

TEXAS CHRISTIAN UNIVERSITY STADIUM ASSOCIATION

FORT WORTH, TEXAS

March 30, 1936

OFFICERS

AMON G. CARTER
PRESIDENT
R. E. HARDING
VICE-PRESIDENT
L. C. WRIGHT
SECRETARY-TREASURER

Second Mortgage Bond Holders of the T. C. U. Stadium Association:

The T. C. U. Stadium Association erected the present plant in the summer of 1930. At that time a first mortgage bond issue in the amount of \$150,000 was sold by two leading Texas banks to the investing public. At the same time friends of the University, mainly in Fort Worth, purchased \$200,000 6% second mortgage bonds. The first interest coupon on the seconds matured on December 1, 1935.

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Under the terms of the trust indenture, the University proper was obligated to pay into the hands of the Fort Worth National Bank trustees out of its athletic receipts 25% of the gross athletic gate receipts at home and 25% of the net athletic gate receipts abroad. Texas Christian University has carried out this agreement to the letter with the trustees. \$54,000 principal plus \$46,000 interest has been paid on the first mortgage issue, leaving a principal balance of \$96,000. The remaining first mortgage bonds are to be retired on the following basis: \$12,000 in 1936; \$14,000 in 1937; \$15,000 in 1938; \$15,000 in 1939; \$40,000 in 1940.

Despite the fact that the University had the greatest season financially in its history and has paid into the hands of the trustees all moneys due under the contract, the Stadium Association is unable at this time to pay the interest charges which accrued on the second mortgage bonds amounting to \$12,000 as of December 1, 1935.

We wish to acquaint you with the following facts in connection with this Stadium Plant: In the first place, the pledges given for the \$200,000 second mortgage bonds were not paid in full. Two - Our contract for the stadium did not include grading and the fence enclosure. After the stadium was completed, we incurred the additional expense of \$35,254.26 to

the Thurber Construction Company, and \$9,920.82 to the Cyclone Fence Company. These items have been carried on our books as open accounts with interest at 6%. From 1930 to date the interest on these accounts alone amounted to approximately \$13,000. The amount of interest paid on the first mortgage bonds from 1930 to 1936 amounted to \$46,201.48. Our first profitable year was 1935, with net profits of approximately \$80,000. Your directors thought it advisable to pay off the debts to Thurber Construction Company and the Cyclone Fence Company in full, leaving no indebtedness or public obligation outside of interest and principal on first and second mortgage bonds.

In taking care of the above obligations, we have paid out a total of \$168,341.98 since the stadium was built. Please remember that since 1931 the income has hardly been sufficient to take care of the sinking fund and interest charges. These alone amount to approximately \$20,000 per annum. The interest on the open accounts amounted to approximately \$2500 per annum.

Our present position is that we owe \$96,000 on the first mortgage bonds and have \$7,032.72 in our sinking fund to apply on this obligation. In 1936, we must pay \$12,000 on sinking fund and \$5760 interest. With another favorable year, we hope to be in position to pay these amounts, and also to take care of the interest requirements on the second mortgage bonds.

We deeply appreciate your co-operation and assure you that the best business judgment possible is being given to this enterprise. We ask for your continued co-operation and support and feel that in the end you will continue to be proud of the University and its fine athletic teams that are being turned out from year to year, resulting in such favorable publicity for our City.

Very truly yours,

President,
T. C. U. Stadium Association.