

TEXAS TECH UNIVERSITY

LUBBOCK, TEXAS

MINUTES OF BOARD OF REGENTS MEETINGS

1971 - 1972

VOLUME II

MINUTES OF
BOARD OF REGENTS SPECIAL MEETING
MAY 12, 1972

TEXAS TECH UNIVERSITY
Lubbock, Texas

Minutes

Special Meeting of the Board of Regents
May 12, 1972

M121. The Board of Regents of Texas Tech University met in special session on Friday, May 12, 1972 at 8:37 a.m. in the Board Room on the Texas Tech University campus. The following Regents were present: Bill E. Collins, Vice Chairman, R. Trent Campbell, Waggoner Carr, Clint Formby, Field Scovell, Charles G. Scruggs, and Judson F. Williams. Regents absent were Frank Junell, Chairman, and Dr. John J. Hinchey. University officials present were: Dr. Grover E. Murray, President; Mr. Leo E. Ells, Comptroller and Treasurer; Mrs. Freda Pierce, Secretary of the Board; Dr. Orlo E. Childs, Vice President for Research and Special Programs; and Dr. Monty Davenport, Associate Vice President.

Others present were Paul Horton, bond attorney, Sam Maclin, Bond Attorney, Laney Money, and Mrs. Ronda Casey, secretary, Board of Regents.

M122. Vice Chairman Collins called the meeting to order.

M123. Upon motion made by Mr. Scovell, seconded by Dr. Williams, the Board by unanimous vote approved the attached Bond Resolution and accepted the low bid from Halsey, Stuart and Company for the \$12,500,000.00 Texas Tech University General Tuition Revenue Bonds, Series 1972-A, at an effective interest rate of 5.3598%. The Certificate for Resolution Authorizing the Issuance of Board of Regents of Texas Tech University General Tuition Revenue Bonds, Series 1972-A, \$12,500,000.00 is attached and made a part of the Minutes; Attachment No. 1. The Resolution Authorizing the Issuance of Board of Regents of Texas Tech University General Tuition Revenue Bonds, Series 1972-A, \$12,500,000.00 is attached and made a part of the Minutes; Attachment No. 2. The General Certificate for the benefit of the Attorney General of the State of Texas is attached and made a part of the Minutes; Attachment No. 3.

M124. There being no further business, the meeting adjourned.

Freda Pierce, Secretary

FP:rc

May 12, 1972

Attachments (May 12, 1972)

1. Certificate for Resolution Authorizing the Issuance of Board of Regents of Texas Tech University General Tuition Revenue Bonds,

May 12, 1972
Page 2

Series 1972-A, \$12,500,000.00; Item M123.

2. Resolution Authorizing the Issuance of Board of Regents of Texas Tech University General Tuition Revenue Bonds, Series 1972-A, \$12,500,000.00; Item M123.
3. General Certificate for the benefit of the Attorney General of the State of Texas; Item M123.

* * * * *

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 May 12, 1972.

Freda Pierce, Secretary

SEAL

May 12, 1972

CERTIFICATE FOR
RESOLUTION AUTHORIZING THE ISSUANCE OF BOARD
OF REGENTS OF TEXAS TECH UNIVERSITY GENERAL
TUITION REVENUE BONDS, SERIES 1972-A, \$12,500,000

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

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

1. Said Board of Regents convened in
REGULAR MEETING ON THE 12TH DAY OF MAY, 1972,
at the regular designated meeting place, and the roll was called of the duly
constituted officers and members of said Board, to-wit:

Mrs. Freda Pierce, Secretary
Waggoner Carr
R. Trent Campbell
John J. Hinchey, M.D.
Field Scovell

Frank Junell, Chairman
Bill E. Collins, Vice Chairman
Johnny Clinton Formby
Charles G. Scruggs
Judson F. Williams

and all of said persons were present, except the following absentees:
Frank Junell and John J. Hinchey, M.D., thus constituting a quorum. Whereupon,
among other business, the following was transacted at said Meeting; a written

RESOLUTION AUTHORIZING THE ISSUANCE OF BOARD
OF REGENTS OF TEXAS TECH UNIVERSITY GENERAL
TUITION REVENUE BONDS, SERIES 1972-A, \$12,500,000

was duly introduced for the consideration of said Board and read in full. It
was then duly moved and seconded that said Resolution be adopted; and, after due
discussion, said motion, carrying with it the adoption of said Resolution, pre-
vailed and carried by the following vote:

AYES: All members of said Board shown present above voted "Aye."

NOES: None.

2. That a true, full, and correct copy of the aforesaid Resolution adopted
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's minutes of said Meeting pertaining to the adoption 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 as indicated therein;
that each of the officers and members of said Board 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 con-
sidered for adoption at said Meeting, and each of said officers and members con-
sented, in advance, to the holding of said Meeting for such purpose; and that
said Meeting was open to the public, and public notice of the time, place, and
purpose of said meeting was given all as required by Vernon's Ann. Civ. St.
Article 6252-17.

Board Minutes
May 12, 1972
Attachment No. 1
Item M123
Page 2

SIGNED AND SEALED the 12th day of May, 1972.

/s/ Freda Pierce
Secretary

/s/ Bill E. Collins
Vice Chairman

(SEAL)

**RESOLUTION AUTHORIZING THE ISSUANCE OF BOARD OF REGENTS
OF TEXAS TECH UNIVERSITY GENERAL TUITION REVENUE BONDS,
SERIES 1972-A, \$12,500,000**

WHEREAS, the Board of Regents of Texas Tech University, acting separately and independently for and on behalf of Texas Tech University, and separately and independently for and on behalf of Texas Tech University School of Medicine at Lubbock, is authorized to issue the bonds hereinafter authorized pursuant to Chapter 55, Texas Education Code.

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

Section 1. That said Board's negotiable, serial, coupon bonds to be designated "BOARD OF REGENTS OF TEXAS TECH UNIVERSITY GENERAL TUITION REVENUE BONDS, SERIES 1972-A," are hereby authorized to be issued, sold, and delivered in the principal amount of \$12,500,000, FOR THE PURPOSE OF PROVIDING FUNDS TO ACQUIRE, PURCHASE, CONSTRUCT, IMPROVE, ENLARGE, AND/OR EQUIP PROPERTY, BUILDINGS, STRUCTURES, AND FACILITIES FOR THE TEXAS TECH UNIVERSITY SCHOOL OF MEDICINE AT LUBBOCK.

Section 2. That said bonds shall be dated JUNE 1, 1972, shall be numbered consecutively from 1 THROUGH 2,500, shall be in the denomination of \$5,000 EACH, and shall mature and become due and payable serially on APRIL 1 in each of the years, and in the amounts, respectively, as set forth in the following schedule:

<u>YEARS</u>	<u>AMOUNTS</u>	<u>YEARS</u>	<u>AMOUNTS</u>
1974	\$195,000	1988	\$420,000
1975	210,000	1989	440,000
1976	220,000	1990	465,000
1977	230,000	1991	490,000
1978	245,000	1992	520,000
1979	260,000	1993	545,000
1980	275,000	1994	575,000
1981	290,000	1995	610,000
1982	305,000	1996	640,000
1983	320,000	1997	675,000
1984	340,000	1998	715,000
1985	355,000	1999	755,000
1986	375,000	2000	795,000
1987	395,000	2001	840,000

Said Bonds may be redeemed prior to their scheduled maturities, at the option of said Board, on the dates stated, and in the manner provided, in the FORM OF BOND set forth in this Resolution.

Section 3. That said bonds scheduled to mature during the years, respectively, set forth below shall bear interest at the following rates per annum:

maturities 1974 through 1983, 6.50%
maturities 1984 through 1986, 5.10%

maturities 1987 through 1988, 5.20%
maturities 1989 through 1990, 5.30%
maturities 1991 through 1994, 5.40%
maturities 1995 through 1998, 5.50%
maturities 1999 through 2001, 5.00%

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

Section 4. That said bonds, and the interest coupons appertaining thereto, shall be payable, shall have the characteristics, and shall be signed and executed (and said Bonds shall be sealed), all as provided, and in the manner indicated, in the FORM OF BOND set forth in this Resolution.

Section 5. That the form of said bonds, including the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be printed and endorsed on each of said bonds, and the form of the aforesaid interest coupons which shall appertain and be attached initially to each of said bonds, shall be, respectively, substantially as follows:

FORM OF BOND:

NO. _____

\$5,000

UNITED STATES OF AMERICA
STATE OF TEXAS
BOARD OF REGENTS OF TEXAS TECH UNIVERSITY
GENERAL TUITION REVENUE BOND
SERIES 1972-A

ON APRIL 1, _____, the BOARD OF REGENTS OF TEXAS TECH UNIVERSITY promises to pay to bearer the principal amount of

FIVE THOUSAND DOLLARS

and to pay interest thereon, from the date hereof, at the rate of _____% per annum, evidenced by interest coupons payable OCTOBER 1, 1972, and semi-annually thereafter on each APRIL 1 and OCTOBER 1 while this bond is outstanding.

THE PRINCIPAL of this bond and the interest coupons appertaining hereto shall be payable to bearer, in lawful money of the United States of America, without exchange or collection charges to the bearer, upon presentation and surrender of this bond or proper interest coupon, at the following, which shall constitute and be defined as the "Paying Agent" for this Series of Bonds:

FIRST NATIONAL BANK AT LUBBOCK, LUBBOCK, TEXAS,
OR, AT THE OPTION OF THE BEARER, AT
CHEMICAL BANK, NEW YORK, NEW YORK.

THIS BOND is one of a Series of negotiable, serial, coupon bonds, dated JUNE 1, 1972, issued in the principal amount of \$12,500,000, FOR THE PURPOSE OF PROVIDING FUNDS TO ACQUIRE, PURCHASE, CONSTRUCT, IMPROVE, ENLARGE, AND/OR EQUIP PROPERTY, BUILDINGS, STRUCTURES, AND FACILITIES FOR THE TEXAS TECH UNIVERSITY SCHOOL OF MEDICINE AT LUBBOCK.

ON APRIL 1, 1983, OR ON ANY INTEREST PAYMENT DATE THEREAFTER, the outstanding bonds of this Series may be redeemed prior to their scheduled maturities, at the option of said Board, IN WHOLE, OR IN PART, for the principal amount thereof and accrued interest thereon to the date fixed for redemption, plus a premium on the principal amount of each such bond as follows:

3% if redeemed April 1, 1983 through October 1, 1985
2% if redeemed April 1, 1986 through October 1, 1988
1% if redeemed April 1, 1989 through October 1, 1991
0% if redeemed April 1, 1992 or thereafter.

At least thirty days prior to the date fixed for any such redemption said Board shall cause a written notice of such redemption to be published at least once in a financial publication published in the City of New York, New York, or in the City of Austin, Texas. By the date fixed for any such redemption due provision shall be made with the "Paying Agent" for the payment of the required redemption price. If such written notice of redemption is published and if due provision for such payment is made, all as provided above, the bonds which are to be so redeemed thereby automatically shall be redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the purpose of being paid by the "Paying Agent" with the funds so provided for such payment.

IT IS HEREBY certified, recited, and covenanted that this bond has been duly and validly issued and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the issuance and delivery of this bond have been performed, existed, and been done in accordance with law; and that the interest on and principal of this bond, together with other outstanding revenue bonds, are secured by and payable from an irrevocable first lien on and pledge of specified Pledged General Tuition imposed on students enrolled at Texas Tech University and at the Texas Tech University School of Medicine at Lubbock, and a student Administration Use Fee at Texas Tech University and at the Texas Tech University School of Medicine at Lubbock, and certain Federal interest grants, and other revenues, collectively defined as "Pledged Revenues" and further described and defined in the Resolution authorizing this Series of bonds.

SAID BOARD has reserved the right, subject to the restrictions stated in said Resolution authorizing this Series of bonds, to issue additional parity revenue bonds which also may be secured by and made payable from an irrevocable first lien on and pledge of the aforesaid Pledged Revenues.

THE HOLDER HEREOF shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

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

XXXXXXXXXXXXXXXXXXXX

Secretary, Board of Regents,
Texas Tech University

XXXXXXXXXXXXXXXXXXXX

Chairman, Board of Regents,
Texas Tech University

FORM OF REGISTRATION CERTIFICATE:

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

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

Witness my signature and seal this

XXXXXXXXXXXXXXXXXXXX

Comptroller of Public Accounts of
the State of Texas.

FORM OF INTEREST COUPON:

NO. _____ \$ _____

ON _____ 1, _____,

THE BOARD OF REGENTS OF TEXAS TECH UNIVERSITY promises to pay to bearer the amount shown on this interest coupon, in lawful money of the United States of America, without exchange or collection charges to the bearer, unless due provision has been made for the redemption prior to maturity of the bond to which this interest coupon appertains, upon presentation and surrender of this interest coupon, at the

FIRST NATIONAL BANK AT LUBBOCK, LUBBOCK, TEXAS,
OR, AT THE OPTION OF THE BEARER, AT
CHEMICAL BANK, NEW YORK, NEW YORK,

said amount being interest due that day on the bond, bearing the number herein-after designated, or that issue of BOARD OF REGENTS OF TEXAS TECH UNIVERSITY GENERAL TUITION REVENUE BONDS, SERIES 1972-A, DATED JUNE 1, 1972. The holder hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation. Bond No. _____.

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Secretary, Board of Regents

XXXXXXXXXXXXXXXXXXXX

Chairman, Board of Regents

Section 6. (a) That as used in this Resolution the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

The term "Board" shall mean the Board of Regents of Texas Tech University, acting separately and independently for and on behalf of Texas Tech University and separately and independently for and on behalf of the Texas Tech University School of Medicine at Lubbock.

The term "Bonds" shall mean collectively the Board of Regents of Texas Tech University General Tuition Revenue Bonds, Series 1972, authorized by resolution of the Board on February 11, 1972 (hereinafter called the "Series 1972 Bonds"), and the Board of Regents of Texas Tech University General Tuition Revenue Bonds, Series 1972-A, authorized by this resolution (hereinafter called the "Series 1972-A Bonds").

The term "Additional Bonds" shall mean the additional parity revenue bonds permitted to be authorized in this Resolution.

The term "Pledged General Tuition" shall mean all of the aggregate amount of student tuition charges now or hereafter required or authorized by law to be imposed on students enrolled at Texas Tech University and at the Texas Tech University School of Medicine at Lubbock, but specifically excluding and excepting (1) the amount of tuition scholarships now provided for by law, and (2) the following amount of such student tuition charges at Texas Tech University and at the Texas Tech University School of Medicine at Lubbock, which previously has been or hereafter may be pledged to the payment of other bonds (excepting the Bonds and Additional Bonds) issued by the Board:

- (a) \$5.00 per regular semester and summer session for each student enrolled for 12 or more Semester Credit Hours; and
- (b) \$0.42 per Semester Credit Hour per regular semester and summer session for each student enrolled for less than 12 Semester Credit Hours;

and Section 55.17 (f) (2) of the Texas Education Code provides, and it is hereby covenanted, that the aggregate amount of student tuition charges which are now required or authorized by law to be imposed, and which are pledged to the payment of the Bonds and any Additional Bonds by this Resolution, shall never be reduced or abrogated while such obligations are outstanding; it being further covenanted that the aggregate amount of student tuition charges now required or authorized by law to be imposed on students enrolled at Texas Tech University and at the Texas Tech University School of Medicine at Lubbock are set forth in Chapter 54 of the Texas Education Code, as amended and modified by Chapters 511 and 755, Acts of the 62nd Legislature, Regular Session, 1971, to which Chapters reference is hereby made for all purposes.

The term "Received Tuition" shall mean the aggregate amount of all student tuition charges actually received by Texas Tech University and the Texas Tech University School of Medicine at Lubbock during any fiscal year, or during

any twelve consecutive calendar month period, after deducting from such aggregate amount (1) the amount of tuition scholarships provided by law, and (2) the amount of such student tuition charges which has been pledged to the payment of other bonds (excepting the Bonds and Additional Bonds) issued by the Board.

The term "Administration Use Fee" shall mean the gross collections of a special fee to be fixed, charged, and collected from all students (excepting those exempt by the aforesaid Chapter 755, Acts of the 62nd Legislature) regularly enrolled at Texas Tech University and at the Texas Tech University School of Medicine at Lubbock, for the use and availability of the principal general administration building, and all general administration and student services facilities provided therein, at each such institution, respectively, in the manner and to the extent provided in this Resolution.

The term "Pledged Revenues" shall mean collectively (a) the Pledged General Tuition, (b) the Administration Use Fee, (c) all debt service subsidy and interest grants received from the United States Government in connection with the Bonds and Additional Bonds, and (d) any additional revenues, income, receipts, or other resources, including, without limitation, any grants, donations, or income received or to be received from the United States Government, or any other public or private source, whether pursuant to an agreement or otherwise, which hereafter may be pledged to the payment of the Bonds or the Additional Bonds.

(b) That the Series 1972-A Bonds are "Additional Bonds" as permitted by Sections 19 through 21 of the resolution adopted by the Board on February 11, 1972, authorizing the issuance of the Series 1972 Bonds; and it is hereby determined, declared, and resolved that the Series 1972 Bonds and the Series 1972-A Bonds (herein collectively called the "Bonds") are and shall be secured and payable equally and ratably on a parity, and that Sections 6 through 22 of this resolution are cumulative of Sections 6 through 22 of said resolution adopted February 11, 1972, with said Sections thereof being restated and supplemented herein so as to be made equally applicable to the Series 1972 Bonds and the Series 1972-A Bonds, and so as to comply with the requirements of said resolution adopted February 11, 1972.

Section 7. (a) That the Board covenants and agrees to fix, levy, charge, and collect a uniform Administration Use Fee from all students (excepting those exempt by the aforesaid Chapter 755, Acts of the 62nd Legislature) regularly enrolled at Texas Tech University and at the Texas Tech University School of Medicine at Lubbock, respectively, at each regular fall and spring semester and at each term of each summer session, for the use and availability of the principal general administration building, and all general administration and student services facilities provided therein, at each such institution, respectively, in such amounts, without any limitation whatsoever (but subject to any then applicable Federal price controls), as will be at least sufficient at all times to provide, together with other Pledged Revenues, the money for making all deposits required to be made to the credit of the Interest and Sinking Fund and the Reserve Fund in connection with the Bonds and any Additional Bonds.

(b) That the Administration Use Fee shall be fixed, levied, charged, and collected when and as required by this Section; and the Administration Use Fee shall be increased if and when required by this Section, and may be decreased or abrogated, so long as all Pledged Revenues are sufficient to provide the money for making all deposits required to be made to the credit of the Interest and Sinking Fund and Reserve Fund in connection with the Bonds and any Additional Bonds. All changes in such Administration Use Fee shall be made by resolution of the Board, but such procedure shall not constitute or be regarded as an amendment of this Resolution, but merely the carrying out of the provisions hereof.

Section 8. That the Bonds and any Additional Bonds, and the interest thereon, are and shall be secured by and payable from an irrevocable first lien on and pledge of the Pledged Revenues, and the Pledged Revenues are further pledged to the establishment and maintenance of the Interest and Sinking Fund and the Reserve Fund as provided in this Resolution.

Section 9. That there has been created and established on the books of the Board a separate account or accounts which individually or collectively shall be known as the "Revenue Fund", and the creation and establishment of said Revenue Fund is hereby confirmed. All collections of Pledged Revenues shall be credited to the Revenue Fund immediately upon receipt.

Section 10. That to pay the principal of and interest on all outstanding Bonds and any additional Bonds, as the same come due, there is hereby created and there shall be established at an official depository of the Board (which must be a member of the Federal Deposit Insurance Corporation) a separate fund to be entitled the "General Tuition Revenue Bonds Interest and Sinking Fund" (herein called the "Interest and Sinking Fund").

Section 11. That there is hereby created and there shall be established at an official depository of the Board (which must be a member of the Federal Deposit Insurance Corporation) a separate fund to be entitled the "General Tuition Revenue Bonds Reserve Fund" (herein called the "Reserve Fund"). The Reserve Fund shall be used finally in retiring the last of the outstanding Bonds and Additional Bonds, or for paying principal of and interest on any outstanding Bonds and Additional Bonds, when and to the extent the amount in the Interest and Sinking Fund is insufficient for such purpose.

Section 12. (a) That money in any Fund established pursuant to this Resolution may, at the option of the Board, be placed in time deposits or invested in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, and evidences of indebtedness of the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, or Federal National Mortgage Association; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund will be available at the proper time or times. Such investments shall be valued in terms of current market value as of the last day of February and August of each year. Interest and income derived from such deposits and investments shall be credited to the Fund from which the deposit or investment was made. Such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds or Additional Bonds.

(b) That money in all Funds created by this Resolution, to the extent not invested, shall be secured in the manner prescribed by law for securing funds of the Board, in principal amounts at all times not less than the amounts of money credited to such funds, respectively.

Section 13. (a) That it is hereby declared and confirmed that all deposits required, by the resolution adopted February 11, 1972, authorizing the issuance of the Series 1972 Bonds, to be deposited into the Interest and Sinking Fund and the Reserve Fund on or before March 25, 1972, with respect to the Series 1972 Bonds, were duly made; and it is further resolved that all accrued interest and any premium received as part of the proceeds from the sale and delivery of the Series 1972-A Bonds shall be deposited immediately to the credit of the Interest and Sinking Fund.

(b) That the Board shall transfer from the Pledged Revenues in the Revenue Fund and deposit to the credit of the Interest and Sinking Fund the amounts, at the times, as follows:

- (1) on or before September 25, 1972, and semi-annually on or before each March 25th and September 25th thereafter, an amount which will be sufficient, together with other monies, if any, then on hand therein and available for such purpose, to pay the interest scheduled to accrue and come due on the Bonds on the next succeeding interest payment date; and
- (2) on or before September 25, 1972, and semi-annually on or before each March 25th and September 25th thereafter, an amount equal to one-half of the principal scheduled to mature and come due on the Bonds on the next succeeding principal maturity date.

Section 14. That on or before September 25, 1972, and semi-annually on or before each March 25th and September 25th thereafter, the Board shall transfer from the Pledged Revenues in the Revenue Fund and deposit to the credit of the Reserve Fund an amount equal to 1/10th of the average annual principal and interest requirements of the Bonds; provided, however, that when the money and investments in the Reserve Fund are at least equal in market value to the amount of the average annual principal and interest requirements of the Bonds, then such deposits may be discontinued, unless and until the Reserve Fund should be depleted to less than said amount in market value, in which case said deposits shall be resumed and continued until the Reserve Fund is restored to said amount; and so long as the Reserve Fund contains said amount, any surplus in the Reserve Fund over said amount may be used to retire any Bonds or Additional Bonds by purchase on the open market, at such price as shall be determined by the Board, or by call for redemption prior to maturity (provided that if any Bond or additional Bond is subject to call for redemption prior to maturity on the next succeeding interest payment date, its purchase price shall not exceed the redemption price that would be applicable on such date), or such surplus may be used for any other lawful purpose, at the option of the Board.

Section 15. (a) That if on any occasion there shall not be sufficient Pledged Revenues to make the required deposits into the Interest and Sinking Fund and the Reserve Fund then such deficiency shall be made up as soon as possible from the next available Pledged Revenues, or from any other sources available for such purpose.

(b) That immediately following each required semi-annual deposit from the Revenue Fund to the credit of the interest and Sinking Fund and the Reserve Fund, as required by this Resolution, or any resolution authorizing the issuance of Additional Bonds, all remaining surplus Pledged Revenues then on deposit to the credit of the Revenue Fund may be used by the Board for any lawful purpose. It is specifically covenanted and agreed, however, that none of the Pledged Revenues in the Revenue Fund (including especially the Pledged General Tuition) will be released from the control of the Board, deposited into the State Treasury of the State of Texas, or otherwise expended or disposed of, until after each such required semi-annual deposit from the Revenue Fund has been made to the credit of the Interest and Sinking Fund and the Reserve Fund.

Section 16. On or before the last day of September, 1972, and semi-annually on or before the last day of each March and of each September thereafter while any of the Bonds or Additional Bonds are outstanding and unpaid, the Board shall make available to the paying agents therefor, out of the Interest and Sinking Fund, and/or the Reserve Fund, if necessary, money sufficient to pay such interest on and such principal of the Bonds and Additional Bonds as will accrue or mature on the April 1st or October 1st immediately following. The paying agents shall totally destroy all paid Bonds and Additional Bonds, and the coupons appertaining thereto, and shall furnish the Board with an appropriate certificate of destruction.

Section 17. That at such times as the aggregate amount of money and investments in the Interest and Sinking Fund and the Reserve Fund are at least equal in market value to (1) the aggregate principal amount of all unpaid (unmatured and matured) outstanding Bonds and Additional Bonds, plus (2) the aggregate amount of all unpaid (unmatured and matured) outstanding interest coupons appertaining to such Bonds and Additional Bonds, no further deposits need be made into the Interest and Sinking Fund or Reserve Fund. In determining the amount of such Bonds and Additional Bonds, and interest coupons appertaining thereto, outstanding at any time, there shall be subtracted and excluded the amount of any such Bonds and Additional Bonds, and interest coupons appertaining thereto, which shall have been duly called for redemption and for which funds shall have been deposited with the paying agents therefor sufficient, including any required redemption premium, for such redemption.

Section 18. That the Bonds and any Additional Bonds, and the interest coupons appertaining thereto, will constitute special obligations of the Board payable solely from the Pledged Revenues, and the holders of the Bonds and Additional Bonds, and the coupons appertaining thereto, shall never have the right to demand payment out of funds raised or to be raised by taxation.

Section 19. That the Board shall have the right and power at any time and from time to time, and in one or more Series or issues, to authorize, issue, and deliver additional parity revenue bonds (herein called "Additional Bonds"), in any amounts, for any lawful purpose, and to refund any Bonds or Additional Bonds. Such Additional Bonds, if and when authorized, issued, and delivered in accordance with this Resolution, shall be secured and payable equally and ratably on a parity with the Bonds, and all other outstanding Additional Bonds, by an irrevocable first lien on and pledge of the Pledged Revenues.

Section 20. (a) The Interest and Sinking Fund and the Reserve Fund established by this Resolution shall secure and be used to pay all Additional Bonds as well as the Bonds. However, each resolution under which Additional Bonds are issued shall provide and require that, in addition to the amounts required by the provisions of this Resolution and the provisions of any other resolution or resolutions authorizing Additional Bonds to be deposited to the credit of the Interest and Sinking Fund, the Board shall transfer from the Pledged Revenues and deposit to the credit of the Interest and Sinking Fund at least such amounts as are required for the payment of all principal of and interest on said Additional Bonds then being issued, as the same comes due, and that the Board shall transfer from said Pledged Revenues and deposit to the credit of the Reserve Fund at least such amounts, in approximately equal semi-annual installments, as will, together with any other amounts already required to be deposited in the Reserve Fund in connection with the Bonds and any other outstanding Additional Bonds, be sufficient to cause the Reserve Fund to accumulate and contain within a period of not to exceed sixty months after the date of said Additional Bonds then being issued, a total amount of money and investments at least equal in market value to the average annual principal and interest requirements of all Bonds and Additional Bonds to be outstanding after the issuance of the then proposed Additional Bonds.

(b) The principal of all Additional Bonds must be scheduled to be paid or mature on April 1 of the years in which such principal is scheduled to be paid or mature; and all interest thereon must be payable on April 1 and October 1.

Section 21. Additional Bonds shall be issued only in accordance with this Resolution, but notwithstanding any provisions of this Resolution to the contrary, no installment, Series, or issue of Additional Bonds shall be issued or delivered unless:

(a) The senior financial officer of Texas Tech University signs a written certificate to the effect that the Board is not in default as to any covenant, condition, or obligation in connection with all outstanding Bonds and Additional Bonds, and the resolutions authorizing same, and that the Interest and Sinking Fund and the Reserve Fund each contains the amount then required to be therein.

(b) The State Auditor of the State of Texas, or a certified public accountant, signs a written certificate to the effect that, during either the

next preceding Texas Tech University fiscal year, or any twelve consecutive calendar month period ending not more than ninety days prior to the adoption of the resolution authorizing the issuance of the then proposed Additional Bonds, either the Pledged Revenues were, or the Received Tuition was, at least equal to 1.25 times the average annual principal and interest requirements of all Bonds and Additional Bonds to be outstanding after the issuance of the then proposed Additional Bonds.

Section 22. The Board further covenants and agrees that:

(a) It will fix, impose, charge, and collect all Pledged General Tuition; and will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this resolution and each resolution authorizing the issuance of Additional Bonds, and in each and every Bond and Additional Bond; that it will promptly pay or cause to be paid from the Pledged Revenues the principal of and interest on every Bond and Additional Bond, on the dates and in the places and manner prescribed in such resolutions and Bonds or Additional Bonds; and that it will, at the times and in the manner prescribed, deposit or cause to be deposited from the Pledged Revenues and amounts required to be deposited into the Interest and Sinking Fund and the Reserve Fund; and any holder of the Bonds or Additional Bonds may require the Board, its officials and employees, and any appropriate official of the State of Texas, to carry out, respect, or enforce the covenants and obligations of this Resolution or any resolution authorizing the issuance of Additional Bonds, by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings, in any court of competent jurisdiction, against the Board, its officials and employees, or any appropriate official of the State of Texas.

(b) It is duly authorized under the laws of the State of Texas to create and issue the Bonds; that all action on its part for the creation and issuance of the Bonds has been duly and effectively taken, and that the Bonds in the hands of the holders and owners thereof are and will be valid and enforceable special obligations of the Board in accordance with their terms.

(c) It lawfully owns and is lawfully possessed of the lands, buildings, and facilities constituting Texas Tech University and the Texas Tech University School of Medicine at Lubbock, and has a good and indefeasible estate in such lands, buildings, and facilities in fee simple, that it warrants that it has, and will defend, the title to all the aforesaid lands, buildings, and facilities, and every part thereof, for the benefit of the holders and owners of the Bonds and Additional Bonds against the claims and demands of all persons whomsoever, that it is lawfully qualified to pledge the Pledged Revenues to the payment of the Bonds and Additional Bonds in the manner prescribed herein, and has lawfully exercised such rights.

(d) It will from time to time and before the same become delinquent pay and discharge all taxes, assessments, and governmental charges, if any, which shall be lawfully imposed upon it, or the campuses, buildings, and facilities of Texas Tech University and the Texas Tech University School of Medicine at Lubbock, that it will pay all lawful claims for rents, royalties,

labor, materials, and supplies which if unpaid might by law become a lien or charge thereon, the lien of which would be prior to or interfere with the liens hereof, so that the priority of the liens granted hereunder shall be fully preserved in the manner provided herein, and that it will not create or suffer to be created any mechanic's, laborer's, materialman's or other lien or charge which might or could be prior to the liens hereof, or do or suffer any matter or thing whereby the liens hereof might or could be impaired; provided, however, that no such tax, assessment, or charge, and that no such claims which might be used as the basis of a mechanic's, laborer's, materialman's or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the Board.

(e) That it will continuously and efficiently operate and maintain in good condition, and at a reasonable cost, Texas Tech University and the Texas Tech University School of Medicine at Lubbock, and the facilities and services thereof, so long as any Bonds or Additional Bonds are outstanding.

(f) That while the Bonds or any Additional Bonds are outstanding and unpaid, the Board shall not additionally encumber the Pledged Revenues in any manner, except as permitted in this Resolution in connection with Additional Bonds, unless said encumbrance is made junior and subordinate in all respects to the liens, pledges, covenants, and agreements of this Resolution.

(g) Proper books of record and account will be kept in which full, true, and correct entries will be made of all dealings, activities, and transactions relating to the Pledged Revenues, and all books, documents, and vouchers relating thereto shall at all reasonable times be made available for inspection upon request of any bond holder.

(h) That each year while any of the Bonds or Additional Bonds are outstanding, an audit will be made of its books and accounts relating to the Pledged Revenues by the State Auditor of the State of Texas, or any certified public accountant, such audit to be based on the fiscal year of Texas Tech University. As soon as practicable after the close of each such fiscal year, and when said audit has been completed and made available to the Board, a copy of such audit for the preceding fiscal year shall be mailed to all bondholders who shall so request in writing. Such annual audit reports shall be open to the inspection of the bondholders and their agents and representatives at all reasonable times.

(i) That the Board covenants that it will not permit to be deposited to the credit of any of the Funds created by this Resolution, or applied to the payment of the principal of or interest on the Bonds or any Additional Bonds, any proceeds from any grant, subsidy, donation, or income received from the United States Government, whether pursuant to agreement or otherwise, if such deposit or application would result in interest payable on the Bonds or Additional Bonds being includable in whole or in part in gross income for Federal income tax purposes.

(j) That the Board covenants that it will comply with all terms and conditions of any and all grant or subsidy agreements applicable to

the Bonds or Additional Bonds entered into between the Board and any governmental agency in connection with any grant or debt service subsidy; and the Board will take all action necessary to enforce said terms and conditions.

(k) That the Board hereby covenants that the proceeds from the sale of the Series 1972 Bonds will be used as soon as practicable for the purpose for which the Series 1972 Bonds are issued; that such proceeds will not be invested in any securities or obligations except for the temporary period pending such use; and that such proceeds will not be used directly or indirectly so as to cause all or any part of the Series 1972 Bonds to be or become "arbitrage bonds" within the meaning of Section 103(d) of the Internal Revenue Code of 1954, as amended, or any regulations or rulings prescribed or made pursuant thereto.

(l) That the Board hereby covenants that the proceeds from the sale of the Series 1972-A Bonds will be used as soon as practicable for the purpose for which the Series 1972-A 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 subsection (a) (1) of Section 103 of the Code) which produce a yield which is "materially higher" (within the meaning of subsection (d) (2) (A) of Section 103 of the Code) than the yield on the Series 1972-A Bonds, except for the temporary period pending such use, to the extent permitted by Section 103(d) (4) (A) of the Code; and that such proceeds will not be used directly or indirectly so as to cause all or any part of the Series 1972-A Bonds to be or become "arbitrage bonds" within the meaning of Section 103(d) of the Internal Revenue Code of 1954, as amended, or any regulations or rulings prescribed or made pursuant thereto.

Section 23. That the Chairman of the Board is hereby authorized to have control of the Series 1972-A Bonds and all necessary records and proceedings pertaining to the Series 1972-A Bonds pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Series 1972-A 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 Series 1972-A Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on each of the Series 1972-A Bonds.

Section 24. That it is hereby officially found and determined: that a case of emergency or urgent public necessity exists which requires the holding of the meeting at which this Resolution is adopted, such emergency or urgent public necessity being that the proceeds from the sale of the Series 1972-A Bonds are required as soon as possible and without delay for necessary and urgently needed public improvements; and that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Vernon's Ann. Civ. St. Article 6252-17.

Board Minutes
May 12, 1972
Attachment No. 2
Item M123
Page 14

Section 25. That the Series 1972-A Bonds are hereby sold and shall be delivered to a Syndicate headed by Halsey, Stuart & Co. Inc. and Associates, for cash for the par value thereof and accrued interest thereon to date of delivery, plus a premium of \$ -0- .

GENERAL CERTIFICATE

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

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

1. That this certificate is made for the benefit of the Attorney General of the State of Texas and the prospective holders of Board of Regents of Texas Tech University General Tuition Revenue Bonds, Series 1972-A, in the principal amount of \$12,500,000 (hereinafter called the "Bonds").

2. That the Board of Regents of Texas Tech University is a duly established Board existing by virtue of and operating under the Constitution and laws of the State of Texas.

3. That other than for the payment of the Bonds and Board of Regents of Texas Tech University General Tuition Revenue Bonds, Series 1972, the Pledged Revenues, as such term is defined in the Resolution authorizing the Bonds, are not in any manner pledged to the payment of any debt or obligation of said Board, Texas Tech University, or the Texas Tech University School of Medicine at Lubbock.

4. 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 which would affect the provisions made for their payment or security, or in any manner questioning the validity of said Bonds or the proceedings or authority pertaining to the issuance of said Bonds, and that so far as we know and believe, no such litigation is threatened.

5. That neither the corporate existence of said Board, nor the title of the present officers of said Board to their respective offices, is being contested, and that no authority or proceedings for the issuance of said Bonds have been repealed, revoked, or rescinded.

6. That for the twelve consecutive calendar month period ending March 31, 1972, the Received Tuition, as such term is defined in the Resolution authorizing the Bonds, was \$2,884,791.39.

7. That for the 1971-1972 fiscal year and for each fiscal year thereafter the Pledged Revenues are estimated to be at least \$2,909,000.

8. That Leo E. Ells is the senior financial officer of Texas Tech University.

SIGNED AND SEALED this the 12th day of May, 1972.

/s/ Freda Pierce
Secretary, Board of Regents

/s/ Bill E. Collins
Vice Chairman, Board of Regents

(SEAL)