, services and agencies now under the control or that may hereafter come under the control of said Board or its successors in office, hereinafter referred to as the University, to serve until this agreement has been cancelled in accordance with its provisions.

AND WHEREAS, all funds on deposit with the above named Depository Bank to the credit of said University shall be secured with bonds or other evidences of indebtedness of the United States of America or bonds of any state, county, city, town, independent school district, common school district, or any state college or university obligations issued under the State Constitutional Tax Act.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the undersigned Bank of Commerce shall transfer and deliver unto the trustee Bank hereinafter provided for, bonds or other evidences of indebtedness of the United States of America or bonds of any state, county, city, town, independent school district, common school district, or any state college or university obligations issued under the State Constitutional Tax Act, sufficient to cover the funds of said University now on deposit or to be deposited with said Depository Bank by and on behalf of said University in an amount, either at par or market value whichever is the lower, equal to the amount of University funds which they secure.

The conditions of the aforesaid transfer are such that if the said Depository Bank shall faithfully discharge its duties and pay over upon demand at the termination of this contract all funds deposited with it this date by and on behalf of said University together with the payment of interest on all time deposits at the rate of 6.10% annually, with such interest payment being paid monthly as they accrue from June 13, 1972 to July 1, 1974, to the proper officer or officers of said University according to law, then the transfer of the securities named above shall be void; otherwise to be in full force and effect.

The securities herein transferred shall be delivered to and held by the Ft. Worth National Bank or any other State or National Bank to be mutually agreed upon, hereinafter referred to as Trustee Bank (or Custodian Bank) as Agent and Trustee for both parties hereto, subject to the joint written order of said Depository Bank and the Comptroller and Treasurer of Texas Tech University and shall be disposed of and delivered by the Trustee Bank holding same as Agent and Trustee only as directed by instrument in writing signed by both said Depository Bank and the Comptroller and Treasurer of Texas Tech University except as otherwise provided in the next paragraph of this Agreement.

In case said Depository Bank shall fail at any time to pay and satisfy, when due, any check or draft lawfully drawn against any time deposit and the interest on such deposit or comply with any other term, condition or stipulation in this agreement, then the Board of Regents of Texas Tech University or its successors in office, or any Officer of said University designated by the said Board of Regents or its successors in office shall have the right and power any time thereafter to sell all of said securities or such portion thereof, as may be necessary to produce the entire amount of money belonging to the University then on deposit in said Depository Bank, together with all accrued interest. Such sale may be public or private, may be made in the City in which the Trustee Bank holding the securities as Agent or Trustee is located or elsewhere at the discretion of said Board of Regents or its successors in office, or any Officer of said University designated by the Board of Regents of Texas Tech University or its successors in office and shall convey such securities absolutely to the purchaser thereof. No notice of such sale shall be necessary.

The Trustee Bank holding the securities herein mentioned as Agent and Trustee is hereby specifically authorized to deliver same to the Board of Regents of Texas Tech University or its successors in office or any Officer of said University designated by said Board of Regents or its successors in office upon proper evidence that the Depository Bank has failed to pay and satisfy when due, any check or draft lawfully drawn against any time deposit and the interest on such time deposit, as herein provided or has failed or refused to correct any other default of any term, condition or stipulation of this agreement.

It is distinctly understood that the Trustee Bank holding the securities as Agent and Trustee shall be under no other duty herein save to keep and preserve said securities and to dispose of and deliver same in accordance with the foregoing provisions.

It is understood and agreed that the said Depository Bank shall have the right of substitution of satisfactory securities subject to the approval of the Comptroller and Treasurer of the University.

In case the Board of Regents of Texas Tech University or its successors in office or any Officer of said University designated by said Board of Regents or its successors in office shall elect (as it or he may under this Agreement) to sell less than the entire amount of said securities, and such shall fail to yield sufficient money to pay under the University the entire amount of money it has on deposit in said Depository Bank and the interest thereon, then the said Board of Regents of said Texas Tech University or its successors in office or Officer of said University may exercise such power of sale as often thereafter as may be necessary to produce sufficient money for such purposes.

It is fully understood that all usual and necessary expenses and commissions may be incurred by said Board of Regents of Texas Tech University or its successors in office or said Officer of the University in connection with such sale or sales. Any funds yielded from such sale or sales in excess of the amount necessary to pay the University the entire amount of money it has on deposit in said Depository Bank with all interest thereon and the expenses of sale or sales shall be remitted by the Board of Regents of Texas Tech University or its

successors in office or the Officer of said University designated by said Board of Regents to the said Depository Bank.

All powers conferred upon the Board of Regents of Texas Tech University or its successors in Office or any Officer of said University designated by said Board of Regents or its successors in office may be exercised by said Board or said Officer in respect to any additional or substituted securities which may be pledged by said Depository Bank to secure the funds of said University in pursuance of the provisions of this Agreement or of the laws of Texas.

It is understood and agreed that if during the term of this Agreement the total amount of all funds on deposit with said Depository Bank, by said University is reduced to below the total amount of the securities held by the University then and in that event the University will, upon written request of said Depository Bank, release an amount of securities equal to the difference between the total amount of funds on deposit and the total value, either par or market whichever is the lower, of the securities held, provided that no release will be executed for differences of less than Ten Thousand (\$10,000.00) Dollars.

THIS AGREEMENT IS TO TAKE EFFECT ON June 13, 1972, AND IS TO CONTINUE IN EFFECT UNTIL July 1, 1974.

IN WITNESS WHEREOF, the said above named Bank of Commerce acting herein by its Vice President, attested by its Cashier and under its Corporate Seal and under the direction of its Board of Directors does hereby subscribe its name on this the 16th day of June, 1972.

BANK OF COMMERCE

(SEAL)

By: /s/ John W. Griffith, Jr.

Attested by: /s/ Joe R. Freeman

BOARD OF REGENTS OF TEXAS TECH UNIVERSITY

(SEAL)

By: /s/ Frank Junell

Attested by: /s/ Freda Pierce

The provisions of this Depository Agreement regarding Trustee Bank (or Custodian Bank) are hereby accepted on this the 16th day of June, A. D. 1972.

FT. WORTH NATIONAL BANK

(SEAL)

By: /s/ B. W. Lucas
Senior Vice President

Attested by: /s/ Huelon Collier