

29

MATERIAL SUPPORTING THE AGENDA

Volume XVa

September 1967- December 1967

This volume contains the Material Supporting the Agenda furnished to each member of the Board of Regents prior to the meetings held on September 13-14, October 27-28, and December 7-8, 1967.

The material is divided according to the Standing Committees and the meetings that were held and is submitted on three different colors, namely:

- (1) white paper - for the documentation of all items that were presented before the deadline date
- (2) blue paper - all items submitted to the Executive Session of the Committee of the Whole and distributed only to the Regents, Chancellor, and Chancellor Emeritus
- (3) yellow paper - emergency items distributed at the meeting

Material distributed at the meeting as additional documentation is not included in the bound volume, because sometimes there is an unusual amount and other times maybe some people get copies and some do not get copies. If the Secretary were furnished a copy, then that material goes in the appropriate subject folder.



THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS

Material Supporting

# Agenda

Meeting Date: ..... December 7 - 8, 1967 .....

Meeting No.: ..... 657 .....

Name: ..... *Official Copy* .....



CALENDAR  
BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

Date: December 7-8, 1967.

Place: \*The Shamrock Hilton, Third Floor  
December 7: Castilian Room A, B, and C  
December 8: Belvedere Room A and B

The calendar will be included in the Supplementary Agenda Material after all items for the Agenda have been submitted. However, the meeting is scheduled to begin at 9:00 a.m. on Thursday morning and to conclude no later than noon on Friday, December 8.

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\*The Venetian Room will also be for our use on December 7. Floor plans (first and third floors) are set out on the following pages.

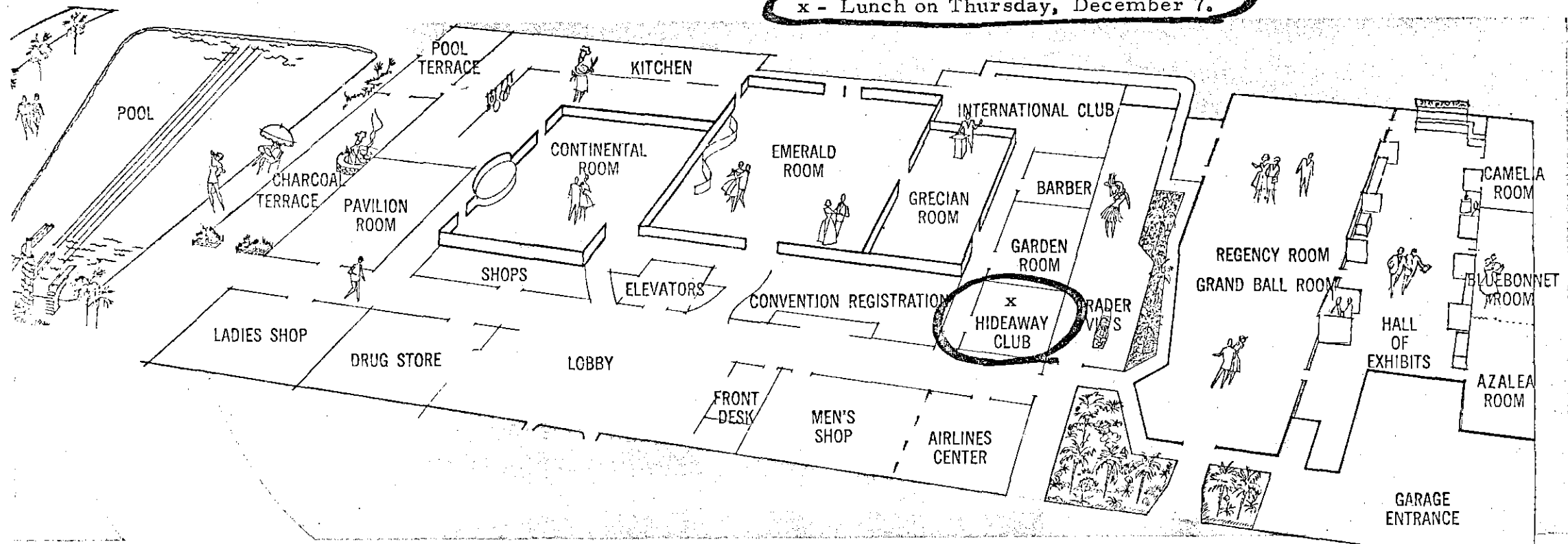
# THE Shamrock Hilton

SERVES BIGGER AND BETTER BANQUETS...

*in Fabulous Facilities*

## FIRST FLOOR

x - Lunch on Thursday, December 7.



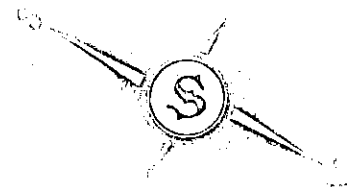
The Shamrock Hilton's Hall of Exhibits has 25,000 square feet of exhibit area. Combined with the new Grand Ball Room there are 42,000 square feet of exhibit area. Additionally, the hotel offers the following facilities:

	Banquets Seating	Meetings Capabilities		Banquets Seating	Meetings Capabilities
Regency Room	1800	2500	Garden Room	75	100
Emerald Room	1250	1500	Azalea Room	225	325
Continental Room	500	750	Bluebonnet Room	225	325
Grecian Room	250	300	Camelia Room	225	325

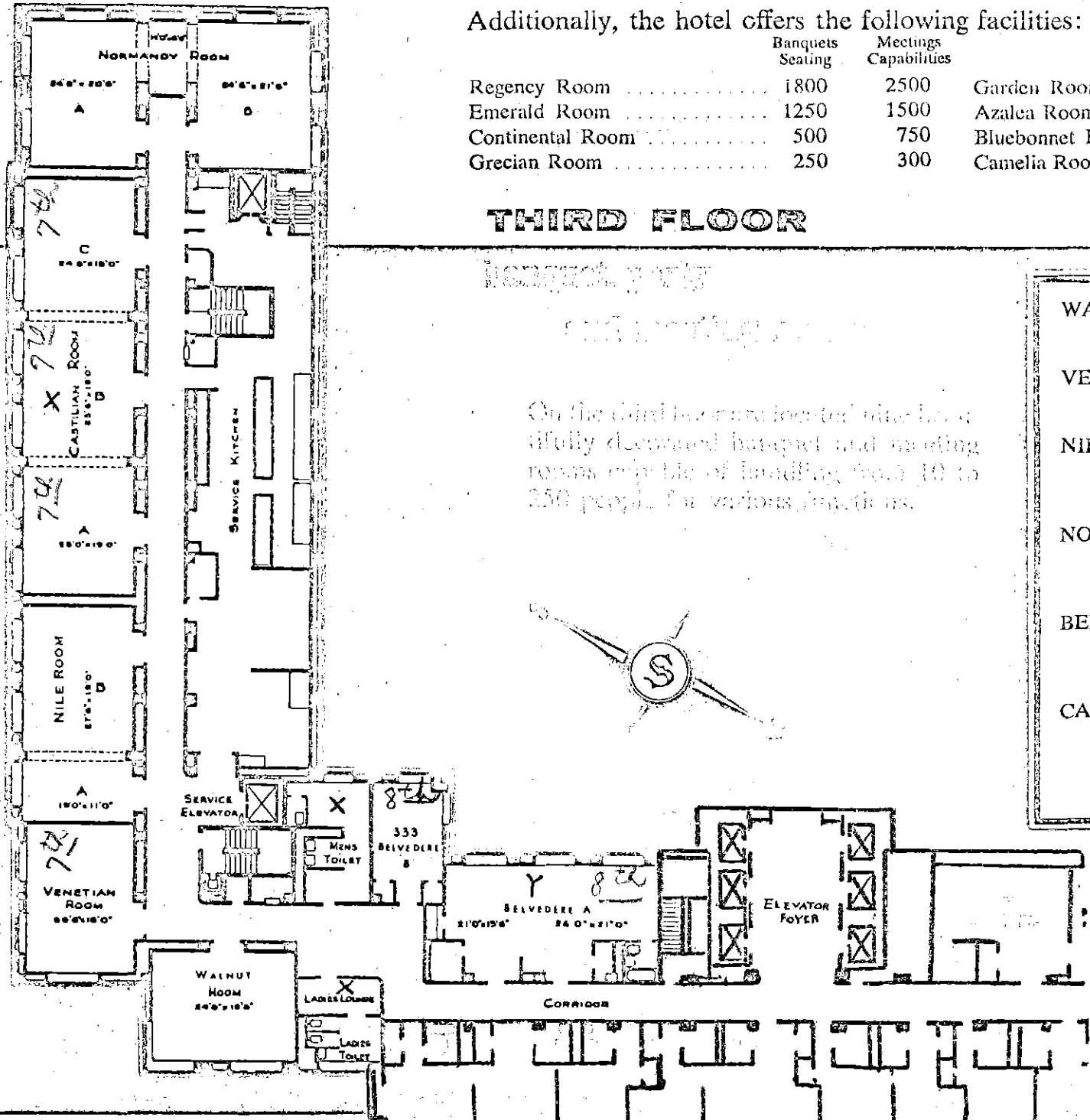
### THIRD FLOOR

Normandy Room

On the third floor are located nine large fully decorated banquet and meeting rooms capable of handling from 10 to 250 people for various functions.



	number of people
<b>WALNUT ROOM</b>	
Banquets	35
Receptions	75
<b>VENETIAN ROOM</b>	
Banquets	35
Receptions	75
<b>NILE ROOM</b>	
Banquets	65
Auditorium	80
Receptions	100
<b>NORMANDY ROOM (2 sections)</b>	
Banquets	40
Auditorium (both sections)	75
Receptions (both sections)	150
<b>BELVEDERE ROOM</b>	
Banquets	50
Auditorium	65
Receptions	75
<b>CASTILIAN ROOM (3 sections)</b>	
Banquets	135
Auditorium	150
Receptions	200
Dances	100



CALENDAR  
BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

Date: December 7, 1967                      Place: The Shamrock Hilton  
December 8, 1967                                      Castilian Room A, B and C  
Belvedere Room A and B

Telephone No.: MO 8-9211

\*Thursday, December 7, 1967

9:00 a.m.	Meeting of the Board (To consider sale of U. T. El Paso Student Union Building Bonds)
9:15 a.m.	Executive Committee
9:30 a.m.	Academic and Developmental Affairs Committee
10:30 a.m.	Buildings and Grounds Committee
11:30 a.m.	Medical Affairs Committee (NOTE: If the committee meeting is not concluded before lunch, it will be continued at 1:00 p.m., and the other meetings will follow in the order listed.)
12:00	Lunch - Hideaway Club (first floor)
1:00 p.m.	Land and Investment Committee
2:00 - 4:30 p.m.	Committee of the Whole
4:30 p.m.	*Meeting of the Board

Friday, December 8, 1967: If there are meetings, they will be in Belvedere A and B.

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\*NOTE: If the Committee of the Whole is unable to complete its work on Thursday afternoon, it will resume its deliberations on Friday morning and the meeting of the Board will follow immediately the meeting of the Committee of the Whole.

## **Executive Committee**

EXECUTIVE COMMITTEE

Date: December 7, 1967.

Time: To be designated in the Supplementary Agenda Material.

Place: The Shamrock Hilton, Third Floor, Castilian Room.

No items have been submitted for consideration by the Executive Committee. The report of the interim actions taken by the Committee since October 28, 1967, will be included in the Supplementary Agenda Material.



EXECUTIVE COMMITTEE

Supplementary Agenda

Date: December 7, 1967

Time: 9:15 a. m.

Place: The Shamrock Hilton, Castilian Room A, B and C

	Page EXEC
A. Interim Actions by Mail Ballot	
1. Dental Branch: Amendment to 1967-68 Classified Personel Pay Plan (2-C1-67)	2
2. U. T. Austin: Minutes of the Board of Directors of TSP, Inc. (7-M-67)	2
3. U. T. Austin: Waiver of Regents' Rule and Recommendation to Name Fireplace Lounge at the Law School (8-M-67)	3
4. U. T. El Paso: Issuance of Purchase Orders for Furniture and Furnishings for the Addition to the Library Building at The University of Texas at El Paso (9-M-67)	3
5. U. T. Arlington: Issuance of Purchase Order to Arlington Office Supply for Furniture and Furnishings for the Mathematics-Language Building (10-M-67)	4
6. U. T. Austin, U. T. El Paso, Galveston Medical Branch, Dallas Medical School, and Anderson Hospital: Amendments to the 1967-68 Budgets (3-B-67)	4
B. Interim Actions by Telephone Poll	
1. U. T. Arlington: Permission to Play North Dakota State in the Pecan Bowl (Midwest College Division Regional Championship Game), December 16, 1967	7
2. U. T. El Paso: Permission to Play The University of Mississippi in the Sun Bowl on December 30, 1967	7

## REPORT OF INTERIM ACTIONS

Below is a report of the interim actions that have been approved by the Executive Committee since the Committee's last report on October 27, 1967:

1. Dental Branch: Amendment to 1967-68 Classified Personnel Pay Plan (2-CI-67). -- An Amendment was approved to the 1967-68 Classified Personnel Pay Plan for The University of Texas Dental Branch at Houston by which the following new positions were created, effective November 1, 1967:

Code No.	CLASS Title	SALARY RANGE	
		Monthly	Annual
0340	Key Punch Operator	\$319-\$ 400	\$ 3,828-\$ 4,800
0341	Senior Key Punch Operator	366- 460	4,392- 5,520
0360	Systems Analyst - Programmer I	650- 800	7,800- 9,600
0361	Systems Analyst - Programmer II	910- 1,150	10,920- 13,800

2. U. T. Austin: Minutes of the Board of Directors of TSP, Inc. (7-M-67). -- Approval was given to the minutes of the meeting of the Board of Directors of Texas Student Publications, Inc., at The University of Texas at Austin held on October 23, 1967. The following items were thereby approved:

- A. The appointment of Robert A. Burns, senior Fine Arts major, as Editor of the Texas Ranger Magazine for the remainder of the year 1967-68.
- B. The following amendments to the 1967-68 budget:
  1. Transfer \$1,070 from General Overhead Salaries to Wages leaving total of salaries and wages the same.
  2. Increase Income of The Daily Texan by \$5,500 and expenses by \$4,275 making an increase in Texan Net Income from \$52 to \$1,277. Increased Expenses include \$3,055 for additional wages for the Texan Staff.
- C. An amendment to the Long Range Plan for Texas Student Publications (page 82 of the TSP Handbook) so that the plan reads as follows:

"The present, written long range plans and related fund requirements were set up at a time when it was very indefinite as to how long TSP would occupy the present

Journalism Building. Much of the anticipated need for funds was based on the obsolescence of the printing equipment. Now it is expected that TSP will need at least \$235,000 to contribute to a proposed new TSP Building, including furniture, plus at least \$165,000 for new offset press equipment capable of running the finest newspaper color reproduction. Recognizing the realities of the present situation the new goal for the 'Facilities and Contingency Fund' is now set at \$400,000."

- D. The authority to the TSP Finance Committee  
 (1) to add \$50,000 to the Facilities and Contingency Fund by making investments in stocks, bonds, or savings accounts as approved by the Executive Director of Investments, Trusts and Lands.

Present Balance in Fund at cost value	\$218,158
Proposed addition	<u>50,000</u>
Total	\$268,158

(2) to sell stocks owned by TSP which are carried on the "B" list of the Permanent University Fund, if, as, and when approved by the Executive Director of Investments, Trusts and Lands, and to reinvest the proceeds of sale of stocks in U.S. Government securities, Savings & Loan accounts or Certificates of Deposits as approved by the Executive Director of Investments, Trusts and Lands.

3. U. T. Austin: Waiver of Regents' Rule and Recommendation to Name Fireplace Lounge at the Law School (8-M-67). -- The recommendation to waive the Regents' Rule with respect to the naming of buildings (laboratories and clinics) in order to name the fireplace lounge at the Law School at The University of Texas at Austin was not unanimously approved by the Executive Committee, and in conformity with our procedure was referred to the Committee of the Whole. (See Page C of W 5.)
4. U. T. El Paso: Issuance of Purchase Orders for Furniture and Furnishings for the Addition to the Library Building at The University of Texas at El Paso (9-M-67). -- The following purchase orders were authorized for equipping the Addition to the Library Building at The University of Texas at El Paso. In each case the award was to the low bidder, equal bidder, or only bidder, as set out on Page 4.

Eastman Kodak Company,  
Dallas, Texas

7 Microfilm Readers	\$4,445.00
7 Microfilm Reader-Printers	2,895.00
1 Microcard Reader	<u>450.00</u>
Total	<u>\$7,790.00</u>

Du Motion Picture Service,  
El Paso, Texas

1 Movie Projector 16 mm	\$ 662.00
1 Overhead Projector	338.00
1 Opaque Projector	<u>285.00</u>
Total	<u>\$1,285.00</u>

Readex Microprint Corporation,  
New York, New York

1 Micro-Viewer	<u>\$305.00</u>
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Copy Machines, Inc.,  
El Paso, Texas

1 Laminating Machine	<u>\$519.00</u>
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Gane Brothers and Lane, Inc.,  
Dallas, Texas

1 Book Press	<u>\$550.00</u>
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5. U. T. Arlington: Issuance of Purchase Order to Arlington Office Supply for Furniture and Furnishings for the Mathematics-Language Building (10-M-67). -- A contract was awarded to the low bidder, Arlington Office Supply, for the equipping of the Mathematics-Language Building at The University of Texas at Arlington, as follows:

Arlington Office Supply,  
Arlington, Texas

120 double units of Bookcases 86" high x 12" deep x 75" wide	\$ 8,256.00
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6. U. T. Austin, U. T. El Paso, Galveston Medical Branch, Dallas Medical School, and Anderson Hospital: Amendments to the 1967-68 Budgets (3-B-67). -- Approval was given to the amendments to the 1967-68 Budgets of U. T. Austin, U. T. El Paso, Galveston Medical Branch, Dallas Medical School, and Anderson Hospital as follows and as set out on Pages 4-7 :

THE UNIVERSITY OF TEXAS AT AUSTIN  
 AMENDMENTS TO 1967-68 BUDGET  
 Source of Funds - Departmental Appropriations  
 (Unless Otherwise Specified)

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
94.	Auxiliary Enterprises - University of Texas Press Transfer of Funds	From: Unappropriated Balance General Funds	To: University of Texas Press Revolving Publication Fund - Other Expenses	
	Amount of Transfer	\$ 2,435	\$ 2,435	---
95.	Auxiliary Enterprises - Division of Housing and Food Service Transfer of Funds	From: Major Repairs, Remodeling, and Replacement and Operating Reserve (Housing and Food Service Unappropriated Balance)	To: Expansion and Remodeling of Division Office, Housing and Food Service	
	Amount of Transfer	\$ 7,200	\$ 7,200	---
96.	Claude V. Duplissey Mathematics Academic Rate	Teaching Assistant \$ 4,400 (1966-67)	Teaching Assistant \$ 5,400	9/1 - 1/15

THE UNIVERSITY OF TEXAS AT EL PASO  
 AMENDMENTS TO 1967-68 BUDGET  
 Source of Funds - Departmental Appropriations  
 (Unless Otherwise Specified)

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
7.	School of Education Transfer of Funds	From: Unappropriated Balance	To: School of Education - Books	
	Amount of Transfer	\$8,000	\$8,000	---

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON  
 AMENDMENTS TO 1967-68 BUDGET  
 Source of Funds - Departmental Appropriations  
 (Unless Otherwise Specified)

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
21.	Richard G. Benton Surgery	Research Assistant Professor	Research Assistant Professor	
	Salary Rate	\$13,000	\$14,000	11/1/67
	Source of Funds: VRA Grant			
22.	Wiktor W. Nowinski Surgery	Research Professor, Biochemistry	Research Professor, Biochemistry	
	Salary Rate	\$16,000	\$17,500	11/1/67
	Source of Funds: HEW Grant			

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL SCHOOL AT DALLAS  
 AMENDMENTS TO 1967-68 BUDGET  
 Source of Funds - Departmental Appropriations  
 (Unless Otherwise Specified)

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
12.	Joseph S. Paul Pathology	Assistant Professor	Assistant Professor	
	Salary Rate	\$13,000	\$15,000	11/1/67
	Source of Funds: AMA Education and Research Founda- tion			
13.	Norman R. James Anesthesiology	Associate Professor (without tenure)	Associate Professor (without tenure)	
	Salary Rate	\$15,000	\$17,000	11/1/67
	Source of Funds: Children's Medical Center Anesthe- siology Center			

THE UNIVERSITY OF TEXAS M. D. ANDERSON HOSPITAL  
 AND TUMOR INSTITUTE AT HOUSTON  
 AMENDMENTS TO 1967-68 BUDGET  
 Source of Funds - Departmental Appropriations  
 (Unless Otherwise Specified)

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
13.	Joe E. Boyd, Jr. Administrator's Office	Administrator	Administrator	
	Salary Rate	\$25,000	\$28,000	11/1/67
	Source of Funds: Reserve for Salaries			

The following actions were taken by telephone poll of those Regents who could be reached at the time of the poll. At least a majority of the members of the Board approved each action, and the two actions are here presented for ratification by the Board of Regents:

1. U. T. Arlington: Permission to Play North Dakota State in the Pecan Bowl (Midwest College Division Regional Championship Game), December 16, 1967. --By telephone poll, a majority of the members of the Board of Regents granted permission for the football team of The University of Texas at Arlington to accept an invitation to play North Dakota State in the Pecan Bowl at Abilene, Texas (Midwest College Division Regional Championship Game), on December 16, 1967. The game is sponsored by the National Collegiate Athletic Association and the Chamber of Commerce of Abilene, Texas.
  
2. U. T. El Paso: Permission to Play The University of Mississippi in the Sun Bowl on December 30, 1967. --By telephone poll, a majority of the members of the Board of Regents granted permission for the football team of The University of Texas at El Paso to accept an invitation to play The University of Mississippi in the Sun Bowl at El Paso, Texas, on December 30, 1967.

**Academic and Developmental Affairs  
Committee**



ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE

Date: December 7, 1967.

Time: To be designated in the Supplementary Agenda Material.

Place: The Shamrock Hilton, Third Floor, Castilian Room.

	<u>Page A &amp; D</u>
1. U. T. System: Report by Mr. Blunk on Development Board.	2
2. U. T. System: Chancellor's Docket No. 20.	2
3. U. T. Austin: Proposed Change in Name of Department of Geology.	2
4. U. T. Austin: Proposed Membership in Argonne Universities Association.	3
5. U. T. Arlington: Status of School of Social Work.	19
6. U. T. Arlington: Degree Designation for Master's Degree Program in Professional Accounting.	21
7. U. T. Arlington: Request to Submit to Coordinating Board Permission for Master's Degree Programs.	21

1. U. T. SYSTEM: REPORT BY MR. BLUNK ON DEVELOPMENT BOARD.

2. U. T. SYSTEM: CHANCELLOR'S DOCKET NO. 20.-- Chancellor's Docket No. 20 was mailed to each member of the Board of Regents on November 16, 1967 together with a ballot to be returned by the close of business on December 1. This procedure is in accordance with the Regents' Rules and Regulations, Part One, Chapter I, Section 8.64.

The results of the poll will be reported at the meeting of this Committee as an emergency item. In the past, the docket has been referred by the Academic and Developmental Affairs Committee to the Committee of the Whole if the poll reflected that any of the items in the docket were excepted.

3. U. T. AUSTIN: PROPOSED CHANGE IN NAME OF DEPARTMENT OF GEOLOGY.--Below is a Xerox copy of Chancellor Ransom's recommendation:

Chancellor Ransom and President Hackerman concur in the recommendation of the Faculty Council that the name of the Department of Geology be changed to the Department of Geological Sciences, which more properly represents the current and potential teaching and research interests of the department.

If approval of this request is granted, the Administration will file proper notification with the Coordinating Board, Texas College and University System.

On the following pages (A&D-2a and A&D-2b) are the supporting letters:

THE UNIVERSITY OF TEXAS  
AUSTIN 78712

VICE-CHANCELLOR FOR  
ACADEMIC AFFAIRS, U. OF T.  
REC'D. OCT 31 1967  
REFER TO *Chancellor*  
HANDLE.....READ & RETURN.....

CHANCELLOR'S OFFICE U. OF T.  
Acknowledged..... File.....  
REC'D NOV 6 1967  
TO.....FOR INFO AND RETURN  
TO.....PLEASE ADVISE ME  
TO *G.W.L.*.....PLEASE HANDLE

October 31, 1967

Dr. Norman Hackerman, President  
The University of Texas at Austin  
Main B. 102

Dear Dr. Hackerman

On October 31, 1967, the Faculty Council approved  
by the circularization procedure the proposed change  
in name of the Department of Geology (D&P 3999).

This legislation is now ready for your approval and  
submission to the Board of Regents.

Sincerely yours

*Eugene W. Nelson*  
Eugene W. Nelson, Secretary  
The Faculty Council


*W. J. Fogel*  
*W. J. Fogel*  
11/1  
11/1  
11/7

## DOCUMENTS AND PROCEEDINGS OF THE FACULTY COUNCIL

PROPOSED CHANGE IN NAME OF DEPARTMENT OF GEOLOGY

The Department of Geology, with the concurrence of Dean Macdonald, has filed with the Secretary of the Faculty Council the recommendation published below. The Secretary has classified this recommendation to be of exclusive application and primary interest only to a single school or college.

Notice is hereby given that this legislation will be presented to the Board of Regents for adoption unless a signed protest, with reasons, is received by the Secretary of the Faculty Council from a member of the Council within five days of the date of this publication. If a protest is received, the proposed legislation will be presented to the Faculty Council for action at its meeting of November 20, 1967.

  
Eugene W. Nelson, Secretary  
The Faculty Council

RECOMMENDATION OF THE DEPARTMENT OF GEOLOGY

The Department of Geology, with the concurrence of the Dean of the College of Arts and Sciences, recommends that the name of the Department of Geology be changed to the Department of Geological Sciences.

In a letter to Dean Macdonald, Mr. Muehlberger, Chairman of the Department of Geology, gave the following reasons for the recommendation:

The word Geology no longer seems to describe adequately what the science of Geology is all about. This is a result of synonymous such as Earth Science, Geological Sciences, Earth and Planetary Sciences having been introduced. Each of these terms has particular meaning to the various education and grant-giving agencies. (They suggest a greater breadth of interest than probably actually exists!)

After considerable discussion last Spring, the faculty of the department and the Budget Council unanimously recommend that the title of the Department of Geology be changed to Department of Geological Sciences. We feel that this more properly represents the current and potential teaching and research interests of our staff. Our graduates are active as geologists, geochemists, geophysicists, geological oceanographers, engineering geologists, planetary scientists, etc. Our course offerings also cover these disciplines or applications of basic disciplines. A title, such as Department of Geology, Geophysics, and Geochemistry, is too cumbersome although it describes the several subdisciplines that do exist within our department.

With the advent of our national space program, a great deal of new data is accumulating and will accumulate on our near neighbors that must be integrated into the story of our solar system and planetary evolution. Several of our own graduates are now active in various aspects of the space program, either within the academic world, in the manned-spacecraft operations, or with the U.S. Geological Survey Astrogeology branch. A number of the departmental staff have been active within the lunar geology program (principally Dr. J. Hoover Mackin and to a lesser degree Drs. F. M. Bullard, S. E. Clabaugh, E. C. Jonas, L. E. Long, and W. R. Muehlberger). The activities of the staff and students in the lunar program would be a good reason for adding the word "Planetary" to the departmental title but because of similar interests and development in the Astronomy Department, we are not now proposing this addition.

The change from Geology to Geological Sciences is to subtly (or not so subtly) point out that we are not a narrow classic geology department, i.e., one in which the study of rocks, fossils or minerals is an end to itself, but that we are using all available tools to unravel our earth, whether these tools are biological, chemical, physical, mathematical, or even astronomical. We are interested in our environment (the earth), its use and misuse.

Filed with the Secretary of the Faculty Council by Dr. Norman Hackerman, Vice-Chancellor for Academic Affairs, October 20, 1967.

Distributed among the members of the Faculty Council by the University Stenographic Bureau, October 26, 1967.

4. U. T. AUSTIN: PROPOSED MEMBERSHIP IN ARGONNE UNIVERSITIES ASSOCIATION.-- Below is a Xerox copy of Chancellor Ransom's recommendation that U. T. Austin be a member of the Argonne Universities Association:

Chancellor Ransom concurs in the recommendation of President Hackerman that The University of Texas at Austin be associated with the Argonne Universities Association. Details of the affiliation are set out in President Hackerman's letter of November 16 to Chancellor Ransom which follows. There also follows a copy of the Founders Agreement, together with a copy of the covering letter from Dr. John H. Roberson.

THE UNIVERSITY OF TEXAS AT AUSTIN

OFFICE OF THE PRESIDENT

AUSTIN, TEXAS 78712

November 16, 1967

CHANCELLOR'S OFFICE U. OF T.	
Acknowledged.....	File.....
REC'D	NOV 17 1967
TO.....	FOR INFO AND RETURN
TO.....	PLEASE ADVISE ME
TO... <i>G.W.</i> .....	PLEASE HANDLE

MEMORANDUM

TO: Chancellor Harry Ransom  
FROM: Norman Hackerman  
SUBJECT: Argonne Universities Association

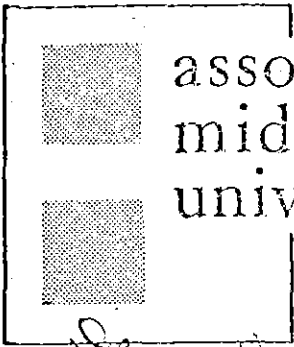
As you know, we are members of Associated Midwest Universities, which may shortly be elided by Argonne Universities Association. This is both the management and users group with which I believe now we should be associated in view of the probable demise of Associated Midwest Universities. I have had Mr. Waldrep and Mr. Colvin look over the so-called Founders Agreement of Argonne Universities Association, and they find that state funds could be used to pay the membership dues of the group and believe that there is nothing wrong with the various stipulations.

It will, however, require an original membership fee of \$10,000 and a pledge of an additional \$15,000. For this reason, and because it does involve joining another organization, I believe this ought to go to the Board for action, and I am recommending approval. Note that the offer to us has not yet been made, but I do not doubt that it will be.

Enclosed is a copy of the Founders Agreement, together with a copy of the covering letter from Dr. John H. Roberson, Executive Director of Associated Midwest Universities.

  
Norman Hackerman

NH:bg



associated  
midwest  
universities

DR. HACKERMAN,  
I HAVE NO LEGAL  
OBJECTION - OTHER PRECEDENTS  
SUPPORT THIS - I ASSUME  
THE TRIPARTITE AGREEMENT  
IS SATISFACTORY - REQUISITE  
IS PROVIDED FOR IN THE  
AGREEMENTS - BW  
11-11-67

BOARD OF DIRECTORS  
F. D. Rossini, President  
F. Yanders, Vice President  
J. A. D. Cooper  
A. H. Eminans  
William Kerr  
J. R. Pasta  
J. R. Savage  
W. F. Stubbins  
J. H. Roberson, Executive Director  
A. T. Schmeeling, Treasurer

Box 307, Argonne, Illinois • 60439 • Area Code 312 • 739-1679

November 7, 1967

OFFICE OF THE PRESIDENT  
NOV 9 1967

To AMU Council Members:

- Dean D. W. Stebbins, Michigan Technological University
- Dr. Merk Hobson, The University of Nebraska
- Dr. Robert L. Savage, Ohio University
- Dr. Marvin T. Edmison, Oklahoma State University
- Dr. Warren F. Witzig, The Pennsylvania State University
- Dean Roger E. Beyler, Southern Illinois University
- ✓ Dr. Norman Hackerman, The University of Texas

From: John H. Roberson

At the AMU Board of Directors meeting of October 25, 1967, the Board approved the plan of merger which had already been approved by the Trustees of Argonne Universities Association on October 9, 1967.

In connection with the merger, the AMU Board recommended that the seven AMU universities which are not members of Argonne Universities Association should be elected to membership by AUA.

We have had inquiries about the responsibilities of membership in AUA and the financial requirement. I am enclosing a copy of the AUA Founders Agreement, which is the best source of information on the commitments required. The twenty-six universities which constitute the original membership of AUA have each provided \$10,000 and have pledged an additional \$15,000. There has been no call on the additional pledge.

I am also enclosing an AUA brochure which lists the members of the Association, the trustees and officers, and which gives some other information about AUA's structure.

From time to time I am asked for my opinion about the interest your University may have in joining AUA. I would appreciate any preliminary expression which you care to offer on this subject. Many thanks.

JHR:kc  
Enc.

cc, w/o enc: P. N. Powers, F. D. Rossini, W. F. Stubbins

11/13 J. Colvin  
state funds  
maybe used to pay  
Monday  
over of  
this  
Corporate  
P. H. O.

ARGONNE UNIVERSITIES ASSOCIATION

FOUNDERS AGREEMENT

THIS FOUNDERS AGREEMENT dated as of July 1, 1965 by and between each of the universities signatory to a counterpart of this Agreement (herein collectively referred to as "Signatory Universities" and in the singular referred to as a "Signatory University"),

W I T N E S S E T H :

WHEREAS, each Signatory University recognizes (i) that it shares a mutual responsibility for cooperating with other persons, agencies and institutions in order to stimulate scientific and technological advancement in the Midwest community and in the nation and for promoting the maximum scientific progress and engineering development made possible by public funds and facilities, and (ii) that this responsibility can be furthered by continued emphasis on recruiting and retaining on the staff of the Argonne National Laboratory the most competent and creative administrators, scientists and engineers available, by affording such staff full assistance and support and by making the facilities of the Laboratory broadly available to the scientific community of the Midwest and the nation; and

WHEREAS, each Signatory University believes that the foregoing purposes can best be accomplished through the incorporation of a not-for-profit corporation to be known as Argonne Universities Association under the General Not-For-Profit Corporation Act of the State of Illinois.

NOW, THEREFORE, in consideration of the mutual promises and undertakings herein set forth, each Signatory University hereby agrees as follows:

Section 1. Articles of Incorporation.

The Articles of Incorporation of Argonne Universities Association (hereinafter called the "Corporation") shall be in the form of Exhibit I to this Agreement and shall be filed with the Secretary of State of the State of Illinois as soon as this Agreement becomes effective pursuant to Section 13.

Section 2. Members of Corporation.

(a) The initial Members of the Corporation shall be the universities which execute a counterpart of this Agreement in accordance with Section 13. Additional universities may be elected to membership by the affirmative vote of at least three-fourths of all universities which are Members of the Corporation at the time of any such election. No election of an additional Member shall become effective until such elected Member shall have become a party to this Agreement by executing an instrument with the Corporation to such effect, after which such elected Member shall be bound by and entitled to the benefits of this Agreement as fully as though it were signatory to a counterpart hereof.

(b) Each Member shall designate up to three delegates from its staff to represent it at meetings of the Members. The designation shall be in writing and a copy shall be filed with the Secretary of the Corporation. The designation may be changed from time to time at the discretion of the Member. Each delegate shall be a principal administrative officer, a chief business officer or a professor of biology, chemistry, engineering, mathematics or physics. Each Member shall be entitled to only one vote on any matter submitted to a vote of the Members, regardless of whether more than one delegate from that Member is in attendance at a meeting of Members. At any meeting of the Members, a Member may vote by proxy duly executed to any individual or individuals, but no proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy.



(c) An annual meeting of the Members shall be held in each calendar year at such time and place as may be provided for in the By-Laws of the Corporation and special meetings of the Members may be called pursuant to the By-Laws. The annual meeting shall be for the purpose of:

- (i) electing members of the Board of Trustees;
- (ii) electing certain members of the Nominating Committee as more fully described in Section 3(f) below;
- (iii) hearing reports from the Board of Trustees or from such officer or officers of the Corporation as the Board of Trustees may designate and from the Director of the Laboratory; and
- (iv) transacting such other business as may properly come before the meeting.

(d) The Corporation shall not undertake activities unrelated to Argonne National Laboratory except with the approval of a majority of the Members of the Corporation.

Section 3. Board of Trustees of the Corporation.

(a) The affairs of the Corporation shall be managed by its Board of Trustees. The Board of Trustees shall elect the officers of the Corporation. The appropriate officers, subject to any directions from the Board of Trustees, may hire employees or agents of the Corporation.

(b) The initial number of trustees shall be six as named in the Articles of Incorporation, Exhibit I to this Agreement. The number of trustees thereafter shall be as specified in the By-Laws of the Corporation; provided, however, that the number so specified shall not be less than sixteen nor more than twenty, exclusive of ex officio trustees provided for in Section 3(d). As promptly as may be practicable after the formation of the Corporation, the initial Board of Trustees shall take appropriate action to increase the number of trustees and to call a special meeting of the Members of the Corporation for the election of trustees to fill the vacancies

so created. The six trustees constituting the first Board of Trustees and the additional trustees so elected shall hold office until the first annual meeting of the Members of the Corporation and until their successors shall have been elected and qualified. Thereafter the trustees shall be elected by the Members of the Corporation at their annual meeting, except that the Board of Trustees shall be empowered to fill vacancies in its membership arising from the death or resignation of a trustee.

Beginning with the Board of Trustees elected at the first annual meeting of the Members of the Corporation, the trustees shall be divided into two classes of approximately equal number. The initial term of office of trustees of the first class shall expire at the next annual meeting of the Members of the Corporation when their successors shall have been duly elected and qualified. The initial term of office of trustees of the second class, and the term of office of trustees of the first class after the initial term, shall expire at the second annual meeting of the Members of the Corporation following their election when their successors shall have been duly elected and qualified.

(c) Commencing with the first election of trustees by the Members of the Corporation at their initial special meeting, the Board of Trustees shall include at least:

(1) twelve individuals drawn from the Signatory

Universities, each of whom is associated with his particular university in at least one of the following capacities: a principal administrative officer, a chief business officer or a professor of biology, chemistry, engineering, mathematics or physics; and the twelve shall include at least six such officers (whether administrative or chief business) and at least one professor of each of such disciplines;

- (ii) two individuals from technological industry;
- and
- (iii) two individuals from nominees designated by Associated Midwest Universities.

(d) In addition to any individuals associated with the University of Chicago who may be elected as trustees, the University of Chicago shall designate a representative as ex officio trustee. The chief executive officer of the Corporation designated in its By-Laws shall also be an ex officio trustee in the event he shall not be an elected trustee. Ex officio trustees shall have all the rights and powers of an elected trustee.

(e) The initial Board of Trustees shall constitute itself, together with the three incorporators of the Corporation, as a Temporary Nominating Committee to prepare a slate of nominees for election of the additional trustees at the special meeting of Members referred to in Section 3(b). In making nominations, the Temporary Nominating Committee shall endeavor to select the persons best qualified to contribute meaningfully toward the formulation of the Corporation's policies and programs, giving due regard to the desirability of maintaining a reasonable geographic balance in the representation on the Board of Trustees. The slate of nominees, including the nominees designated by the Associated Midwest Universities, shall be submitted to the Members not less than fifteen days before the date of the special meeting of Members, but the Committee may thereafter modify its list of nominees if, in its judgment, such action is appropriate. Additional nominations may be made by Members if at least five Members concur in such nominations; provided, however, that any such additional nominations must be mailed to the Members at least five days before the date of such meeting.

(f) A Nominating Committee of seven individuals shall be elected each year to prepare a slate of nominees for election of trustees at the next succeeding annual meeting of Members. Four members of the Nominating Committee shall be elected by the

Board of Trustees at its first meeting following the initial special meeting of Members and at its first meeting following an annual meeting of Members. Three members of the Nominating Committee shall be elected by the Members of the Corporation at their initial special meeting and at each annual meeting from delegates not representing a Member then having an officer or professor on the Board of Trustees. In making nominations, the Nominating Committee shall endeavor to select the persons best qualified to contribute meaningfully toward the formulation of the Corporation's policies and programs, giving due regard to the desirability of maintaining a reasonable geographic balance in the representation on the Board of Trustees. The slate of nominees, including the nominees designated by the Associated Midwest Universities, shall be submitted to the Members not less than thirty days before the date of the next annual meeting of Members, but the Committee may thereafter modify its list of nominees if, in its judgment, such action is appropriate. Additional nominations may be made by Members if at least five Members concur in such nominations; provided, however, that any such additional nominations must be mailed to the Members at least ten days before the date of the annual meeting.

(g) The Board of Trustees annually shall elect an Executive Committee of from seven to nine trustees, exclusive of ex officio trustees, to deal with Argonne National Laboratory affairs. Such Executive Committee shall have such powers as shall be delegated to it by the By-Laws of the Corporation. Ex officio trustees shall be ex officio members of such Executive Committee with all of the rights and powers of an elected member, except that ex officio members shall not be entitled to vote on any matter submitted to a vote of such Executive Committee.

(h) The Board of Trustees shall adopt By-Laws of the Corporation not inconsistent with any of the preceding and subsequent terms of this Agreement.

Section 4. Certification and Contributions.

Each Signatory University certifies that it has an ongoing graduate program granting Ph.D. degrees in two or more of the following disciplines: biology, chemistry, engineering, mathematics and physics. Each Signatory University agrees (a) to contribute to the Corporation, forthwith upon its incorporation, \$10,000 for working capital and to contribute from time to time thereafter, upon the call of the Board of Trustees, such additional amounts not to exceed \$15,000 in the aggregate for each Signatory University as shall be required to guarantee the financial integrity or meet the financial needs of the Corporation; provided, however, that any such calls by the Board of Trustees shall be on an equal basis from each Signatory University; (b) to staff itself on a level which will permit a reasonable number of members of its senior staff to participate actively in Argonne National Laboratory programs, including extended periods of residency at the Laboratory; and (c) to contribute as needed the services of officers and professors for election to the Corporation's Board of Trustees.

Section 5. Agreement with Atomic Energy Commission.

The Signatory Universities agree that the prime contract for the operation and management of the Argonne National Laboratory shall be renegotiated as a tripartite agreement between the Atomic Energy Commission, the Corporation and the University of Chicago (hereinafter called the "Tripartite Agreement"). Consistent with the provisions of Section 8 of this Agreement, such Tripartite Agreement shall be negotiated on such terms as to assure that (a) the policies established by the Corporation shall be promptly put into effect and (b) the University of Chicago will be able effectively to operate the Laboratory in accordance with the policies established by the Corporation.

Section 6. Policymaking Functions of the Corporation.

Subject to the Articles of Incorporation of the Corporation and the Tripartite Agreement, the Signatory Universities agree that the policymaking functions of the Corporation with respect to the Argonne National Laboratory shall include:

(a) the formulation, approval and review of Laboratory policies and programs;

(b) the review and approval of all budget proposals and modifications, plans for modifying existing facilities and programs and plans for establishing new facilities and programs;

(c) the full participation, through the duly authorized agents of the Corporation, with the University of Chicago (which is to operate the Laboratory in accordance with Section 5 and the Tripartite Agreement) in the negotiation of all matters affecting policy, including the Tripartite Agreement, with the Atomic Energy Commission;

(d) the initial and continuing approval of appointments to the positions of Laboratory Director and Deputy and Associate Laboratory Directors, as provided in Section 7;

(e) the establishment of the general goals for cooperative research and educational programs between the academic community and the Laboratory;

(f) the establishment of criteria and means for deciding priorities among the users of Laboratory scientific facilities, provided that the Signatory Universities agree not to cause the Corporation to adopt any criteria based upon whether such user of, or the person applying for use of, the Laboratory facilities is on the staff of a Signatory University,

since the principal purpose of the Corporation is to promote scientific excellence throughout the Midwest region; and

(g) the right to recruit and maintain sufficient staff of the Corporation to effectuate the purposes and policies of the Corporation.

Section 7. Operation of the Laboratory.

Subject to the Tripartite Agreement, the University of Chicago shall operate the Argonne National Laboratory in accordance with the policies from time to time established by the Corporation. The University of Chicago further shall (a) recruit and employ the Laboratory staff, subject, in the case of the Laboratory Director and all Deputy and Associate Laboratory Directors, to the initial and continuing approval by the Board of Trustees of the Corporation of the appointment of all such Directors, (b) maintain and operate the facilities of the Laboratory, and (c) maintain contact with the Atomic Energy Commission on all operating matters. The University of Chicago shall also have fiscal responsibility for the activities and operations of the Laboratory, subject to the provisions of Section 6(b) of this Agreement and to the indemnity and reimbursement provisions of the Tripartite Agreement.

Section 8. Interest of the Government.

Recognizing that the Argonne National Laboratory is a major Atomic Energy Commission facility whose principal program is directed toward research and development in reactor science and engineering and research in the physical and life sciences and whose primary financial support is from the United States Government, the Signatory Universities understand that, under the Tripartite Agreement, the Corporation and the University of Chicago will have the responsibility to comply

with applicable laws, orders and regulations and to assure that the Laboratory will continue to function in accordance with overall policies and requirements of the Atomic Energy Commission.

Section 9. Execution by the Corporation.

Forthwith upon the incorporation of the Corporation under the laws of the State of Illinois, the Signatory Universities shall cause the Corporation to become a party to this Agreement by executing and delivering a counterpart hereof to each Signatory University.

Section 10. Successors and Assignment; Withdrawal.

(a) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors. The rights of the parties hereunder may not be assigned.

(b) Any Signatory University may withdraw from membership in the Corporation at any time by so notifying the Secretary of the Corporation; provided, however, that it shall not be entitled to withdraw any sums of money theretofore paid to the Corporation.

Section 11. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

Section 12. Effect of Agreement; Amendments.

All understandings and agreements heretofore existing between the Signatory Universities with respect to Section 1 through Section 11 of this Agreement, insofar as they relate to the organization, purposes and operations of the Corporation, are merged in this Agreement, which, including Exhibit I, reflects the entire understanding of the Signatory Universities with respect to such subject matter. This Agreement cannot be modified or amended except by written agreement signed by at least three-fourths of the universities then party to this Agreement, as then in effect.



Section 13. Counterparts and Effective Date.

This Agreement will be executed in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one instrument. This Agreement shall become effective when but only when at least fifteen of the universities which are members of Associated Midwest Universities or Midwest Universities Research Association at the date of this Agreement shall have duly executed this Agreement. Each other university which is a member of either of such associations at the date of this Agreement may become a party to this Agreement and an Initial Member of the Corporation by due execution of this Agreement and by filing an executed counterpart thereof with the Registered Agent of the Corporation within thirty days after this Agreement shall have become effective in accordance with the immediately preceding sentence. Any university which has not executed this Agreement within that time period may become a party to this Agreement only by being elected as an additional Member of the Corporation in accordance with Section 2 of this Agreement.

IN WITNESS WHEREOF, the undersigned university has duly executed this Agreement as of the day and year first above written.

\_\_\_\_\_  
(Name of University)

By \_\_\_\_\_

Its \_\_\_\_\_

The undersigned hereby accepts and becomes a party to the foregoing Agreement as of this \_\_\_\_ day of \_\_\_\_\_, 1965.

ARGONNE UNIVERSITIES ASSOCIATION

ATTEST:

By \_\_\_\_\_

President

\_\_\_\_\_  
Secretary

Filing Fee \$10.00

FORM NP-1

ARTICLES OF INCORPORATION  
UNDER THE  
GENERAL NOT FOR PROFIT CORPORATION ACT  
(These Articles Must Be Filled In Duplicate)

(Do Not Write In This Space)

Date Paid \_\_\_\_\_  
Filing Fee \$ \_\_\_\_\_  
Clerk \_\_\_\_\_

To WILLIAM H. CHAMBERLAIN, Secretary of State, Springfield, Illinois.

We, the undersigned,

(Not less than three)

Name	Number	Street	Address City	State
George W. Beadle	5801 S. Ellis Ave.		Chicago, Ill.	60637
Bryce L. Crawford	University of Minnesota		Minneapolis, Minn.	55455
Elvis J. Stahr	Indiana University		Bloomington, Ind.	47405

being natural persons of the age of twenty-one years or more and citizens of the United States, for the purpose of forming a corporation under the "General Not For Profit Corporation Act" of the State of Illinois, do hereby adopt the following Articles of Incorporation:

- The name of the corporation is: Argonne Universities Association
- The period of duration of the corporation is: Perpetual  
(Please state "perpetual" or a definite number of years)
- The address of its initial Registered Office in the State of Illinois is: 11 South La Salle Street  
in the City of Chicago (3) County of Cook and  
(Zone)  
the name of its initial Registered Agent at said Address is: D. Robert Thomas
- The first Board of Directors shall be six in number, their names and addresses being as follows:  
(Not less than three)

Name	Number	Street	Address City	State
Edwin L. Goldwasser	University of Illinois		Urbana, Ill.	61803
Fred H. Harrington	University of Wisconsin		Madison, Wis.	53705
George E. Pake	Washington University		St. Louis, Mo.	
Wilbur K. Pierpont	University of Michigan		Ann Arbor, Mich.	48104
Philip K. Powers	Purdue University		Lafayette, Ind.	
J. C. Warner	552 N. Neville St.		Pittsburgh, Pa.	15213

- The purpose or purposes for which the corporation is organized are:

To foster scientific research by formulating, approving and reviewing policies and programs of the Argonne National Laboratory and by conducting or participating in the direction, operation and development of other scientific research laboratories and similar facilities, within or without the State of Illinois.

SEE ATTACHED RIDER.

(NOTE: Any special provision authorized or permitted by statute to be contained in the Articles of Incorporation, may be inserted above.)

(INCORPORATORS MUST SIGN BELOW)

Four horizontal lines for signatures, grouped by a right-facing curly bracket.

Incorporators

ACKNOWLEDGMENT

STATE OF ILLINOIS,

County of \_\_\_\_\_ } ss.

I, \_\_\_\_\_, a Notary Public do hereby certify that on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, \_\_\_\_\_ (Names of Incorporators)

personally appeared before me and being first duly sworn by me severally acknowledged that they signed the foregoing document in the respective capacities therein set forth and declared that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.

PLACE (NOTARIAL SEAL) HERE

Notary Public

FORM NF-1  
ARTICLES OF INCORPORATION  
under the  
GENERAL NOT FOR PROFIT  
CORPORATION ACT  
of  
Argonne Universities Associ-  
ation

These Articles Must Be Executed and Filed in Duplicate

filing fee \$10.00

(9-6036-15M-6-64)

RIDER TO ARTICLES OF  
INCORPORATION OF  
ARGONNE UNIVERSITIES ASSOCIATION

No part of the net earnings of the corporation shall inure to the benefit of or be distributed to its members, directors or officers, or to any other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the immediately preceding paragraph. No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the corporation shall not in any manner engage in any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles of Incorporation, the corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

Upon the dissolution of the corporation, its assets shall be applied to the following purposes and in the following order:

(1) all liabilities and obligations of the corporation shall be paid, satisfied and discharged, or adequate provision shall be made therefor;

(2) assets held by the corporation upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements;

(3) any unexpended contributions by a member of the corporation shall be refunded to such member;

(4) any remaining assets may be distributed to such persons, societies, organizations or domestic or foreign corporations as may be specified in a plan of distribution adopted as provided in the General Not for Profit Corporation Act of the State of Illinois;

provided, however, that under no circumstances shall any assets of the corporation be distributed to any person not an exempt organization under section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

5. U. T. Arlington: Schedule of Implementation of School of Social Work. -- Chancellor Ransom presents the following report from President Woolf with reference to the Schedule of Implementation of the School of Social Work at U. T. Arlington. He concurs with President Woolf that this schedule with respect to the School of Social Work is of sufficient importance that it should be brought immediately to the attention of the Board:



*GWL.*  
*serious problem*  
*(Coord. Bd, Legislature*  
*as well as BR)*

CHANCELLOR'S OFFICE U. OF T.  
 Acknowledged..... File.....  
 REC'D ..... 11/8/67  
 TO..... FOR INFO AND RETURN  
 TO..... PLEASE ADVISE ME  
 TO..... PLEASE HANDLE

November 8, 1967

Dr. Harry Ransom, Chancellor  
 The University of Texas System  
 Austin, Texas 78712

*Schedule discussion*  
*BR 11/7/67*  
*M*

Subject: Schedule of Implementation of School of Social Work

Dear Dr. Ransom:

Dr. Torgerson, Director of the School of Social Work at UT Arlington, has recently visited the Council on Social Work Education, which is the recognized accrediting agency for schools of social work. Much to his surprise, the officials of the Council advised him that the admittance of students at Arlington should be delayed from September 1968 to September 1969, and that a full complement of faculty members should be on hand the 1968-69 year for curriculum building. This is contrary to previous information which he had received from the representatives of this Council. Prior to the action by the Coordinating Board authorizing the School of Social Work, a representative of the Council visited in Dallas and Fort Worth and advised us that there should be a year of planning prior to the first year of admission of students. It was exactly on that basis that the legislature was requested to fund a year of planning during 1967-68, followed by admission of the first class in September 1968. We have a conflict here of legislative expectations and, frankly, we have confidence that Dr. Torgerson and his Assistant Director, Dr. Ratajczak, have the necessary competence to plan the curriculum and to recruit the faculty. Dr. Torgerson is presently checking with men of standing in social work education for their advice concerning this situation.

It seems to me that we have two alternatives. One is to ask the legislature for an additional appropriation for the 1968-69 school year, which will be an additional year of planning and which will need to fund a rather complete complement of faculty members. This would be followed by the admission of the first class in September of 1969.

November 8, 1967

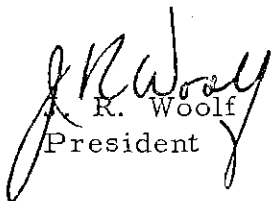
The second alternative is to proceed with our plan to recruit faculty this year and to admit students in September of 1968. In the second alternative, we would ask the Council to delay accreditation by one year with the request that they not prejudice our application for accreditation simply because we began a year earlier than their current recommendations.

There is great community interest as well as interest on the part of prospective students and expectation that the School of Social Work will be admitting students in September of 1968. Lack of accreditation will prevent the first graduates from being employed in certain federal positions and will disqualify the School of Social Work from receiving federal grants.

Due to the fact that this matter came to my attention only yesterday, and that agenda material is now due in your office, I cannot make a specific recommendation at this time. After Dr. Torgerson seeks the advice of authorities in the field, we shall formulate a recommendation. This matter is of sufficient importance to the University's relations to the Dallas and Fort Worth community and to the legislature that I feel it should be brought to the attention of the Board of Regents on December 7, and that the Board of Regents should determine what course we should follow.

As a footnote, Dr. Torgerson has just conveyed this same information to Dr. Jack Otis and to the gentleman who is to head the Houston social work school. Each of them is as stunned about this development as are we.

Very truly yours,

  
J. R. Woolf  
President

JRW:md

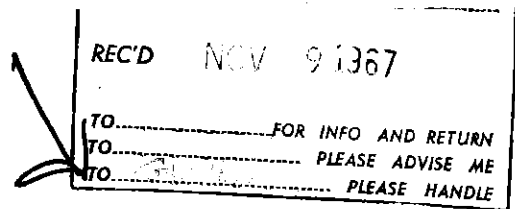
6. U. T. ARLINGTON: DEGREE DESIGNATION FOR MASTER'S DEGREE PROGRAM IN PROFESSIONAL ACCOUNTING.-- Below is a Xerox copy of Chancellor Ransom's recommendation:

At the May 1, 1967 meeting of the Graduate Assembly, approval was given to a degree program leading to the Master of Science in Accounting, or alternatively the title of Master of Professional Accounting if this title were preferable for Arlington. Subsequent approval was granted by the Board of Regents on July 29, 1967 for a degree program for Master of Science in Accounting. President Woolf in a letter to Chancellor Ransom dated November 8, 1967 has requested, on recommendation of the U.T. Arlington Committee on Graduate Studies, that the designation be changed to Master of Professional Accounting.

Chancellor Ransom recommends that the Board of Regents approve this change in designation to Master of Professional Accounting and requests authorization for the Administration to request approval by the Coordinating Board for this designation instead of the Master of Science in Accounting previously authorized.

**Below is President Woolf's request:**

**November 8, 1967**



Dr. Harry Ransom, Chancellor  
The University of Texas System  
Austin, Texas 78712


Subject: Degree Designation for Master's Degree Program in Accounting

Dear Dr. Ransom:

There appears to be some confusion concerning the degree designation which has been requested for the master's degree program in accounting at Arlington. The official Minutes of the Board of Regents for July 28-29, 1967, indicate that approval was given for the designation of master of science in accounting for this degree; however, the Graduate Assembly passed the degree designation as master of professional accounting. It is the recommendation of the Committee on Graduate Studies at Arlington and the Graduate Assembly that the degree designation be master of professional accounting.

If you concur in this, it is respectfully requested that the matter be placed on the agenda of the Academic and Developmental Affairs Committee for the meeting of the Regents on December 7, with authorization requested to change the degree designation as approved by the Board of Regents from master of science in accounting to master of professional accounting.

Respectfully submitted,

  
J. R. Woolf  
President  
JRW:md

7. U. T. ARLINGTON: REQUEST TO SUBMIT TO COORDINATING BOARD PERMISSION FOR MASTER'S DEGREE PROGRAMS.-- Below is a Xerox copy of Chancellor Ransom's recommendation:

At its meeting of November 6, 1967 the Graduate Assembly voted to recommend the approval of the following degree programs at The University of Texas at Arlington:

Master of Science in Mechanical Engineering  
Master of Science in Industrial Engineering  
Master of Science in Civil Engineering

Chancellor Ransom requests approval of these degree programs by the Board of Regents and requests further that the Administration be authorized to request approval by the Coordinating Board, Texas College and University System. President Woolf has requested consideration of this item at this meeting of the Board of Regents.

The following letters reflect the request of Dr. Woolf and approval of the Graduate Assembly:

November 8, 1967

REC'D	NOV 7 1967
TO.....	FOR INFO AND RETURN
TO.....	PLEASE ADVISE ME
TO.....	PLEASE HANDLE

Dr. Harry Ransom, Chancellor  
The University of Texas System  
Austin, Texas 78712

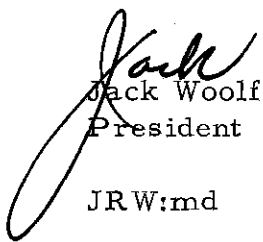
Subject: Request for Three Additional Master's Degrees

Dear Dr. Ransom:

In its meeting of November 6, 1967, the Graduate Assembly approved three additional master's degrees for Arlington in the Departments of Civil Engineering, Industrial Engineering, and Mechanical Engineering. You are aware of the current consideration of the Coordinating Board of additional master's degree programs at Arlington. We feel it most important that these new master's degree program requests be processed in the most expeditious way so that the full picture of graduate development at Arlington may be before the Coordinating Board in an official way.

This letter serves to ask you, if at all possible, to get the consideration of these three master's degree programs before the Board of Regents at their meeting on December 7.

Sincerely yours,

  
Jack Woolf  
President

JRW:md



THE UNIVERSITY OF TEXAS  
The Graduate School  
Graduate Assembly

Old Library Building 104

November 16, 1967

CHANCELLOR'S OFFICE U. OF T.  
Acknowledged \_\_\_\_\_ File \_\_\_\_\_  
REC'D NOV 17 1967  
TO \_\_\_\_\_ FOR INFO AND RETURN  
TO \_\_\_\_\_ PLEASE ADVISE ME  
TO C.W.L. PLEASE HANDLE

Distribute Austin 78712

Dr. Harry H. Ransom, Chancellor  
The University of Texas  
Main Building 101

*HR*

Dear Dr. Ransom:

At its regular meeting of November 6, 1967 the Graduate Assembly voted to recommend the approval of M.S. programs in Mechanical Engineering, Industrial Engineering, and Civil Engineering at the University of Texas at Arlington.

I am enclosing for your information a copy of the background material on the staff and proposed programs which was presented in support of these proposals.

The three proposals were reviewed in advance by representatives of the College of Engineering at the Austin campus and by the Committee on Continual Review of the Graduate Assembly. These groups raised a number of questions concerning implementation of the programs; their questions were answered by a memorandum from W. H. Nedderman to me. A copy of that memorandum is also enclosed for your information.

Sincerely yours,

*Ray M. Sommerfeld*  
Ray M. Sommerfeld, Secretary  
Graduate Assembly

*Samuel P. Ellison, Jr.*  
Samuel P. Ellison, Jr., Chairman  
Graduate Assembly

Disposition after action by the Chancellor

cc to Dr. N. Hackerman  
Dr. J. R. Woolf  
Dr. W. G. Whaley  
Dr. S. P. Ellison, Jr.  
Dr. R. M. Sommerfeld

RMS/js

ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE

Supplementary Agenda

Date: December 7, 1967  
Time: 9:30 a.m.  
Place: The Shamrock Hilton  
Castilian Room A, B and C

	<u>Page</u> <u>A&amp;D</u>
8. U. T. System: Accidental Death and Dismemberment Insurance	24
9. U. T. System: Optional Retirement Plan (Acts of 60th Legislature R.S. 1967)	25
10. U. T. Austin: 1967-68 Budget for Retained Earnings, Campus Services, Inc.	26
11. U. T. Arlington: Renewal of Blue Cross - Blue Shield Coverage	29
12. U. T. Arlington: Dormitory Room Deposits	30
13. U. T. Arlington: Bowl Game Policy	31
14. U. T. El Paso: Increase in Dormitory and Apartment Rates	33
15. Galveston Medical School: Authorization to Accept Appointment as Substitute Trustee of the Robertson-Poth Foundation of Galveston	34
16. U. T. System: Revised Foreign Language Requirements for Ph.D. Candidates	35
17. Dallas Medical School: Acceptance of Gift of Stock	37

8. U. T. System: Long Term Disability Insurance Contract with Aetna Life Insurance Company with Rider for Accidental Death and Dismemberment Insurance. --Chancellor Ransom presents and concurs in the recommendations set out in the following letter from the System-Personnel Advisor and approval by Vice-Chancellors Hackerman and Walker:



THE UNIVERSITY OF TEXAS  
AUSTIN, TEXAS 78712

VICE-CHANCELLOR FOR ACADEMIC AFFAIRS, U. OF T.
REC'D. OCT 27 1967
REFER TO.....
HANDLE.....READ & RETURN.....

October 26, 1967

SYSTEM PERSONNEL OFFICE

Dr. Harry H. Ransom  
Chancellor  
The University of Texas  
Austin, Texas

VIA: Dr. Norman Hackerman, Vice-Chancellor for Academic Affairs  
Mr. E. D. Walker, Vice-Chancellor for Business Affairs

Dear Dr. Ransom:

During recent months, we have had discussions with the administrative officers of the component institutions, the Faculty Welfare Committee at Austin, and the System administration concerning a rider to the Long Term Disability Insurance contract to provide accidental death and dismemberment insurance for members of the faculty and staff of The University of Texas System.

Each component unit has now recommended that this coverage be provided. We are pleased to recommend, therefore, that a rider be approved for the Aetna Life Insurance Company to provide this optional coverage by payroll deduction on a system-wide basis to become effective February 1, 1968.

The coverage will be similar to the coverage at The University of Texas at Arlington, which, as you know, has been in effect since the Arlington unit became a part of The University of Texas System. The premium will be at a rate of \$.046 per \$1,000.00 of coverage per month--a lower rate than the \$.055 per \$1,000.00 of coverage currently in effect for the Arlington unit.

One particular advantage of the numerous advantages available with this type of coverage is, in addition to the very low cost, the provision for continuous coverage of travel by aircraft (except as a pilot or other similar duties).

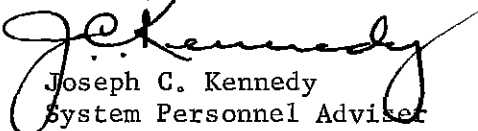
After considerable study of plans available, we are convinced that this method of providing the coverage--by rider to the Long Term Disability Insurance policy--is the best approach to the expansion of coverage. Details concerning the plan are outlined in the attached proposal.

Dr. Ransom  
October 26, 1967

Page 2

Your approval of this recommendation for submission to the Executive Committee of the Board of Regents will be sincerely appreciated.


Very truly yours,


  
Joseph C. Kennedy  
System Personnel Adviser

nb


Attachment

APPROVAL RECOMMENDED:

  
\_\_\_\_\_  
Dr. Norman Hackerman  
Vice-Chancellor for Academic Affairs

  
\_\_\_\_\_  
Mr. E. D. Walker  
Vice-Chancellor for Business Affairs

APPROVED:

  
\_\_\_\_\_  
Dr. Harry Ransom  
Chancellor



GROUP ACCIDENT INSURANCE - 24 HOUR

The following amounts are payable for death or dismemberment caused by an accident:

<u>In Event of Loss of</u>	<u>Amount Payable is</u>
Life . . . . .	Principal Sum
Hand, Foot, or Sight of One Eye. . . . .	One-half of Principal Sum
Any Two of the Above Members . . . . .	Principal Sum

In no event will an amount exceeding the principal sum be paid with respect to injuries resulting from any one accident. Loss must occur within 90 days after the accident, except during total disability as described elsewhere in this proposal.

SCHEDULE OF INSURANCE

**Employees:** Subject to individual selection in \$10,000 multiples between \$20,000 and \$200,000 but not over ten times the employee's annualized monthly rate of basic earnings.

Monthly rate of basic earnings are defined as 1/9 of the base rate for academic personnel paid on a nine-month basis and 1/12 of the base annual rate for non-teaching employees or any other person paid on a twelve-month basis.

**Dependents:**

**Spouse-** The total principal sum may be 50% of the employee principal sum or any lower multiple of \$10,000.

**Children-** Each eligible child will be covered for \$1,000, each such amount reducing the spouse's amount, but if there are no eligible children this reduction will not apply.

**Note:** Those employees and wives currently insured at Arlington will be permitted to continue existing amounts of coverage, even though it is not in accordance with this schedule of insurance.

ELIGIBILITY

All full-time faculty \* and staff and their spouses are eligible, and an insured employee's children as described below are automatically insured if spouse coverage is elected by the employee. Children's coverage is not provided unless the spouse is insured.

Such children must be unmarried and between the ages of 14 days and 19 years. However, coverage will be continued on children between their 19th and 23rd birthdays if they are unmarried and regularly attend school and depend solely upon the employee for support.

\*Faculty members include those with the rank of instructor or higher.



### TERMINATION

An employee's insurance ceases upon termination of employment, retirement, or attainment of age 70, whichever occurs first.

Spouse's and children's coverage terminates upon termination of the employee's coverage, and children's coverage also would cease when the child no longer meets the eligibility requirements.

### MONTHLY PREMIUM RATE

Composite: \$ .046 per \$1,000.00

This composite rate would apply to both the employee and the dependent coverage.

### TOTAL DISABILITY BENEFIT (Not Applicable to Dependents)

If an employee becomes totally disabled before his 60th birthday as a result of an accident of the type covered under the policy, and if he remains totally disabled from the date of the accident until his death, the principal sum will be paid regardless of the cause of death provided death occurs more than 90 days after the accident. First proof of disability must be submitted within three months after total disability has lasted 90 days, and subsequent proofs must be furnished yearly.

### EXCLUSIONS

No coverage is provided for loss or disability due to:

- (a) bodily or mental infirmity, or disease, except a pyogenic infection attributable solely to and occurring as the proximate result of an injury not excluded under the policy.
- (b) medical or surgical treatment; except a loss covered by the policy which results directly from a surgical operation made necessary solely by the injury and performed within ninety days after the date of such injury.
- (c) suicide, self-inflicted injury.
- (d) war or any act of war (whether war is declared or not).
- (e) traveling or flying in, or descending from, any kind of aircraft, spacecraft, or other vehicle or device for aerial or space navigation, except as a passenger, with no duties whatever, on an aircraft being used solely for the transportation of passengers or of passengers and cargo.

9. U. T. System: Optional Retirement Plan in Lieu of Active Membership in Teacher Retirement System of Texas (Acts of Texas 60th Legislature, R.S. 1967). --Chapter 729, page 1955, Acts 60th Legislature, Regular Session, 1967, authorized the establishment of an optional retirement program in lieu of active membership in Teacher Retirement System of Texas.

Some pertinent provisions of the act are:

Sec. 3(a) There is hereby established an Optional Retirement Program. Participation in the Optional Retirement Program is in lieu of active membership in the Retirement System. The Governing Boards for all institutions of higher education shall make available to all faculty members in their component institutions, agencies and units the Optional Retirement Program which shall provide for the vesting of benefits after one year of participation.

Sec. 3(b) All faculty members are eligible to participate in the Optional Retirement Program, subject to such rules as may be prescribed by the Governing Board of the institution of higher education at which they are employed.

Sec. 2(d) "Faculty member" means a person employed by an institution of higher education on a full time basis as a member of the faculty or staff and whose duties include teaching, research, administration, including professional librarians, or the performance of professional services but does not mean a person employed in a position which is in the institution's classified personnel system or a person employed in a similar type of position if the institution does not have a classified personnel system.

Sec. 4. In administering the Optional Retirement Program a Governing Board may provide for the purchase of annuity contracts from any insurance or annuity company qualified and admitted to do business in this state. . . .

In order to implement the legislative enactment, Chancellor Ransom recommends that the following resolution be adopted:

BE IT RESOLVED by the Board of Regents of The University of Texas System that:

- (1) an optional retirement program is hereby made available for eligible employees of The University of Texas System, effective September 1, 1968.
- (2) the terms, conditions and requirements of the act shall be observed in administering the program, and the Chancellor's staff is directed to prescribe the necessary rules.
- (3) Teachers Insurance and Annuity Association - College Retirement Equities Fund is hereby approved to offer an optional retirement plan to eligible employees of the U.T. System, subject to compliance with terms and provisions of the act, and in compliance with the prescribed rules.

10. U. T. Austin: 1967-68 Budget for Retained Earnings of Campus Services, Inc. --Chancellor Ransom recommends that for 1967-68 the following budget for Retained Earnings of Campus Services, Inc. be adopted.

Following the budget is a comparative report of Retained Earnings for the years 1961-1967. Two copies of the audit report for Campus Services, Inc. for 1966-67 have been filed with Secretary Thedford:

PROPOSED BUDGET  
FOR  
RETAINED EARNINGS OF CAMPUS SERVICES, INC.  
September 1, 1967 - August 31, 1968

Balance August 31, 1967 per Audit Report	\$58,067.84
Outstanding 1966-67 commitments previously authorized by Board of Regents:	
Round-Up Showcase	\$1,200.00
Scholarships	1,500.00
Appropriation for Bevo	<u>200.00</u>
	<u>2,900.00</u>
Balance available for 1967-68 and future years	55,167.84
Reserved for 1968-69 allocation	<u>10,000.00</u>
Available for allocation in 1967-68	<u>\$45,167.84</u>

Proposed Budget for 1967-68:

Operation Brainpower	\$4,000.00	
Publication of EYES ON TEXAS	3,000.00	
Alumni Continuing Education	<u>3,000.00</u>	\$10,000.00
Contribution to Cost of Feeding Bevo	500.00	
Support of Law Day	500.00	
Publication Costs of Monthly Program Guide for KUT-FM	300.00	
Expenses for Sending Student Chess Team to U. S. Intercollegiate Chess Championship Tournament	1,100.00	
Transportation for Two Students to Annual Air Force Academy Assembly	125.00	
Student Delegates (3) to A. & M. Annual Conference on National Affairs	60.00	
AIESEC Student Exchange Program	350.00	
Emergency Scholarships	5,000.00	

Items Included in 1967-68 Proposed Budget That Have Been Previously Authorized By Board of Regents:

ROTC Rifle Team (RM 10/28/67)	\$334.00	
International Affairs Conference-- Two student delegates to West Point (RM 10/28/67)	<u>400.00</u>	<u>734.00</u>

Subtotal	<u>\$19,669.00</u>
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Unallocated Appropriation (To Be Reported To Board as Allocations Are Approved or Requested)	<u>\$25,498.84</u>
--	--------------------



PROPOSED BUDGET  
FOR  
RETAINED EARNINGS OF CAMPUS SERVICES, INC.  
September 1, 1967 - August 31, 1968

Balance August 31, 1967 per Audit Report	\$58,067.84
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Alumni Continuing Education	<u>3,000.00</u>	\$10,000.00
Contribution to Cost of Feeding Bevo	500.00	
Support of Law Day	500.00	
Publication Costs of Monthly Program		
Guide for KUT-FM	300.00	
Expenses for Sending Student Chess Team to U. S. Intercollegiate Chess Championship Tournament	1,100.00	
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Subtotal	<u>\$19,669.00</u>
----------	--------------------

Unallocated Appropriation (To Be Reported To Board as Allocations Are Approved or Requested)	<u>\$25,498.84</u>
--	--------------------

CAMPUS SERVICES, INC.  
 THE UNIVERSITY OF TEXAS - AUSTIN, TEXAS  
 VENDING MACHINE CONCESSIONS  
 (From the Audit Reports)

YEAR ENDED AUGUST 31

	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>TOTAL</u>
Gross Receipts	\$75,180.91	\$73,611.76	\$81,156.09	\$87,339.72	\$90,750.75	\$105,874.23	\$131,134.69	\$645,048.15
Expenses	<u>14,676.52</u>	<u>17,850.42</u>	<u>18,538.14</u>	<u>18,247.67</u>	<u>19,218.77</u>	<u>21,549.20</u>	<u>27,438.47</u>	<u>138,519.19</u>
Net Before University's Share	59,504.39	55,761.34	62,617.95	69,092.05	71,531.98	84,325.03	103,696.22	506,528.96
University's Share of Net Income	<u>37,470.62</u>	<u>36,449.31</u>	<u>37,897.41</u>	<u>39,123.11</u>	<u>39,480.74</u>	<u>42,044.73</u>	<u>52,566.68</u>	<u>285,032.60</u>
Net Income from Operations	22,033.77	19,312.03	24,720.54	29,968.94	32,051.24	42,280.30	51,129.54	221,496.36
Federal Income Tax	<u>6,267.76</u>	<u>5,493.01</u>	<u>7,045.35</u>	<u>8,126.78</u>	<u>7,690.13</u>	<u>13,438.19</u>	<u>16,290.10</u>	<u>64,351.32</u>
Income for the Benefit of UT	15,766.01	13,819.02	17,675.19	21,842.16	24,361.11	28,842.11	34,839.44	157,145.04
Income Used for Benefit of UT	<u>4,348.39</u>	<u>9,876.43</u>	<u>11,004.03</u>	<u>13,955.33</u>	<u>19,072.54</u>	<u>16,268.17</u>	<u>24,552.31</u>	<u>99,077.20</u>
Retained Earnings for Benefit of UT	<u>\$11,417.62</u>	<u>\$3,942.59</u>	<u>\$6,671.16</u>	<u>\$7,886.83</u>	<u>\$5,288.57</u>	<u>\$12,573.94</u>	<u>\$10,287.13</u>	<u>\$58,067.84</u>
Retained Earnings for Benefit of UT 8/31/67 (7 year accumulation)								<u>\$58,067.84</u>

A & D - 28

Prepared in the Office of the Chancellor  
 November 22, 1967

11. U. T. Arlington: Renewal of Blue Cross-Blue Shield Coverage. -- Chancellor Ransom presents, and concurs in, the following recommendation of the University Personnel Office as indicated and approved by Comptroller Anderson, Vice-President Barnes and Vice-Chancellor Walker:



THE UNIVERSITY OF TEXAS

AUSTIN, TEXAS 78712

November 6, 1967

UNIVERSITY PERSONNEL OFFICE

Mr. E. D. Walker  
Vice-Chancellor for Business Affairs  
The University of Texas  
Austin, Texas

Dear Mr. Walker:

Attached please find the applications and accompanying master contracts for Group Life and Health Insurance Company and Group Hospital Service, Incorporated, which provide for renewal of Blue Cross-Blue Shield coverage together with certain changes in the contracts for The University of Texas at Arlington to be effective December 1, 1967.

The basic change in the contracts is to provide for one plan for employees which is available to all eligible employees and is not based upon salary qualifications. This change is similar to the recent change in the contract for The University of Texas at Austin and the System Offices.

We are pleased to report that there is a decrease in premium rates for the next year based upon experience of the group. The present and proposed rates are as follows:

	<u>PRESENT RATES</u>	<u>PROPOSED RATES</u>
	<u>PLAN I</u>	<u>PLAN I</u>
Employee	\$ 6.90	\$ 6.75
Employee & Spouse	17.38	17.03
Family	18.67	18.22
Sponsored Dependents	4.37	4.30

We feel this change is in order and recommend approval. Also, in accordance with the revised Regent's Rules, these contract changes will need to be approved by the Board of Regents. It is suggested that this recommendation be sent to the Executive Committee for approval since the effective date is December 1, 1967.

After the contracts have been approved, would you please return the contracts and applications to me, and I will see that proper distribution is made including the filing of a copy of the contract with Miss Thedford.

**APPROVAL RECOMMENDED:**

*R. L. Anderson*

COMPTROLLER

JHC/jo

Attachment

cc: Mr. J. C. Kennedy  
Mr. B. C. Barnes

Very truly yours,

*J. H. Culver*

Joseph H. Culver  
Director of Employee Benefits

APPROVED:

*E. D. Walker*

Mr. E. D. Walker

Vice-Chancellor for Business Affairs

12. U. T. Arlington: Increase in Dormitory Room Deposits. --After considering the following recommendation of President Woolf and after Vice-Chancellor Walker discussed the recommendation with Vice-President Barnes, Chancellor Ransom recommends that the Board of Regents increase the dormitory deposit at The University of Texas at Arlington from \$25 to \$50 and that \$30 of the \$50 deposit be applied to the initial board billing effective for applications received for the fall of 1968:

November 8, 1967

Acknowledged	File
REC'D	NOV 9 1967
TO	FOR INFO AND RETURN
TO	PLEASE ADVISE ME
TO	PLEASE HANDLE

Dr. Harry Ransom, Chancellor  
The University of Texas System  
Austin, Texas 78712

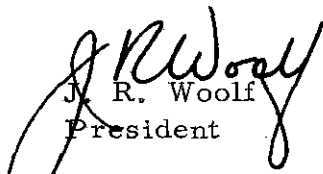
Dear Dr. Ransom:

We are experiencing some difficulties in dormitory reservations. The problem is getting a commitment from the students concerning a reserved dormitory room space. The reservation fee at the present time is such that a student will make a reservation and forfeit the fee without actually renting the room. The result is that students who desire dormitory accommodations cannot be given these because of the previous commitment made to the student with the deposit.

It has been recommended by the Director of Housing and Student Center Facilities and the Vice President for Fiscal Affairs that this be remedied by increasing the dormitory deposit. They have recommended that the dormitory room deposit be increased to \$75, with \$25 of this to be retained as a deposit and \$50 to be applied upon the rent, with the understanding that if the student does not cancel his reservation and does not pay the dormitory room rent by a date to be set by the Director of Housing that the student is to forfeit the entire amount of \$75.

I concur in this recommendation and respectfully ask that if it meets with your approval that it be submitted to the Board of Regents on December 7.

Respectfully submitted,

  
J. R. Woolf  
President  
JRW:md

Office of the President • The University of Texas at Arlington • Arlington, Texas 76010

13. U. T. Arlington: Bowl Game Policy. --Chancellor Ransom concurs in the recommendation of President Woolf that the Board of Regents adopt the following bowl game policy for The University of Texas at Arlington. President Woolf's letter of explanation is submitted in support of this item.

THE UNIVERSITY OF TEXAS AT ARLINGTON: BOWL GAME POLICY.  
The following bowl game policy is recommended for The University of Texas at Arlington.

1. Acceptance of bowl game bids requires the approval of:
  - a. The members of the Varsity Football Squad
  - b. The Varsity Football Coaches
  - c. The Athletic Council
  - d. The President
  - e. The Chancellor
  - f. The Board of Regents
2. The University of Texas at Arlington is a member of the Southland Conference and will abide by the conference rules pertaining to the acceptance of bids.
3. Payment of extra compensation from intercollegiate athletic funds for participation in bowl games may be made according to the following schedule:

All Football Coaches	5% of annual salary
Trainer	5% of annual salary

This schedule will be adapted to conform to the rules of the Southland Conference, of which The University of Texas at Arlington is a member.

4. All policies relating to complimentary tickets and transportation of University personnel will be determined by the Athletic Council upon the acceptance of any bowl bid.
5. Expenses of bowl game participation shall not exceed the amount received for bowl game participation.



*GWK & BR agenda*

*HR*

*11/23/67*

November 22, 1967

Dr. Harry H. Ransom, Chancellor  
The University of Texas System  
Austin, Texas

Dear Dr. Ransom:

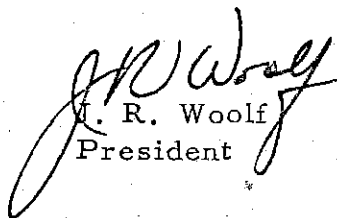
The University of Texas at Arlington has received an invitation to play in the Pecan Bowl at Abilene on December 16, 1967. The sponsors of this game are the National Collegiate Athletic Association and the Abilene, Texas, Chamber of Commerce. The name of the game is the Midwest College Division Regional Championship Game.

The essential expenses of travel and lodging for the football team is underwritten by the National Collegiate Athletic Association. Any profits above and beyond these expenses will be divided between the two competing schools and the National Collegiate Athletic Association, each school receiving 37 1/2% and the National Collegiate Athletic Association receiving 25%. Under the rules of the Southland Conference, of which The University of Texas at Arlington is a member, we will receive 50% of the net received by The University of Texas at Arlington.

The invitation has been approved by the members of the Varsity Football Squad, the Varsity Football Coaches, and the Athletic Council. The Southland Conference has also approved the invitation.

I hereby approve the acceptance of this invitation for The University of Texas at Arlington and recommend it for your approval and that of the Board of Regents. Enclosed are recommendations for Bowl Game Policy for The University of Texas at Arlington.

Very truly yours,

  
J. R. Woolf  
President

BCB/vs  
enc

Office of the President • The University of Texas at Arlington • Arlington, Texas 76010

14. U. T. EL PASO: INCREASE IN DORMITORY AND APARTMENT RATES.-- Below is a Xerox copy of Chancellor Ransom's recommendation to increase rates in dormitories and married students' apartments to be effective September 1, 1968:

Chancellor Ransom, Vice-Chancellor Walker, and Vice-Chancellor Landrum concur in the recommendation by Dr. Ray to increase room and board charges in the dormitories and the rental for the married student apartments effective September 1, 1968. Rates have not been increased since 1960, even though costs have increased during this period. The primary increase in the dormitories is for board.

SCHEDULE OF CURRENT AND  
PROPOSED CHARGES

THE UNIVERSITY OF TEXAS AT EL PASO

D O R M I T O R I E S

	<u>Room (Includes Linens)</u>		<u>Board</u>		<u>Room and Board</u>	
	<u>Current</u>	<u>Proposed</u>	<u>Current</u>	<u>Proposed</u>	<u>Current</u>	<u>Proposed</u>
<u>Fall and Spring</u> <u>(Per Semester)</u>						
Bell and Hudspeth Halls (Inc. appr. 7%)	\$ 111.00	\$ 118.50	\$ 239.70	\$ 256.50	\$ 350.70	\$ 375.00
Benedict, Worrell and Burges Halls (Inc. appr. 7%)	141.00	150.50	239.70	256.50	380.70	407.00
<u>Summer Session</u> <u>(Per 6-weeks Term)</u>						
Bell Hall (Inc. appr. 10%)	33.50	39.50	80.00	85.50	113.50	125.00
Burges Hall (Inc. appr. 6%)	48.50	50.50	80.00	85.50	128.50	136.00

A P A R T M E N T S

<u>Per Month</u>	<u>Current</u>	<u>Proposed</u>
Married Students Apartments (Inc. appr. 13%)	\$ 75.00	\$ 85.00

14. U. T. El Paso: Increase in Dormitory and Married Student Apartment Rates. --Chancellor Ransom recommends that the Board approve the following proposal as set out in Doctor Ray's letter with respect to an increase in changes for dormitory and married students apartments at The University of Texas at El Paso:



Office of the President

## The University of Texas at El Paso

October 24, 1967

Dr. Harry H. Ransom, Chancellor  
The University of Texas System  
P. O. Drawer 7878  
University Station  
Austin, Texas 78712

CHANCELLOR'S OFFICE U. OF T.

Acknowledged..... File.....

REC'D OCT 25 1967

TO..... FOR INFO AND RETURN  
TO... EDW..... PLEASE ADVISE ME  
TO... GWH..... PLEASE HANDLE

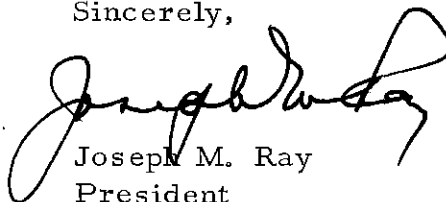
Dear Dr. Ransom:

The Administrative Council has recommended that we increase room and board in the dormitories and the rent of the married student apartments. The schedule which is enclosed lists both current and proposed rates.

If the change is to be made, it must be accomplished fairly soon so that it can be included in the 1968-1969 catalog.

If you approve these new rates to be effective on September 1, 1968, will you submit them to the Board of Regents for approval?

Sincerely,

  
Joseph M. Ray  
President



15. GALVESTON MEDICAL SCHOOL: AUTHORIZATION TO ACCEPT APPOINTMENT AS SUBSTITUTE TRUSTEE OF THE ROBERTSON-POTH FOUNDATION OF GALVESTON.--Below is a Xerox copy of Chancellor Ransom's recommendation with reference to trustees of the Robinson-Poth Foundation:

The Robertson-Poth Foundation of Galveston, Texas, was established by trust indenture dated December 22, 1962, as a charitable, scientific and educational foundation. Dr. Edgar J. Poth and wife, Dr. Gaynelle Robertson Poth, both of whom are long-time and devoted professors at The University of Texas Medical Branch at Galveston, are the principal contributors to the Foundation. They also serve as trustees and the third trustee is Dr. Douglas D. Stiernberg. The purpose of the Foundation is to further the training of doctors in the specialties of General Surgery and Ophthalmology at The University of Texas Medical Branch by providing housing facilities, loans, and in support of research and its publication in Ophthalmology and General Surgery by grants-in-aid.

All three trustees are desirous of resigning and have requested the Board of Regents of The University of Texas System to assume responsibility for the management of the Foundation. Three trustees are required pursuant to the terms of the agreement creating the Foundation. Vice-Chancellor Walker and Floyd O. Shelton, Executive Director of Investments, Trusts and Lands, join in recommending that substitute trustees be appointed to manage and control the Robertson-Poth Foundation, consisting of the Vice-Chairman of the Board of Regents of The University of Texas System, the Chairman of the Regents' Medical Affairs Committee, and the Chairman of the Regents' Land and Investment Committee.

Dr. Edgar J. Poth and wife, Dr. Gaynelle Robertson Poth, contemplate executing new wills with provision for their estates to be placed in the Robertson-Poth Foundation for the use and benefit of the Medical Branch.

16. U. T. SYSTEM: REVISED FOREIGN LANGUAGE REQUIREMENTS FOR PH.D. CANDIDATES.-- Below is a Xerox copy of Chancellor Ransom's recommendation:

Chancellor Ransom concurs in the recommendation of the November 6, 1967 action of the Graduate Assembly and requests authority to make appropriate revisions in the Graduate School catalog as set out below:

THE UNIVERSITY OF TEXAS  
The Graduate School  
Graduate Assembly

CHANCELLOR'S OFFICE U. OF T.	
Acknowledged.....	File.....
REC'D	NOV 17 1967
TO.....	FOR INFO AND RETURN
TO.....	PLEASE ADVISE ME
TO.....	PLEASE HANDLE

Old Library Building 104

November 16, 1967

Austin 78712

Dr. Harry H. Ransom, Chancellor  
The University of Texas  
Main Building 101

*Harry Ransom*

Dear Dr. Ransom:

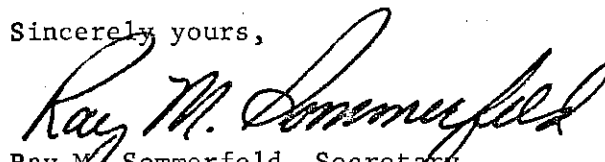
At its regular meeting of November 6, 1967 the Graduate Assembly voted to recommend the approval of a revised foreign language requirement for all Ph.D. candidates. The present requirement is stated on pages 68-69 of the 1966-1968 Graduate School catalogue. The recommended requirement approved by the Graduate Assembly reads as follows:

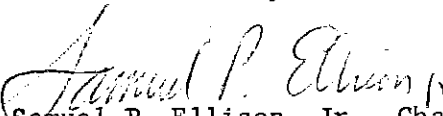
- I. All Doctoral programs in the Graduate School have a minimum requirement of proficiency in one foreign language for admission to candidacy. Specific requirements beyond this minimum are stated under each program.
- II. The minimum requirement in foreign languages can be satisfied
  - (a) by an examination approved by the Dean of the Graduate School, or
  - (b) by completion of two academic years of study of the language at an accredited college with a grade of at least B, either before or after entering Graduate School.
- III. The minimum requirement may be waived by the Graduate Dean upon special petition of the appropriate graduate studies committee on behalf of the candidate.

A motion to amend the present foreign language requirement was first adopted by the Graduate Assembly on November 28, 1966. This action was classified as Major Legislation and was circulated among members of the Graduate Faculty on December 14, 1966. The action was protested and the motion was reconsidered by the Assembly on February 13, 1967. A special committee, appointed for further study, recommended adoption of the revised requirement as stated above. This motion was debated at the regular meetings of the Graduate Assembly on May 1 and November 6, 1967.

As stipulated in Chapter VI, Rules and Regulations of the Board of Regents, the final recommendation of the Assembly is transmitted for your action without further review by the Graduate Faculty.

Sincerely yours,

  
Ray M. Sommerfeld, Secretary  
Graduate Assembly

  
Samuel P. Ellison, Jr., Chairman  
Graduate Assembly

Disposition after action by the Chancellor

cc to Dr. N. Hackerman

Dr. J. Woolf

Dr. W. G. Whaley

Dr. S. P. Ellison, Jr.

Dr. R. M. Sommerfeld

RMS/js

17. DALLAS MEDICAL SCHOOL: ACCEPTANCE OF GIFT OF STOCK.--  
Below is a Xerox copy of Chancellor Ransom's recommendation:

Vice-Chancellor LeMaistre and Chancellor Ransom concur in the recommendations of Dean Sprague that the Board of Regents accept the gift of 375 shares of Texas Instruments common stock valued at \$40,218.75 on November 16 for The University of Texas Southwestern Medical School at Dallas, as further stipulated in the following letter to Dr. Sprague from C. J. Thomsen.

C. J. THOMSEN  
13500 NORTH CENTRAL EXPRESSWAY  
P. O. BOX 5474  
DALLAS 22, TEXAS

November 20, 1967

Dr. Charles Sprague  
Dean, The University of Texas  
Southwestern Medical School  
5323 Harry Hines  
Dallas, Texas 75235

Dear Dr. Sprague:

Following up on our telephone conversation of last Thursday, my wife and I are contributing \$40,000.00 to the Southwestern Medical School to be used for exploring what in the accumulated knowledge of living organisms may prove helpful in developing management systems for business, medical, and government institutions. This contribution is in the form of 375 shares of Texas Instruments common stock, having an average price of \$107.25 per share as traded on the New York Stock Exchange 16 November, for a total market value of \$40,218.75.

The Trust Department of Republic National Bank is transferring these shares of stock to the name of the University of Texas Southwestern Medical School, and the stock certificates will be delivered to you within a few days.

This contribution is being made with the understanding that the funds provided will be expended for the intended purpose in a manner acceptable to the Dean of the Southwestern Medical School, or whomever he may designate, and to me, or my wife in the event that I am deceased or unable to express my wishes.

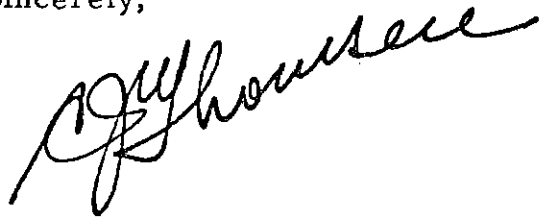
As you may know, Dr. P. O'B. Montgomery, Jr. has done some thinking in this field of interest, and I would hope that Phil could be able to devote as much time to this study as

November 20, 1967

his personal interest and as his commitments to the School would permit. I would expect that the funds provided should be scheduled for expenditure over a two to four-year period, depending upon the availability of Phil and/or others capable of making a significant contribution. I would appreciate your confirming to me that proceeding with the expenditure of the contributed funds in the foregoing manner would be workable.

As business, medical, and government institutions and the environments in which they serve society's needs become more complex, we need more effective systems for the management of these institutions. Perhaps the developing science of management systems to satisfy this need can benefit from knowledge already accumulated about the most perfect system yet evolved, the living organism. Exploring this possibility is of course Phil's and my intention.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. G. House". The signature is written in dark ink and is slanted upwards to the right.

gh

cc: Dr. P. O'B. Montgomery, Jr.

*The Defaul*

ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE  
Emergency Items

	A&D <u>Page</u>
18. U. T. Austin: Acceptance of Virginia Welch Sharborough Trust	40
19. U. T. Austin: Waiver of <u>Regents' Rules and Regulations</u> , Part One, Chapter III, Section 31.1	43
20. U. T. El Paso: Establishment of Departments in the Schools of Business Administration and Education	43

ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE  
Emergency Items

18. U.T. AUSTIN: ACCEPTANCE OF VIRGINIA WELCH SHARBOROUGH TRUST.--

Chancellor Ransom recommends the acceptance of a \$25,000 trust to be known as the Virginia Welch Sharborough Fund and requests that the Chairman of the Board of Regents be authorized to sign the appropriate trust agreement between Charles J. Sharborough, the Austin National Bank as Trustee, and the Board of Regents of The University of Texas System. Further explanation of this matter is contained in the following documents:



Development Board

THE UNIVERSITY OF TEXAS SYSTEM • AUSTIN, TEXAS 78712

CHANCELLOR'S OFFICE U. OF T.	
ACKNOWLEDGED	NOV 29 1967
TO: _____	FOR INFO AND RETURN
TO: _____	PLEASE ADVISE ME
TO: <i>CUH</i>	PLEASE HANDLE

MEMORANDUM

To: Dr. Harry Ransom *Harry Ransom*  
From: R.C. Thompson *RCT*  
Subject: Virginia Welch Sharborough Fund

Date: November 28, 1967

Attached hereto are instruments establishing the above trust together with a copy of a letter from the settlor's attorney, Lloyd Lockridge, and a copy of a letter from William A. Penn, Trust Officer, The Austin National Bank.

This \$25,000.00 trust is being established by Mr. Charles J. Sharborough in honor of his wife who taught in our Division of Extension from 1931-1956. Mr. and Mrs. Sharborough are elderly and live in a retirement home in Austin. The instrument establishes a trust with Austin National Bank as Trustee. The trust will benefit Mr. and Mrs. Sharborough during their life times. Upon the death of the survivor that trust terminates and its assets come to the Board of Regents as trustees with the income to be expended at the discretion of the Dean of the College of Arts and Sciences, U.T. Austin, for the purpose of furthering higher education.

Mr. and Mrs. Sharborough have a larger trust with the same trustee. Mr. Sharborough had wanted to make an outright gift of \$25,000.00 to the Regents as trustees. Mr. Blunk and I felt such a gift possibly could impare the Sharborough's future financial security. With the concurrence of Mr. Lockridge and Mr. Penn we recommended to Mr. Sharborough the arrangement contained in the attached paper.

It is requested that you submit this proposed trust to the Regents for approval at their December 7-8, 1967, meeting.

RCT/ds  
Attachment

cc: Dean J.R. Silber

LAW OFFICES  
McGINNIS, LOCHRIDGE, KILGORE, HUNTER & WILSON

1030 BROWN BUILDING  
AUSTIN, TEXAS  
78701

BEN H. POWELL (1927-1960)  
J. A. RAUHUT (1929-1980)

ROBERT C. MCGINNIS  
LLOYD LOCHRIDGE  
JOE M. KILGORE  
MORGAN HUNTER  
JAMES W. WILSON  
B. D. ST. CLAIR  
FRANK DOUGLASS  
DONALD F. NOBLES  
SHANNON H. RATLIFF  
JOHN W. STAYTON, JR.

November 22, 1967

Mr. William A. Penn, Trust Officer  
The Austin National Bank  
Congress at Fifth  
Austin, Texas 78767

Re: The Virginia Welch Sharborough Trust and The Virginia  
Welch Sharborough Fund

Dear Sir:

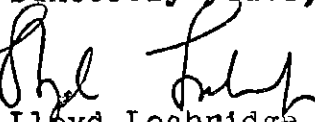
On November 21st Mr. Charles J. Sharborough signed, in quadruplicate originals, an instrument establishing The Virginia Welch Sharborough Trust and The Virginia Welch Sharborough Fund, all of which has been heretofore discussed with you and with Messrs. Blunk and R. C. Thompson of The University of Texas Development Board.

I enclose herewith for you the four executed instruments together with Check No. 265 of Mr. Charles J. Sharborough drawn on City National Bank of Austin dated November 9, 1967, payable to the order of Austin National Bank, Trustee in the amount of \$25,000.00.

Please have the four instruments executed and attested there and then forward them to Mr. R. C. Thompson at The University of Texas Development Board so that he may have these quadruplicate originals executed by the Chairman of the Board of Regents of The University of Texas System following the meeting of that Board early in December.

I expect you will wish to retain Mr. Sharborough's check for \$25,000.00 there at the bank. When the instruments have all been signed I expect that one completely executed original will be retained at The University of Texas, one will be retained by you and I would like to have the other two returned to me so that I may have one in the file and so that Mr. Sharborough may have one should he wish it.

Please let me know if you have any question with regard to this.

Sincerely yours,  
  
Lloyd Lochridge

LL:rg  
Enclosures

cc: Mr. R. C. Thompson  
Development Board  
The University of Texas  
Austin, Texas

Mr. Charles J. Sharborough  
Francis Retirement Home  
6909 Burnet Lane  
Austin, Texas



WILLIAM A. PENN, TRUST OFFICER

The AUSTIN National Bank CONGRESS AT FIFTH • AUSTIN, TEXAS 78767

November 27, 1967

Mr. R. C. Thompson  
P. O. Box 7458  
University Station  
Austin, Texas 78712

Re: Virginia Welch Sharborough Trust and  
the Virginia Welch Sharborough Fund

Dear Mr. Thompson:

As you and I discussed on the phone today, I am enclosing four partially executed copies of the agreement creating the referenced trust and fund.

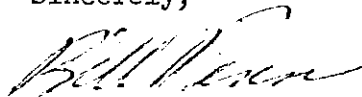
We will execute this agreement, contingent only upon the acceptance by the Board of Regents of the University of Texas system. I understand that the Regents will meet on December 7 and December 8, and that it is anticipated that their acceptance will be granted at that meeting.

Accordingly, when the agreement is accepted by the University, will you kindly have the proper execution by the Board of Regents affixed to each of the agreements and return them all four to me. I will then execute and return one to you and distribute the other three among ourselves, the settlor and the attorney for the settlor.

In the meantime, we are holding the \$25,000.00 contribution in the form of our cashier's check.

Thank you for your assistance in this regard.

Sincerely,



William A. Penn  
Trust Officer

cc: Mr. Lloyd Lochridge, Attorney  
Brown Building  
Austin, Texas

WAP:rw

19. U.T. AUSTIN: WAIVER OF REGENTS' RULES AND REGULATIONS, PART ONE, CHAPTER III, SECTION 31.1.--

Chancellor Ransom concurs in the following recommendation made by President Hackerman and requests Board of Regents' approval:

Dr. Hackerman recommends that under provisions of Regents' Rules Part I, Chapter III, Section 31.19 the following individuals be permitted employment for the Spring Semester, 1968 only:

Curtis J. Alderson, Associate Professor, Department of Physical and Health Education, one-sixth time at an academic rate of \$9,500.

I. I. Nelson, Professor, Department of Curriculum and Instruction, one-third time at an academic rate of \$11,000.

Both of these faculty members are over seventy-five years of age and hold emeritus status in the departments concerned. In prior years they have been employed on a part-time basis, as needed. Dr. Alderson is the only available person at this time who is approved by the American Red Cross to teach P.E. 213, Water Safety Information and Procedures. Dr. Nelson is needed to help meet the heavy student-teacher supervision load.

20. U.T. EL PASO: ESTABLISHMENT OF DEPARTMENTS IN THE SCHOOLS OF BUSINESS ADMINISTRATION AND EDUCATION.--

The reorganization of the School of Arts and Sciences approved by the Administration, the Board of Regents, and the Coordinating Board was effective September, 1967. This action created four schools:

School of Science  
School of Liberal Arts  
School of Business Administration  
School of Education

Departmentalization was automatic for the Schools of Science and Liberal Arts, since only a regrouping of existing departments was called for.

Recommendations with respect to departments in the Schools of Business Administration and Education were deferred pending recommendations from the faculties and the new Deans of the two Schools. Recommendations have now been received from the respective Deans, and the following departmental organizations are recommended for the School of Education and the School of Business Administration:

School of Education  
Department of Health and Physical Education  
Department of Curriculum and Instruction  
Department of Educational Administration and Supervision  
Department of Educational Psychology and Guidance

School of Business Administration  
Department of Economics and Finance  
Department of Accounting  
Department of Business

Chancellor Ransom concurs with the recommendations of President Ray that the departmental organization as recommended be approved by the Board of Regents with authorization for the Administration to file a request for approval of this departmental structure with the Coordinating Board. Action at this meeting will permit us to file this item with the Coordinating Board for consideration at their next quarterly meeting to be held in January.



# The University of Texas at El Paso

Office of the President

December 1, 1967

*gwl*

Dr. Harry H. Ransom, Chancellor  
The University of Texas System  
P. O. Drawer 7878  
University Station  
Austin, Texas 78712

CHANCELLOR'S OFFICE U. OF T.	
Acknowledged.....	File.....
REC'D	DEC 2 1967
TO.....	FOR INFO AND RETURN
TO.....	PLEASE ADVISE ME
TO.....	PLEASE HANDLE

Dear Dr. Ransom:

The reorganization of the School of Arts and Sciences which became effective this past September, 1967, created four schools where one had been before. For the Schools of Science and Liberal Arts, the matter of departmentalization was automatic, since they constituted only a regrouping of existing departments. The reorganization did not allow for a departmental structure within the Schools of Business Administration and Education, because it was our desire to allow the faculties and the new deans in the two schools to decide later what organization they felt would be the best.

We want four departments in the School of Education, Health and Physical Education, Curriculum and Instruction, Educational Administration and Supervision, and Educational Psychology and Guidance to replace the two departments we now have. In the School of Business Administration we want three departments, Economics and Finance, Accounting, and Business to replace the two departments we now have. I am attaching two letters, one from Dean John McFarland of the School of Education and the other from Dean John Richards of the School of Business Administration, requesting approval of this departmentalization for their respective schools.

I request your approval of this organizational structure and recommend that you secure regental and, if necessary, Coordinating Board approval of these changes.

Sincerely,

Joseph M. Ray  
President



School of  
Business Administration

# The University of Texas at El Paso

December 1, 1967

Dr. Joseph M. Ray  
The University of Texas at El Paso  
Campus

Dear Dr. Ray:

This letter is to propose an organizational structure for the School of Business Administration which was organized by combining the former Arts and Sciences departments of Business Administration and Economics. The organizational structure which we are requesting would consist of the Department of Economics and Finance, the Department of Accounting, and the Department of Business.

The name of the Department of Economics would be changed to the Department of Economics and Finance. The combination of these related areas would increase the quality of instruction and research at this point in the University's development. The present head of the Department of Economics is Dr. Paul Fenlon who has had a substantial amount of experience in teaching and writing in the field of finance. The courses which are currently offered in finance are taught entirely by members of the Department of Economics. One very practical reason for recommending this change in nomenclature is that we believe it would be helpful in recruiting qualified faculty in both the areas of economics and finance. There are nine faculty members in this department.

The second proposal is to establish a Department of Accounting. Accounting is generally regarded as a distinct discipline and has more professional goals than the other fields in business administration. Many institutions with schools of business administration smaller than the one at this institution recognize the importance of accounting by setting it up as a separate department. We believe that an independent department would aid in the recruitment of additional qualified faculty and improve the quality of instruction and research. We have six faculty members who would be in a department of accounting.

The final proposal in this reorganization would set up a Department of Business. This change in name would clear up much of the present confusion in budgetary matters, correspondence, and other means of communication that arises because we have both a School and a Department of Business Administration. The Department of Business would consist of those areas that come under the heading of general business. If it existed at present this department would have thirteen members.

I recommend these changes to you for your consideration and approval.

Sincerely,

A handwritten signature in cursive script that reads "John M. Richards".

John M. Richards  
Dean  
School of Business Administration

JMR:b



# The University of Texas at El Paso

SCHOOL OF  
EDUCATION

November 27, 1967

Telephone 542-5571

Dr. Joseph M. Ray, President  
The University of Texas at El Paso  
Administration Building  
Campus

Dear Dr. Ray:

During the Fall Semester, the Faculty of the School of Education has made a careful study of the organization of the School of Education.

It is recommended that the present Department of Education be divided into three departments:

- (a) Department of Curriculum and Instruction
- (b) Department of Educational Administration and Supervision
- (c) Department of Educational Psychology and Guidance

Thus, with the addition of the presently-constituted Department of Health and Physical Education, the School of Education would consist of four instructional departments.

The Department of Curriculum and Instruction would include instruction in Elementary and Secondary methods and curriculum courses, student teaching, history and philosophy of education, and educational sociology. Fifteen of the twenty-six present full-time faculty members would be in the Curriculum and Instruction Department (three professors, three associate professors, five assistant professors, and four instructors). In addition, two Professors of Educational Administration would teach Curriculum and Instruction courses part-time.

The Department of Educational Administration and Supervision would include graduate courses in administration and supervision and the introductory freshman course, Education 3101, "Introduction to Education." Six full-time faculty members (four full professors, an assistant professor, and an instructor) would be members of this department. In addition, a Professor of Curriculum and Instruction and two Associate Professors would teach part-time in this Department.

The Department of Educational Psychology and Guidance would include instruction in Educational Psychology, Tests and Measurement, Statistics, and Guidance and Counseling. Five full-time faculty members (one full professor, one associate professor, and three assistant professors) would be in this Department. In addition, two full professors, an associate professor, and three assistant professors from the Curriculum and Instruction Department teach courses in the Department of Educational Psychology and Guidance.

Your consideration will be earnestly appreciated.

Respectfully yours,

A handwritten signature in cursive script that reads "John W. McFarland".

John W. McFarland  
Dean

JWMcF:ls

## **Buildings and Grounds Committee**

BUILDINGS AND GROUNDS COMMITTEE

Date: December 7, 1967

Time: To be designated in the Supplementary Agenda Material.

Place: The Shamrock Hilton, Third Floor, Castilian Room.

Page  
B & G

U. T. AUSTIN

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2. Approval of Inscription on Plaque for Calhoun Hall  
(South Mall Office and Classroom Building) 2

U. T. ARLINGTON

3. Appropriation of Associate Architect's Fees for  
University Hall (General Classroom-Office Building) 3

4. Approval of Inscription on Plaque for Hammond Hall  
and Trimble Hall (Mathematics-Language Building) 3

U. T. EL PASO

5. Appropriation for Addition to Student Union Building 3

DALLAS MEDICAL SCHOOL

6. Approval for Rental of 3,300 Square Feet of Space  
in 2600 Stemmons Freeway for Children's Out-Patient Psychiatric  
Program 3

THE UNIVERSITY OF TEXAS SYSTEM  
OFFICE OF THE DIRECTOR OF  
FACILITIES PLANNING AND CONSTRUCTION  
AUSTIN, TEXAS 78712

RECOMMENDATIONS TO THE  
REGENTS' BUILDINGS AND GROUNDS COMMITTEE

November 16, 1967

1. U. T. AUSTIN - APPROVAL OF INSCRIPTION ON PLAQUE FOR J. T. PATTERSON LABORATORIES BUILDING (BIOLOGICAL SCIENCES BUILDING).--It is recommended that the inscription as set out below be approved for the plaque to be placed on the J. T. Patterson Laboratories Building (Biological Sciences Building) at The University of Texas at Austin. This inscription follows the standard pattern approved by the Board at the meeting held October 1, 1966.

J. T. PATTERSON LABORATORIES BUILDING

1965

BOARD OF REGENTS

W. W. Heath, Chairman  
Frank C. Erwin, Jr., Vice-Chairman  
W. H. Bauer  
Walter P. Brenan  
H. Frank Connally, Jr., M. D.  
Frank N. Ikard  
Mrs. J. Lee Johnson III  
Jack S. Josey  
Rabbi Levi A. Olan

Harry H. Ransom, Chancellor  
The University of Texas System  
Norman Hackerman, Vice-Chancellor  
for Academic Affairs, The  
University of Texas System

V. L. Doughtie, Chairman,  
Faculty Building Committee of  
The University of Texas at Austin

Brooks, Barr, Graeber, and White,  
Consulting Architects  
Jessen, Jessen, Millhouse, Greeven,  
and Crume, Associate Architects  
B. L. McGee Construction Company,  
General Contractor

2. U. T. AUSTIN - APPROVAL OF INSCRIPTION ON PLAQUE FOR CALHOUN HALL (SOUTH MALL OFFICE AND CLASSROOM BUILDING).--It is recommended that the inscription as set out below be approved for the plaque to be placed on Calhoun Hall (South Mall Office and Classroom Building) at The University of Texas at Austin. This inscription follows the standard pattern approved by the Board at the meeting held October 1, 1966.

CALHOUN HALL

1966

BOARD OF REGENTS

W. W. Heath, Chairman  
Frank C. Erwin, Jr., Vice-Chairman  
W. H. Bauer  
Walter P. Brenan  
H. Frank Connally, Jr., M. D.  
Frank N. Ikard  
Mrs. J. Lee Johnson III  
Jack S. Josey  
Rabbi Levi A. Olan

Harry H. Ransom, Chancellor  
The University of Texas System  
Norman Hackerman, Vice-Chancellor  
for Academic Affairs, The  
University of Texas System

V. L. Doughtie, Chairman,  
Faculty Building Committee of  
The University of Texas at Austin

Brooks, Barr, Graeber, and White,  
Consulting Architects  
Pitts, Mebane, Phelps, and White,  
Associate Architects  
B. L. McGee Construction Company,  
General Contractor



3. U. T. ARLINGTON - APPROPRIATION OF ASSOCIATE ARCHITECT'S FEES FOR UNIVERSITY HALL (GENERAL CLASSROOM-OFFICE BUILDING).--At the Regents' Meeting held January 29, 1967, an appropriation of \$25,000.00 was made to cover preparation of preliminary plans and outline specifications for University Hall (General Classroom-Office Building) at The University of Texas at Arlington by the Associate Architect on the project, Wright-Rich and Associates, and at the meeting held September 13, 1967, these preliminary plans were approved and authorization given for the preparation of working drawings and specifications. In order to have funds with which to pay the Architect's fees for these working drawings and specifications, it is recommended by President Woolf, Mr. Lester E. Palmer, Vice-Chancellor Walker, and Chancellor Ransom that an appropriation of \$125,000.00 be made from Unappropriated Balance of Ad Valorem Tax Bond Proceeds.

4. U. T. ARLINGTON - APPROVAL OF INSCRIPTION ON PLAQUE FOR HAMMOND HALL AND TRIMBLE HALL (MATHEMATICS-LANGUAGE BUILDING).--It is recommended that the inscription as set out below be approved for the plaque to be placed on Hammond Hall and Trimble Hall (Mathematics-Language Building) at The University of Texas at Arlington. This inscription follows the standard pattern approved by the Board at the meeting held October 1, 1966.

HAMMOND HALL  
and  
TRIMBLE HALL

1966

BOARD OF REGENTS

W. W. Heath, Chairman  
Frank C. Erwin, Jr., Vice-Chairman  
W. H. Bauer  
Walter P. Brennan  
H. Frank Connally, Jr., M. D.  
Frank N. Ikard  
Mrs. J. Lee Johnson III  
Jack S. Josey  
Rabbi Levi A. Olan

Harry H. Ransom, Chancellor  
The University of Texas System  
J. R. Woolf, President  
The University of Texas at  
Arlington

Brooks, Barr, Graeber, and White,  
Consulting Architects  
Albert S. Komatsu and Associates,  
Associate Architects  
Thomas S. Byrne, Inc., Contractor

5. U. T. EL PASO - APPROPRIATION FOR ADDITION TO STUDENT UNION BUILDING.--At the Regents' Meeting held October 28, 1967, an award of a contract for the construction of the Addition to the Student Union Building at The University of Texas at El Paso in the amount of \$2,382,900.00 was made to the low bidder, Robert E. McKee General Contractors, Inc., El Paso, Texas, subject to the sale of Revenue Bonds at the next meeting. Also, subject to the sale of these bonds, it is recommended by President Ray, Mr. Lester E. Palmer, Vice-Chancellor Walker, and Chancellor Ransom that an appropriation of \$2,700,000.00 be made to cover the contract award, Architects' Fees thereon, Movable Furniture and Equipment, and Miscellaneous Expenses.

It is further recommended that a Contingency Allowance in the amount of \$47,000.00 be set up with authorization to the Office of Facilities Planning and Construction to issue additive change orders to the contract not to exceed this amount.

6. DALLAS MEDICAL SCHOOL - APPROVAL FOR RENTAL OF 3,300 SQUARE FEET OF SPACE IN 2600 STEMMONS FREEWAY FOR CHILDREN'S OUT-PATIENT PSYCHIATRIC PROGRAM.--The following letter has been received from Dr. Charles C. Sprague, Dean of The University of Texas Southwestern Medical School at Dallas:

"I am writing to request permission to rent 3,300 square feet at 2600 Stemmons Freeway for Southwestern Children's Out-Patient Psychiatric Program. We would like to enter into a 36 month lease agreement at \$1,031 per month or 31¢ per square foot.

"Our Child Psychiatry services are currently occupying 1,600 square feet in the Clinical Science Building in facilities that were originally designed for 1,500 out-patient visits served by two residents and a staff of three faculty members. Currently there are nine full-time equivalent residents and fellows and 6 faculty members serving nearly 9,000 patients. Moving Child Psychiatry to a new location would not only provide more suitable facilities, but would also free up space in the Clinical Science Building for Adult Psychiatry which is also critically in need of additional space. As soon as the Neuropsychiatric Institute is constructed, Child Psychiatry will move to that facility; consequently a three year lease would probably meet our needs. Funds to rent this space are available in the Psychiatry Departmental Trust Account #1810.

"I would appreciate your approval and that of the Board of Regents to enter into this relationship effective at the earliest moment approval can be obtained."

The recommendation made by Dean Sprague is concurred in by Dr. LeMaistre, Comptroller Anderson, Vice-Chancellor Walker, and Chancellor Ransom. It is recommended that it be approved by the Board and that authorization be given to Vice-Chancellor Walker to sign a lease agreement after the appropriate approvals as to content and legal form.

SUPPLEMENTARY AGENDA  
BUILDINGS AND GROUNDS COMMITTEE

Date: December 7, 1967  
Time: 10:30 a.m.  
Place: The Shamrock Hilton  
Castilian Room A, B, and C

Page  
B & G

U. T. AUSTIN

7. Approval of Final Plans and Specifications for Music Building No. 2 6

U. T. ARLINGTON

8. Approval of Issuance of Purchase Order to Miller's Visual Aids, for Equipment for Addition to Library Building 6

9. Renaming of Ousley Junior High School as Cooper Center 6

10. Appointment of Architects for Remodeling of Cooper Center (Ousley Junior High School) 7

11. Authorization for Construction of Parking Lot on Seventh Street South of Creek 7

U. T. EL PASO

12. Award of Contract to Vowell Construction Company for Filling of Arroyo South of Sun Bowl and Installation of Large Drain Pipe in Arroyo South of Physical Science Building 7

13. Approval of Lease Agreement with El Paso Electric Company 8

14. Easement to El Paso Electric Company Covering 0.445 Acres of Land Out of Simeon Hart Survey No. 2 8

15. Authorization for Acquisition of Lots 1 through 20, Block 188, Alexander Addition to the City of El Paso, Texas 8

U. T. AUSTIN

16. Award of Contract for Cooling Towers for Central Water Chilling Stations Nos. 3 and 4 9

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THE UNIVERSITY OF TEXAS SYSTEM  
OFFICE OF THE DIRECTOR OF  
FACILITIES PLANNING AND CONSTRUCTION  
AUSTIN, TEXAS 78712

SUPPLEMENT TO RECOMMENDATIONS TO  
REGENTS' BUILDINGS AND GROUNDS COMMITTEE

November 21, 1967

7. U. T. AUSTIN - APPROVAL OF FINAL PLANS AND SPECIFICATIONS FOR MUSIC BUILDING NO. 2.--At the Regents' Meeting held July 29, 1967, authorization was given for the preparation of working drawings and specifications for Music Building No. 2 at The University of Texas at Austin. These final plans and specifications have now been prepared by Marmon and Mok, Associate Architect for the project, and approved by the U. T. Austin Faculty Building Advisory Committee, Mr. Lester E. Palmer, Vice-Chancellor Walker, and Chancellor Ransom. It is recommended that they be approved by the Board, with authorization to advertise for bids to be presented to the Board or the Executive Committee for consideration at a later date.

8. U. T. ARLINGTON - APPROVAL OF ISSUANCE OF PURCHASE ORDER TO MILLER'S VISUAL AIDS, FOR EQUIPMENT FOR ADDITION TO LIBRARY BUILDING.-- In connection with the equipping of the Addition to the Library Building at The University of Texas at Arlington, bids were called for on 3 Movie Projectors, 16 mm. Only one bid was received, that being from Miller's Visual Aids, Fort Worth, Texas, in the amount of \$1,632.00. It is recommended by President Woolf, Mr. Lester E. Palmer, Vice-Chancellor Walker, and Chancellor Ransom that a purchase order be issued to this company for these projectors.

9. U. T. ARLINGTON - RENAMING OF OUSLEY JUNIOR HIGH SCHOOL AS COOPER CENTER.--A letter has been received from Dr. J. R. Woolf, President of The University of Texas at Arlington, reading as follows:

"The contract between The University of Texas System and the Arlington Independent School District for the purchase of the Ousley Junior High School property has been completed and signed by both parties. All conditions of the contract which allowed either party to withdraw (having to do with financing capabilities on the part of each) have been fulfilled. Furthermore, the Coordinating Board has recommended, subject to congressional appropriations, a federal grant for this project.

"It seems important that these properties be given a name and that we dispel as much as possible the atmosphere of a former junior high school building. Therefore, with the approval of the Executive Committee of UT Arlington, it is recommended that this property be named "Cooper Center." The name "Cooper" is recommended because it is located on Cooper Street. The word "Center" is suggested inasmuch as it is a grouping of three masonry buildings plus two other minor structures."

The recommendation contained in this letter is concurred in by Mr. Lester E. Palmer, Vice-Chancellor Walker, and Chancellor Ransom, and it is recommended that it be approved by the Board.

10. U. T. ARLINGTON - APPOINTMENT OF ARCHITECTS FOR REMODELING OF COOPER CENTER (OUSLEY JUNIOR HIGH SCHOOL).--It is now desired to begin preparation of plans and specifications for the Remodeling of Cooper Center (Ousley Junior High School) at The University of Texas at Arlington. Federal Grant No. 4-7-00326-0 covering Remodeling of Cooper Center and construction of University Hall has been recommended by the Coordinating Board subject to congressional appropriations. Because of the joint Federal grant on these two projects, it is necessary to have simultaneous construction on the projects and highly desirable to have one contract for both projects; therefore, it is recommended by President Woolf, Mr. Lester E. Palmer, Vice-Chancellor Walker, and Chancellor Ransom that the firm of Wright-Rich and Associates of Dallas, Texas, the project Architect on University Hall, be appointed as the Project Architect for the Remodeling of Cooper Center.

It is further recommended that an appropriation of \$18,000.00 be made from Unappropriated Balance of Ad Valorem Tax Bond Proceeds to cover preliminary expenses and Architect's Fees.

11. U. T. ARLINGTON - AUTHORIZATION FOR CONSTRUCTION OF PARKING LOT ON SEVENTH STREET SOUTH OF CREEK.--With the construction of University Hall at The University of Texas at Arlington, 300 parking spaces will be lost, and in order to restore this parking space and also provide additional parking space now needed, it is recommended by President Woolf, Mr. Lester E. Palmer, Vice-Chancellor Walker, and Chancellor Ransom that authorization be given to the U. T. Arlington Physical Plant staff to prepare plans and specifications for a parking lot to accommodate approximately 1,200 automobiles, at an estimated cost of \$100,000.00. Funds to cover this are available in the Parking Fee Account. This parking lot is to be located south of the creek on Seventh Street, bounded by Cooper Street on the west and West Street on the East. It is further recommended that the Director of the Office of Facilities Planning and Construction be authorized to approve these plans and specifications when completed and advertise for bids to be presented to the Board or the Executive Committee for consideration at a later date.

12. U. T. EL PASO - AWARD OF CONTRACT TO VOWELL CONSTRUCTION COMPANY FOR FILLING OF ARROYO SOUTH OF SUN BOWL AND INSTALLATION OF LARGE DRAIN PIPE IN ARROYO SOUTH OF PHYSICAL SCIENCE BUILDING.--At the Regents' Meeting held September 13, 1967, authorization was given to prepare plans and specifications and call for bids on the filling of the arroyo south of the Sun Bowl and the installation of a large drain pipe in the arroyo south of the Physical Science Building at The University of Texas at El Paso, at an estimated cost of \$18,000.00. These bids were called for, opened, and tabulated on October 31, 1967, as shown below:

Bidder	Base Bid	Bidder's Bond
Matyear Construction Company, El Paso, Texas	\$31,444.00	5%
Vowell Construction Company, El Paso, Texas	31,412.00	5%

Although these bids are over the estimated cost of the project, it is felt that the work should be done at this time, especially in view of the fact that the fill for the arroyos being received from the State Highway Department will start being delivered by January 1, 1968. It is, therefore, recommended by President Ray, Mr. Lester E. Palmer, Vice-Chancellor Walker, and Chancellor Ransom that a contract award in the amount of \$31,412.00 be made to the low bidder, Vowell Construction Company, El Paso, Texas, and that an additional appropriation of \$13,455.00 be made to the project from Unappropriated Plant Funds of U. T. El Paso to cover the contract award and miscellaneous expenses.

13. U. T. EL PASO - APPROVAL OF LEASE AGREEMENT WITH EL PASO ELECTRIC COMPANY.--The University of Texas at El Paso is desirous of leasing from the El Paso Electric Company a portion of the company's right-of-way (as more fully shown) on map for use as a parking lot for students and others at U. T. El Paso. It is, therefore, recommended by President Ray, Mr. Lester E. Palmer, Vice-Chancellor Walker, and Chancellor Ransom that the following actions be taken:

- a. That authorization be given to enter into a lease agreement with the El Paso Electric Company for a portion of the Lee Moor Tract and the Mary F. Neel Tract as shown on the map which will be a part of the lease agreement,
- b. That the lease agreement allow U. T. El Paso to fill, level, and use the leased area for parking,
- c. That the lease continue in effect until thirty days' written notice is given by the Lessor, *as long as used as a parking lot (with Chancellor's approval)*
- d. That the consideration for the lease be an annual rental of \$1.00, and
- e. That Chairman Erwin be authorized to sign the lease agreement after the approvals as to content by Mr. Lester Palmer and legal form by University Attorney Waldrep.

14. U. T. EL PASO - EASEMENT TO EL PASO ELECTRIC COMPANY COVERING 0.445 ACRES OF LAND OUT OF SIMEON HART SURVEY NO. 2.--A request has been made by El Paso Electric Company for an easement across a certain portion of the Campus of The University of Texas at El Paso, being approximately 0.445 acres of land out of the Simeon Hart Survey No. 2, El Paso County, Texas, for the purpose of relocating transmission lines to facilitate the construction of Interstate 10. The area covered by the easement is rugged land on the northwest part of the campus, and it is not believed that the appearance of the campus will in any way be marred by the relocation of these lines. It is, therefore, recommended by President Ray, Mr. Lester E. Palmer, Vice-Chancellor Walker, and Chancellor Ransom that the following actions be taken:

- a. That an easement be granted covering approximately 0.445 acres of land out of the Simeon Hart Survey No. 2 in El Paso County, Texas, as more fully described in the easement instrument and Exhibits thereto,
- b. That the period of the easement be for fifty years, together with an option to renew the easement for an additional fifty-year period upon such terms as may be agreed upon by the parties,
- c. That the sum of \$581.53 (75% of the appraised value of the land) be paid to The University of Texas by the El Paso Electric Company for this easement, and
- d. That Chairman Erwin be authorized to sign the easement instrument after approval as to content by Mr. Lester E. Palmer and as to legal form by University Attorney Waldrep.

15. U. T. EL PASO - AUTHORIZATION FOR ACQUISITION OF LOTS 1 THROUGH 20, BLOCK 188, ALEXANDER ADDITION TO THE CITY OF EL PASO, TEXAS.--At the Regents' Meeting held June 17, 1967, authorization was given to make application to the Coordinating Board for a grant to aid in the construction of a new Classroom Building, now known as the Education and Engineering Building. Since this action was taken, the U. T. El Paso Faculty Building Committee, President Ray, Mr. Lester E. Palmer, Vice-Chancellor Walker,

and Chancellor Ransom have recommended that the building be located on the northeast side of the campus, bounded by Randolph Street, an improved street, to the southwest and by the unimproved portion of Kerbey Avenue on the southeast. To locate the building at this point will require the acquisition of the following property:

Property owned by Baptist Student Center: Lots 1 through 5, inclusive, Block 188, Alexander Addition to the City of El Paso, Texas; appraised value, \$52,000.00

Property owned by Delta Delta Delta Sorority: Lots 6 through 15, inclusive, Block 188, Alexander Addition to the City of El Paso, Texas; appraised value, \$60,750.00

Property owned by Chi Omega Sorority: Lots 16 through 20, inclusive, Block 188, Alexander Addition to the City of El Paso, Texas; appraised value, \$54,500.00

The application filed with the Coordinating Board, which was approved subject to Congressional appropriations, included funds on a 1/3 rd matching basis to acquire the property at the appraised price. The remaining 2/3 rds of the cost of land acquisition and construction will come from the sale of student use fee revenue bonds.

Authorization is requested to proceed with the acquisition of this property with a total appraised value of \$167,250.00 and to obtain whatever approvals are necessary from other State agencies.

16. U. T. AUSTIN - AWARD OF CONTRACT FOR COOLING TOWERS FOR CENTRAL WATER CHILLING STATIONS NOS. 3 AND 4.--At the Regents' Meeting held October 28, 1967, a recommendation was made that a contract be awarded to Fluor Products Company, Inc., Santa Rosa, California, in the amount of \$216,404.00 for Cooling Towers for Central Water Chilling Stations Nos. 3 and 4 at The University of Texas at Austin on the basis of the lowest evaluated bid. Action on this recommendation was postponed until this meeting so that the following information could be furnished to the members of the Board:

EXCERPT FROM SPECIFICATIONS WITH REFERENCE TO EVALUATED BIDS

12. For the purpose of procuring the maximum amount of refrigerating effect per dollar cost, the Owner reserves the right to evaluate the various bids using the equipment performance and physical data which must accompany each bid proposed. It is hereby noted that the physical size and weight of the equipment, as well as performance, may enter into the evaluation. The following items are significant to evaluation:

- (a) Operating time - assume 5500 hours per year total, which shall be broken down as follows:
  - (1) 4,000 hours at full load
  - (2) 1,000 hours at 3/4 load
  - (3) 500 hours at 1/2 load
- (b) Cost of steam - \$0.60 per 1000 lbs.
- (c) Cost of electrical energy - \$0.01 per KWH
- (d) Depreciation - Assume 20 years useful life
- (e) Spare Parts - Cost of adequate minimum stock of spare parts required for maintenance of equipment.

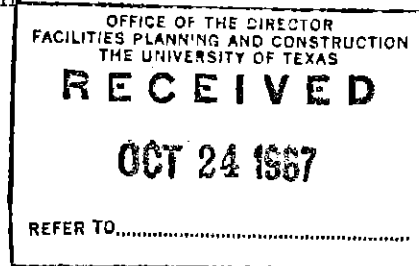
# BROWN & ROOT, INC. *Engineers · Constructors*



POST OFFICE BOX 3, HOUSTON, TEXAS 77001 · CABLE ADDRESS: BROWNBILT

October 23, 1967  
File No. M-126-FCB

Mr. Lester E. Palmer, Director  
Office of Facilities Planning & Construction  
The University of Texas  
2315 Speedway  
Austin, Texas 78712



MECHANICAL EQUIPMENT EVALUATION  
UTILITIES EXPANSION  
UNIVERSITY OF TEXAS AT AUSTIN  
B&R JOB NUMBER EF-0001

Dear Mr. Palmer:

Brown & Root, Inc. has examined the proposals received and opened on October 19, 1967. A detailed listing of proposals, comments, and recommendations, by Base Bid Items, follows:

#### BASE BID A:

For the General Service Pumps, bids were received from:

- a. Allis Chalmers Mfg. Co. -----\$ 88,960.00
- b. Alliger & Sears Co., Inc. ----- 115,392.00

Allis Chalmers took exceptions to various portions of the general specification; i.e. they propose their standard warranty, set date for final payment, and clarified field testing. All are inconsequential, they took no mechanical exceptions.

Alliger & Sears, quoting Bladwin-Lima-Hamilton equipment, took exceptions to cast-iron base plates (used steel) and Thomas couplings (used Falk).

Both met the operating conditions with Allis Chalmers having the better efficiency on the Condensing Water Pumps (89% vs. 85%) and overall (83.66% vs. 78.2%). Alliger & Sears (BLH) had the better efficiency on the Chilled Water Pumps (89% vs. 88%) but their overall efficiency was lower (82.3% vs. 82.72%).

On the basis of lowest price, equal mechanical design and better performance, the bid of Allis Chalmers Manufacturing Company in the amount of \$ 88,960.00 for the twelve (12)



**BROWN & ROOT, INC.**

Page 2

Mr. L.E. Palmer

Mechanical Equipment Evaluation (Cont'd.)

General Service Pumps should be accepted.

**BASE BID B:**

No proposals were received.

**BASE BID C:**

For the Deaerator, bids were received from:

- a. American Water Softeners -----\$ 13,818.00
- b. Cochrane Div.-Crane Company ----- 19,560.00

The American proposal takes only one exception; to providing a service engineer. Cochrane takes several exceptions: delivery f.o.b. Austin, no representative, and standard guarantee. American does exceed the 19' maximum height given on page DFH-2, they have 20'0" but this includes the valve on the vent condenser and is acceptable. The water weights on the American proposal are wrong but the storage volume is accurate.

The shell thicknesses (deaerator  $\frac{1}{4}$ " and storage  $\frac{1}{4}$ ") are the same. Cochrane uses A440 stainless steel 22 ga. trays, American uses A240 stainless steel 16 ga. trays. Cochrane has 3 psi water drop, American has 2 ft. drop. The weight of the Cochrane is greater than the American (12,810 pounds vs. 7,700 pounds). American does not take exception to the guarantee; thus they can meet the performance.

On the basis of low price, the bid of American Water Softener Section, Rex Chainbelt Inc., in the amount of \$ 13,818.00 for the deaerator should be accepted.

**BASE BID D:**

For the Feedwater Heater, bids were received from:

- a. Yuba Heat Transfer Company -----\$ 11,846.00
- b. Southwestern Engineering Company ----- 15,570.00
- c. Tri-Ex Inc. ----- 16,204.00

The Tri-Ex proposal was not signed and thus was disregarded.

Yuba took exception to terms of payment (net 30 days) and proposed a standard warranty (which was no real exception). Southwestern proposes their standard warranty.

Page 3  
Mr. L.E. Palmer  
Mechanical Equipment Evaluation (Cont'd.)

The Yuba proposal has an error on the inlet water enthalpy (203.8 instead of 189.5). This resulted in a lesser duty and smaller heater (1015 sq.ft. vs. 1224 sq.ft.). The submitted data for the Yuba heater indicates that it obviously will not meet the duty required; Yuba has confirmed this error and has written requesting that their proposal not be considered.

We recommend that their request be granted.

The waterside pressure drop of the Southwestern heater is 5.1 psi, which is approximately half the maximum allowed in the specifications.

On the basis of compliance with the performance requirements and pressure drop performance, the bid of Southwestern Engineering Company in the amount of \$ 15,570.00 for the Feedwater Heater should be accepted.

BASE BID E:

For the Cooling Towers, bids were received from:

- a. Fluor Corporation
  - Base Bid HO-AC-7235 -----\$ 216,404.00
  - Alternate Bid HO-AC-7235.1 ----- 220,130.00
  
- b. Marley Company
  - Base Bid E-1 -----\$ 214,650.00
  - Base Bid E-2 ----- 177,900.00

The Marley Base Bid E-2 was an unsolicited alternate offering the Marley Company standard gravity distribution system, which is unacceptable. It was not considered.

The Fluor Alternate Bid meets the specifications in that they have offered a more expensive but specified fill material (plastic). Since the Fluor Base Bid without exceptions, meets the specification with treated wood fill, our evaluation is based on this offering.

The Marley Base Bid E-1 meets the specification, without exceptions.

The Marley tower has 70 hp. required per fan versus 50 for the Fluor. This results in an evaluated additional power cost of \$ 81,000. The evaluated Marley Base Bid E-1 price is \$ 295,650.00. The pumping loss through the Fluor is

BROWN & ROOT, INC.

Page 4

Mr. L.E. Palmer

Mechanical Equipment Evaluation (Cont'd)

3'6" (the Marley 13'6") which would add further operating costs. The Marley fan has more blades (12 vs.6) and slower tip speed (9,770 fpm vs. 10,700 fpm) which will make it quieter. It is less efficient (73% vs. 78.4%).

Despite Fluor's low spray pressure, they guarantee the distribution.

On the basis of lowest evaluated price and compliance with the Specifications, the Fluor Corporation Base Bid HO-AC-7235 in the amount of \$ 216,404.00 should be accepted.

BASE BID F:

For the Boiler Feed Pumps, only one bid was received. It was from Byron Jackson Pump Division of Borg Warner Corp. for \$ 33,590.00. This resulted from the need to duplicate the existing pump characteristics.

The proposed pumps will meet our requirements per the specifications.

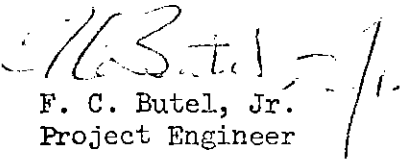
No exceptions were taken.

On the basis of mechanical compatibility with the existing pumping system, the bid of Byron Jackson Pump Division of Borg Warner Corp. in the amount of \$ 33,590.00 for the Boiler Feed Pumps should be accepted.

Please contact us if we can be of further assistance or can furnish any further information.

Very truly yours,

BROWN & ROOT, INC.

  
F. C. Butel, Jr.  
Project Engineer

FCB/jlh  
cc: File

OFFICE OF FACILITIES PLANNING AND CONSTRUCTION  
INTER-OFFICE MEMORANDUM

DATE October 26, 1967

TO: Mr. Lester Palmer

FROM: Mr. Atwell C. Lagow

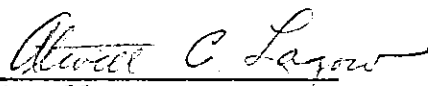
SUBJECT: Bids on Mechanical and Electrical Equipment of the Addition  
to the Boiler Plant and Two New Chilling Stations

The bid proposals for the subject project have been reviewed by this office and by the Director of Physical Plant with written comments forwarded by the Superintendent of Utilities, Mr. C. R. Von Bieberstein, Jr. Mr. Von Bieberstein's comments and recommendations are attached. He recommends award to the low responsive bidder in each case except for the Cooling Tower. Mr. Von Bieberstein has had his Refrigeration and Heating Engineer examine the Cooling Tower proposal in detail and his analysis of the bids is attached. He recommends the Towers be awarded to the Fluor Products Company, Inc.

In my own analysis of the Cooling Tower bids of \$214,650.00 for Marley and \$216,404.00 for Fluor, it is noted that there is only a \$1,754.00 lower initial cost for Marley; whereas the cost of electrical energy based on 1.2¢/KWH would be in excess of \$7,200.00 more per year to operate the Marley towers over the electrical energy cost for the Fluor towers.

The increase in operating cost for the Marley towers is attributed to their requirement of 75 hp for motors to meet the specified capacity as opposed to 50 hp for motors on the Fluor towers for the same specified capacity.

It is recommended that the Fluor proposal be accepted.

  
Atwell C. Lagow, P. E.

THE UNIVERSITY OF TEXAS

AUSTIN 78712

DIRECTOR OF PHYSICAL PLANT

October 24, 1967

TO: Mr. Atwell C. Lagow, Office of Facilities Planning and  
Construction

FROM: C. R. von Bieberstein, Jr., Superintendent of Utilities

Subject: COMMENTS AND RECOMMENDATIONS FOR THE PURCHASE OF ELECTRICAL  
AND MECHANICAL EQUIPMENT

The bids which were received on October 19, 1967, have been examined and reviewed by the Department of Utilities, and I am attaching comments and recommendations covering the subject equipment. An inspection will reveal our recommendations to be as follows:

Award Electrical Equipment to General Electric Company

Award Centrifugal Pump Units for Chilled Water and Condensing  
Water Service to Allis-Chalmers

Award Deaerating Feedwater Heater to American Water Softener

Award Feedwater Heater to Southwestern Engineering Company

Award Cooling Tower to Fluor Corp.

Award Boiler-Feed Pumps to Byron-Jackson

I trust that the provision of these recommendations will serve your purpose. I will be glad to discuss this with you or to provide any additional information that may be needed.

C. R. von Bieberstein, Jr.

ms

cc: Mr. Eckhardt

October 23, 1967

Analysis of Cooling Tower Bids

Marley's "Base Bid E-2", the low quotation, fails to meet specifications on a major item -- namely in that an open gravity type basin is offered instead of a pressure type distribution system.

A study of the two comparative offerings by Marley and Fluor reveal the following:

a) Overall tower area:

Marley -- 65' x 65'  
Fluor -- 60' x 60'

The use of a Marley tower would require a larger and more expensive chilling station -- Marley's area is 17.35% greater than Fluor's.

b) Louvered area required:

Marley -- 3,160 sq. ft.  
Fluor -- 960 sq. ft.

This deviation would require a much larger tile area for Marley than for Fluor.

c) Fan horsepower:

Marley -- 70 BHP  
Fluor -- 49.8 BHP

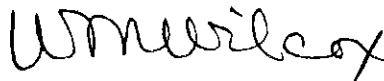
I estimate on the basis of \$0.01/kwhr and using operating hours as given in specs that operating costs for the Marley towers would be \$6,043.68 per year greater than for the Fluor towers.

Fluor's low bid ---	\$ 216,404
Marley's low bid --	214,650
	<u>\$ 1,754</u>

It's obvious that this comparison indicates that we should purchase the Fluor tower on the basis of this comparison alone -- with no regard to larger size and space requirements of Marley.

I therefore recommend that the contract be awarded to Fluor. On the basis of the much longer life of plastic fill, it is recommended that Fluor's alternate bid (\$220,130) be accepted or that arrangements be made after the contract is signed for plastic fill to be provided.

Attention is invited to the fact that in spite of the fact that a requirement for spare parts is spelled out in the specs and in spite of the fact that Fluor listed "none" under "Exceptions" on the proposal form -- this bidder indicated in the covering letter that spare parts costs were not included in Bid E. This problem will have to be resolved.



W. M. Wilcox  
Refrigerating & Heating Engineer

WMW:ms

The recommendation at the October 28th meeting was as follows based

on the following Base Bid E (Cooling Towers):

<u>Bidder</u>	<u>Bid</u>	<u>Completion Time</u>	<u>Certified Check, Cashier's Check, or Bidder's Bond</u>
Fluor Products Company, Inc., Santa Rosa, California	216,404.00	As Req. by Spec.	B. B. 5%
The Marley Company, San Antonio, Texas	214,650.00	--	B. B. 5%

"In the case of Base Bid E, studies made by Brown and Root, Inc., Engineers for the project, the engineering staff of U. T. Austin Physical Plant staff, and the Engineer in the Office of Facilities Planning and Construction, show that the additional cost of operating the equipment offered by the low bidder, the Marley Company, over the cost of operating the equipment offered by Fluor Products Company, Inc., would result in an evaluated additional power cost of \$81,000.00 over the next twenty years, making the evaluated bid of The Marley Company, \$295,650.00; hence, the recommended award to Fluor Products Company, Inc."

17. DISCUSSION BY MR. WALKER ON EFFECT OF FREEZE OF FEDERAL FUNDS ON CURRENT GRANT APPLICATIONS FOR CONSTRUCTION FUNDS.

EMERGENCY ITEMS  
BUILDINGS AND GROUNDS COMMITTEE

Date: December 7, 1967

Time: 10:30 A. M.

Place: The Shamrock Hilton  
Castilian Room A, B, and C

Page  
B & G

GALVESTON MEDICAL BRANCH

18. Award of Contract for Remodeling of Second Floor  
of Psycho Building I for Laboratory for Human Genetics  
(Kempner Laboratory) and Appropriation Therefor 19

U. T. AUSTIN

19. Building Site for Joe C. Thompson Conference  
Center 20

20. Humanities Research Center 20



THE UNIVERSITY OF TEXAS SYSTEM  
OFFICE OF THE DIRECTOR OF  
FACILITIES PLANNING AND CONSTRUCTION  
AUSTIN, TEXAS 78712

EMERGENCY ITEMS  
RECOMMENDATIONS TO REGENTS' BUILDINGS AND GROUNDS COMMITTEE

December 4, 1967

18. GALVESTON MEDICAL BRANCH - AWARD OF CONTRACT FOR REMODELING OF SECOND FLOOR OF PSYCHO BUILDING I FOR LABORATORY FOR HUMAN GENETICS (KEMPNER LABORATORY) AND APPROPRIATION THEREFOR.--In accordance with authorization given at the Regents' Meeting held October 28, 1967, bids were called for and were opened and tabulated on November 28, 1967, for Remodeling of Second Floor of Psycho Building I for the Kempner Laboratory (Human Genetics) at The University of Texas Medical Branch at Galveston, as shown below:

	Eriksson Construction Company, Inc., Galveston, Texas	John Gray Company Inc., Galveston, Texas
Base Bid	\$66,287.00	\$63,990.00
Deductive Alternates:		
No. 1	300.00	520.00
No. 2	98.00	98.00
No. 3	80.00	50.00
No. 4	166.00	166.00
No. 5	155.00	156.00
No. 6	100.00	145.00
No. 7	89.00	89.25
No. 8	1,410.00	1,410.00
No. 9	145.00	135.00
No. 10	172.00	172.00
No. 11	567.00	606.00
No. 12	350.00	304.00
No. 13	No Change	100.00
Time of Completion	90 cal. days	180 cal. days

Both bidders submitted with their bids a bidder's bond in the amount of 5% of the greatest amount bid.

It is recommended by President Blocker, Vice-President Thompson, Mr. Lester E. Palmer, Vice-Chancellor Walker, and Chancellor Ransom that a contract award be made to the low bidder, as follows:

John Gray Company, Inc., Galveston, Texas	
Base Bid	\$63,990.00
Deduct Alternate No. 13 (Finish all exterior walls with 3/4" thick plaster)	<u>100.00</u>
Total Recommended Contract Award	<u>\$63,890.00</u>

The grant from the Harris and Eliza Kempner Fund for the establishment of this laboratory was only \$50,000.00; therefore, it is further recommended that in order to cover the above recommended contract award and miscellaneous expenses that an appropriation of \$14,000.00 be made from Unexpended Plant Funds of The University of Texas Medical Branch at Galveston (Account No. 85-9163-0099 - Remodeling and Rehabilitation of Various Facilities) in addition to the appropriation of the \$50,000.00 grant.

19. U. T. AUSTIN: BUILDING SITE FOR JOE C. THOMPSON CONFERENCE CENTER.-- Mr. John Thompson has tentatively agreed to the relocation of the Thompson Conference Center from the site near the Law School to a site immediately north of the LBJ Library. It is anticipated that he will be joined in this decision by his mother and brothers before the first of the year.

The new site is in an area which we expect to acquire as a part of the University East Urban Renewal Project. However, we have received written assurance from the Austin Urban Renewal Agency that if we acquire this part of the project directly, we can receive dollar for dollar credit against the price we will ultimately pay for the entire tract in the project.

It will also be very helpful if certain portions of the University East Urban Renewal Project can be acquired now so that they can be improved and ready for use at the time the LBJ Library and East Campus Library are completed in December, 1969. Therefore it is recommended by Mr. Colvin, Mr. Palmer, Vice-Chancellor Walker, Chancellor Ransom, and Chairman Erwin (1) that the appropriate officials be authorized and directed to acquire and obtain possession no later than June 1, 1968, the following described portions of the University East Urban Renewal Project, (2) that all necessary steps be taken with the Austin Urban Renewal Agency so that the University will receive dollar for dollar credit for all monies expended in acquiring the following described property, and (3) that if the Thompson family agrees to the change of site, the Thompson Conference Center be constructed on a site on the property described below and immediately north of the LBJ Library:

The property to be acquired is that portion of the University East Urban Renewal Project lying north of 29<sup>th</sup> Street and the city block bounded on the south by Manor Road, on the north by *East 23<sup>rd</sup> Street*, on the east by *Swisher Street*, and on the west by *Oldham Street*.

~~(Exact description will be filled in at the meeting.)~~

20. U. T. AUSTIN: HUMANITIES RESEARCH CENTER.-- Below is Chancellor Ransom's request:

The preliminary plans and outline specifications for the Humanities Research Center were approved by the Board of Regents at the September, 1967 meeting (R. M. #655, page 35).

There was some discussion regarding the later approval of exterior material for this building, but would not delay the preparation of working drawings and specifications.

Chancellor Ransom wishes to contact certain foundations now with respect to gifts and donations for the project. Approval of the Board is requested for Chancellor Ransom to make presentations on the basis of the approved preliminary plans and the photographs and slides of the architect's model of the proposed building.

## **Medical Affairs Committee**

MEDICAL AFFAIRS COMMITTEE

Date: December 7, 1967.

Time: To be designated in the Supplementary Agenda Material.

Place: The Shamrock Hilton, Third Floor, Castilian Room.

Page  
MED

Items referred to the Medical Affairs Committee will  
be in the Supplementary Agenda Material.

MEDICAL AFFAIRS COMMITTEE

Supplementary Agenda

Date: December 7, 1967  
Time: 11:30 a. m.  
Place: The Shamrock Hilton  
Castilian Rooms A, B, and C

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1. U. T. System: Approval of The University of Texas System as Grantee Institution for Operational Grants Under the Regional Medical Program of Texas. -- Below is a Xerox copy of Chancellor *Ransom's* recommendation:

Action of the Board of Regents on May 27 and July 8, 1966 approved The University of Texas System as grantee institution for the planning phase of the Regional Medical Program of Texas. It is now recommended that The University of Texas System be approved as the grantee institution for operational grants under the Regional Medical Program of Texas.

This recommendation is initiated by Dr. Spencer Thompson, Associate Coordinator of the Regional Medical Program of Texas, concurred in by the medical heads and Vice-Chancellor LeMaistre.

Below: is the request from the Associate Coordinator of the Regional



OFFICE OF THE CHANCELLOR  
THE UNIVERSITY OF TEXAS SYSTEM  
AUSTIN, TEXAS 78712

November 17, 1967

Dr. Charles A. LeMaistre  
Vice-Chancellor for Health Affairs  
The University of Texas  
P. O. Drawer 7878  
Austin, Texas 78712

Dear Dr. LeMaistre:

The Regional Medical Program of Texas is a categorical health improvement program which provides grants to encourage and assist in the establishment of regional cooperative arrangement among medical schools, research institutions, and hospitals for research in training (including continuing education) and for related demonstrations of patient care in the field of heart disease, cancer, stroke and related diseases. These cooperative arrangements are to create an indirect mechanism for providing to the patient the latest advances in the diagnosis and treatment of these diseases. Under the provisions of the act (P. L. 89-239), the improvement in health manpower and facilities of the nation is to be effected in cooperation with practicing physicians, medical center officials, hospital administrators, and representatives from appropriate volunteer health agencies without interfering with the established health care pattern or with the present method of financing health care in the region.

A pattern for implementing the act in this state was laboriously evolved in 1965. The pattern evolved designated The University of Texas as grantee, named the Vice-Chancellor for Health Affairs as coordinator, and included a contractual arrangement with the Texas Medical Center, Inc. to become fiscal agent during the planning phase. This pattern was approved by the Board of Regents on May 27, 1966 and reaffirmed on July 8, 1966.

Through planning, the Regional Medical Program of Texas is now on the verge of formulating specific proposals to meet identifiable needs. Partial transition

to an operational phase can be affected in the near future. Being action responsive, the Regional Medical Program of Texas will continue to formulate, through planning, proposals to meet few and changing needs.

The requirements of the National Institute of Health for grantee institutions are set forth in Appendix A.

It is recommended that the grantee status of The University of Texas be extended to include operational grant requests. Your endorsement of this recommendation and transmittal of same to the Chancellor and to the Board of Regents for appropriate action is respectfully requested.

Sincerely yours,



Spencer G. Thompson, M.D.  
Associate Coordinator  
Regional Medical Program of Texas

SGT:kr

11/17/67  
approved  
Charles A. LeMaistre

#### APPENDIX A

#### NIH REQUIREMENTS FOR GRANTEE INSTITUTIONS

The grantee is the applicant institution who is named on the face page of the application and who assumes responsibility for the grant. The named grantee is obligated, both for itself and cooperating institutions, to administer the grant in accordance with regulations and policies of the Division of Regional Medical Programs. Where a policy is not stated or where the institutional policy is more restrictive than the Regional Medical Program policy, institutional policy prevails. The recipient of an operational grant must comply with the assurances under Section 904 (b), P.L. 89-239, namely:

- a. Federal funds awarded to any grantee (1) will be used in accordance with applicable provisions of the Act and the regulations thereunder and (2) will not supplant funds that are otherwise available for establishment or operation of the Regional Medical Program with respect to which this grant is made.
- b. The grantee will provide for such fiscal control and fund accounting procedures as are required by the Surgeon General to assure proper disbursement of an accounting for such federal funds.
- c. The grantee will make such reports in such form and containing such information as the Surgeon General may from time to time reasonably require and will keep such records and afford such access thereto as the Surgeon General may find necessary to assure the correctness and verification of such reports, and
- d. Any laborer or mechanic employed by any contractor or sub-contractor in the performance of work on any construction aided by payments pursuant to any grant under this section will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 USC 276a--276a-5); and the Secretary of Labor shall have with respect to the labor standards specified in this paragraph, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15FR 3176; 5 USC 133z-15) and section 2 of the Act of June 13, 1934, as amended (40 USC 276c).

2. U. T. Medical System: Use of Electronic Interconnection in the Medical System. -- Below is a Xerox copy of Chancellor Ransom's recommendation:

Vice-Chancellor LeMaistre concurs in the recommendation of the Health Affairs Council with respect to the use of electronic interconnection, including television, in the medical system, as set out below:

The Health Affairs Council requests approval of the Board of Regents of the following position regarding the use of electronic interconnection, including television, in the medical system:

1. The University of Texas System should develop electronic interconnection network educational resources and institutional and informational materials, with provision for participation by its biomedical units.

2. The network should be functionally integrated eventually into a statewide system which will allow participation of all institutions, public and private, or educational television activities, with similar goals.

3. The network should develop cooperative relationships with like systems in other parts of the U.S. and with such national agencies as may be able to contribute to the network.

4. Each unit of the University of Texas System should develop an internal system for production and distribution commensurate with its own needs. A central production capability should be planned, however, for the system.

5. A system-wide mechanism should be established for evaluation of the effectiveness of material and programming, and for coordination of network activities.

6. Development of programs for the educational preparation of communicators, including those in the biomedical fields, should be expedited.

Any future actions necessary to implement the aforesaid statement of position will be submitted to the Board of Regents for prior approval.



3. Galveston Medical Branch: Amendment to the Bylaws of the Medical Staff. --

Chancellor Ransom, Vice-Chancellor LeMaistre and University Attorney Waldrep concur in the recommendation of President Blocker that Paragraph 14 of the Bylaws of the Medical Staff be amended by deleting the present section, which is set out below in the column "CURRENT", and substituting the following which is set out below in the column "PROPOSED":

CURRENT

Except in emergency, consultation with at least one member of the active medical staff shall be required in all first Caesarean sections, curettages, or other operations which may interrupt a known or suspected pregnancy. The same requirement shall apply to operations performed for the sole purpose of sterilization on both male and female patients. The consultant shall make and sign a record of the findings and recommendations in every such case and this report shall become a part of the medical record. In all cases where the rule of the hospital requires a consultation, the consultant shall give his services without charge, except in the instance of the hospital pathologist. No charge shall be made when examination of tissues is done merely to fulfill hospital requirements.

PROPOSED

When an operation is to be performed for the sole purpose of sterilization on a female or male patient, documentation of his or her record requires the prior recommendation of at least two members of the active medical staff, one of which may be the attending physician.

All consultants shall make and sign a record of their findings and recommendations in every such case. These shall become a permanent part of the patient's medical record. Such consultants shall give their service without charge.

Tissue from the fallopian tubes, ovaries, vas deferens, testicles, or parts thereof which are removed must be sent to the University of Texas Medical Branch Pathologist and examined histologically. Said pathology reports will become a permanent part of the patient's record.

It is required to have the signatures of both patient and husband (patient and wife in the case of the male) or legal guardian on a written consent for sterilization. If this form is completed off the University of Texas Medical Branch premises, such signature must be notarized. All permits, recommendations and consultations must be incorporated into the patient's medical record prior to the performance of such an operative procedure.

In the case of the female, one of the consultants must be the responsible obstetrician. The other(s) should be selected from the department or division most concerned with the indication for the proposed sterilization. Consultants must be a specialist with the academic rank of Assistant Professor or above.

In the case of the male, consultant(s) may be selected from any department or division, at least one of which must be a Urologist.

On the following page is Dr. Blocker's request for this change in the Bylaws

*Mr. Sandrum*



THE UNIVERSITY OF TEXAS MEDICAL BRANCH  
GALVESTON, TEXAS 77550

OFFICE OF THE PRESIDENT  
PHONE: SO 5-1902

November 13, 1967

*OK Harry Ransom*

*Give copy to  
GWL in case to  
free to [unclear]  
District copy*

Dr. Harry H. Ransom  
Chancellor  
The University of Texas  
Austin, Texas 78712

CHANCELLOR'S OFFICE U. OF T.	
Acknowledged.....	File.....
REC'D NOV 14 1967	
TO.....	FOR INFO AND RETURN
TO... <i>EAR</i> ... <i>EW</i> ...	PLEASE ADVISE ME
TO.....	PLEASE HANDLE

Dear Dr. Ransom:

The Medical Staff, at its meeting October 31, 1967, adopted the following amendment to the Bylaws of the Medical Staff, subject to approval of the Board of Regents in conformance with Article IX and X of those Bylaws:

Delete Paragraph 14, Page 14 of the Medical Staff Rules and Regulations and insert the following Guidelines for Sterilization Procedures:

When an operation is to be performed for the sole purpose of sterilization on a female or male patient, documentation of his or her record requires the prior recommendation of at least two members of the active medical staff, one of which may be the attending physician.

All consultants shall make and sign a record of their findings and recommendations in every such case. These shall become a permanent part of the patient's medical record. Such consultants shall give their service without charge.

Tissue from the fallopian tubes, ovaries, vas deferens, testicles, or parts thereof which are removed must be sent to the University of Texas Medical Branch Pathologist and examined histologically. Said pathology reports will become a permanent part of the patient's record.

It is required to have the signatures of both patient and husband (patient and wife in the case of the male) or legal guardian on a written consent for sterilization. If this form is completed off the University of Texas Medical Branch

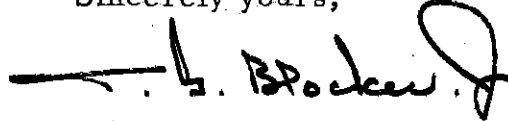
premises, such signature must be notarized. All permits, recommendations and consultations must be incorporated into the patient's medical record prior to the performance of such an operative procedure.

In the case of the female, one of the consultants must be the responsible obstetrician. The other(s) should be selected from the department or division most concerned with the indication for the proposed sterilization. Consultants must be a specialist with the academic rank of Assistant Professor or above.

In the case of the male, consultant(s) may be selected from any department or division, at least one of which must be a Urologist.

In accordance with the Bylaws and Rules and Regulations of the Medical Staff, I am requesting your approval of this amendment.

Sincerely yours,



T. G. Blocker, Jr., M.D.  
President

Please return approved copies to:

- Dr. T. G. Blocker, Jr.
- Dr. E. Ivan Bruce
- Mr. V. E. Thompson (2)
- Mr. Henry A. Swicegood

*Recommend approval*  
*Charles L. Mantre*

*O.K. [initials]*

TGB:mb

4. U. T. Houston: Master Plan for The University of Texas' Development in Houston. -- Below is a presentation from Chancellor Ransom:

Vice-Chancellor LeMaistre, with the Chancellor's concurrence, prepared the following letter for Chairman Erwin's signature. The letter merely summarizes the steps necessary to finalize previous understandings with regard to land utilization in the Texas Medical Center. The Board of the Texas Medical Center, Inc. will consider this matter prior to the December 7 meeting of the Board of Regents, and their action thereon will be reported at that meeting. It is recommended by Chairman Erwin, Chancellor Ransom, and Vice-Chancellor LeMaistre that for the record the Board of Regents ratify the execution and delivery of the following letter:



THE UNIVERSITY OF TEXAS  
BOARD OF REGENTS

FRANK C. ERWIN, JR., CHAIRMAN  
900 BROWN BUILDING  
AUSTIN, TEXAS 78701

November 22, 1967

Dr. Richard T. Eastwood  
Executive Vice President and Director  
Texas Medical Center, Inc.  
Houston, Texas 77025

Dear Dr. Eastwood:

This will summarize the present plans of The University of Texas System for the development of its facilities in Houston. The cooperation of the Texas Medical Center is, of course, vital to that development.

Planning is currently in progress for a Dental Sciences Institute. \$2,500,000 have been appropriated by the Board of Regents for a building to house the Institute, and matching Federal funds have been requested. It is anticipated that that Federal grant will be forthcoming as soon as the present freeze on Federal grants is eliminated.

The Legislature has appropriated funds to assist in the construction of a \$20,000,000 addition to the M. D. Anderson Hospital and Tumor Institute, which addition is now being designed.

Plans are also under way for construction of a major building to house the Graduate School of Biomedical Sciences.

In addition to these three substantial projects, the master plan for The University of Texas development in Houston includes a new Medical School to be operated under the Board of Regents of The University of Texas System. The schematic design for the Medical School building is presently being prepared. As you are aware, authorization for the Medical School must be given by the Legislature. As an initial step toward establishment of the School, we contemplate entering into an affiliation agreement with Hermann Hospital as the primary teaching hospital, and we would like to utilize the library of the Houston Academy of Medicine as the principal library facility.

In order to proceed with the plans outlined above, we hereby request that the Board of Directors of the Texas Medical Center:

(1) Convey immediately to the Board of Regents of The University of Texas System in fee simple that certain tract of land, containing 8.14 acres, described as a part of the tract out of the P. W. Rose Survey, designated as the Texas Medical Center tract conveyed by M. D. Anderson Foundation to Texas Medical Center by deed dated February 22, 1946. It is our intention that this tract will be occupied by the Dental Sciences Institute, the Graduate School of Biomedical Sciences, the expansion of the M. D. Anderson Hospital and Tumor Institute, and perhaps other facilities of The University of Texas at Houston.

(2) Immediately execute and deliver to the Board of Regents of The University of Texas System a written commitment to the effect that if or before December 31, 1971, the Board of Regents is authorized by the Legislature to establish and operate in Harris County, Texas, a medical school, the Board of Directors of the Texas Medical Center will immediately after such authorization is given convey to the Board of Regents of The University of Texas System in fee simple the following-described tract of land for the purpose of constructing one or more medical school buildings thereon; to wit: that certain tract of approximately five acres out of the P. W. Rose Survey in Houston, Harris County, Texas, located adjacent to Hermann Hospital in the Texas Medical Center. This tract is described as:

BEGINNING at the Southeast corner of Fannin Street  
and Ross Sterling Avenue;  
THENCE East with the South line of Ross Sterling Avenue  
to the West line of Cullen Circle;  
THENCE South with the West line of Cullen Circle to the  
North line of M. D. Anderson Boulevard;  
THENCE West with the North line of M. D. Anderson  
Boulevard to the East line of Fannin Street;  
THENCE North with the East line of Fannin Street to the  
place of beginning;  
Containing 5.554 acres, more or less.

If the above-described tract of 8.14 acres is immediately conveyed to the Board of Regents of The University of Texas System, and if the above-described option on the 5.554 acre tract is immediately given to the Board of Regents of The University of Texas System, then the Board of Regents

of The University of Texas System will contemporaneously convey to the Board of Directors of the Texas Medical Center an approximately 3-acre tract of land owned by The University of Texas System and located generally between the Methodist Hospital and The University of Texas Dental School. It is our understanding that the Board of Directors of the Texas Medical Center will construct as soon as possible on such 3-acre tract of land a central auditorium and parking facility and such other central facilities as the Board of Directors of the Texas Medical Center may determine. The exact delineation of the approximately 3-acre tract will be determined by mutual agreement of the Board of Regents of The University of Texas System and the Board of Directors of the Texas Medical Center.

We are most grateful for your past cooperation and hope that the arrangements outlined in this letter will accelerate our mutual plans for progress in health education and patient care in Houston.

Sincerely yours,

Frank C. Erwin, Jr.  
Chairman, Board of Regents  
The University of Texas System

FCE:hj

5. U. T. Houston: Affiliation Agreement with Hermann Hospital Estate. -- Below is a Xerox copy of Chancellor Ransom's recommendation:

The following affiliation agreement with Hermann Hospital Estate and the Board of Regents of The University of Texas System has been approved as to form by the University Attorney and is recommended by Vice-Chancellor LeMaistre and Chancellor Ransom that the Board of Regents authorize the execution of this document to be signed by the Chairman of the Board of Regents. (The proposed agreement is on Pages MED 8-20.)

AFFILIATION AGREEMENT

THE STATE OF TEXAS }  
                          }  (  
COUNTY OF HARRIS }  )

This AGREEMENT made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1967, by and between the TRUSTEES OF THE HERMAN HOSPITAL ESTATE (The Hermann Hospital) of Houston, Harris County, Texas, hereinafter referred to as "Hospital," and the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, a state agency duly authorized to execute this contract, hereinafter referred to as "University," WITNESSETH:

WHEREAS, Hospital and University desire a formal instrument of affiliation which has the following primary objectives:

A. It shall set forth a clear pattern for cooperation in accomplishing the common objectives of the Hospital and University. These common objectives to include:

1. Teaching and research sought primarily by the University;
2. Care of patients and community services, sought primarily by the Hospital;

B. It shall be an instrument for furthering mutual understanding;

C. It shall be a means for fostering equitable administration of programs of mutual interest;

and

WHEREAS, in order to assure achievement of the objectives of the affiliation agreement the following items of major importance have been considered:

1. Faculty and Hospital staff appointments
2. House staff appointments and responsibilities
3. Availability of patients for teaching
4. Medical student responsibilities and facilities
5. Joint responsibilities for research

6. Sharing of common facilities and services
7. Financial considerations
8. Organization for effective communication;

and

WHEREAS, it is understood and agreed that the most important consideration of content for a successful relationship is the understanding and sincerity of both Hospital and University in the recognition of the interdependence of their shared goals of quality patient care, excellent teaching programs, community services, and productive research; and

WHEREAS, the Coordinating Board, Texas College and University System, recommended that a new four-year supported medical school be authorized for establishment in Houston under the administration of The University of Texas System, and that Hermann Hospital be utilized as its main teaching hospital in Houston, and that Hospital will assist the University by making its clinical facilities available to the already existing bio-medical units of The University of Texas System, and upon establishment of the medical school in Houston, such clinical facilities in excess of the needs required for the development of an outstanding medical school in Houston shall continue to be available to The University of Texas System:

NOW, THEREFORE, in consideration of the foregoing and in further consideration of the premises hereinafter set forth, the parties hereto agree to the following provisions:

#### I. GENERAL PROVISIONS

A. That this agreement is between the Board of Regents of The University of Texas System and the Trustees of The Hermann Hospital Estate and that any alterations, amendments, or future provisions shall likewise be negotiated through the respective governing bodies.

B. That Hospital and University shall retain all jurisdictional powers incident to separate ownership.



C. That the Hospital agrees to provide for the operation and maintenance of a fully accredited hospital for teaching, research, patient care and community services integrated with the medical educational program of the University.

D. That the Hospital will operate its institution in a manner and with standards consistent with the highest quality of those of leading university affiliated hospitals in the United States.

E. That the Hospital shall retain final jurisdiction over the admission of patients to the Hospital, including assignment of beds therein, but shall consult with the University in the formulation of policies affecting teaching and research.

F. That the provisions of this affiliation agreement and the By-Laws of the Hospital Medical Staff shall be in agreement.

G. That the University will establish and conduct research activities and fully accredited educational programs.

H. That the University shall assume the responsibility for further development of clinical and basic research.

I. That this agreement shall be for a term of thirty (30) years from and after the effective date of this agreement, and may be terminated at any time upon mutual consent of the parties hereto. A period of at least three (3) years shall be allowed to effect such termination. It is understood that this agreement may be amended in writing to include such provisions as the parties may agree upon and may be renewed for an additional term of years upon such terms and conditions as the parties may agree. It is further understood and agreed that should no medical school be authorized in Houston this agreement may be terminated with due consideration of existing responsibilities of each party.

## II. MAJOR SPECIFIC CONSIDERATIONS

The means by which the Hospital and University seek to accomplish their goals are the programs in which they engage, either separately or jointly. The presence and activity of

each organization serves as a condition upon the effort of the other. Since each has the capacity to limit or to enhance the success of the other, the following major areas for specific consideration are enumerated in this agreement to minimize potential sources of conflict which may arise from the interaction between the Hospital and University.

A. Faculty and Hospital Staff Appointments

Until the medical school is authorized and established in Houston, the University will utilize only selected services for its teaching programs. Those services not involved in the teaching endeavor may continue with an open staff, and it is understood that designation as an "open staff" service does not preclude participation of medical staff with University appointments. After the effective date of this agreement, Hospital, in consultation with University, will give due consideration to the academic interests and qualifications of all new medical staff applicants prior to medical staff appointment.

Within the Hospital where undergraduate medical students receive instructions, the staff involved in the teaching programs will be members of the faculty of The University of Texas System. All members of the medical staff of those specific services selected for the teaching endeavor will be encouraged to seek academic appointment, for it is understood and agreed that ultimately, with the establishment of the medical school in Houston, the teaching staff of the University and the medical staff of the Hospital shall be one and the same and the only medical staff of the Hospital.

In consideration of the foregoing, the following specific conditions are agreed to:

1. That University academic appointments for the performance of service will be of three basic types:

- a. Clinical and voluntary - no financial remuneration for teaching.

- b. Part time - compensation by University for specifically designated teaching services which are time consuming.
- c. Full time - full compensation from University subject to policies of The University of Texas System.

2. Within the services selected by the University for its teaching programs, the University will assume increasing responsibility for the quality of professional care delivered in the Hospital. The degree of responsibility assumed being proportional to the rate of development of a full-time faculty in Houston by the University.

3. The Hospital will determine the academic interest and desires of all members of the active and courtesy medical staffs of the Hospital. On the date a particular service is selected by the University for development of its teaching program, the Hospital will designate to the University from that particular medical service all those for whom faculty appointment is recommended. University will then determine the nature of the academic appointment. The teaching responsibility, if any, will be negotiated individually by University. It is understood that the foregoing applies only to those members on the medical staff roster at the time the specific service is selected by the University for development of its teaching program and does not apply to those staff services not involved in the teaching endeavor.

4. The Hospital shall appoint, after consultation with University, the chiefs of departments, services, or divisions involved in the teaching programs.

5. Notwithstanding the foregoing provisions and at such time as the Texas Legislature authorizes and funds a state medical school in Houston under the jurisdiction of The University of Texas System, the parties also agree that:

- a. All appointments to the medical staff shall be made annually by the Hospital upon nomination by the University.
- b. Hospital shall appoint as chiefs of departments, services or divisions, the corresponding chairman or chief officers of departments or divisions of the medical school upon nomination of University. Prior to nomination, University shall consult with Hospital.
- c. That the medical school will furnish a sufficient number of qualified physicians to adequately direct and supervise professional medical services to all inpatients and outpatients of the Hospital, including the emergency department. It is agreed that total professional care shall be specified by the faculty of the medical school and the staff shall be closed.

B. House Staff Appointments and Responsibilities

Recognizing that the house staff members have both a legal and moral responsibility to the hospital in which they work and equal responsibility to the medical school for the teaching of undergraduate medical students, the responsibility for the appointment and recruitment of house staff members shall be shared by the Hospital and University. In consideration of the foregoing, the following specific conditions are agreed to:

1. All service in which teaching programs are being conducted by University, vigorous recruitment will be conducted by the faculty to assure filling of available positions with highly qualified candidates.
2. On those services not selected by University for teaching purposes, the Hospital will have primary responsibility for recruitment of house staff members.

3. After the effective date of this agreement, the University will provide, at no cost to Hospital, a professor of medical education acceptable to the Hospital to establish, develop and supervise the interim educational activities of the University at the Hospital.

4. After establishment of the medical school all appointments of interns and residents, and other categories of medical trainees, shall be made by Hospital only upon nomination by University.

C. Availability of Patients for Teaching

After the effective date of this agreement and to remain in effect after establishment of the medical school and in recognition of the fact that the number of charity or service patients available will be insufficient to meet the teaching needs, the need to expose students to the care of private patients, and the fact that private patients today quite readily accept the premise that when they enter a teaching hospital for care they will be participating in teaching programs, the following specific conditions are agreed to:

1. That all patients in Hospital shall be available for purposes of teaching.

2. Exception may be granted upon concurrence by the chief of the major service upon recommendation of the physician, when the physician feels that participation in the teaching program might adversely affect the patient's condition.

3. That no members of the medical faculty will be granted exception from teaching for more than ten percent (10%) of his patients admitted in any twelve-month period.

D. Medical Student Responsibilities and Facilities

1. Medical students will be responsibly involved, under supervision, in the management and care of patients. This will be accomplished through the students' participation with the medical care team consisting of the intern, the resident, and

the faculty staff physician. These individuals will function as an organized staff, responsible for the patients' care.

2. In recognition of the fact that a university teaching hospital requires considerably more space for the educational programs of the medical students and house staff, the Hospital agrees to provide such space and that in all new construction and modernization programs it will give consideration to the following requirements:

- a. Charting areas of sufficient size to accommodate the students, house staff, staff physicians and nurses.
- b. Provisions for conference-demonstration rooms for teaching programs on each large patient floor area of the hospital building.
- c. A centralized student laboratory in each building of the hospital complex for use of students in performance of simple laboratory tests.
- d. Larger patient room facilities to allow sufficient room for students and staff to observe and to make bedside rounds.
- e. Sleeping-in facilities for students while on night call on such services as obstetrics and the emergency department.
- f. Special treatment room on each floor to demonstrate special procedures to students.

E. Joint Responsibilities for Research

The University shall assume the responsibility for further development of clinical and basic research. Such research may involve therapeutic trials, clinical studies, laboratory studies, and studies involving the administration and organization of the hospital's and the community's health services. Research projects may be jointly sponsored by University and Hospital. In such instances the following specific conditions are agreed to:

1. In all research involving patients, the medical school and faculty hospital staff will be jointly responsible in assuring the hospital that due regard is given to the safety and personal rights of the patients involved and that patients understand their role in the project.

2. There will be established a Review Committee for Research involving human beings, the composition of which will be mutually agreed by Hospital and University.

F. Sharing of Common Facilities and Services

In view of the fact that a Hospital addition and the proposed medical school have yet to be constructed, every effort will be made in the planning phases to provide for common services required by both Hospital and University to avoid expensive and unnecessary duplication of equipment and facilities. Such common services may be operated by either the University or Hospital but will be shared by both. These may include heating, telephones, post office, laundry, food, computer, parking, specialized diagnostic procedures, etc. In consideration of the foregoing, the following specific conditions are agreed to:

1. That a joint agreement will be established and reviewed annually by the Dean of the Medical School and Director of the Hospital.

2. That such agreement shall consider all services provided by the parties to each other which would be provided separately if no common facilities and services were shared.

3. Highly specialized, expensive and infrequently used therapeutic and laboratory procedures required for clinical care may be obtained from the medical school rather than establishing such services separately in the Hospital.

G. Financial Considerations

The University, in recognition of the Hospital's essentiality to its medical school's teaching programs, agrees to accept important responsibilities for care of patients. The

Hospital, in its traditional role of public service, recognizes that the educational programs contribute materially to the quality of medical care. Although it is recognized that the contributions of each provide a general balance, certain specific financial considerations are agreed to:

1. The Hospital shall bear costs for supporting and maintaining a complete staff of interns, residents and other personnel. In instances where University or Hospital may be able to obtain funds applicable to training programs in Hospital of interns, residents, fellows, and other personnel, such funds designated for salaries will be used for support of such personnel.

2. The University shall pay all costs incurred in the operation of its undergraduate educational programs.

3. In jointly sponsored research projects, there shall be a definite agreement as to the extent of responsibility of each institution in the administration of research funds, provision of staff, facilities, and ownership of equipment purchased with research funds.

4. That the joint agreement established by the Hospital and medical school shall be reviewed annually by the Director of the Hospital and Dean of the Medical School. Such review shall involve the fair and equitable pro rata division of all costs involved not expressly the responsibility of the University or Hospital and at the end of the accounting period, a settlement will be made involving such costs as are determined in the agreement.

5. The University will bear all costs for the interim position of professor of medical education established in the Hospital.

#### H. Organization for Effective Communications

The Hospital and University agree that the most important ingredient of this affiliation is good faith and trust in the honesty and integrity of the parties concerned. It is agreed



by the parties that these ingredients and not simply the existence of a legal document that will cement the enduring and productive relationship so essential to harmonious growth. In consideration of the foregoing, the following specific organizational entities designed to assure and maintain effective channels of communication are agreed to:

1. There shall be established a Joint Conference Committee of Trustees and Regents composed of an equal number of representatives from the Hermann Hospital Estate and The University of Texas System. Both the Director of the Hospital and the Dean of the Medical School shall be ex-officio members of the Joint Conference Committee. All matters of joint concern may be considered by this Joint Conference Committee, which makes recommendations to the respective parent corporate bodies. The Committee shall approve annually the joint agreement and shall be informed of and consider high level appointments.

2. There shall be established a Planning and Development Committee composed of the Director of the Hospital and Dean of the Medical School and such additional members as are mutually agreed upon. The Planning and Development Committee will consider all matters of joint concern to Hospital and University, including any amendments to this agreement, and will keep the Joint Conference Committee informed of its deliberations.

3. Within the Hospital, there shall be established a medical board composed of the chiefs of the major clinical departments (who are also chairmen of the respective department in the school of medicine), the Director of the Hospital, and three (3) members of the voluntary or part-time medical staff of the Hospital elected annually by the voluntary medical staff. This board shall function as the Executive Committee of the medical staff and is the advisory medical staff board which recommends and advises on all matters related to patient care

and medical staff appointments. Until such time as the medical school is established in Houston, the membership may include the chiefs of all services having approved residency programs.

III. FURTHER PROVISIONS

In line with their cooperative efforts and consistent with sound business practices and the limitations imposed by their charters and by-laws, the University and Hospital shall endeavor to carry out their fundamental objectives in order to serve a single public purpose--the improvement of people's health.

The Trustees of the Hermann Hospital Estate function, as such, pursuant to the Last Will and Testament of George H. Hermann, and the trust created thereunder as construed by judgments entered in (a) Cause No. 86954 entitled H. F. MacGregor, et al, Trustees of the Hermann Hospital Estate, vs. City of Houston, et al, in the 61st Judicial District Court of Harris County, Texas; (b) Cause No. 270,040 entitled G. A. Brandt, et al, Trustees of the Hermann Hospital Estate vs. Honorable Gerald Mann, Attorney General of State of Texas, et al, in the 113th Judicial District Court of Harris County, Texas; and (c) Cause No. D-311497 entitled G. A. Brandt, et al, Trustees of the Hermann Hospital Estate vs. Honorable Grover Sellers, Attorney General of the State of Texas, et al, in the 80th Judicial District Court of Harris County, Texas. The Trustees of Hermann Hospital Estate execute this agreement to the full extent that they may lawfully do so pursuant to said will and said decrees.

IN WITNESS WHEREOF, the parties have executed this agreement on the day and year first above written.

ATTEST:

BOARD OF REGENTS OF  
THE UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_  
Secretary

By \_\_\_\_\_  
Chairman

TRUSTEES OF THE HERMANN  
HOSPITAL ESTATE

By \_\_\_\_\_

Approved as to Form:

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University Attorney

Approved as to Content:

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Vice-Chancellor for Health  
Affairs

---

Vice-Chancellor for Business  
Affairs

6. Anderson Hospital: Authority to Acquire Approximately 374 Acres of Land in Bastrop County, Texas, to be Used as a Research (Education) Park for Health-Science Programs. -- Below is a Xerox copy of Chancellor Ransom's recommendation:

By deed from the United States of America to the Texas State Department of Health, said deed being recorded in Book 125, pages 485-489 of the Deed Records of Bastrop County, Texas, the Texas State Department of Health acquired 373.99 acres of land, more or less, in the Isaac Harris Survey, Bastrop County, Texas, the same being a part of the military installation formerly known as Camp Swift. The Texas State Department of Health has indicated a willingness to transfer this acreage to the Board of Regents of The University of Texas System for the use and benefit of The University of Texas M. D. Anderson Hospital and Tumor Institute with the understanding that the same will be used as a research (education) park facility for varied health-science programs of The University of Texas System *and other bio-medical units*

Upon the recommendation of the Health Affairs Council, Chancellor Ransom, Vice-Chancellor LeMaistre, and Dr. R. Lee Clark join in the recommendation that this land be acquired for health-science programs of the System after the required approvals of the appropriate state agencies have been obtained.

Below is Doctor Clark's request for this land acquisition:

**Dr. Harry H. Ransom**  
Chancellor  
The University of Texas System  
Austin, Texas

Dear Doctor Ransom:

The State Board of Health has in its possession approximately 374 acres of land in Bastrop County that was deeded to it some years ago by the Department of Defense. This land formerly was a part of Camp Swift and it is located only a few miles from the Buescher Park.

The study that we have made to date would indicate a need for more acreage than that presently in Buescher Park. Also, some of the programs proposed by the various departments and schools of The University of Texas System require the pristine preservation of an area for ecological studies. We believe that this tract of 373.99 acres, which is separated by some distance from the present Buescher Park land, would give us the isolation that is required. Except for an area of less than one acre, assigned for storage, this land is not being used by the State Department of Health and the State Board of Health has indicated willingness for its transfer without cost to The University of Texas. We could expect to retain the land as long as it is used for the purposes proposed, and would of course plan to ask the State Department of Health to join us as one of the participating members in the Science Park project.

We do not know yet whether it would be acquired as a long-term lease or by transfer of title. We believe that either arrangement would be very satisfactory, and that adjustments could be made as required by mutual agreement. Attorney Waldrep has prepared a statement, legally correct, that may be used for the action of the Committee of the Whole of the Board of Regents at the next meeting if you agree to our recommendation. This statement is enclosed. Dr. C. A. LeMaistre has reviewed this with the Health Affairs Council.

Sincerely yours,

Dr. Hampton C. Robinson  
Dr. Robert D. Moreton

**R. Lee Clark, M. D.**  
Director

cc: Dr. C. A. LeMaistre  
Mr. Burnell Waldrep

bcc: Mr. Joe Boyd  
Miss Betty A. Thedford (Unofficial copy)

**THE UNIVERSITY OF TEXAS M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE--**Authority to acquire approximately 374 acres of land in Bastrop County, Texas, to be used as a research (education) park for health-science programs. -- By deed from the United States of America to the Texas State Department of Health, said deed being recorded in Book 125, pages 485-489 of the Deed Records of Bastrop County, Texas, the Texas State Department of Health acquired 373.99 acres of land, more or less, in the Isaac Harris Survey, Bastrop County, Texas, the same being a part of the military installation formerly known as Camp Swift. The Texas State Department of Health has indicated a willingness to transfer this acreage to the Board of Regents of The University of Texas System for the use and benefit of The University of Texas M. D. Anderson Hospital and Tumor Institute with the understanding that the same will be used as a research (education) park facility for varied health-science programs of The University of Texas System.

Chancellor Ransom, Dr. Charles A. LeMaistre and Dr. R. Lee Clark join in the recommendation that this land be acquired for health-science programs of the System after the required approvals of the appropriate state agencies have been obtained.

MEDICAL AFFAIRS COMMITTEE  
Emergency Items

Page  
No.

7. U. T. Houston: Affiliation Agreements with  
(1) Memorial Baptist Hospital of Houston and  
(2) St. Joseph Hospital of Houston

Below

7. U.T. HOUSTON: AFFILIATION AGREEMENTS WITH MEMORIAL BAPTIST HOSPITAL OF HOUSTON AND ST. JOSEPH HOSPITAL OF HOUSTON.--The following affiliation agreements between the Board of Regents of The University of Texas System and (1) Memorial Baptist Hospital and (2) St. Joseph Hospital, both of Houston, have been approved as to form by the University Attorney. It is recommended by Vice-Chancellor LeMaistre and Chancellor Ransom that the Board of Regents authorize the Chairman of the Board of Regents to execute these two agreements. These two documents are identical except for the appropriate name changes. The terms and conditions as contained in the documents are essentially the same as the terms and conditions included in the affiliation agreements with Methodist Hospital in Dallas approved by the Board in September, 1967, and with the Baylor Medical Center in Dallas approved by the Board in 1966.

A G R E E M E N T

THE STATE OF TEXAS }  
                          }  
COUNTY OF HARRIS  }

This AGREEMENT made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1967, by and between the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, hereinafter sometimes called "University," and the ST. JOSEPH HOSPITAL of Houston, hereinafter sometimes called "Hospital," WITNESSETH:

WHEREAS, during the past half century advances in medicine have been more significant and rapid than in any other previous period of history, and over the past two decades the pace has increased dramatically and appears to be accelerating; and

WHEREAS, in recognition of contemporary trends and likely future requirements, University and Hospital agree on the desirability of establishing a closer working relationship between the two institutions, who share a common commitment to offer the people of Houston, Texas, and the Southwest a program of excellence in medical education and also share the desire to coordinate all medical care resources for the benefit of improved patient care and the further development of Houston as a medical center:

NOW, THEREFORE, with these objectives in mind and with an intent to develop both institutions to the maximum extent consistent with the interests of each, University and Hospital hereby agree as follows:

1. EXTENT OF AFFILIATION AT THE DEPARTMENTAL LEVEL

The purpose of this agreement is to establish a broad framework of policy to facilitate cooperation between University and Hospital. It is agreed that the initiative for establishing definitive relationships will be vested in the respective department heads of the departments within institutions of University and the corresponding departments or division of Hospital. It is further understood that individual departments

of University may or may not establish affiliations with Hospital, depending upon their needs and circumstances and subject to appropriate action by the respective governing bodies.

## 2. PROVISION FOR FACULTY APPOINTMENTS FOR HOSPITAL STAFF MEMBERS

Both parties agree that academic status is a strong inducement for attracting well qualified individuals for teaching positions at Hospital, and that academic appointment made by University for individuals in full-time key positions at Hospital should include tenure or assurances of continuation of employment, if possible. This will be granted on an individual basis subject to the approval of University. In order to achieve satisfactory financial arrangements, the fiscal alternatives for obtaining appointments in this category are:

(1) Unqualified Tenure Appointment:

Guarantee by Hospital for all future salary costs for any tenure appointments by University

Under this arrangement Hospital will guarantee to pay to University the salary for full-time personnel requested by Hospital granted tenure by University. This guarantee shall continue as long as University is required to maintain personnel acquired under this arrangement.

(2) Qualified Tenure Appointment:

Guarantee by Hospital of the future salary costs for a limited term tenure appointment of seven years following termination or discontinuation of a hospital position

Under this agreement the faculty member would receive a tenure guarantee covering up to seven years dating from the notification of termination, and so long as the physician occupies a full-time faculty position at University. Thus, if his position were discontinued at Hospital, he would receive salary from Hospital for a maximum of seven years, but only if he continued as a full-time faculty member of University.



(3) Hospital Staff without Compensation:

Rules and procedures established by Hospital will be used in appointment of medical staff of Hospital without teaching assignment, faculty designation, or compensation through University.

(4) Hospital Staff with Partial Compensation and/or University Faculty Appointment:

Mutual agreement between Hospital and University is required for appointment in either category in this section with definition of faculty title, duties, amount of compensation (if any), and term of appointment (annual unless otherwise agreed upon).

3. COMPENSATION ARRANGEMENTS FOR FULL-TIME FACULTY

Physicians employed full time by University and based at Hospital with academic appointments will be subject to The University of Texas System policy regarding salary plan. Fees earned in excess of the maximum allowed will be placed in a trust fund and used to develop medical education and research programs at Hospital. These funds should not be committed on a continuing basis for the salaries of additional full-time personnel.

4. JOINT SPONSORSHIP OF RESEARCH ACTIVITIES

Hospital will provide research facilities for physicians who are geographically full time on its campus. Research projects at Hospital may be jointly sponsored by University. In such cases there will be prior agreement as to the extent of the responsibility of each institution in the administration of research funds, provision of staff and facilities and ownership of equipment purchased with research funds.

5. PROVISION FOR REVIEW OF RELATIONSHIP

Both parties agree that a productive and harmonious relationship between the two institutions depends upon maintaining effective channels of communication. The parties anticipate

that routine matters will be handled and decided mutually through continuous contacts at the departmental level. At least annually, and more frequently if necessary, a group representing each institution shall review and discuss over-all relationships and policies and other matters of common concern.

If any aspect of this agreement becomes unsatisfactory, a joint committee shall be responsible for discussing and resolving the questions involved. If a change in the agreement is necessary, the committee shall make recommendations to the authorities in each institution. If problems develop which are sufficiently serious and cannot be resolved, dissolution of the agreement may be indicated. Effective date of such dissolution shall be mutually agreed upon with adequate time to allow each institution to make necessary arrangements in an orderly manner.

This agreement shall be for a term of ten (10) years from and after its effective date and may be terminated at any time upon mutual consent of the parties. It may also be amended in writing to include such provisions as the parties may agree upon.

EXECUTED by the parties on the day and year first above written.

ATTEST:

\_\_\_\_\_  
Secretary

BOARD OF REGENTS OF  
THE UNIVERSITY OF TEXAS SYSTEM

By \_\_\_\_\_  
Chairman

ST. JOSEPH HOSPITAL OF HOUSTON

By \_\_\_\_\_

Approved as to Form:

\_\_\_\_\_  
University Attorney

Approved as to Content:

\_\_\_\_\_  
Vice-Chancellor for Health  
Affairs

\_\_\_\_\_  
Vice-Chancellor for Business  
Affairs

A G R E E M E N T

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                          {  
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This agreement shall be for a term of ten (10) years from and after its effective date and may be terminated at any time upon mutual consent of the parties. It may also be amended in writing to include such provisions as the parties may agree upon.

EXECUTED by the parties on the day and year first above written.

ATTEST:

\_\_\_\_\_  
Secretary

BOARD OF REGENTS OF  
THE UNIVERSITY OF TEXAS SYSTEM

By \_\_\_\_\_  
Chairman

MEMORIAL BAPTIST HOSPITAL  
OF HOUSTON

By \_\_\_\_\_

Approved as to Form:

\_\_\_\_\_  
University Attorney

Approved as to Content:

\_\_\_\_\_  
Vice-Chancellor for Health  
Affairs

\_\_\_\_\_  
Vice-Chancellor for Business  
Affairs

## **Committee of the Whole**

COMMITTEE OF THE WHOLE  
 Chairman Erwin, Presiding  
 Executive Session

Date and Time: To be designated in the Supplementary Agenda Material.

Place: The Shamrock Hilton, Third Floor  
 December 7: Castilian Room  
 December 8: Belyedere Room

		<u>Page</u> <u>C of W</u>
A.	REPORTS AND SPECIAL ITEMS BY REGENTS	2
B.	REPORTS AND SPECIAL ITEMS BY CHANCELLOR	2
C.	REPORTS AND SPECIAL ITEMS BY VICE-CHANCELLORS	3
D.	SPECIAL ITEMS RELATING TO CENTRAL AD- MINISTRATION AND/OR U. T. SYSTEM	
	1. 1968-69 Budget Policies and Limitations.	4
E.	SPECIAL ITEMS RELATING TO COMPONENT INSTITUTIONS	
	1. U. T. Austin: Five-Year Extension of Con- tract.	5
	2. U. T. Austin: Waiver of Regents' Rule and Naming of Fireplace Lounge at Law School (Executive Committee Item No. 8-M-67)	5
	3. Dallas Medical School: Waiver of Regents' Rule and Proposed Name for New Basic Science Research Building.	6



## DOCUMENTATION

### A. REPORTS AND SPECIAL ITEMS BY REGENTS

1. Chairman Frank C. Erwin, Jr.
2. Vice-Chairman Jack S. Josey
3. Regent W. H. Bauer
4. Regent Walter P. Brennan
5. Regent Frank N. Ikard
6. Regent (Mrs.) J. Lee Johnson III
7. Regent Joe M. Kilgore
8. Regent Levi A. Olan
9. Regent E. T. Ximenes

### B. REPORTS AND SPECIAL ITEMS BY CHANCELLOR

C.

REPORTS AND SPECIAL ITEMS BY VICE-CHANCELLORS

1. Vice-Chancellor Graves W. Landrum
2. Vice-Chancellor Charles A. LeMaistre
3. Vice-Chancellor Raymond W. Vowell
4. Vice-Chancellor E. D. Walker

D. SPECIAL ITEMS RELATING TO CENTRAL ADMINISTRATION  
AND/OR U. T. SYSTEM

1. 1968-69 Budget Policies and Limitations.-- Chancellor Ransom recommends that the following policies and limitations for the preparation of the 1968-69 Budget be approved:

Institutional Heads are to write the "first" draft of their operating budgets conservatively within the total of funds included in the Legislative Budget Request for the Year 1968-69.

Inasmuch as the amount of General Revenue Funds to be appropriated for writing the 1968-69 operating budgets is unknown at this time, Institutional Heads are to draft their budgets in accordance with the policy limitations listed below and must be prepared to reduce their recommended expenditures in the event that actual appropriations do not meet the level set forth in the preliminary draft.

1. Over-all budget totals, including reasonable reserves, must be limited to the funds available for the year.
2. Selective merit salary advances should be provided for the faculty and professional staff. In the case of faculty, merit advances should be on the basis of teaching or teaching and research.
3. Merit salary advances for classified personnel may be given only to individuals who will have been employed by the institution for at least 6 months as of August 31, 1968. The number of individuals recommended for merit increases may not exceed one-half of the total institutional classified personnel staff as of March 1, 1968.
4. New positions should be provided only where increased work-load justifies.
5. Maintenance, Operation, and Equipment items should be based only on such amounts as are needed, but increases are not to exceed 15% in total over amounts budgeted in 1967-68.

Justify all increases in Maintenance and Operation and Travel with performance type data. Prior year expenditures are not to be considered as adequate justification.

6. Travel funds are to be shown as separate line items.
7. All requests for Special Equipment must be supported with detailed description and justification.

E. SPECIAL ITEMS RELATING TO COMPONENT INSTITUTIONS

1. U. T. AUSTIN: FIVE-YEAR EXTENSION OF CONTRACT.--  
Below is a Xerox copy of Chancellor Ransom's recommendation:

Chancellor Ransom and President Hackerman concur in the recommendation of the Athletics Council that Mr. Jack Patterson's contract as Head Track and Cross Country Coach be extended for five years. Coach Patterson was initially appointed on May 16, 1963 for a five-year contract from June 1, 1963 through May 31, 1968. If approval of this five-year extension is granted, Coach Patterson's new contract would cover the period June 1, 1968 through May 31, 1973. Salary will be recommended annually through the Operating Budget.

2. U. T. AUSTIN: WAIVER OF REGENTS' RULES AND REGULATIONS AND NAMING OF FIREPLACE LOUNGE AT LAW SCHOOL (EXECUTIVE COMMITTEE ITEM NO. 8-M-67).--Executive Committee Item No. 8-M-67 was not unanimously approved by the Executive Committee and is referred to the Committee of the Whole for further consideration. The recommendation is that the fireplace lounge at the Law School of The University of Texas at Austin be named for Justice Tom Clark. This will require the waiver of the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, which reads as follows:

Naming of Buildings and Other Facilities.--Buildings and other facilities (including laboratories and clinics) of The University of Texas System and its component institutions shall not be named in honor of any person until such person shall have been dead at least five years and a nomination accompanied by reasons shall have been received by the Board of Regents from the institutional faculty; provided, however, that the Board of Regents may act without receiving a nomination from the institutional faculty when unusual circumstances justify such action and particularly when a substantial donation has been made toward the construction of the building or facility to be named.

It is recommended that the forgoing rule be waived and that the fireplace lounge at The University of Texas at Austin be named for Justice Tom Clark.

3. DALLAS MEDICAL SCHOOL: WAIVER OF REGENTS' RULE AND PROPOSED NAME FOR NEW BASIC SCIENCE RESEARCH BUILDING. --It is recommended that the Regents' Rules and Regulations, Part One, Chapter VIII, Section I be waived and that the new Basic Science Research Building at the University of Texas Southwestern Medical School at Dallas be named the McDermott Basic Science Research Building.

Chancellor Ransom and Vice-Chancellor LeMaistre concur in Dean Sprague's recommendation for the reasons stated in the following letter of November 6 to Chancellor Ransom from Dean Sprague:

THE UNIVERSITY OF TEXAS  
SOUTHWESTERN  
MEDICAL SCHOOL AT DALLAS

OFFICE OF THE DEAN

5323 HARRY HINES BLVD.  
DALLAS, TEXAS 75235

November 6, 1967

*Thanks to Ransom*

CHANCELLOR'S OFFICE U. OF T.	
Acknowledged.....	File.....
REC'D	NOV 8 1967
FOR INFO AND RETURN TO: <i>CCS</i> PLEASE ADVISE ME TO: <i>CCS</i> PLEASE HANDLE	

Dr. Harry Ransom, Chancellor  
The University of Texas  
Austin, Texas 78712

Dear Dr. Ransom:

I know that you are well aware of the many contributions to Southwestern Medical School and to The University of Texas which have been made by Mr. and Mrs. Eugene McDermott of Dallas. In addition to underwriting several major programs in Anesthesiology and Pediatrics, they have endowed the Margaret Milam McDermott Chair in Anesthesiology and have pledged \$500,000 toward our proposed new basic science research building. Furthermore, Mr. McDermott has been most helpful to us in many other areas of our program.

We believe, therefore, that the efforts of the McDermotts in our behalf should be recognized by designating the proposed new structure the McDermott Basic Science Research Building. We request your approval and that of the Board of Regents for this designation.

Sincerely,

*Charles C. Sprague*  
Charles C. Sprague, M.D.  
Dean

*exception to R/R rules  
Recommend approval  
Charles LeMaistre*

CCS/cs

*[Signature]*

COMMITTEE OF THE WHOLE  
Chairman Erwin Presiding

Supplementary Agenda

Date: December 7, 1967

Time: 2 - 4:30 p. m.

Place: The Shamrock Hilton,  
Castilian A, B, C

Special Items

1. Report by George W. Carlson, System Consultant on Training Programs
2. Request that The American Bank of Galveston, Texas, be named as a depository bank

Below is a revision of the list of scheduled events as compiled by the Secretary:

1967 DECEMBER 1967						
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1968 JULY 1968						
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Dec. 8-9 Board of Regents' meeting in Houston

Dec. 22-

Jan. 2 Christmas Vacation

1968

Jan. 26-27 Board of Regents' meeting in San Antonio

March 8-9 Board of Regents' meeting in El Paso

Apr. 5 Texas Relays

Apr. 11-12 Staff Holidays

Apr. 18-23 Spring Vacation (Students)

May 25 U. T. El Paso Commencement

May 31 U. T. Arlington Commencement

June 1 U. T. Austin Commencement

June 3 Dallas Medical School

Commencement

Houston Dental Branch

Commencement

Galveston Medical Branch

Commencement

COMMITTEE OF THE WHOLE  
Items referred by Standing Committees

CHANCELLOR'S DOCKET NO. 20.-- Secretary Thedford should like to report that as a result of a ballot on Chancellor's Docket No. 20 mailed to each Regent on November 24, 1967, the docket has been approved with the following exception:

<u>Philosophy</u>	<u>Period of Appointment</u>	<u>Salary Rate</u>	<u>Page No.</u>
Appointment			
Assistant Professor			
57. Lawrence Caroline (RBC# 795)	9/1/67 - 5/31/68	\$10,000	M-36

U. T. ARLINGTON: SCHEDULE OF IMPLEMENTATION OF SCHOOL OF SOCIAL WORK.-- The schedule of implementation of the School of Social Work at The University of Texas at Arlington was referred by the Academic and Developmental Affairs Committee to the Committee of the Whole.



## **Land and Investment Committee**

LAND AND INVESTMENT COMMITTEE

Date: December 7, 1967.

Time: To be designated in the Supplementary Agenda Material.

Place: The Shamrock Hilton, Third Floor, Castilian Room.

LAND AND INVESTMENT COMMITTEE

December 7, 1967

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PERMANENT UNIVERSITY FUND -- INVESTMENT MATTERS.--

REPORT OF SECURITIES TRANSACTIONS.--The following securities transactions have been made for the Permanent University Fund from October 1 through October 31, 1967. The Executive Director of Investments, Trusts and Lands recommends approval by the Board of Regents of these transactions:

PURCHASES OF SECURITIES

U. S. GOVERNMENT SECURITIES

<u>Security</u>	<u>Maturity Value Bills Purchased</u>	<u>Market Price at Which Purchased</u>	<u>Total Principal Cost</u>	<u>Equivalent Bond Yield on Cost</u>
U. S. Treasury Bills, dated 7/13/67, due 1/11/68, on a 4.51% yield basis	\$ 500,000	98.7722778N	\$ 493,861.39	4.63%
U. S. Treasury Bills, dated 8/10/67, due 2/8/68, on a 4.64% yield basis	725,000	98.6337778N	715,094.89	4.77
Total Government Securities Purchased	<u>\$1,225,000</u>		<u>\$1,208,956.28</u>	<u>4.71%</u>

FHA MORTGAGES

<u>Various Purchased from</u>	<u>No. of Loans Purchased</u>	<u>Present Principal Balance</u>	<u>Net Principal Cost</u>	<u>Net Purchase Yield*</u>
Austin Mortgage & Trust Co. (Austin, Texas)	<u>8</u>	<u>\$146,470.81</u>	<u>\$137,682.57#</u>	<u>6.29%</u>

#After discount of \$8,788.24.

\*After servicing costs and based on average life of 12-1/2 years.

PURCHASES OF SECURITIES  
(Continued)

COMMON STOCKS

Security	No. of Shares Purchased	Average Principal Cost	Total Principal Cost*	Indicated Current Yield on Cost**
Continental Illinois National Bank & Trust Co. of Chicago	2,800	33.9N	\$ 94,962.00	4.13%
Continental Oil Co.	2,600	80.7	209,872.65	3.22
Corn Products Co.	4,800	41.1	197,314.17	4.14
General Foods Corp.	2,700	73.0	197,011.38	3.29
Gulf Oil Corp.	2,700	75.6	204,243.50	3.44
PepsiCo, Inc.	7,700	37.5	288,666.93	2.40
Chas. Pfizer & Co., Inc.	2,500	74.0	185,108.95	1.96
Revlon, Inc.	1,400	71.0	99,344.70	1.83
Sterling Drug Inc.	4,200	46.2	194,059.64	1.95
United Air Lines, Inc.	3,100	59.5	184,542.11	1.68
Xerox Corp.	<u>1,400</u>	282.4	<u>395,415.51</u>	<u>0.50</u>
Total Common Stocks Purchased (TOTAL CORPORATE SECURITIES PURCHASED)	<u>35,900</u>		<u>\$2,250,541.54</u>	<u>2.38%</u>

\*Includes brokerage commissions paid.

\*\*Yield at present indicated dividend rates.

SALES OF CORPORATE SECURITIES

Rights Sold	Net Sales Proceeds#
37,300 rights to subscribe for Detroit Edison Co. Convertible Cumulative Preferred Stock, 5-1/2% Series, \$100 par value (After writedown, hold 37,300 shares Detroit Edison with book value of \$1,024,534.18)	\$2,144.70
37,156 rights to subscribe for Philadelphia Electric Co. Common Stock (After writedown, hold 37,156 shares Philadelphia Electric with book value of \$1,024,416.69)	1,554.97

#Cash received deposited to principal endowment and holding of stock involved written down by same amount.

EXCHANGES OF TREASURY SECURITIES

B O N D S   E X C H A N G E D

<u>Date Exchanged</u>	<u>Description &amp; Par Value Exchanged</u>	<u>Book Value Exchanged*</u>	<u>Amortized Annual Income</u>	<u>Current Rate of Return</u>
10/6,9 & 11/67 (1)	<u>3s of 2/15/95</u> \$ 6,775,000	\$ 6,743,928.85	\$204,379.86	<u>3.03%</u>
10/16/67 (2)	<u>3-1/4s of 5/15/85</u> 5,000,000	4,995,988.52	162,722.86	3.26
10/17/67 (3)	<u>10,000,000</u>	<u>9,956,023.48</u>	<u>327,443.14</u>	<u>3.29</u>
Total (2) & (3)	<u>15,000,000</u>	<u>14,952,012.00</u>	<u>490,166.00</u>	<u>3.28%</u>
TOTALS-- (1), (2) and (3)	<u>\$21,775,000</u>	<u>\$21,695,940.85</u>	<u>\$694,545.86</u>	

B O N D S   R E C E I V E D

<u>Description &amp; Par Value Received</u>	<u>Principal Adjustment Required##</u>	<u>Book Value on Interest Exchange Date**</u>	<u>Amortized Annual Income(E)</u>	<u>Current Rate of Return</u>	<u>INCREASE IN</u>	
					<u>Rate of Return</u>	<u>Annual Income</u>
<u>3-1/2s of 11/15/98</u> \$ 6,775,000 (1)	\$59,281.25	\$ 6,803,210.10	\$236,215.00	<u>3.47%</u>	<u>0.44%</u>	\$31,835.14
<u>3-1/2s of 2/15/90</u> 5,000,000 (2)	-0-	4,995,988.52	175,174.41	3.51	0.25	12,451.55
<u>10,000,000 (3)</u>	-0-	<u>9,956,023.48</u>	<u>350,191.20</u>	<u>3.52</u>	<u>0.23</u>	<u>22,748.06</u>
Total (2) & (3) <u>15,000,000</u>	-0-	<u>14,952,012.00</u>	<u>525,365.61</u>	<u>3.51%</u>	<u>0.23%</u>	<u>35,199.61</u>
TOTALS-- (1), (2) and (3) <u>\$21,775,000</u>	<u>\$59,281.25</u>	<u>\$21,755,222.10</u>	<u>\$761,580.61</u>			<u>\$67,034.75</u>

\*Book value last interest payment date prior to interest exchange date.

##Principal payup required to be paid by University to dealer.

\*\*Book value of bonds sent in for exchange adjusted for principal payup required.

(E) Estimated.

REPORT ON PERMANENT UNIVERSITY FUND INVESTMENTS FOR THE FISCAL YEAR ENDED AUGUST 31, 1967.--Under separate bound cover, the Executive Director of Investments, Trusts and Lands presents a report on the Permanent University Fund investments for the fiscal year ended August 31, 1967. During the fiscal year, periodic reports of investment transactions made for the Fund were submitted to the Board for approval. The present report summarizes the investment transactions for the fiscal year and indicates the status of the Fund's portfolio as of August 31, 1967.



PERMANENT UNIVERSITY FUND - INVESTMENT MATTERS.--

POLICY REGARDING RETENTION OR PURCHASE OF STOCKS OF HOLDING COMPANIES GROWING OUT OF CORPORATE REORGANIZATIONS.--Within the past year or so many corporations, in an effort to diversify or otherwise expand the scope of their operations, have been engaging or participating in corporate reorganizations which involve the exchange of their outstanding shares for the shares of a newly organized holding company. In most cases the reorganization involves the merger of two or more corporations. In those instances where the Permanent Fund owns stock of a company that participates in such a reorganization we wind up owning stock in a corporation that has never paid a dividend, and whose stock is, therefore, under a strict interpretation of the State Constitution, not eligible for purchase for the Permanent Fund.

It is our judgment, concurred in by Mr. Waldrep, that the intent of the constitutional mandate does not require a strict application of the wording of the Constitution, and that a policy such as that set forth in the proposed resolution, which follows, would constitute substantial compliance and would be entirely justified by the practicalities with which we are confronted. It is, therefore, recommended by the Executive Director, Investments, Trusts and Lands, concurred in by Mr. Waldrep, that the following resolution be adopted:

"WHEREAS, there is a current trend with reference to corporate reorganizations which is causing concern to the Board of Regents of The University of Texas System, inasmuch as the new corporation in many instances has no dividend record as contemplated by the provisions of Section 11a, Article VII, Constitution of Texas, which states 'that stocks eligible for purchase shall be restricted to companies incorporated within the United States which have paid dividends for ten consecutive years or longer immediately prior to the date of purchase'; and

"WHEREAS, it is the desire of the Board of Regents to accomplish the purpose for which the constitutional mandate was passed and at the same time protect the interests of the Permanent University Fund by the adoption of a policy to be followed in such instances; now, therefore, be it

"RESOLVED by the Board of Regents of The University of Texas System that in order to be in substantial compliance with the provisions of Section 11a of Article VII of the Constitution of Texas, the Board directs that the stock of a holding company organized for the purpose of taking over the business of one or more companies may be acquired or retained as an asset of the Permanent University Fund if 60% or more of the stock issued by such holding company is exchanged for stock of one or more companies whose stock would have been eligible under the provisions of Section 11a of Article VII of the Constitution of Texas for purchase for the Permanent University Fund."

PERMANENT UNIVERSITY FUND - LAND MATTERS.--

LEASES AND EASEMENTS.--It is recommended by the Executive Director of Investments, Trusts and Lands that the following applications for various leases, easements, and assignments on University Lands be approved. All are at the standard rates, unless otherwise stated, are on the University's standard forms with grazing leases carrying provisions for renewal for an additional five years at negotiated terms. Payments for easements and material source permits have been received in advance unless otherwise stated. All have been approved as to form by the University Attorney and as to content by the Endowment Officer and will be executed by the Executive Director of Investments, Trusts and Lands.

EASEMENTS AND SURFACE LEASES

No.	Company	Type of Permit	County	Location	Distance or Area	Period	Consideration
2499	Phillips Petroleum Company	Surface Lease (Salt Water Disposal)	Andrews	Block 10	2 acres	5/1/67 4/30/68	\$ 250.00*
2500	Skelly Oil Company	Pipe Line	Reagan	Block 49	203 rds 2-3/8"	10/1/67 9/30/77	117.74
2501	General Telephone Company of the Southwest (renewal of 1036)	Power Line	Crockett	Blocks 29, 30 & 31	4,873.6 rds	1/1/68 12/31/77	2,826.69
2502	McGrath & Smith, Inc.	Pipe Line	Crockett	Block 31	295.2 rds 3-1/2"	10/1/67 9/30/77	171.22
2503	El Paso Natural Gas Company (renewal of 1071)	Pipe Line	Andrews	Blocks 1 & 9	1,379.8 rds 16"	4/1/68 3/31/78	2,387.05
2504	El Paso Natural Gas Company (renewal of 1075)	Pipe Line	Andrews	Block 1	10.164 rds 4-1/2"	4/1/68 3/31/78	50.00 (Min.)
2305	Humble Oil & Refining Company	Surface Lease (Salt Water Disposal)	Andrews	Block 9	1 acre	10/1/67 9/30/68	250.00*

EASEMENTS AND SURFACE LEASES (Cont'd.)

No.	Company	Type of Permit	County	Location	Distance or Area	Period	Consideration
2506	Phillips Petroleum Company (renewal of 1044)	Pipe Line	Andrews	Block 1	1,462.9 rds various sized	12/1/67 11/30/77	\$ 2,445.38
2507	Texas Electric Service Company (renewal of 1046)	Power Line	Winkler	Block 21	1,662.55 rds	12/1/67 11/30/77	1,429.79
2508	West Texas Utilities Company (renewal of 1056)	Power Line	Crane	Block 30	160 rds	10/1/67 9/30/77	92.80
2509	El Paso Natural Gas Company	Pipe Line	Andrews	Blocks 1 & 9	26.0 rds 4-1/2"	10/1/67 9/30/77	50.00 (Min.)
2510	Northern Natural Gas Company (renewal of 1009)	Pipe Line	Irion & Schleicher	Blocks 52, 53 & 54	3,039.69 rds 16"	8/1/67 7/31/77	5,258.66
2511	Phillips Petroleum Company	Surface Lease (Salt Water Disposal)	Andrews	Block 13	2.54 acres	11/1/67 10/31/68	254.00*
2512	Community Public Service Company	Power Line	Winkler	Block 21	140.42 rds	11/1/67 10/31/77	81.44
2513	Gulf Refining Company	Pipe Line	Ector	Block 35	507 rds 4"	12/1/67 11/30/77	294.06
2514	Warren Petroleum Corporation (renewal of 1028)	Pipe Line	Crane	Block 30	153.6 rds 4"	11/1/67 10/31/77	89.08

EASEMENTS AND SURFACE LEASES (Cont'd.)

No.	Company	Type of Permit	County	Location	Distance or Area	Period	Consideration
2515	Texas Electric Service Company (renewal of 1057)	Power Line	Ector	Block 35	323.82 rds	1/1/68 12/31/77	\$ 278.49
2516	West Texas Utilities Company (renewal of 963)	Power Line	Reagan	Blocks 1, 8 & 11	5,532.1 rds	1/1/67 12/31/76	4,978.89
2517	West Texas Utilities Company (renewal of 964)	Power Line	Upton	Blocks 1, 4, 15 & 58	3,903.8 rds	1/1/67 12/31/76	3,513.42
2518	West Texas Utilities Company (renewal of 972)	Power Line	Upton	Block 15	215.6 rds	7/1/67 6/30/77	129.36
2519	West Texas Utilities Company (renewal of 983)	Power Line	Crockett	Blocks 46 & 51	1,838.7 rds	7/1/67 6/30/77	1,654.83

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\* Renewable from year to year, not to exceed a total of ten (10) years. Consideration shown is for the first year's rental.

GRAZING LEASES

NUMBER		Lessee	County	Location	Acreage	Period	Annual Rate per Acre	Semi-Annual Payments		Total Annual Rental
New	Old							1/1	7/1	
995	858	W. R. Bissett	Crockett	Blocks 41, 42 44 & 45	6,301.20	1/1/68 12/31/72	\$ .60	\$ 1,890.36	\$ 3,780.72	
996	859	Mrs. Fleet Coates	Crockett	Blocks 44, 45 46 & 47	14,276.30	1/1/68 12/31/72	.60	4,282.89	8,565.78	
997	860	W. R. & R. L. Bissett & W. A. & W. C. Hemphill dba Bissett and Hemphill	Crockett	Blocks 40, 41 & 42	20,372.90	1/1/68 12/31/72	.60	6,111.87	12,223.74	
998	861	Mrs. Nell Anderson Harrison et al	Ward, Winkler & Loving	Blocks 17-20	130,721.30	1/1/68 12/31/72	.30	19,608.20	39,216.39	
999	862	A. B. Connell	Ector	Block 35	3,301.57	1/1/68 12/31/72	.18	--	594.28	
1000	863	Sam Mann	Reagan & Crockett	Blocks 7 & 12	6,711.90	1/1/68 12/31/72	.65	2,181.37	4,362.74	
1001	864	E. H. & H. H. Linthicum	Irion & Crockett	Blocks 40 & 41	9,158.40	1/1/68 12/31/72	.60	2,747.52	5,495.04	
1002	865	Mrs. S. M. Owens	Reagan & Upton	Blocks 1 & 4	14,105.00	1/1/68 12/31/72	.55	3,878.88	7,757.75	
1003	867	Troy Williams	Crockett	Blocks 42 & 45	10,526.50	1/1/68 12/31/72	.60	3,157.95	6,315.90	
1004	868	J. E. Hill, Jr. dba Hill Cattle Company	Andrews	Block 13	24,817.90	1/1/68 12/31/72	.30	3,722.69	7,445.37	

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MATERIAL SOURCE PERMITS

<u>No.</u>	<u>Grantee</u>	<u>County</u>	<u>Location</u>	<u>Quantity</u>	<u>Consideration</u>
328	W. A. (Bill) Farmer Construction Company	Andrews	Block 13	84 cubic yards	\$ 50.00
329	Globe Construction Company, Inc.	Andrews	Block 14	825 cubic yards	239.25

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WATER CONTRACTS

<u>No.</u>	<u>Grantee</u>	<u>County</u>	<u>Location</u>	<u>Consideration</u>	<u>Period</u>
121	Coral Drilling, Inc.	Andrews	Block 14	\$ 500.00	From November 9, 1967 until completion of drilling operations

PERMANENT UNIVERSITY FUND - LAND MATTERS.--

GRAZING LEASE NO. 945.--This grazing lease covering 5,531.62 acres in Block 35, Crane and Ector Counties, is leased to Clark Brothers at 15¢ per acre per year for the period ending June 30, 1970. Lessees want to release this lease, or assign it to Harrison W. Pace of Midland, Texas.

Negotiations with Pace have resulted in the following proposal for a lease to him:

1. Lease would be for the term beginning December 9, 1967 and ending December 31, 1977, with rental to commence January 1, 1968.
2. Rental would be at 10¢ per acre for the first two years, 15¢ per acre for the next three years, and 25¢ per acre for the last five years.
3. As additional consideration, Lessee would be obligated to root plow, roller chop and seed to new grasses approximately 1,800 acres of the total tract. (It is estimated that the total cost of this project would be approximately \$34,000., with approximately one-half of the total cost being paid by Lessee, and the remaining cost being provided under the annual A.C.P. and Soil Conservation Service Great Plains Programs.)
4. Stocking rate would be as follows:
  - a. First two years 37 cows per year
  - b. Next three years 55 " " "
  - c. Last five years 92 " " "
  - d. Stocking in excess of such rates will be subject to agreement between Lessor and Lessee, and a local representative of the U.S. Soil Conservation Service.

The proposed lease will produce approximately \$1,000. more rent than the land could be reasonably expected to produce over the next 10 years in the absence of an improvement program. (This assumes that the rental could be increased by 20% at the end of the present lease.) The real value of the proposed program to the University is in its longer range aspects. It is estimated that the program could conservatively increase the carrying capacity of the land from two to three times.

It is recommended by the Land Agent, the Range Scientist, and the Executive Director, Investments, Trusts and Lands, that:

1. Lease No. 945 be cancelled; and
2. That the lease to Harrison W. Pace on the terms outlined above be approved.

GRAZING LEASE NO. 866 TO BURCH WOODWARD COVERING 12,203.6 ACRES IN BLOCK 37, TERRELL COUNTY.--This lease, which expires December 31, 1967, provides for rental of 42¢ per acre. It is not felt that any increase in this rate could be provided in the renewal lease.

Negotiations with Woodward have resulted in the following proposal for a renewal lease:

1. Lease would be for the term beginning January 1, 1968, and ending December 31, 1977.
2. Rental would be at 42¢ per acre for the first 5 years and 48¢ per acre for the last 5 years.
3. As additional consideration Lessee would enter into an agreement with the U. S. Soil Conservation Service, under the Great Plains Program, which would provide for the following conservation practices:

a. Proper Range Use - graze no more than 50% of key species of grass on key areas by end of each grazing season.	
b. Deferred Grazing - each pasture to be rested at least one 3 month period during growing season in every four years.	
c. Fencing - Build 24,200 feet of net wire fencing at estimated cost	\$4,500.
d. Brush Control - cedar to be grubbed on approximately 625 acres	5,000.
e. Range Seeding - reseed 188 acres (30% of 625 acres)	<u>1,078.</u>
Total cost	10,578.
Great Plains Cost share	<u>5,483.</u>
Cost to Lessee	\$5,095.

4. Stocking rate would be as follows:

a. First five years	341 animal units
b. Second five years	390 " "

It is recommended by the Land Agent, the Range Scientist, and the Executive Director, Investments, Trusts and Lands that the lease be renewed on the terms outlined above.



PERMANENT UNIVERSITY FUND - LAND MATTERS.--

REPORTS ON CLEARANCE OF MONIES TO PERMANENT UNIVERSITY FUND AND AVAILABLE FUND.--Statements from the Auditor, Oil and Gas Production, show monies cleared by the General Land Office to the Permanent and Available University Funds for the months of September and October, 1967, as follows:

	<u>September</u>	<u>October</u>
<u>Permanent University Fund</u>		
Bonuses, Mineral Lease Sales	\$ -0-	2,426,400.00
Royalties		
Oil	772,602.83	763,267.70
Gas	63,201.31	59,289.12
Water	9,950.53	6,029.30
Salt Brine	985.29	1,200.75
Rental on Mineral Leases	8,399.04	5,460.50
Rental on Water Contracts	-0-	-0-
Amendments and Extensions of Mineral Leases	-0-	1,060.15
	<hr/>	<hr/>
Total - Permanent University Fund	\$ 855,139.00	\$ 3,262,707.52
<u>Available University Fund</u>		
Rental on Easements	\$ 1,873.95	77,216.83
Interest on Easements and Royalty	-0-	13.63
Transfer and Relinquishment Fees	82.60	189.99
	<hr/>	<hr/>
Total - Available University Fund	\$ 1,956.55	77,420.45
	<hr/>	<hr/>
Total - Permanent and Available University Funds	\$ 857,095.55	\$ 3,340,127.97
<u>Oil and Gas Development</u>		
Acreage Under Lease	622,201	666,901
Number of Producing Acres	303,780	304,126
Number of Producing Leases	1,364	1,365

TRUST AND SPECIAL FUNDS -- INVESTMENT MATTERS.--

REPORT OF SECURITIES TRANSACTIONS.--The following securities transactions have been made for the Trust and Special Funds from October 1 through October 31, 1967. The Executive Director of Investments, Trusts and Lands recommends approval by the Board of Regents of these transactions:

PURCHASES OF SECURITIES

<u>Date of Purchase</u>	<u>Security and Fund</u>	<u>Principal Cost</u>
10/3/67	\$40,000 par value Austin National Bank 5-1/2% Time Certificate of Deposit, dated 10/3/67, due 4/3/68, at par (Hogg Foundation - Alice N. Hanszen Gift to Mental Hygiene Program - Temporary)	\$ 40,000.00
	\$55,000 par value Ditto (Hogg Foundation - Balances Subject to Reappropriation - Temporary)	55,000.00
	\$130,000 par value Ditto (Hogg Foundation - Unappropriated Income Account - Temporary)	130,000.00
10/10/67	\$15,000 par value Austin National Bank 5% Time Certificate of Deposit, dated 10/10/67, due 4/10/68, at par (The Fine Arts Foundation - Various Donors - Scholarships in Music - Temporary)	15,000.00
10/13/67	\$100,000 par value Capital National Bank 5-1/2% Time Certificate of Deposit, dated 10/13/67, due 4/13/68, at par (Estate of Lila Belle Etter - Temporary)	100,000.00
	\$100,000 par value American National Bank 5-1/2% Time Certificate of Deposit, dated 10/13/67, due 10/13/68, at par (Estate of Lila Belle Etter - Temporary)	100,000.00

SALES OF SECURITIES

<u>Date Sold</u>	<u>Security and Fund</u>	<u>Principal Proceeds</u>
10/2/67	4,200 rights to subscribe for Detroit Edison Co. Convertible Cumulative Preferred Stock, 5-1/2% Series, \$100 par value, sold at 4/64ths (Proceeds distributed from - 800 rights to The University of Texas System Common Trust Fund 1,500 rights to Hogg Foundation: W. C. Hogg Estate Fund 800 rights to Hogg Foundation: Varner Properties 800 rights to Archer M. Huntington Museum Fund 300 rights to The James W. McLaughlin Fellowship Fund - Reserve for Depletion - Galveston Medical Branch)	\$ 46.00# 86.25# 46.00# 46.00# 17.24#

SALES OF SECURITIES  
(Continued)

<u>Date Sold</u>	<u>Security and Fund</u>	<u>Principal Proceeds</u>
10/19/67	10 Shares Ling-Temco-Vought, Inc. Common Stock, sold at 122 (College of Engineering Foundation - Various Donors - Various Purposes)	\$1,204.47
10/20/67	4,250 rights to subscribe for Philadelphia Electric Co. Common Stock, sold 4200 at 3/64ths and 50 at 2/64ths (Proceeds distributed from - 600 rights to The University of Texas System Common Trust Fund 1,000 rights to Hogg Foundation: W. C. Hogg Estate Fund 600 rights to Hogg Foundation: Varner Properties 250 rights to Rosalie B. Hite Endowment for Cancer Research 800 rights to The Robert A. Welch Chair in Chemistry 600 rights to University Cancer Foundation - Anderson Hospital 400 rights to The James W. McLaughlin Fellowship Fund - Reserve for Depletion - Galveston Medical Branch)	25.01# 41.69# 25.01# 10.42# 33.35# 25.01# 16.67#
10/31/67	25 Shares Tyler Pipe & Foundry Co. Common Stock (Now Tyler Pipe Industries, Inc.), sold at 17-3/4 (John Arch White Professorship in Business Administration)	434.31
10/31/67	10 Shares Teledyne, Inc. Common Stock, sold at 141-1/2 (College of Arts & Sciences Foundation - Jennie and Carl Sundberg Scholarship Fund)	1,399.47

#Cash received deposited to principal endowment and holding of stock involved written down by same amount.

REDEMPTION OF SECURITIES

<u>Date Redeemed</u>	<u>Security and Fund</u>	<u>Net Redemption Proceeds</u>
10/9/67	5,500 Shares Westminster Fund, Inc. Capital Stock: Company redeemed by exchange of shares into various common stocks, sold with net proceeds of \$97,147.42 plus \$122.50 cash (John Charles Townes Foundation - Various Donors - Unallotted)	\$97,269.92

THE UNIVERSITY OF TEXAS SYSTEM COMMON TRUST FUND - RECOMMENDATION RE ADDITIONS.--The Executive Director of Investments, Trusts and Lands recommends that the following supplemental additions to be made to the Common Trust Fund endowment account on December 1, 1967, be approved:

Fund	Recommended Addition
Jennie and Carl Sundberg Scholarship Fund (College of Arts & Sciences Foundation) (\$7,000.00 already in Common Trust Fund)	\$ 1,399.47
The Accounting Education Fund (College of Business Administration Foundation) (\$45,738.85 already in Common Trust Fund)	362.00
The Marquis G. Eaton Accounting Education Fund (College of Business Administration Foundation) (\$13,197.00 already in Common Trust Fund)	50.00
J. Anderson Fitzgerald Special Scholarship Fund (College of Business Administration Foundation) (\$6,957.91 already in Common Trust Fund)	60.00
Edward Louis Dodd and Alice Laidman Dodd Fellowship Fund (\$50,753.16 already in Common Trust Fund)	98.22
Various Donors - Various Purposes (College of Engineering Foundation) (\$9,742.63 already in Common Trust Fund)	1,204.47
Department of Drama Ex-Students Scholarship Fund (College of Fine Arts Foundation) (\$9,649.20 already in Common Trust Fund)	206.00
Hal P. Bybee Memorial Fund (Geology Foundation) (\$135,814.75 already in Common Trust Fund)	1,697.00
Ed. Owen - Geo. Coates Fund (Geology Foundation) (\$102,287.20 already in Common Trust Fund)	25.00
Frederick W. Simonds Memorial Scholarship in Geology (Geology Foundation) (\$17,200.00 already in Common Trust Fund)	25.00
Hogg Foundation - Eloise Helbig Chalmers - Ima Hogg Fund (\$1,279.36 already in Common Trust Fund)	48.58
Thos. E. Hogg - Residuary Legacy (\$3,420.53 already in Common Trust Fund)	30.93
Journalism Department - Various Donors (\$10,497.14 already in Common Trust Fund)	200.00
W. F. Gidley Appreciation Endowment Fund (Pharmaceutical Foundation) (\$2,220.56 already in Common Trust Fund)	100.00
The Senior Class Endowment Fund (Pharmaceutical Foundation) (\$7,909.95 already in Common Trust Fund)	525.00
The Albert Schweitzer Scholarship Fund (\$465.90 already in Common Trust Fund)	45.84

COMMON TRUST FUND - RECOMMENDATION RE ADDITIONS  
(Continued)

Fund	Recommended Addition
John Arch White Professorship in Business Administration ( \$14,834.82 already in Common Trust Fund)	\$ 7,923.98
Gillette Professorship of Obstetrics and Gynecology (Dallas Medical School) ( \$9,835.66 already in Common Trust Fund)	171.38
Fessinger Memorial Lecture Fund (U. T. El Paso) ( \$2,129.58 already in Common Trust Fund)	300.00
Library Endowment Fund (U. T. El Paso) ( \$2,392.00 already in Common Trust Fund)	485.00
Lloyd A. Nelson Professorship in Geology (U. T. El Paso) ( \$26,248.90 already in Common Trust Fund)	25,231.00
Lucille T. Stevans Bequest for Scholarships (U. T. El Paso) (NEW FUND)	41,322.02
Student General Property Deposits Fund (U. T. El Paso) ( \$63,072.00 already in Common Trust Fund)	9,340.17
Supplemental additions to be made to Common Trust Fund on 12/1/67	<u>\$90,851.06*</u>

\*The above total of \$90,851.06 submitted for approval, supplements previously approved additions in the amount of \$6,868.57, for a total of \$97,719.63 cash to be added to the Common Trust Fund on December 1, 1967.

TRUST AND SPECIAL FUNDS - GIFT, BEQUEST AND ESTATE MATTERS.--

RECOMMENDATION FOR ACCEPTANCE OF GIFT FROM ROTAN, MOSLE-DALLAS UNION, INC. FOR J. L. MOSLE MEMORIAL SCHOLARSHIP FUND.--Rotan, Mosle-Dallas Union, Inc., brokers and investment bankers of Houston and Dallas, have given to the University 420 shares of Houston Natural Gas Corporation common stock worth approximately \$20,300 to establish the J. L. Mosle Memorial Scholarship Fund to be used in the Department of Finance of the College of Business Administration in memory of Mr. J. Ludwig Mosle, recently deceased, one of the founders of the firm. The donors request that the income be awarded annually to students at the graduate or senior level in a number and amount to be determined by a committee of award, which committee, to be named by the President of U. T. Austin, will include 2 senior members of the faculty of the Department of Finance and Mr. Jon L. Mosle of Dallas, a Vice President of the firm. It is further requested that the awards to the degree possible, be to encourage and stimulate interest in investment banking as a career. In addition to this gift by the firm, approximately \$2,000 in cash has already been received from individuals, and additional gifts are expected.

The donors have suggested that the Houston Natural Gas Corporation stock be sold and the proceeds invested in shares of Industries Trend Fund, one of the Houston open-end mutual funds under the management of Funds, Inc., and that shares of Industries Trend Fund be sold when and if necessary to provide principal cash to add to income to make a minimum of \$1,000 available annually for scholarships, beginning in September, 1968. The Executive Director, Investments, Trusts and Lands, has complied with the request for switching the investment and recommends that this action be ratified and the gift accepted by the Board of Regents.

TRUST AND SPECIAL FUNDS - REAL ESTATE MATTERS.--

U. T. AUSTIN - HOGG FOUNDATION - RECOMMENDATION FOR APPROVAL OF ASSIGNMENT BY CHARLES GUOKAS, III, OF LEASE ON MAIN AND CLAY PROPERTY IN HOUSTON.--Mr. Charles Guokas, III, who holds the parking lot lease on the Main and Clay property in Houston, running to March 31, 1970, has requested that the Board of Regents approve his assignment of this lease to Guokas Enterprises, Inc. Mr. Guokas will remain personally responsible for performance of lessee's obligations. The Executive Director of Investments, Trusts and Lands recommends that the Board of Regents authorize this assignment.

U. T. AUSTIN - ARCHER M. HUNTINGTON MUSEUM FUND-RATIFICATION OF PURCHASE OF APPROXIMATELY 10 ACRES IN SAMUEL C. BUNDICK LEAGUE, GALVESTON COUNTY.--The Board of Regents has an opportunity to buy a tract of approximately 10 acres in the Virginia Point area, Samuel C. Bundick League, Galveston County, for \$1,000 cash per acre, the sellers to retain all of the minerals. The tract is approximately 1/2 mile from Galveston Bay and is surrounded on 3 sides by Huntington Lands held by the Board of Regents. Adjoining on the other side is a tract owned by an individual who is engaged in waste disposal and chemical and petroleum reclamation for Texas City industries, and he is preparing his tract for such uses. Information was received that he was negotiating for purchase of the additional 10 acres. Taking into account the University's ownership in the area, it appears that the purchase by the Board of Regents at this price will be advantageous, regardless of the activities of the adjoining owner. In line with approval by telephone on November 13 by a majority of the Board of Regents, the Executive Director, Investments, Trusts and Lands has signed a contract for purchase of this tract from Nina Murphey and R. B. Wilkins, the funds for purchase coming from the Archer M. Huntington Museum Fund, and recommends ratification.

U. T. EL PASO - COTTON TRUST - RENEWAL OF LEASE TO N. C. RIBBLE.--The 20 year term of this lease (which provided for a monthly rental of \$192.50 during its final 5 year period) will expire December 31, 1967. We have not been able to reach agreement with Lessee on all the terms of the renewal of this lease. In order to afford such time, the President of U.T. El Paso and the Executive Director, Investments, Trusts and Lands recommend that such lease be extended to February 29, 1968, at a rental of \$864.45 per month for such two month period. This rental is based on a 6% return on a valuation of \$1.25 per square foot for the land. This property was appraised in July of 1967 @ 84¢ per square foot. The purpose of this extension time is to try to work out an agreement that is satisfactory to the lessee, Cotton Estate Advisory Committee, the President of U. T. El Paso, and the Executive Director of Investments, Trusts and Lands.

LAND AND INVESTMENT COMMITTEE

Supplementary Agenda

Date: December 7, 1967  
Time: 1:00 p.m.  
Place: The Shamrock Hilton  
Castilian Room A, B and C

	<u>Page</u> <u>L &amp; I</u>
PERMANENT UNIVERSITY FUND - LAND MATTERS	
Exploration Permit and Lease Option to Mr. Hank Avery, Ward County	22
TRUST AND SPECIAL FUNDS - REAL ESTATE MATTERS	
Galveston Medical Branch: Report on Sale of Old Maco Stewart Home and Recommendation for Endowment Account	45

PERMANENT UNIVERSITY FUND - LAND MATTERS.--

EXPLORATION PERMIT AND LEASE OPTION TO MR. HANK AVERY,  
WARD COUNTY.--At the October 28, 1967, meeting of the Board of Regents  
approval was given for an exploration permit and lease option to Mr. Hank  
Avery of Midland for production of potable water under the following Univer-  
sity land in Ward County:

Sections 7-22, inclusive; and 24-26, inclusive, Block 16,  
University Lands, Ward County, Texas, containing 11,552.8  
acres, more or less.

Under the action at the October meeting, the proposed exploration  
agreement and lease option was to be submitted to the Board of Regents for  
final approval at its December, 1967, meeting.

\*The following is the permit and option agreement which has been  
executed by Mr. Avery. His check in the amount of \$1,732.92 has been  
received for the 18-month exploration permit and option. The Executive  
Director, Investments, Trusts and Lands, joined by the Geologist in Charge  
and Mr. Joe Kilgore, Regent, the Committee named to negotiate with  
Mr. Avery, recommends the approval of the permit and agreement.

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\* The permit and option agreement are on L & I 23-44.



WATER EXPLORATION PERMIT AND  
LEASE OPTION AGREEMENT

THE STATE OF TEXAS |

COUNTY OF TRAVIS |

THIS AGREEMENT made and entered into this 15th day of November, 1967, by and between the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, Austin, Texas, hereinafter styled "University", and HANK AVERY, of Midland County, Texas, hereinafter styled "Avery", WITNESSETH:

1. SUBJECT-MATTER OF OPTION

University, for the consideration hereinafter set out, grants to Avery the below exploration permit and lease option relating to all of the potable water or water capable of being made potable, in, under and that may be produced from the surface to a depth of twelve hundred (1200) feet below the surface from the following land in Block 16, University Lands Survey, Ward County, Texas:

<u>Section</u>	<u>Acres</u>
7	642.6
8	642.6
9	642.6
10	642.6
11	642.6
12	642.6
13	642.6
14	642.6
15	611.0
16	699.0
17	368.4
18	642.6
19	642.6

<u>Section</u>	<u>Acres</u>
20 (less the SE/4 of NE/4 of section)	602.4
21	642.6
22	302.2
24	616.0
25	642.6
26	<u>642.6</u>
Total	11,552.8

For all purposes hereof, each tract shall be considered to comprise the exact acreage shown. The above land is outlined in yellow on the plat attached as Exhibit "B".

The water and water rights covered hereby are sometimes referred to as "said water."

University reserves for itself, its successors and assigns,

- (1) all of the oil, gas and other minerals that may be produced from the lands described herein;
- (2) such water from above 1200 feet below the surface as may be required by University's surface lessees on the lands described herein for domestic and livestock purposes of the tenants concerned, but not for irrigation or other purposes;
- (3) such water from above 1200 feet below the surface as may be required by University's existing or future oil, gas and mineral lessees for oil, gas and mineral development; provided, however, that such water may not be utilized for pressure maintenance or water flooding projects;
- (4) all water underlying the lands described other than potable water or water capable of being made potable; potable water as herein used is defined as water usable for all domestic purposes; and
- (5) all water below twelve hundred (1200) feet below the surface.

Except for the water rights specifically granted herein, this agreement is subject to all existing and future oil, gas, mineral and surface leases heretofore or hereafter executed by University.

2. EXPLORATION PERMIT

Avery is hereby given by University the sole and exclusive right to test and explore for water for a period of eighteen (18) months from the date hereof and to develop and lease all water and water rights if he elects to do so as herein set out.

3. CONSIDERATION

For and in consideration of the exploration permit and lease option granted to him hereby Avery agrees to pay to University the sum of \$1732.92 at the time of execution of this agreement.

4. LEASE

At any time during the exploration permit period, Avery shall have, and is hereby given, the exclusive right to lease on the form attached as Exhibit "A" for a period of ten (10) years, with renewal options as set out in Exhibit "A", all or any part of the acreage described above in units of not less than a one-half (1/2) section each for the production therefrom of all water covered hereby. Upon written notice by Avery to University of his election to lease the acreage listed in the notice for such purposes, University and Avery shall within sixty (60) days after the date of such notice execute a lease for such water rights on a form identical to the copy attached hereto as Exhibit "A", which shall thereafter be the only agreement between the parties for the lease by University to Avery of said water.

5. USE OF SURFACE

As to any of University's lands not covered hereby, University will grant to Avery, and Avery will acquire from University, at University's standard rates then in force, such rights-of-way or easements as may be necessary or desirable. As to land covered hereby, University grants to Avery during the exploration permit period all rights necessary or incident to the purposes hereof, including without limitation the right to access over existing roads upon lands covered hereby to proposed test well locations, the right to construct and maintain minimum

essential roads for such purposes if existing roads are not adequate, the right to install pumps, pipe lines and utility lines, and such other equipment as may be necessary for the testing of such wells, all without any additional costs or payments, except for payments for surface damages as hereinafter set out; provided, however, that in exercising such rights, Avery will not

- (1) locate his wells, pumps, pipe lines or other facilities in such manner as to interfere with the location of wells, pipe lines or other facilities required in the development of said lands for oil, gas and other minerals under existing or future oil, gas and mineral leases; or
- (2) locate his wells at any location within 300 feet of any surface tenant's residence, water wells, surface tanks or other improvements now located on the premises.

Avery will use every reasonable means to prevent damage or contamination of any fresh water-bearing strata and to prevent waste or loss of water from such strata.

6. DAMAGES TO SURFACE TENANTS

In conducting his operations on the lands involved herein, Avery will pay surface damages to University's surface tenants on said lands in accordance with the schedule set forth in University's "Required Operating and Report Procedures under Oil and Gas Leases and Geophysical Exploration Permits" then currently in effect. Avery will fill all excavations and will restore the surface of the land to as near its original condition as possible after cessation of operations.

Reports on the amount of any damages paid to surface lessees as and when same are paid, and the nature of the damages for which payment was made, shall be mailed to

University Land Agent  
P. O. Drawer 553  
Midland, Texas 79701.

This fixed schedule of charges, however, shall not in any way limit the liability of Avery in an action at law for any damages inflicted upon the surface lessees by reason of acts of negligence, if any, committed by Avery in his operations, if Avery is lawfully liable therefor.

Avery will notify the University Land Agent before commencing any operations hereunder.

7. GEOLOGICAL INFORMATION

Avery will furnish to University by mailing or delivering to

Geologist in Charge  
University Lands  
P. O. Drawer 553  
Midland, Texas 79701,

at the end of each six months period during the life of this agreement copies of all well logs and reports on production tests on all wells drilled and tested during such exploratory and development operations, together with a plat showing the location and proper designations of all such exploratory wells, so that said wells may be identified by reference to logs and test reports.

Avery will furnish to University by mailing or delivering to the Geologist in Charge a copy of all reports submitted to the Office of Investments, Trusts and Lands of The University of Texas System, P. O. Box 7968, Austin, Texas 78712, within five (5) days of submittal.

Avery further agrees to allow University or its duly authorized representatives the right of inspection at all reasonable times of the subject premises and all records pertaining thereto.

8. COMPLETION OR PLUGGING OF TEST WELLS

Pending the exercise of his right to lease such potable water or water capable of being made potable, as provided for herein, Avery may, upon ascertaining that any test well drilled by him is capable of producing potable water or water capable of being made potable in adequate quantities, case and cap the same, pending subsequent use thereof and installation of pumping and other related facilities thereon and therein; but in the event he ascertains after the drilling of any test well that the same is not capable of producing potable water or water capable of being made potable in adequate quantities for Avery's use, he shall plug the same in whatever manner the Geologist in Charge may deem

necessary; provided, however, that the University shall have fifteen (15) days in which to ascertain whether the well shall be capped or plugged. Such capping or plugging shall be at the expense of Avery, and the casing in the well shall become the property of, and title thereto shall vest in, University.

9. OPERATION OF EXISTING FACILITIES

Avery will assume the operation of the water supply facilities now located on the SE/4 of the NE/4 of Section 20, Block 16, University Lands, comprising 40.2 acres, more or less, Ward County, Texas, at such time as University may designate, and operate such facilities until the expiration date of this contract plus six (6) months. Avery further agrees to abide by the terms and provisions now in force in Water Contract No. 117, as amended, and make every reasonable effort to transfer such operations with as little trouble and harm to Avery and Walker as possible. When Avery assumes operation of the subject water supply facilities, the above 40.2 acre tract shall be added to the acreage listed under this water exploration permit and lease option agreement.

10. BREACH

If Avery fails to perform any of the obligations imposed upon him hereunder and fails to remedy his defaults, if any, within thirty (30) days after notice in writing to him by University of his default, University may terminate this agreement without prejudice to any other legal remedy to which it may be entitled hereunder; provided, however, that if Avery's failure to perform any of the obligations imposed upon him hereunder is occasioned directly or indirectly by any past or future acts, orders, regulations or requirements of the Government of the United States or of any State or other governmental body or any agency, officer, representative or authority of any of them, University shall not be entitled to terminate this agreement for Avery's inability to perform unless such inability continues for a period of one hundred eighty (180) days from its inception.

11. ASSIGNMENT

Avery may not assign this agreement in whole or in part without the prior written consent of University.

12. NOTICES

All notices required hereunder shall be deemed to have been given if the same are reduced to writing and mailed by registered mail by either party hereto to the other at the respective addresses of the parties shown below.

Executive Director  
Investments, Trusts and Lands  
The University of Texas System  
P. O. Box 7968  
Austin, Texas 78712

Hank Avery  
P. O. Drawer 952  
Midland, Texas 79701

Changes of address, if any, of either party hereto shall be forwarded to the other by registered mail if and when any such change in address occurs.


13. LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS

This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, legal representatives and assigns.

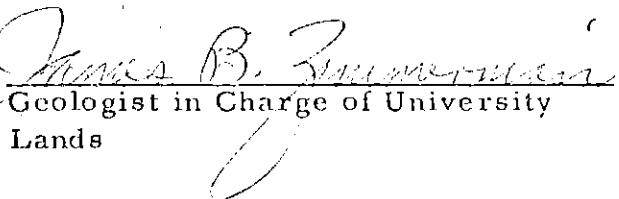
ATTEST:

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_  
Secretary

By \_\_\_\_\_  
Executive Director, Investments,  
Trusts and Lands  
  
HANK AVERY

Approved as to Form:  
  
\_\_\_\_\_  
University Attorney

Approved as to Content:  
  
  
Geologist in Charge of University  
Lands

THE STATE OF TEXAS |  
COUNTY OF TRAVIS |

BEFORE ME, the undersigned authority, on this day personally appeared Floyd O. Shelton, Executive Director, Investments, Trusts and Lands, Board of Regents of The University of Texas System, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said Board of Regents of The University of Texas System.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the \_\_\_\_\_ day of \_\_\_\_\_, A. D., 1967.

\_\_\_\_\_  
Notary Public in and for Travis  
County, Texas

THE STATE OF TEXAS |  
COUNTY OF MIDLAND |

BEFORE ME, the undersigned authority, on this day personally appeared HANK AVERY, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 10<sup>th</sup> day of November, A. D., 1967.

J W McCullough  
Notary Public in and for Midland  
County, Texas



EXHIBIT "A"

WATER RIGHTS LEASE

University Lands

THE STATE OF TEXAS    |

COUNTY OF TRAVIS     |

THIS AGREEMENT made and entered into this the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, Austin, Texas, hereinafter styled "Lessor," and HANK AVERY, Midland, Texas, hereinafter styled "Lessee,"

WITNESSETH:

1.     SUBJECT-MATTER OF LEASE

In consideration of the royalties herein provided and the agreements of Lessee herein contained, Lessor hereby grants, leases and lets unto Lessee for the term hereinafter set out for the purpose of investigating, exploring, prospecting, drilling for and producing, for Lessee's municipal, industrial and mining purposes only, all the potable water or water capable of being made potable as located in, on and under the following described lands in Ward County, Texas, down to a depth of 1200 feet below the surface:

comprising            acres, more or less, as shown on  
the attached plat marked Exhibit "A-1",

together with the right to lay, maintain, operate, repair, remove and replace such pipe lines, pumping facilities, tanks, power stations, telephone and electric lines and other structures thereon, use existing roads, construct and maintain essential roads if existing roads are not adequate, and such other rights, if any, as may be necessary for the purpose of producing, storing, taking care of, treating, transporting and removing potable water or water capable of being made

potable over, along, across and from the lands described herein, reserving to the Lessor herein, however, and excepting herefrom

- (1) all of the oil, gas and other minerals that may be produced from the lands described herein;
- (2) such water from above 1200 feet below the surface as may be required by Lessor's surface lessees on the lands described herein for domestic and livestock purposes of the tenants concerned, but not for irrigation or other purposes;
- (3) such water from above 1200 feet below the surface as may be required by Lessor's existing or future oil, gas and mineral lessees for oil, gas and mineral development; provided, however, that such water may not be utilized for pressure maintenance or water flooding projects;
- (4) all water underlying the lands described other than potable water or water capable of being made potable; potable water as used in this agreement is defined as water usable for all domestic purposes; and
- (5) all water below 1200 feet below the surface.

Except for the water rights specifically granted in this lease agreement in accordance with the terms and provisions hereof, this agreement is subject to all existing and future oil, gas, mineral and surface leases heretofore or hereafter executed by Lessor.

## 2. TERM

Unless sooner terminated by Lessee's release and surrender of this agreement or because of Lessee's breach, if any, of his obligations hereunder, this lease shall be and continue to remain in full force and effect for a term of ten (10) years from date hereof. Lessee shall have the option to renew this lease for each of four consecutive additional ten year periods according to the same terms and conditions set out herein but subject to the rental and royalty provisions contained in 3 below.

## 3. RENTAL AND ROYALTY

For the first year of the original term hereof Lessee shall pay to Lessor the sum of 25 cents per acre or 3-1/2 cents per 1,000 gallons for all water produced from the leased premises, whichever is the greater. For the remaining

nine years of the original term hereof, Lessee shall pay to Lessor the greatest of the following:

- A. \$2.00 per acre on all land covered hereby.
  - B. \$20,000.00.
- or, C. 3-1/2 cents per 1,000 gallons for all water produced from the leased premises.

If Lessee elects to exercise the first option to renew as granted above, Lessee shall pay to Lessor the greatest of the following:

- A. \$2.25 per acre on all land covered hereby.
  - B. \$25,000.00.
  - C. 4 cents per 1,000 gallons for all water produced from the leased premises.
- or, D. the original rate of 3-1/2 cents per 1,000 gallons for all water produced, adjusted for the cost of living increase or decrease as explained below.

If Lessee elects to exercise the second option to renew as granted above, Lessee shall pay to Lessor the greatest of the following:

- A. \$2.25 per acre on all land covered hereby.
  - B. \$25,000.00.
  - C. 4-1/2 cents per 1,000 gallons for all water produced from the leased premises.
- or, D. the original rate of 3-1/2 cents per 1,000 gallons for all water produced, adjusted for the cost of living increase or decrease as explained below.

If Lessee elects to exercise the third option to renew granted above, Lessee shall pay to Lessor the greatest of the following:

- A. \$2.25 per acre on all land covered hereby.
- B. \$25,000.00.
- C. 5 cents per 1,000 gallons for all water produced from the leased premises.

or, D. the original rate of 3-1/2 cents per 1,000 gallons  
for all water produced, adjusted for the cost of  
living increase or decrease as explained below.

If Lessee elects to exercise the fourth option to renew granted above, Lessee shall pay to Lessor the greatest of the following:

- A. \$2.25 per acre on all land covered hereby.
- B. \$25,000.00.
- C. 5-1/2 cents per 1,000 gallons for all water produced from the leased premises.
- or, D. the original rate of 3-1/2 cents per 1,000 gallons for all water produced, adjusted for the cost of living increase or decrease as explained below.

Reference is made to The Consumer Price Index of the United States Department of Labor, Bureau of Labor Statistics, a copy of which is attached hereto as Exhibit "B-1". The term "price index", hereafter used, shall refer to the subgroup "Fuel and Utilities" in Table 1 of such Consumer Price Index.

The phrase used above, "adjusted for the cost of living increase or decrease as explained below" means that if the provision containing this phrase becomes applicable, the payments to Lessor shall be adjusted at the end of each 10-year period for the next succeeding 10-year period by being increased or decreased in the same proportion or percentage by which the price index has been increased or decreased. Such increase or decrease shall be measured by comparison with such price index at its level for August, 1967. For example, if at the end of the first 10-year term of this lease such price index reflects a 10% increase over its August, 1967, level, the royalty rate for the ensuing 10-year period of this lease shall be increased from 3-1/2¢ per 1,000 gallons to 3.85¢ per 1,000 gallons. The increase or decrease shall be carried to four decimal places. If the fourth figure is four or less it shall be struck out and disregarded. If the fourth figure is five or more it shall be struck out but the third figure shall become one figure greater.

The royalties provided for herein shall be computed and paid monthly by check payable to the Auditor of The University of Texas at Austin. This check, accompanied by the sworn statement of Lessee showing the gross amount of water produced during the prior month, together with monthly copies of Lessee's meter readings and other memoranda reflecting the amount of water produced, shall be sent to the Office of Investments, Trusts and Lands, The University of Texas System, P. O. Box 7968, Austin, Texas - 78712, on or before the 20th day of each succeeding month. Lessee is obligated to install and maintain such meters as may be required to measure in gallons the amount of water obtained from the lands described herein. On or before the expiration of 30 days following each anniversary date, Lessee shall pay to Lessor any additional monies due as shown in the royalty and rental schedule above.

4. USE OF SURFACE

As to any of Lessor's lands not covered hereby, Lessor will grant to Lessee and Lessee will acquire from Lessor, at Lessor's standard rates then in force, such rights-of-way or easements as may be necessary or desirable in the exercise of the rights granted hereunder. As to lands covered hereby, Lessor grants to Lessee, without further costs, any rights necessary or incident to the exploration and development of the lands covered hereby for potable water or water capable of being made potable and for the production, removal and transportation of water therefrom, including without limitation the right to access over existing roads, and to construct and maintain minimum essential roads over land covered hereby for such purposes if existing roads are not adequate, the right to install on land covered hereby pumps, pipe lines and utility lines and such other equipment as may be necessary for drilling and producing water wells, all without any additional costs or payments except for payments for surface damages as hereinafter provided. In the exercise of such rights Lessee will not

- (1) locate his wells, pumps, pipe lines or other facilities in such manner as to interfere with the location of wells, pipe lines

or other facilities required in the development of said lands for oil, gas and other minerals under existing or future oil, gas and mineral leases; or

- (2) locate his wells at any location within 300 feet of any surface tenant's residence, water wells, surface tanks or other improvements now located on the premises.

Lessee will use every reasonable means to prevent damage or contamination of any fresh water-bearing strata and to prevent waste or loss of water from such strata.

5. EXISTING FACILITIES

Unless Lessee has already taken over the water supply operations and facilities now located on the SE/4 of the NE/4 of Section 20, Block 16, University Lands, containing 40.2 acres, more or less, Ward County, Texas, as provided in Section 9 of instrument between the parties hereto headed Water Exploration Permit and Lease Option Agreement, Lessee will assume operation of such facilities at such time as Lessor may designate. Lessee will abide by the terms and provisions of Water Contract No. 117, as amended, governing the operation of such property. At such time as Lessee assumes operation of such facilities, the above 40.2-acre tract shall be added to the acreage covered hereby as though originally included herein. The royalty provided in Water Contract No. 117, as amended, will be changed to conform with the royalty rates listed in Section 3 hereof and such increases in royalty rates as shown in Section 3 shall apply to the 40.2-acre tract. It is recognized that all equipment installed or being used in connection with operation of the facilities is and shall remain Lessor's property.

6. DAMAGES TO SURFACE TENANTS

In conducting his operations on the lands involved herein, Lessee will pay surface damages to Lessor's surface tenants on said lands in accordance with the schedule set forth in Lessor's "Required Operating and Report Procedures under Oil and Gas Leases and Geophysical Exploration Permits" then currently in effect. Lessee will fill all excavations and restore the surface of the land to as near its original condition as possible.

Reports on the amount of any damages paid to surface lessees as and when same are paid, and the nature of the damages for which payment was made, shall be mailed to

University Land Agent  
P. O. Drawer 553  
Midland, Texas 79701.

This fixed schedule of charges, however, shall not in any way limit the liability of Lessee in an action at law for any damages inflicted upon the surface lessees by reason of acts of negligence, if any, committed by Lessee in his operations, if Lessee is lawfully liable therefor.

7. GEOLOGICAL INFORMATION

Lessee will furnish to Lessor by mailing or delivering to

Geologist in Charge  
University Lands  
P. O. Drawer 553  
Midland, Texas 79701,

at the end of each six months period during the life of this agreement copies of all well logs and reports on production tests on all wells drilled and tested during such exploratory and development operations, together with a plat showing the location and proper designations of all such wells, so that said wells may be identified by reference to logs and test reports.

Lessee will furnish to Lessor by mailing or delivering to the Geologist in Charge a copy of all reports submitted to the Office of Investments, Trusts and Lands of The University of Texas System, within five (5) days of submittal.

8. PLUGGING OF WATER WELLS AND REMOVAL OF CASING AND EQUIPMENT

Lessee shall have the right at any time during or within a reasonable time after the expiration of this lease to remove all property, equipment and fixtures, except casing placed by the Lessee on the premises involved herein; provided that, at such time as Lessee elects to abandon any water well located upon the leased premises, he shall notify Lessor in care of the Geologist in Charge,

University Lands, P. O. Drawer 553, Midland, Texas 79701, of his intention to abandon the well concerned, after which Lessor shall have fifteen (15) days in which to ascertain whether said well shall be capped or plugged. The expenses of capping or plugging the wells shall be borne solely by Lessee. All wells must be plugged in whatever manner the Geologist in Charge may deem necessary. It is agreed and understood that the title to the casing in any well shall belong to Lessor, and Lessor shall not be required to pay or reimburse the Lessee for the salvage value thereof.

9. LESSOR'S ACCESS TO LESSEE'S LEASED PREMISES AND RECORDS

Lessor shall have access at all reasonable times to the leased premises and to Lessee's records for inspection by Lessor or its authorized agents and representatives.

10. RELEASE

Lessee may at any time surrender the water rights leased hereunder and be relieved of all further obligations hereunder, provided that should Lessee be supplying water to third parties, Lessee shall furnish to Lessor not less than sixty (60) days before abandonment of the entire lease notice of his intention to surrender.

11. BREACH

Upon Lessee's failure to comply with any of the obligations imposed upon Lessee hereunder and remedy his default, if any, within thirty (30) days after notice in writing to him by Lessor of Lessee's default, Lessor may terminate this agreement without prejudice to any other legal remedy to which it may be entitled hereunder; provided, however, that if Lessee's failure to perform any of the obligations imposed upon him hereunder is occasioned directly or indirectly by any past or future acts, orders, regulations or requirements of the Government of the United States or of any State or other governmental body or any agency, officer, representative or authority of any of them, Lessor shall not be entitled to



terminate this agreement for Lessee's inability to perform unless such inability continues for a period of one hundred eighty (180) days from its inception.

12. LESSOR'S BUY-OUT

Lessee hereby grants to Lessor the right and option, upon termination of the original term or at the end of any ten-year extension thereof pursuant to the options granted to Lessee hereinabove, to acquire Lessee's business operated under this lease and all property of the Lessee used in connection therewith. Lessor shall pay to Lessee the fair valuation of said property as hereinafter established. Lessor upon acquisition of all assets shall assume all obligations and liabilities connected therewith.

Lessor, if it elects to exercise this option, shall pay the Lessee the un-amortized portion (at the time of the exercise of said option) of the original cost to Lessee as follows:

- (1) Pipe lines and appurtenances, amortized over a period of fifty years;
- (2) Right-of-way costs and water wells, amortized over a period of fifty years;
- (3) Storage tanks and appurtenances, amortized over a period of thirty years;
- (4) Buildings, pumps and mechanical and electrical equipment, amortized over a period of twenty years.

Computation of the price will be based on original costs and major replacement costs and will not include the cost of any normal maintenance nor any intangible exploration costs. The total amount to be paid to Lessee, thus ascertained, shall be reduced by the amount of Lessee's obligations and liabilities assumed by Lessor.

Notice of Lessor's intention to exercise this "Buy-Out Option" must be given to Lessee in writing no later than six months prior to the expiration of the original term or of any extension period thereof.

13. ASSIGNMENT

Lessee may not assign this lease in whole or in part without the prior

written consent of Lessor.

14. NOTICES

All notices required hereunder shall be deemed to have been given if the same are reduced to writing and mailed by registered mail by either party hereto to the other at the respective addresses of the parties shown below.

Executive Director  
Investments, Trusts and Lands  
The University of Texas System  
P. O. Box 7968  
Austin, Texas 78712

Hank Avery  
P. O. Drawer 952  
Midland, Texas 79701

Changes of address, if any, of either party hereto shall be forwarded to the other by registered mail if and when any such change in address occurs.

15. LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS

This lease shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, legal representatives and assigns.

WITNESS THE EXECUTION HEREOF the date and year first hereinabove set out.

ATTEST:

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

\_\_\_\_\_  
Secretary

By \_\_\_\_\_  
Executive Director, Investments,  
Trusts and Lands

\_\_\_\_\_  
HANK AVERY

Approved as to Form:

Approved as to Content:

\_\_\_\_\_  
University Attorney

\_\_\_\_\_  
Geologist in Charge of  
University Lands

THE STATE OF TEXAS }

COUNTY OF TRAVIS }

BEFORE ME, the undersigned authority, on this day personally appeared Floyd O. Shelton, Executive Director, Investments, Trusts and Lands, Board of Regents of The University of Texas System, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said Board of Regents of The University of Texas System.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the \_\_\_\_\_ day of \_\_\_\_\_, A. D., 1967.

\_\_\_\_\_  
Notary Public in and for Travis  
County, Texas

THE STATE OF TEXAS }

COUNTY OF MIDLAND }

BEFORE ME, the undersigned authority, on this day personally appeared HANK AVERY, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the \_\_\_\_\_ day of \_\_\_\_\_, A. D., 1967.

\_\_\_\_\_  
Notary Public in and for Midland  
County, Texas

EXHIBIT "B"

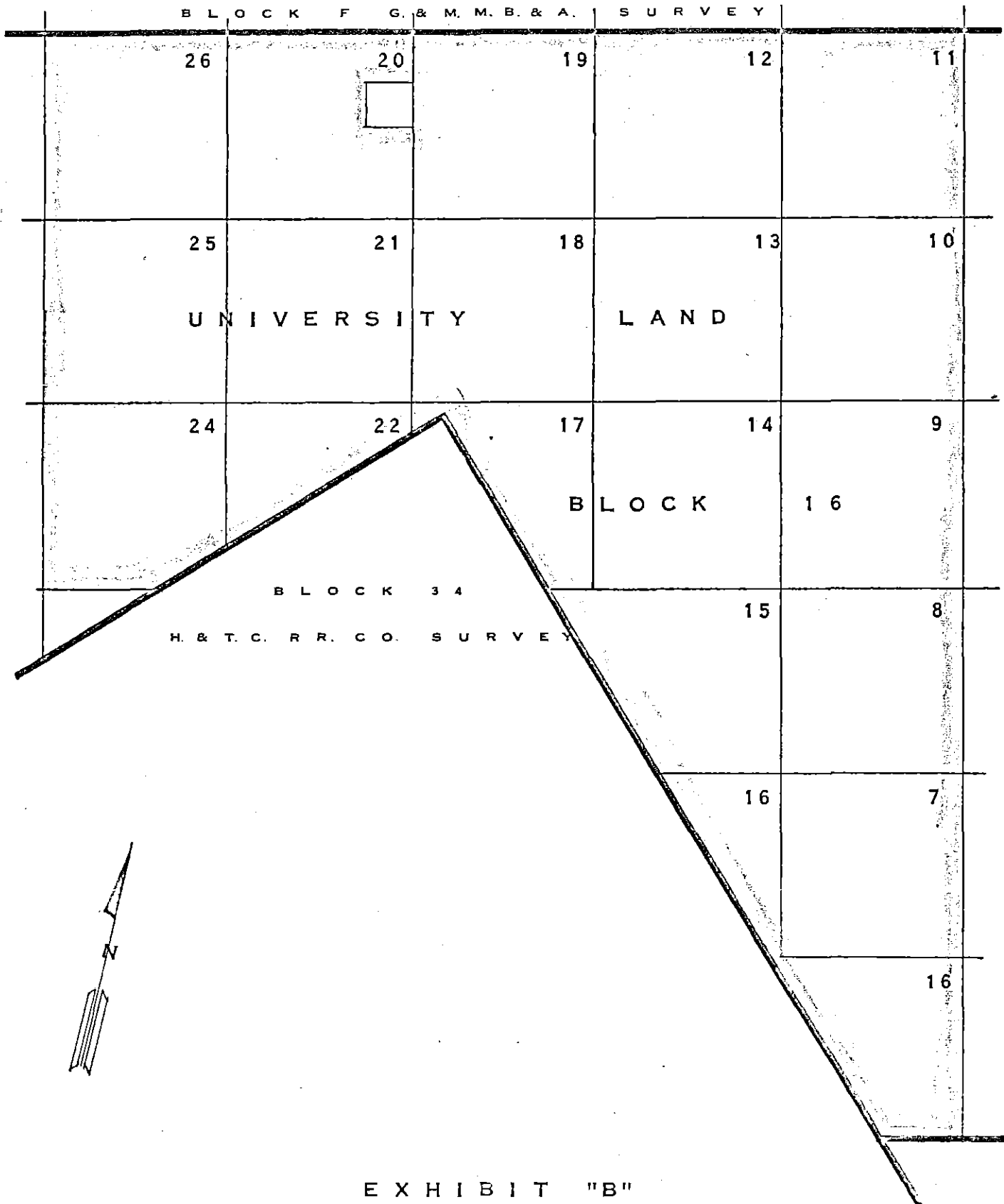


EXHIBIT "B"  
 LAND PLAT  
 WARD COUNTY,  
 TEXAS  
 L & I - 42

SCALE: 1" EQUALS 4000'

August 1967

U.S. DEPARTMENT OF LABOR

*price index*



U.S. DEPARTMENT OF LABOR  
BUREAU OF LABOR STATISTICS



EXHIBIT "B-1"

This is a copy of the cover sheet of the "Consumer Price Index" for August, 1967, which Table 1 on the succeeding page is a part thereof.

TABLE 1: Consumer Price Index--United States City Average  
For Urban Wage Earners and Clerical Workers  
Major group, subgroup, and special group indexes, August 1967  
and percent changes from selected dates

Group	Index (1957=100)				August 1966 unadjusted	Percent change to August 1967 from --				
	August 1967		July 1967			July 1967		May 1967		August 1966 unadjusted
	Unad- justed	Seasonally adjusted	Unad- justed	Seasonally adjusted		Unad- justed	Seasonally adjusted	Unad- justed	Seasonally adjusted	
All Items -----	116.9	-----	116.5	-----	113.8	0.3	-----	1.1	-----	2.7
Food -----	116.6	115.8	116.0	115.0	115.8	.5	.7	2.4	1.2	.7
Food at home -----	117.2	112.9	117.3	112.0	114.4	.5	.8	2.7	1.5	.4
Cereals and bakery products -----	118.4	-----	118.2	-----	117.3	.2	-----	-.3	-----	.9
Meats, poultry, and fish -----	113.1	112.1	112.3	112.2	114.5	.7	.1	4.2	1.7	-1.2
Dairy products -----	116.6	116.6	116.4	117.0	114.8	.2	-.3	.6	0	1.6
Fruits and vegetables -----	122.7	129.6	124.4	116.0	122.3	-1.4	4.0	5.4	6.1	.3
Other foods at home -----	102.6	102.5	100.2	101.1	104.9	2.4	1.4	1.9	.7	-2.2
Food away from home -----	130.3	-----	129.7	-----	124.0	.5	-----	1.2	-----	5.1
Housing -----	114.7	-----	114.3	-----	111.5	.3	-----	.7	-----	2.9
Shelter <sup>1/</sup> -----	118.4	-----	117.9	-----	114.6	.4	-----	.8	-----	3.3
Rent -----	112.6	-----	112.4	-----	110.6	.2	-----	.4	-----	1.8
Household services <sup>2/</sup> -----	120.8	-----	120.2	-----	116.4	.5	-----	.6	-----	3.8
Personal services <sup>3/</sup> -----	109.1	108.5	108.9	109.1	107.9	.2	.2	.2	.6	1.1
Fuel oil and coal <sup>4/</sup> -----	111.7	113.9	111.4	113.7	107.0	.3	.2	.6	1.6	4.4
Gas and electricity -----	108.5	-----	108.3	-----	108.1	.2	-----	.2	-----	.4
Household furnishings and operation -----	108.3	-----	108.2	-----	105.2	.1	-----	.4	-----	2.9
Apparel and upkeep <sup>5/</sup> -----	113.8	114.3	113.7	114.2	109.2	.1	.1	0	.4	4.2
Men's and boys' -----	114.5	115.0	113.9	114.4	109.9	.5	.5	.4	.9	4.2
Women's and girls' -----	108.8	109.6	109.2	109.7	103.8	-.4	.1	-.7	-.1	4.8
Footwear -----	126.0	126.3	125.4	125.8	120.4	.5	.4	.6	.9	4.7
Transportation -----	116.4	116.3	116.2	116.0	113.5	.2	.3	.8	.6	2.6
Private -----	114.4	114.3	114.1	113.9	111.6	.3	.4	.7	.5	2.5
Public -----	132.8	-----	132.7	-----	129.2	-.1	-----	1.5	-----	2.8
Health and recreation -----	124.2	-----	123.6	-----	119.5	.5	-----	1.1	-----	3.9
Medical care -----	137.5	-----	136.9	-----	128.4	.4	-----	1.3	-----	7.1
Personal care -----	116.1	-----	115.5	-----	112.7	.5	-----	1.0	-----	3.0
Reading and recreation -----	120.0	-----	119.8	-----	117.4	.2	-----	.3	-----	2.2
Other goods and services <sup>6/</sup> -----	118.8	-----	117.8	-----	115.5	.8	-----	1.8	-----	2.9
Special groups:										
All items less shelter -----	116.5	-----	116.1	-----	113.6	.3	-----	1.2	-----	2.6
All items less food -----	117.1	-----	116.8	-----	113.4	.3	-----	.7	-----	3.3
All items less medical care -----	115.6	-----	115.2	-----	112.9	.3	-----	1.0	-----	2.4
Commodities <sup>7/</sup> -----	111.9	111.8	111.5	111.3	109.8	.4	.4	1.3	1.1	1.9
Nondurables -----	114.8	114.6	114.3	113.7	112.5	.4	.8	1.4	1.1	2.0
Durables <sup>8/</sup> -----	104.7	104.9	104.4	104.4	103.0	.3	.5	.8	1.0	1.7
Services <sup>9/</sup> -----	128.2	-----	127.7	-----	123.0	.4	-----	.9	-----	4.2
Commodities less food <sup>7/</sup> -----	109.4	109.6	109.1	109.2	106.6	.3	.4	.6	.7	2.6
Nondurables less food -----	113.2	113.4	112.8	113.0	109.6	.4	.4	.4	.5	3.3
Apparel commodities -----	112.7	113.2	112.6	113.2	107.9	.1	0	0	.4	4.4
Apparel commodities less footwear -----	110.0	110.6	110.0	110.6	105.5	0	0	-.2	.3	4.3
Nondurables less food and apparel -----	113.4	-----	113.0	-----	110.5	.4	-----	.7	-----	2.6
New cars -----	96.9	98.2	97.0	98.0	95.8	-.1	.2	0	1.1	1.1
Used cars -----	125.2	123.3	124.8	123.1	122.1	.3	.2	3.1	1.2	2.5
Household durables <sup>10/</sup> -----	98.2	-----	98.1	-----	97.0	-.1	-----	.1	-----	1.2
Household furnishings -----	100.8	101.1	100.8	100.9	98.9	0	.2	-.2	.6	1.9
Services less rent <sup>9/</sup> -----	131.7	-----	131.2	-----	123.9	.4	-----	1.0	-----	4.6
Household services less rent -----	127.5	-----	127.0	-----	122.4	.4	-----	.8	-----	4.2
Transportation services -----	128.8	-----	128.3	-----	125.3	.4	-----	.9	-----	2.8
Medical care services -----	146.7	-----	146.0	-----	134.7	.5	-----	1.6	-----	8.9
Other services <sup>11/</sup> -----	131.9	-----	131.6	-----	127.1	.2	-----	.8	-----	3.8
All items index on other bases:										
1947=49=100 -----	143.4	-----	142.9	-----	139.6	-----	-----	-----	-----	-----
1939=100 -----	241.4	-----	240.6	-----	235.0	-----	-----	-----	-----	-----
Purchasing power of the consumer dollar:										
1957=59=100 -----	\$0.855	-----	\$0.858	-----	\$0.879	-.3	-----	-1.2	-----	-2.7
1957=49=100 -----	.697	-----	.700	-----	.716	-----	-----	-----	-----	-----
1939=100 -----	.414	-----	.416	-----	.426	-----	-----	-----	-----	-----

- <sup>1/</sup> Also includes hotel and motel rates not shown separately.
- <sup>2/</sup> Includes home purchase, mortgage interest, taxes, insurance, and maintenance and repairs.
- <sup>3/</sup> Also includes telephone, water, and sewerage service not shown separately.
- <sup>4/</sup> Called "Solid and petroleum fuels" prior to 1964.
- <sup>5/</sup> Also includes infants' wear, sewing materials, jewelry, and apparel upkeep services not shown separately.
- <sup>6/</sup> Includes tobacco, alcoholic beverages, and funeral, legal, and bank service charges.
- <sup>7/</sup> Includes home purchase costs which were classified under services prior to 1964.
- <sup>8/</sup> Also includes auto parts, toys, and recreational goods not shown separately.
- <sup>9/</sup> Excludes home purchase costs which were classified under this heading prior to 1964.
- <sup>10/</sup> Called "Durables less cars" prior to 1964.
- <sup>11/</sup> Includes the services components of apparel, personal care, reading and recreation, and other goods and services.

EXHIBIT "B-1"

The above is Page 3 of "The Consumer Price Index" for the month of August, 1967, published by the United States Department of Labor, Bureau of Labor Statistics, and is a part of a 20-page publication.

TRUST AND SPECIAL FUNDS - REAL ESTATE MATTERS.--

GALVESTON MEDICAL BRANCH: REPORT ON SALE OF OLD MACO STEWART HOME AND RECOMMENDATION FOR ENDOWMENT ACCOUNT.--

In line with authorization by the Board of Regents at its October meeting, sale of the Old Maco Stewart Home on Galveston Island to Mitchell-Dobbins Land Corporation has been closed, total price being \$81,532.23 of which \$16,532.23 was paid on closing. Note signed by Mitchell-Dobbins Land Corporation and by George P. Mitchell in the amount of \$65,000 payable \$13,000 annually, with interest at 6%, secured by vendor's lien and deed of trust, was accepted for the balance of the purchase price.

It is recommended by the President of Galveston Medical Branch and by the Executive Director, Investments, Trusts and Lands, as well as the Vice Chancellor for Business Affairs, that the cash received be invested in the University Common Trust Fund, together with principal payments on the note when received, the note and the investment in the Common Trust Fund to be carried as the Margie B. Stewart Fund for Convalescent Crippled Children at the Galveston Medical Branch, and the income to be predominantly used to provide convalescent hospitalization for crippled children, which is consistent with the intent of the donors as set out in the 1944 deed from Maco Stewart and wife, Margie B. Stewart.

THE UNIVERSITY OF TEXAS AT EL PASO, STUDENT UNION REVENUE BONDS, SERIES A AND B OF 1967.

1. Sale of the Bonds.--As authorized, bids were called for and received until 10 A.M. CST on December 6, 1967, and then publicly opened and tabulated. A copy of the tabulation is attached.

It is recommended by the Executive Director, Investments, Trusts and Lands, that the resolution authorizing the refunding of the \$458,000 outstanding bonds, Series 1957 and the issuance of \$2,700,000 additional bonds be adopted. The Series 1957, held by the Department of Housing and Urban Development will be refunded at the same interest rate  $2\frac{7}{8}\%$ , and will be designated Series A of 1967. It is recommended by the Executive Director, that the Series B of 1967, in the amount of \$2,700,000 be sold to Phelps, Penn & Company and Associates at the price of par and accrued interest to date of delivery at an effective interest rate of 5.2232%.

2. Printing of the Bonds.--It is recommended by the Executive Director, Investments, Trusts and Lands, that the award for the printing of the bonds be made to The Steck Company, Austin, Texas, for the sum of \$454.50, there being five interest rates. A tabulation of the printing bids is attached.

3. Paying Agency.--It is recommended by the Executive Director, Investments, Trusts and Lands, that the El Paso National Bank, which has been serving as paying agent for the Student Union Revenue Bonds, Series 1957, being refunded by this issue, serve as paying agent for the Series A and Series B Bonds of 1967 for the following fee: Series A:  $\frac{1}{4}$  of 1% of annual interest paid and  $\frac{1}{8}$  of 1% of principal paid. However, should the Series A Bonds be re-issued into \$1,000 denominations as provided in the Bond Resolution, the fee would be 10¢ for each coupon paid and \$1.00 for each Bond paid. Series B: 10¢ per coupon paid and \$1.50 per \$5,000 bond paid.



TABULATION OF BIDS ON  
\$2,700,000  
THE UNIVERSITY OF TEXAS AT EL PASO  
STUDENT UNION BUILDING REVENUE BONDS, SERIES B OF 1967

Selling  
Wednesday, December 6, 1967, at 10:00 A.M., C.S.T.

ACCOUNT	MATURITIES	COUPONS	INTEREST COST	EFF. RATE
Merrill Lynch, Pierce, Fenner & Smith, Inc.	1969 to 80	6%	Gross: \$ 3,465,575.00	
John Nuveen & Co.; Eastman Dillon, Union Securities Co.; Goodbody & Co.; Stern Bros. & Co.; and Dallas Rupe & Son	81 to 90	5.25%	Less Prem: -0-	
	91 to 2001	5.50%	Net: \$ 3,465,575.00	
	to			
	to			5.47398%
	to			
\$54,000 - Capital National				
Phelps, Fenn & Co. and Associates	1969 to 81	6%	Gross: \$ 3,306,835.00	
	82 to 87	5.80%	Less Prem: -0-	
	83 to 87	5.00%	Net: \$ 3,306,835.00	
	88 to 92	5.10%		
	93 to 2001	5.20%		5.2232%
	to			
\$54,000 - American National				
Rauscher Pierce & Co., Inc. and White, Weld & Co., Inc. (Joint Managers) And Associates	1969 to 82	6%	Gross: \$ 3,371,300.00	
	83 to 97	5.25%	Less Prem: -0-	
	98 to 2001	5.30%	Net: \$ 3,371,300.00	
	to			
	to			5.325%
	to			
\$54,000 - American National				
	19 to		Gross: \$	
	to		Less Prem:	
	to		Net: \$	
	to			
	to			
	to			

BIDS FOR PRINTING BONDS

\$2,700,000

THE UNIVERSITY OF TEXAS AT EL PASO  
STUDENT UNION BUILDING REVENUE BONDS, SERIES B OF 1967

(Dated October 1, 1967)

Tabulation of Bids  
Received December 5, 1967 - 2:00 p.m., C.S.T.

Bidder	One Coupon Rate	Two Coupon Rates	Three Coupon Rates	Four Coupon Rates	Five Coupon Rates	Six Coupon Rates	No. of Working Days
Northern Bank Note Company	\$392.00	\$407.00	\$427.00	\$445.00	\$455.00	\$465.00	11
The Steck Company	406.50	418.50	430.50	442.50	454.50	466.50	15
Helms Printing Company, Inc.	425.00	437.50	450.00	462.50	475.00	487.50	10

Note: Award for printing will be made at meeting of the Board of Regents in Houston, Texas, on December 7, 1967.

## **Meeting of the Board**

AGENDA  
MEETING OF THE BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

The Agenda for the meeting of the Board will be in the Supplementary  
Agenda Material since at that time we should have all items listed for  
the Agenda.

AGENDA  
MEETING OF THE BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

Chairman Erwin, Presiding

Page  
B of R

Date and Time: December 7, 1967, 4:30 p.m.

Place: Castilian Room (If work is not concluded and the meeting is held on the 8th, it will be held in the Belvedere Room.)

A. INVOCATION

B. U. T. EL PASO: STUDENT UNION REVENUE BONDS,  
SERIES A AND B OF 1967

- |   |    |
|---|----|
| 1. Resolution Authorizing Issuance and Sale | 5  |
| 2. Designation of Paying Agency             | 27 |
| 3. Award of Printing Contract               | 27 |

RECESS for Committee Meetings

C. CORRECTION AND APPROVAL OF MINUTES,  
October 27-28, 1967.-- 28

D. SPECIAL ITEMS

1. Chancellor Harry Ransom
2. Chief Administrative Officers of the  
Component Institutions

U. T. Arlington (Doctor Woolf)

U. T. El Paso (Doctor Ray)

Galveston Medical Branch  
(Doctor Blocker)

Dallas Medical School  
(Doctor Sprague)

San Antonio Medical School  
(Doctor Pannill)

System Nursing School  
(Doctor Willman)

Houston Dental Branch  
(Doctor Olson)

Anderson Hospital (Doctor Clark)

G. S. B. S. (Doctor Arnim)

Public Health School (Doctor Hall)

3. Members of the Board of Regents

Chairman Frank C. Erwin, Jr.

Vice-Chairman Jack S. Josey

Regent W. H. Bauer

Regent Frank N. Ikard

Regent (Mrs. ) J. Lee Johnson III

Regent Joe M. Kilgore

Regent Levi A. Olan

Regent John Peace

Regent E. T. Ximenes, M.D.

E.

REPORTS OF STANDING COMMITTEES

1. Executive Committee
2. Academic and Developmental Affairs Committee
3. Buildings and Grounds Committee

4. Land and Investment Committee
5. Medical Affairs Committee
6. Board for Lease of University Lands

F. REPORTS OF SPECIAL COMMITTEES, IF ANY

G. REPORT OF THE COMMITTEE OF THE WHOLE

H. ADJOURNMENT

## DOCUMENTATION

### A. INVOCATION

B. U. T. EL PASO STUDENT UNION BUILDING BONDS.--As authorized by the Board of Regents at its meeting of October 27 and 28, bids for the sale of \$2,700,000. of The University of Texas at El Paso Student Union Revenue Bonds, Series B, are being invited for opening in Austin on December 6, 1967, and to be awarded by the Board at its meeting in Houston on December 7, 1967. A recommendation will be presented at that time regarding award of the bonds, the printing contract, and the paying agency for the bonds.

Following is the Bond Resolution, prepared by Bond Counsel, authorizing the sale of the bonds, and the issuance of \$458,000. Series A bonds to refund a like amount of bonds presently held by the Department of Housing and Urban Development, and the issuance of \$2,700,000. Series B bonds.\*

#### 1. Adoption of Resolution Authorizing Issuance and Sale

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\*The Bond Resolution is on Pages 6 - 27.



RESOLUTION AUTHORIZING THE ISSUANCE OF THE  
UNIVERSITY OF TEXAS AT EL PASO STUDENT UNION  
REVENUE BONDS, SERIES A AND B OF 1967, AGGRE-  
GATING \$3,158,000

---

THE STATE OF TEXAS :  
BOARD OF REGENTS OF  
THE UNIVERSITY OF TEXAS SYSTEM :  
THE UNIVERSITY OF TEXAS AT EL PASO :

WHEREAS, the Board of Regents of The University of Texas System (sometimes hereinafter called the "Board") is authorized to refund outstanding revenue bonds heretofore issued for and on behalf of The University of Texas at El Paso (formerly known as Texas Western College of The University of Texas); and

WHEREAS, the Board has determined to refund all of the bonds of that issue of "Board of Regents of The University of Texas, Texas Western College Student Union Revenue Bonds, Series 1957", now outstanding in the principal amount of \$458,000; and

WHEREAS, the Board is authorized to construct, acquire, improve, equip, operate, and maintain such buildings and other structures, and such additions to existing buildings and other structures, as may be deemed appropriate by the Board on the campus of The University of Texas at El Paso, El Paso, Texas, (sometimes hereinafter referred to as the "University"); and

WHEREAS, it is deemed by the Board appropriate and for the good of the University that it construct and equip additions and improvements to the Student Union Building on the campus of the University (sometimes hereinafter called the "Project"); and

WHEREAS, the Board has approved the total cost, type and plans and specifications of the Project; and

WHEREAS, the Board has determined to issue and deliver its negotiable revenue bonds in two Series in the total aggregate amount of \$3,158,000, for the purpose of refunding the \$458,000 of outstanding revenue bonds described above, and providing \$2,700,000 for paying the cost of constructing and equipping the Project; and

WHEREAS, said bonds, hereinafter authorized, are to be issued pursuant to Vernon's Article 2909c, as amended.

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

Section 1. That the total cost, type, and plans and specifications of the Project have been and are hereby approved by the Board.

Section 2. That for the purpose of refunding the outstanding "Board of Regents of The University of Texas, Texas Western College Student Union Revenue Bonds, Series 1957", said

Board's single negotiable bond, without coupons, payable in installments, is hereby authorized to be issued and delivered initially hereunder in the denomination and principal amount of \$458,000, to be designated as "The University of Texas at El Paso Student Union Building Revenue Bond, Series A of 1967" (sometimes hereinafter called the "Series A Bond").

Section 3. That the Series A Bond shall be dated, be payable, be subject to prepayment, be executed, signed and sealed, bear interest and have the characteristics as follows, and said Bond and the Comptroller's Certificate to be printed thereon and the Payment Record to be attached thereto, shall be substantially in the forms, respectively, as follows:

(FORM OF SINGLE BOND)

UNITED STATES OF AMERICA  
 STATE OF TEXAS \$458,000  
 NO. R-1  
 THE UNIVERSITY OF TEXAS AT EL PASO  
 STUDENT UNION BUILDING REVENUE BOND, SERIES A OF 1967

THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM (hereinafter called the "Board"), for and on behalf of The University of Texas at El Paso, for value received, hereby promises to pay to the order of the UNITED STATES OF AMERICA, SECRETARY OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, or his successor (herein called the "Payee"), the principal sum of Four Hundred Fifty Eight Thousand Dollars, on the first day of October, in the years and installments as follows:

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>
1968	\$17,000	1978	\$23,000
1969	18,000	1979	24,000
1970	18,000	1980	24,000
1971	19,000	1981	25,000
1972	19,000	1982	26,000
1973	20,000	1983	27,000
1974	20,000	1984	27,000
1975	21,000	1985	28,000
1976	22,000	1986	29,000
1977	22,000	1987	29,000

in such coin or currency of the United States of America, as at the time of payment shall be legal tender for the payment of debts due the United States of America, and to pay interest on the balance of said principal sum from time to time remaining unpaid, in like coin or currency, at the rate of Two and seven-eighths per centum (2-7/8%) per annum, with interest being payable on April 1, 1968, and semi-annually thereafter on October 1 and April 1 of each year, until the principal amount hereof has been paid. During the time the Payee is the holder and owner of this Bond payment of the principal installments and interest due shall be made at the Federal Reserve Bank of Richmond, Richmond, Virginia (herein called the "Fiscal Agent"). During such time as any person, firm or corporation other than the Payee is the holder and owner of this Bond, said

payments shall be made at the principal office of the El Paso National Bank, El Paso, Texas, or, at the option of such holder and owner, at the principal office of The Chase Manhattan Bank (National Association), in the Borough of Manhattan, City and State of New York (herein collectively called the "Alternate Paying Agents"). Payments of principal and interest, including prepayments of installments of principal as hereinafter provided, shall be noted on the Payment Record made a part of this Bond, and if payment is made at the office of the Fiscal Agent or an Alternate Paying Agent, written notice of the making of such notations shall be promptly sent to the Board by said Agents, and such payment shall fully discharge the obligation of the Board hereon to the extent of the payments so made. Upon final payment of principal and interest this Bond shall be submitted to the Board by said Agents for cancellation.

This Bond has been issued pursuant to a Resolution duly adopted by the Board (hereinafter called the "Resolution"), for the purpose of refunding \$458,000 in principal amount of outstanding bonds of that issue of Board of Regents of The University of Texas, Texas Western College Student Union Building Revenue Bonds, Series 1957, pursuant to the Constitution and laws of the State of Texas, and particularly Article 2909c, Vernon's Annotated Texas Statutes.

Two Series of Bonds aggregating the principal amount of \$3,158,000 were initially authorized concurrently by the aforesaid Resolution, being The University of Texas at El Paso Student Union Building Revenue Bond, Series A of 1967, in the principal amount of \$458,000, issued for the purpose of refunding a like amount of outstanding bonds of that issue of Board of Regents of The University of Texas, Texas Western College Student Union Revenue Bonds, Series 1957, and The University of Texas at El Paso Student Union Building Revenue Bonds, Series B of 1967, in the principal amount of \$2,700,000, issued for the purpose of constructing and equipping additions and improvements to the Student Union Building on the campus of The University of Texas at El Paso. Both of said Series of Bonds are on a parity and are secured by and payable from a first lien on and pledge of the Net Revenues and Use Fees of the Student Union Building (as defined in said Resolution) on the campus of The University of Texas at El Paso; and with the Bonds of both of said Series, whether in the form of a single bond, payable in installments, or in the form of coupon bonds, being equal in dignity and security in all respects.

Under the conditions and to the extent provided in the aforesaid Resolution, the Board has reserved the right to issue additional parity revenue bonds which also may be secured by and payable from a first lien on and pledge of the aforesaid Net Revenues and Use Fees.

The holder hereof shall never have the right to demand payment of this Bond or the interest hereon out of any funds raised or to be raised by taxation.

As provided in said Resolution, this Bond is exchangeable at the sole expense of the Board at any time, upon ninety days' written notice to the Board, at the request of the holder and owner hereof and upon surrender of this Bond at the Office of the Comptroller of Public Accounts of the State of Texas, at Austin, Texas, for negotiable coupon bonds, payable to bearer, of the denomination of One Thousand Dollars (\$1,000) or any multiple of One Thousand Dollars (\$1,000), each, bearing interest at the rate of Two and seven-eighths per centum (2-7/8%) per annum, in an aggregate principal amount equal to the unpaid principal amount of this Bond, maturing serially and annually in the same amounts as the unpaid installments of this Bond, and in the form of such coupon bond and in the manner provided for in the Resolution.

On April 1, 1968, or on any interest payment date thereafter, the Board shall have the right to prepay the entire principal amount hereof then remaining unpaid, or such lesser portion thereof as it may determine upon, in inverse chronological order of said installments and in multiples of One Thousand Dollars, at the following prices (expressed in terms of a percentage of the principal amount of such prepayment) plus accrued interest to the date of prepayment:

(a) on installments scheduled to come due during the years 1983 through 1987: 100%; and

(b) on installments scheduled to come due during the years 1968 through 1982:

102 % if redeemed April 1, 1968 through October 1, 1972;

101½% if redeemed April 1, 1973 through October 1, 1977;

101 % if redeemed April 1, 1978 through October 1, 1982.

PROVIDED, HOWEVER, that so long as the owner and holder hereof shall be the Payee, the Board may prepay on any interest payment date the entire unpaid principal amount hereof, or from time to time in the inverse chronological order of the said installments, such lesser portion thereof in multiples of One Thousand Dollars as the Borrower may determine, at the principal amount thereof plus accrued interest to the date of such prepayment.

Notice of such optional prepayment shall be given prior to the prepayment date by mailing to the place of payment a notice fixing such prepayment date, the amount of principal and the premium, if any, to be prepaid.

This Bond may be endorsed by the Payee and be negotiated as any negotiable instrument; and the Payee agrees and covenants to notify the Board in writing immediately if and when it endorses and delivers this Bond to another.

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.

IN WITNESS WHEREOF, the Board has caused this Bond to be executed in its name by the manual signature of the Chairman

of said Board, and its official seal to be hereto affixed and attested by the manual signature of the Secretary of said Board, and this Bond to be dated as of the first day of October, 1967.

BOARD OF REGENTS OF THE UNIVERSITY  
OF TEXAS SYSTEM

BY \_\_\_\_\_  
Chairman

(SEAL)

ATTEST:

\_\_\_\_\_  
Secretary

(FORM OF COMPTROLLER'S 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

\_\_\_\_\_  
Comptroller of Public Accounts of the  
State of Texas.

PAYMENT RECORD

<u>Due Date</u>	<u>Principal Payment</u>	<u>Principal Balance Due</u>	<u>Interest Payment (2-7/8%)</u>	<u>Date Paid</u>	<u>Name of Paying Agent Authorized Official and Title</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

(enter (enter (leave (leave (leave  
(dates (amounts) (blank) (blank) (blank)  
(for prin-  
(cipal and  
(interest)

(Make a line for each due date - leave one half inch space between each due date, etc. for manual interlining, if necessary; also half a page at end for any explanation, which might be required)

SCHEDULE "A"

(Note to printer: This should be separate sheet)

Principal installments on which payments have been made prior to maturity

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<u>Principal Due</u>	<u>Principal Payment</u>	<u>Balance</u>	<u>Date Paid</u>	<u>Name of Paying Agent Authorized Official and Title</u>
<u>Date</u>	<u>Amount</u>			

Section 4. That the Board specifically covenants and agrees that within ninety (90) days after the receipt by the Board of the written request of the owner and holder of the Series A Bond initially issued hereunder, the Board shall have printed, executed and exchanged for such Series A Bond, negotiable coupon bonds, of type composition printed on paper of customary weight and strength, payable to bearer, in the denomination of \$1,000, or any multiple of \$1,000, each, in an aggregate principal amount equal to the then unpaid principal amount of such Series A Bond, and having serial and annual maturities on the dates and in the amounts corresponding with the then unpaid principal installments of such Series A Bond, bearing interest at the same rate and payable at the same times as such Series A Bond, with bearer interest coupons annexed to such coupon bonds payable semi-annually from and after the date to which interest on such Series A Bond shall have been paid, and with the principal of such coupon bonds being subject to redemption prior to maturity, at the option of the Board, at the same times and at the same prices as such Series A Bond. All expenses of printing, executing and exchanging any such Series A Bond shall be paid by the Board from any of its funds on hand lawfully available for such purpose, provided, however, that if no other funds are on hand lawfully available therefor, then such expenses shall be paid from the Operation and Maintenance Fund, hereinafter mentioned, as an item of Current Expense, or if insufficient funds shall be on hand in said Fund, then such expenses shall be paid from the Reserve Fund hereinafter created.

It is further covenanted and agreed that no additional resolutions or orders need be adopted by the Board so as to accomplish the foregoing conversion and exchange of the said Series A Bond for coupon bonds, and the Board and the officials of the Board, including the Chairman and the Secretary, upon the request of the holder and owner of such Series A Bond as provided herein, shall have the appropriate coupon bonds and coupons printed, executed, issued and exchanged for the Series A Bond in the manner prescribed herein. The coupon bonds to be exchanged for any such Series A Bond shall be submitted by the Chairman of the Board, or some officer acting under his authority, to the Attorney General of the State of Texas for examination, and if said Attorney General finds that such coupon bonds have been printed, executed and issued as provided by this Resolution, then he shall approve them. After such approval said coupon bonds shall be registered by the Comptroller

of Public Accounts of the State of Texas. Upon registration of said coupon bonds, the Comptroller of Public Accounts (or a deputy designated in writing to act for the Comptroller) shall manually sign the Comptroller's certificate of registration prescribed herein to be printed on the back of each coupon bond, and the seal of said Comptroller shall be affixed on each such coupon bond. It is further provided, however, that the Comptroller of Public Accounts shall not register any such coupon bonds until the Series A Bond being converted shall have been surrendered to and cancelled by said Comptroller, and upon such surrender and cancellation, the Comptroller shall register and deliver said coupon bonds in exchange for the Series A Bond being converted.

Section 5. That said Board's negotiable, serial, coupon bonds to be designated "THE UNIVERSITY OF TEXAS AT EL PASO STUDENT UNION BUILDING REVENUE BONDS, SERIES B OF 1967," are hereby authorized to be issued and delivered in the principal amount of \$2,700,000 for the purpose of PAYING THE COST OF CONSTRUCTING AND EQUIPPING ADDITIONS AND IMPROVEMENTS TO THE STUDENT UNION BUILDING ON THE CAMPUS OF THE UNIVERSITY OF TEXAS AT EL PASO.

Section 6. That said Series B Bonds shall be dated OCTOBER 1, 1967, shall be numbered consecutively from 1 THROUGH 540, shall be in the denomination of \$5,000 EACH, and shall mature and become due and payable serially on OCTOBER 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>
1969	\$25,000	1986	\$ 60,000
1970	25,000	1987	65,000
1971	30,000	1988	100,000
1972	30,000	1989	100,000
1973	35,000	1990	105,000
1974	35,000	1991	110,000
1975	35,000	1992	120,000
1976	40,000	1993	125,000
1977	40,000	1994	130,000
1978	40,000	1995	140,000
1979	45,000	1996	140,000
1980	45,000	1997	150,000
1981	50,000	1998	155,000
1982	50,000	1999	165,000
1983	55,000	2000	170,000
1984	55,000	2001	170,000
1985	60,000		

On OCTOBER 1, 19\_\_, or on any interest payment date thereafter, said Series B Bonds may be redeemed prior to their scheduled maturities, at the option of said Board, in whole, or in part in inverse numerical order, 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 to be so redeemed, as follows: 2% if redeemed on or before October 1, 1987, 1-1/2% if redeemed after October 1, 1987 but on or before October 1, 1992, and 1% if redeemed after October 1, 1992, all in the manner provided in the FORM OF COUPON BOND set forth in this Resolution.

Section 7. That the Series B Bonds scheduled to mature during the years, respectively, set forth below shall bear interest from their date, until maturity or redemption, at the following rates per annum:

maturities	19__	through	____,	____%
maturities	____	through	____,	____%
maturities	____	through	____,	____%
maturities	____	through	____,	____%
maturities	____	through	____,	____%

Said interest shall be evidenced by interest coupons which shall appertain to said Series B Bonds, and which shall be payable on April 1, 1968, and semi-annually thereafter on each October 1 and April 1.

Section 8. (a) That the Series B Bonds, all being coupon bonds, and also any coupon bonds which may in the future be printed, executed, and exchanged as herein provided for the single Series A Bond, and all interest coupons appertaining thereto, shall be payable, shall have the characteristics, and shall be signed and executed (and said coupon bonds shall be sealed), all as provided, and in the manner indicated, in the FORM OF COUPON BOND set forth in this Resolution.

(b) That the form of said coupon 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 coupon bonds, shall be, respectively, substantially as follows:

FORM OF COUPON BOND:

NO. \_\_\_\_\_

\$ \_\_,000

UNITED STATES OF AMERICA  
STATE OF TEXAS  
THE UNIVERSITY OF TEXAS AT EL PASO  
STUDENT UNION BUILDING REVENUE BOND, SERIES \_\_ OF 1967

ON OCTOBER 1, \_\_\_\_\_, the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, for and on behalf of THE UNIVERSITY OF TEXAS AT EL PASO promises to pay to bearer the principal amount of

\_\_\_\_\_ THOUSAND DOLLARS

and to pay interest thereon, from the date hereof, at the rate of \_\_\_\_\_% per annum, evidenced by interest coupons payable \_\_\_\_\_ 1, 19\_\_, 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 EL PASO NATIONAL BANK, EL PASO, TEXAS, or, at the option of the bearer, at the CHASE MANHATTAN BANK (NATIONAL ASSOCIATION), NEW YORK, NEW YORK, which places shall be the paying agents for this Series of Bonds.

THIS BOND is one of a Series of negotiable, serial, coupon bonds dated OCTOBER 1, 1967, issued in the principal amount of \$ \_\_\_\_\_ in accordance with Article 2909c, Vernon's Annotated Texas Statutes, and authorized pursuant to a Resolution duly adopted by said Board.



Two Series of Bonds aggregating the principal amount of \$3,158,000 were initially authorized concurrently by the aforesaid Resolution, being The University of Texas at El Paso Student Union Building Revenue Bond, Series A of 1967, in the principal amount of \$458,000, issued for the purpose of refunding a like amount of outstanding bonds of that issue of Board of Regents of The University of Texas, Texas Western College Student Union Revenue Bonds, Series 1957, and The University of Texas at El Paso Student Union Building Revenue Bonds, Series B of 1967, in the principal amount of \$2,700,000, issued for the purpose of constructing and equipping additions and improvements to the Student Union Building on the campus of The University of Texas at El Paso. Both of said Series of Bonds are on a parity and are secured by and payable from a first lien on and pledge of the Net Revenues and Use Fees of the Student Union Building (as defined in said Resolution) on the campus of The University of Texas at El Paso; and with the Bonds of both of said Series, whether in the form of a single bond, payable in installments, or in the form of coupon bonds, being equal in dignity and security in all respects.

ON OCTOBER 1, \_\_\_\_\_, 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 IN INVERSE NUMERICAL ORDER, 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 to be so redeemed, as follows: \_\_\_% if redeemed on or before October 1, 19\_\_; \_\_\_% if redeemed after October 1, 19\_\_, but on or before October 1, 19\_\_, and \_\_\_% if redeemed after October 1, 19\_\_.) 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. By the date fixed for any such redemption due provision shall be made with the paying agents for the payment of the principal amount of the bonds which are to be so redeemed and accrued interest thereon to the date fixed for redemption, plus any required premium. 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 agents with the funds so provided for such payment.

\*(Note to printer: here insert the appropriate premiums for each Series of bonds as prescribed in the bond Resolution).

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.

Said Board has reserved the right, subject to the restrictions stated in the Resolution authorizing this Series of bonds, to

issue additional parity revenue bonds which also may be secured by and made payable from a first lien on and pledge of the aforesaid Net Revenues and Use Fees.

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.

\_\_\_\_\_  
XXXXXXXXXX  
Secretary, Board of Regents,  
The University of Texas System.

\_\_\_\_\_  
XXXXXXXXXX  
Chairman, Board of Regents,  
The University of Texas System.

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

\_\_\_\_\_  
XXXXXXXXXX  
Comptroller of Public Accounts of the  
State of Texas.

FORM OF INTEREST COUPON:

NO. \_\_\_\_\_ \$ \_\_\_\_\_

ON \_\_\_\_\_ 1, \_\_\_\_\_

THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, for and on behalf of THE UNIVERSITY OF TEXAS AT EL PASO, 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 EL PASO NATIONAL BANK, EL PASO, TEXAS, or, at the option of the bearer, at the CHASE MANHATTAN BANK (NATIONAL ASSOCIATION), NEW YORK, NEW YORK, said amount being interest due that day on the bond, bearing the number hereinafter designated, of that issue of THE UNIVERSITY OF TEXAS AT EL PASO STUDENT UNION BUILDING REVENUE BONDS, SERIES \_\_\_ OF 1967, DATED OCTOBER 1, 1967. 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. \_\_\_\_\_.

\_\_\_\_\_  
XXXXXXXXXX  
Secretary, Board of Regents

\_\_\_\_\_  
XXXXXXXXXX  
Chairman, Board of Regents

Section 9. That throughout this Resolution the following terms as used herein shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

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

The term "University" shall mean The University of Texas at El Paso.

The term "Student Union Building" shall mean the Student Union or Student Activities Building and facilities (including, but not limited to, the book store and cafeteria and snack bar therein) located on the campus of the University, together with all improvements, extensions, and additions thereto and replacements thereof.

The term "Student Union Building Use Fees" or "Use Fees" shall mean the fees to be fixed, charged, and collected from all students enrolled at the University, for the use and availability of the Student Union Building, in the manner and to the extent provided in this Resolution.

The term "Gross Revenues of the Student Union Building" or "Gross Revenues" shall mean all of the revenues and income of every nature derived from the operation and ownership of the Student Union Building.

The term "Current Expenses of the Student Union Building" or "Current Expenses" shall mean all necessary operating and maintenance expenses of the Student Union Building, including all expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance and all other expenses incident to the operation and maintenance thereof, but shall exclude depreciation and all general administrative expenses of the University.

The term "Net Revenues of the Student Union Building" or "Net Revenues" shall mean the Gross Revenues after deduction of Current Expenses.

The term "Net Revenues and Use Fees of the Student Union Building" or "Net Revenues and Use Fees" shall mean the Net Revenues of the Student Union Building plus the gross collections of the Student Union Building Use Fees.

The term "Bonds" shall mean collectively the Bonds, Series A and B of 1967 authorized by this Resolution.

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

The term "Places of Payment" or "paying agents" shall mean collectively the El Paso National Bank, El Paso, Texas, and the Chase Manhattan Bank (National Association), New York, New York.

Section 10. That the Bonds and Additional Bonds are and shall be secured by and payable from an irrevocable first lien on and pledge of the Net Revenues and Use Fees of the Student Union Building.

Section 11. That the Bonds and Additional Bonds and interest coupons appertaining thereto shall constitute special obligations of the Board, payable solely from the pledged Net Revenues and Use Fees, and such obligations shall not constitute a prohibited indebtedness of the University, the Board, nor the State of Texas, and the holders of the Bonds and Additional Bonds and the coupons attached thereto shall never have the right to demand payment out of funds raised or to be raised by taxation.

Section 12. (a) That there is hereby created and ordered to 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 "Student Union Building Revenue Fund" (hereinafter sometimes called the "Revenue Fund").

(b) Immediately after the delivery of the Bonds all moneys then on hand in the "Texas Western College Project Revenue Fund" (created and established pursuant to the resolution adopted November 22, 1957, which authorized the Series 1957 Bonds being refunded by the Series A Bond) shall be transferred and deposited to the credit of the Revenue Fund.

(c) Commencing immediately after the delivery of the Bonds, all Gross Revenues of the Student Union Building and all gross collections of the Student Union Building Use Fees shall be deposited, upon receipt, by the University or the Board, to the credit of the Revenue Fund.

(d) The Current Expenses of the Student Union Building shall be paid from the Gross Revenues of the Student Union Building in the Revenue Fund, as a first charge against said Gross Revenues.

Section 13. That to pay the principal of and interest on all outstanding Bonds and Additional Bonds, if any, as the same come due, there is hereby created and ordered to 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 "Student Union Building Revenue Bonds Interest and Sinking Fund" (hereinafter sometimes called the "Interest and Sinking Fund").

Section 14. That there is hereby created and ordered to 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 known as the "Student Union Building Revenue Bonds Reserve Fund" (hereinafter sometimes called the "Reserve Fund"). The Reserve Fund shall be used finally in retiring the last of the outstanding Bonds and Additional Bonds, if any, 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 otherwise insufficient for such purpose.

Section 15. That there is hereby created and ordered to 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 "Student Union Building Repair and Replacement Fund" (hereinafter sometimes called the "Repair and Replacement Fund"), which shall be used as hereinafter provided.

Section 16. Money in any Fund established pursuant to this Resolution may, at the option of the Board, be invested in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America. Such investments shall be valued in terms of current market value as of June 30 and December 31 of each year. Interest and income derived from such 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.

Section 17. That all accrued interest from the sale of the Series B Bonds shall be deposited when received to the credit of the Interest and Sinking Fund, and the amounts otherwise required to be deposited therein shall be reduced to that extent.

Section 18. That on or before the 25th day of March, 1968, and semi-annually thereafter on or before the 25th day of each September and March the Board shall transfer from the Revenue Fund and deposit into the Interest and Sinking Fund the amount of interest scheduled to come due on the Bonds on the next succeeding interest payment date, plus an additional amount equal to one-half of all principal scheduled to mature and come due on the Bonds on the next succeeding October 1.

Section 19. (a) That immediately after the delivery of the Bonds all moneys and investments then on hand in the "Bond and Interest Sinking Fund Account," including the "Reserve Account" therein, (created and established pursuant to the resolution adopted November 22, 1957, which authorized the Series 1957 Bonds being refunded by the Series A Bond) shall be transferred and deposited to the credit of the Reserve Fund.

(b) That on or before the 25th day of March, 1968, and semi-annually thereafter on or before the 25th day of each September and March, the Board shall transfer from the Revenue Fund and deposit into the Reserve Fund the amount of \$15,000, provided, however, that when the total amount of money and investments in the Reserve Fund is at least equal to the aggregate amount of \$180,000 in market value, then such deposits into the Reserve Fund may be discontinued, unless and until the Reserve Fund should be depleted to less than said aggregate amount in market value, in which case such deposits shall be resumed and continued until the Reserve Fund is restored to said aggregate amount.

Section 20. (a) That immediately after the delivery of the Bonds all moneys and investments then on hand in the "Maintenance and Equipment Reserve Account" (created and established pursuant to the resolution adopted November 22, 1957, which authorized the Series 1957 Bonds being refunded by the Series A Bond) shall be transferred and deposited to the credit of the Repair and Replacement Fund.

(b) That on or before the March 25 or September 25 next following the date upon which the Reserve Fund shall contain an aggregate amount of money and investments at least equal to \$180,000 in market value, and semi-annually thereafter on or before the 25th day of each March and September, the Board shall transfer from the Revenue Fund the balance, if any, of the Net Revenues and Use Fees remaining therein and deposit same to the credit of the Repair and Replacement Fund; provided, however, that no more than \$20,000 shall be required to be so deposited into the Repair and Replacement Fund during any one fiscal year, and no deposit shall be required to be made into the Repair and Replacement Fund which would cause such Fund to then contain money and investments of more than \$200,000 in market value. The Repair and Replacement Fund may be drawn on and used by the Board for paying the cost of unusual or extraordinary maintenance, or repairs and renewals and replacements in connection with the Student Union Building, or to pay for renovating or replacing furniture and equipment not paid from the Revenue Fund as a part of the Current Expenses of the Student Union Building.

(c) Deposits into the Repair and Replacement Fund shall be subordinate to those required to be made into the Interest and Sinking Fund and the Reserve Fund, and no deposit shall ever be made into the Repair and Replacement Fund unless the Interest and Sinking Fund contains the amount then required to be therein and the Reserve Fund then contains the maximum aggregate amount required to be accumulated and maintained therein. If, at any time, the Reserve Fund should be depleted to an amount less than the maximum aggregate amount required to be accumulated and maintained therein, then, to the extent that Net Revenues and Use Fees in the Revenue Fund are not available for such purpose, all or any required part of the Repair and Replacement Fund shall be transferred and deposited immediately by the Board to the credit of the Reserve Fund so as to make up for such deficiency.

Section 21. (a) That if on any occasion there shall not be sufficient pledged Net Revenues and Use Fees in the Revenue Fund to make the required deposits into the Interest and Sinking Fund or the Reserve Fund, then such deficiency shall be made up as soon as possible from the next available pledged Net Revenues and Use Fees in the Revenue Fund, or from any other sources available for such purpose.

(b) Subject to making all deposits into the Interest and Sinking Fund, the Reserve Fund, and the Repair and Replacement Fund, as required by this Resolution, or any resolution authorizing Additional Bonds, any surplus Net Revenues and Use Fees in the Revenue Fund may be used by the Board for any lawful purpose.

Section 22. (a) That commencing with the regular spring semester beginning in February, 1968, the Board hereby fixes and covenants and agrees to levy, charge, and collect a Student Union Building Use Fee from each student who enrolls in the University, in at least the minimum amounts as follows:

(1) \$4.00 per semester from each student enrolled in the University at each of the regular spring and fall semesters; and

(2) \$2.00 per term from each student enrolled in the University at each term of each summer session.

(b) The Board covenants and agrees at all times to fix, levy, charge, and collect Student Union Building Use Fees in such amounts, without any limitation whatsoever, as will be at least sufficient at all times, together with the Gross Revenues of the Student Union Building, to provide money for making all deposits required to be made into all Funds created by this Resolution in connection with the Bonds and any Additional Bonds, and to pay all Current Expenses of the Student Union Building. It is hereby officially found, determined and declared by the Board that said Student Union Building Use Fees in such amounts are reasonable in all respects.

Section 23. 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 the purpose of completing the Project in accordance with the presently approved plans and specifications, in the event that the proceeds from the sale and delivery of the Bonds, together with the other funds available to the Board, are insufficient, and/or for the purpose of constructing, acquiring, or equipping additional facilities for the Student Union Building, or adding to or improving the Student Union Building. 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 a first lien on and pledge of the Net Revenues and Use Fees of the Student Union Building.

Section 24. (a) Each resolution under which Additional Bonds are issued shall provide that 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 specifically 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 and the Reserve Fund, the Board shall transfer from the pledged Net Revenues and Use Fees of the Student Union Building in the Revenue Fund 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 Net Revenues and Use Fees in the Revenue Fund and deposit to the credit of the Reserve Fund at least such amounts (commencing not later than the date upon which the proposed new facilities are estimated to be completed), 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 six years from the date of the first of said additional deposits, a total amount of money and investments at least equal

in market value to the average annual principal and interest requirements of such proposed Additional Bonds and the then outstanding Bonds, and any then outstanding Additional Bonds, and that thereafter such deposits shall be made into the Reserve Fund as will cause the Reserve Fund at all times to contain a total amount of money and investments at least equal in market value to the average annual principal and interest requirements of such proposed Additional Bonds, the outstanding Bonds, and any outstanding Additional Bonds. Each resolution under which Additional Bonds are issued also shall provide for appropriate additional amounts to be deposited into the Repair and Replacement Fund.

(b) The principal of all Additional Bonds must be scheduled to be paid or mature on October 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; and any redemption of the principal thereof prior to maturity shall be permitted only as of April 1 or October 1.

Section 25. 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 the University signs a written certificate, approved by the President of the University, 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 University's fiscal year, or the twelve calendar month period, next preceding the date of execution of such certificate, the Net Revenues and Use Fees of the Student Union Building were at least equal to 1.25 times either (1) the combined average annual principal and interest requirements of all then outstanding Bonds and Additional Bonds, if any, or (2) the principal and interest requirements of all then outstanding Bonds and Additional Bonds, if any, during the fiscal year when such requirements are scheduled to be the greatest.

(c) The senior financial officer of the University signs a written certificate, approved by the President of the University, to the effect that during each University fiscal year while any Bonds or Additional Bonds, including the proposed Additional Bonds, are scheduled to be outstanding, (beginning with the fiscal year next following the date upon which the new facilities to be obtained with the then proposed Additional Bonds



are anticipated to be completed and available for use and occupancy) the estimated Net Revenues and Use Fees of the Student Union Building will be at least equal to 1.25 times either (1) the combined average annual principal and interest requirements of all then outstanding Bonds and Additional Bonds, if any, and the then proposed Additional Bonds, or (2) the principal and interest requirements of all then outstanding Bonds and Additional Bonds, if any, and the then proposed Additional Bonds, during the fiscal year in which said requirements are scheduled to be the greatest.

(d) For the purpose of this Section 25, the "average annual principal and interest requirements" of a single Series or issue of bonds shall mean, as of any date, the aggregate of all future principal and interest to come due thereon in all fiscal years in which principal or interest is scheduled to be paid, divided by the number of such years; and the "combined average annual principal and interest requirements" of more than one Series or issue of bonds shall mean the aggregate of the respective average annual principal and interest requirements of each separate Series or issue.

Section 26. On or before the last day of March, 1968, and on or before the last day of each September and of each March thereafter while any of the Bonds and Additional Bonds, if any, are outstanding and unpaid, there shall be made available to the paying agents therefor, out of the Interest and Sinking Fund, money sufficient to pay such interest on and such principal of the Bonds and Additional Bonds, if any, as will accrue or mature on the April 1 or October 1 immediately following.

Section 27. (a) That all 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 University of Texas System, in principal amounts at all times not less than the amounts of money credited to such Funds, respectively.

(b) That whenever the total amount in the Interest and Sinking Fund and the Reserve Fund shall be equivalent to (1) the aggregate principal amount of Bonds and Additional Bonds, if any, outstanding, plus (2) the aggregate amount of all unpaid coupons thereto appertaining unmatured and matured, no further payments need be made into the Interest and Sinking Fund or the Reserve Fund. In determining the amount of Bonds or Additional Bonds outstanding, there shall be subtracted the amount of any Bonds or Additional Bonds which shall have been duly called for redemption and for which funds shall have been deposited with the paying agents sufficient for such redemption.

Section 28. The Board covenants and agrees that:

(a) It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution and in each and every Bond and Additional Bond; that it will promptly pay or cause to be paid from the pledged Net Revenues and Use Fees the principal of and interest on every Bond and Additional Bond, on the dates and in the places and manner prescribed in such Bond or Additional Bond; and that it will, at the times and in the manner prescribed herein, deposit or cause to be deposited, from the pledged Net Revenues and Use Fees, the amounts of money specified herein.

(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 upon which the Student Union Building is and will be located, and has a good and indefeasible estate in such lands in fee simple, that the Project will be completed in accordance with the plans and specifications heretofore approved and adopted, that it warrants that it has, and will defend, the title to all the aforesaid lands and facilities, and every part thereof and improvements thereon, 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 Net Revenues and Use Fees pledged hereunder 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 Student Union Building, 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 upon the Student Union Building, 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) It will not do or suffer any act or thing whereby the Student Union Building might or could be impaired, and that it will at all times maintain, preserve, and keep the real and tangible property of the Student Union Building and every part thereof in good condition, repair, and working order and operate, maintain, preserve, and keep all structures and equipment pertaining thereto and every part and parcel thereof in good condition, repair, and working order. It is covenanted and agreed that all Current Expenses of the Student Union Building, including the premiums on insurance required to be carried under this Resolution, will be paid from Gross Revenues in the Revenue Fund, or from any other funds available to the University or Board. It is further specifically covenanted and agreed that adequate rates and charges for services, facilities, and supplies shall be made in connection with the operation of the Student Union Building to the end that the Gross Revenues therefrom will be the maximum reasonably obtainable, and that such Gross Revenues will at all times be at least sufficient to pay all Current Expenses of the Student Union Building, and that the Net Revenues of the Student Union Building, together with the Student Union Building Use Fees will at all times be sufficient to make all deposits required to be made into all Funds created by this Resolution in connection with the Bonds and any Additional Bonds.

(f) That while the Bonds or Additional Bonds, if any, are outstanding and unpaid, the Board shall not additionally encumber the pledged Net Revenues and Use Fees 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) That while the Bonds or Additional Bonds, if any, are outstanding and unpaid, the Board shall not sell, convey, mortgage, or in any manner transfer title to, or lease, or otherwise dispose of any property constituting part of the Student Union Building, except that whenever the Board deems it necessary to dispose of any of the furnishings and equipment within such facilities, it may sell or otherwise dispose of such furnishings and equipment when it has made arrangements to replace the same or provide substitute facilities therefor.

(h) That at all times hereafter the Board shall procure boiler explosion insurance on all boilers servicing the Student Union Building in an amount not less than \$50,000 against loss suffered by reason of a boiler explosion. Further, at all times hereafter the Board shall procure fire and extended coverage insurance on the Student Union Building and the contents thereof. The foregoing boiler explosion and fire and extended coverage insurance shall be maintained so long as Bonds or Additional Bonds are outstanding and such fire and extended coverage insurance shall be in amounts at least sufficient to provide for full recovery to the extent that the damage does not exceed 80% of full insurable value. Such insurance shall be carried with a reliable insurance company or companies. In lieu of providing fire and extended coverage insurance as required above, the Board may, at its option, provide the equivalent of such insurance under its System-Wide Fire and Extended Coverage Insurance policy, subject to a deductible provision which is reasonable in amount, provided the Board establishes and maintains a special account containing funds which are at least sufficient to offset said deductible amount and which are immediately available for such purpose. Upon the happening of any loss or damage covered by such insurance from one or more of said causes, the Board shall make due proof of loss and shall do all things necessary or desirable to cause the insuring companies to make payment in full directly to the Board. The proceeds of insurance covering such property, together with any other funds necessary and available for such purpose, shall be used forthwith by the Board for repairing the property damaged or replacing the property destroyed; provided, however, that if said insurance proceeds and other funds are insufficient for such purpose, then said insurance proceeds shall be used promptly as follows:

(1) for the redemption prior to maturity of the Bonds and Additional Bonds, if any, ratably in the proportion that the outstanding principal of each Series or issue of Bonds or Additional Bonds bears to the total outstanding principal of all Bonds and Additional Bonds; provided that if on any such occasion the principal of any such Series or issue is not subject to redemption, it shall not be regarded as outstanding in making the foregoing computation; or

(2) if none of the outstanding Bonds or Additional Bonds are subject to redemption, then for the purchase on the open market and retirement of said Bonds and Additional Bonds, in the same proportion as prescribed in the foregoing clause (1), to the extent practicable;

provided that the purchase price for any such Bond or Additional Bond shall not exceed the redemption price of such Bond or Additional Bond on the first date upon which it becomes subject to redemption; or

(3) to the extent that the foregoing clauses (1) and (2) cannot be complied with at the time, the insurance proceeds, or the remainder thereof, shall be deposited in a special and separate trust fund, at an official depository of the Board, to be designated the Insurance Account. The Insurance Account shall be held until such time as the foregoing clauses (1) and (2) can be complied with, or until other funds become available which, together with the Insurance Account, will be sufficient to make the repairs or replacements originally required, whichever of said events occurs first.

(i) At all times while any Bonds or Additional Bonds, are outstanding, the Board shall procure and maintain use and occupancy insurance on all the facilities and structures of the Student Union Building, to the extent obtainable, in an amount sufficient to enable the Board to deposit in the Interest and Sinking Fund and the Reserve Fund, out of the proceeds of such insurance, an amount equal to the sum that normally would have been available for deposit in said Funds from the pledged Net Revenues and Use Fees during the time the Student Union Building is wholly or partially unusable, as a result of loss of use or occupancy caused by the perils covered by fire and extended coverage insurance.

(j) It will, as soon as practicable after the delivery of the Bonds, and on or before October 1 of each year thereafter, file with the original holders of the Series A and Series B Bonds a certificate signed and verified by the senior financial officer of the University stating that the Board has complied with the requirements of this Section with respect to the maintenance of insurance, and listing all policies carried, and that all insurance premiums upon the insurance policies to which reference is hereinbefore made have been paid.

(k) 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 Net Revenues and Use Fees, and all books, documents, and vouchers relating thereto shall at all reasonable times be made available for inspection upon request by the holders of not less than 25% of the outstanding Bonds and Additional Bonds.

(l) That each year while any of the Bonds or Additional Bonds, if any, are outstanding, an audit will be made of its books and accounts relating to the pledged Net Revenues and Use Fees by the State Auditor of the State of Texas, or a certified public accountant, such audit to be based on the fiscal year of the University beginning on September 1 of each year and ending on August 31 of each year. 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 the original holders of the Series A and Series B Bonds, and to all bondholders who shall so

request. Such annual audit reports shall be open to the inspection of the bondholders and their agents and representatives at all reasonable times.

Section 29. The Board covenants and agrees that on each occasion when any outstanding Bonds or Additional Bonds are to be redeemed or prepaid prior to maturity or due date, such Bonds or Additional Bonds shall be redeemed or prepaid, on an approximately equal pro-rata basis, in the proportion that the original principal amount of each Series or issue of Bonds or Additional Bonds bears to the aggregate original principal amount of all then outstanding Bonds and Additional Bonds; provided that if on any such occasion the principal of any such Series or issue is not subject to redemption, it shall not be regarded as outstanding in making the foregoing computation; and provided further that on each such occasion the Board shall have the right and option to redeem or prepay bonds which may be called at par and accrued interest prior to and to the exclusion of any bonds that are callable at a premium.

Section 30. That there is hereby created, and the Board shall establish with an official depository of the Board a separate construction account (herein called the "Project Account") into which shall be deposited all of the proceeds from the sale of the Series B Bonds, except accrued interest. Moneys in the Project Account shall be expended by the Board for paying the cost of constructing and equipping the Project. Money in the Project Account not scheduled for immediate Project purposes may be invested in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America; provided, however, that all such investments shall be made in such manner that the money required for Project construction purposes will be available at the proper times; and provided further that no such investment shall be made unless the maturity date thereof is within 18 months from the date of investment. All interest accruing from any such investments shall be deposited, upon receipt, in the Project Account. Any balance in the Project Account after final completion of the Project shall be deposited into the Reserve Fund.

Section 31. It is hereby certified, recited, and agreed by the Board that the Project is not being constructed for exclusive use by fraternities or sororities or private social clubs.

Section 32. That either the Chairman or the Vice-Chairman of the Board of Regents is hereby authorized to have control of said Bonds and all necessary records and proceedings pertaining to said 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 said 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 said Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on each of said Bonds.

Section 33. That upon registration of the Series A Bond, the Comptroller of Public Accounts of the State of Texas shall deliver said Bond, in one installment, to a representative or agent

of the Department of Housing and Urban Development of the United States of America, in exchange for, and upon surrender to the Comptroller, and cancellation of, all of the obligations described in the preamble of this Resolution and being refunded hereby. Said obligations being refunded hereby are owned and held by the United States of America, acting by and through the Department of Housing and Urban Development, which has consented to said refunding. In addition to all other rights, the holder of the Series A Bond shall be subrogated to all pertinent and necessary rights of the holder of the obligations being refunded hereby.

Section 34. That the Board has duly advertised for bids for all the Series B Bonds authorized by this Resolution. The successful bid for the Series B Bonds, being par and accrued interest to the date of delivery, plus a premium of \$ \_\_\_\_\_, has been submitted by a Syndicate headed or managed by \_\_\_\_\_, and said Series B Bonds are hereby sold and shall be delivered to such purchaser as soon as practicable in accordance with the terms of sale.

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2. Designation of Paying Agency

3. Award of Printing Contract

- C. CORRECTION AND APPROVAL OF MINUTES, October 27-28, 1967.--  
The Secretary should like to call to your attention that the Minutes should be corrected on Page 85 by inserting "SALES OF SECURITIES" between the fourth dated paragraph (9/22/67) and the fifth dated paragraph (8/25/67).

It is recommended that the Sections 10 and 14 on Page 125 be corrected as follows:

<u>From</u>	<u>Correction</u>
10. Mr. W. D. Blunk shall receive an annual salary rate of \$21,000 effective <u>Novem</u> ber/1, 1967.	Mr. W. D. Blunk shall receive an annual salary rate of \$21,000 effective <u>October</u> 1, 1967.
14. Effective November 1, 1967, a new account <u>"Miscellaneous Institutional Expenses: Official Functions and Development Expenses"</u> shall be established in the U. T. Austin budget and the sum of \$25,000 is appropriated to that account for the current year from U. T. Austin Unappropriated Balance.	Effective November 1, 1967 a new account <u>"U. T. Austin Official Occasions"</u> shall be established in the U. T. Austin budget and the sum of \$25,000 is appropriated to that account for the current year from U. T. Austin Unappropriated Balance.

D. SPECIAL ITEMS

1. Chancellor Harry Ransom
2. Chief Administrative Officers of the Component Institutions

U. T. Arlington (Doctor Woolf)

U. T. El Paso (Doctor Ray)

Galveston Medical Branch (Doctor Blocker)

Dallas Medical School (Doctor Sprague)

San Antonio Medical School (Doctor Pannill)

System Nursing School (Doctor Willman)

Houston Dental Branch (Doctor Olson)

Anderson Hospital (Doctor Clark)

G. S. B. S. (Doctor Arnim)

Public Health School (Doctor Hall)

3. Members of the Board of Regents

Chairman Frank C. Erwin, Jr.

Vice-Chairman Jack S. Josey

Regent W. H. Bauer

Regent Frank N. Ikard

Regent (Mrs.) J. Lee Johnson III

Regent Joe M. Kilgore

Regent Levi A. Olan

Regent John Peace

Regent E. T. Ximenes, M. D.

E. REPORTS OF STANDING COMMITTEES

1. Executive Committee
2. Academic and Developmental Affairs Committee
3. Buildings and Grounds Committee
4. Land and Investment Committee
5. Medical Affairs Committee
6. Board for Lease of University Lands

F. REPORTS OF SPECIAL COMMITTEES, IF ANY

G. REPORT OF THE COMMITTEE OF THE WHOLE

H. ADJOURNMENT



## MEETING OF THE BOARD OF REGENTS

### EMERGENCY ITEM

#### CORRECTION OF THE MINUTES OF OCTOBER 27 AND 28, 1967.--

Item 22 of Buildings and Grounds Committee Report (Galveston - Basic Sciences Building) appearing on page 72 of R. M. #656, reads in part as follows:

. . . It is recommended that an appropriation of \$4,325,000 be made to this project from the Unappropriated PUF Bond Proceeds.

The item should read:

. . . It is recommended that an appropriation of \$4,325,000 be made to this project--\$1,394,200 from gifts, grants, etc., and \$2,930,800 from Unappropriated PUF Bond Proceeds.

The total project cost as shown on the commitment schedule is \$4,379,200 and this appropriation of \$4,325,000 together with previous appropriations for architects' fees fund this project.

#### CORRECTION OF THE MINUTES OF OCTOBER 27 AND 28, 1967.--

Item 23 of Buildings and Grounds Committee Report (Galveston - Animal Building) appearing on pages 72 and 73 of R. M. #656, reads in part as follows:

It is recommended that an appropriation of \$1,010,000 be made to this project from Unappropriated PUF Bonds to cover the above recommended contract award, . . .

The item should read:

It is recommended that an appropriation of \$1,010,000 be made to this project--\$497,000 from gifts, grants, etc., and \$513,000 from Unappropriated PUF Bond Proceeds.

The total project cost as shown on the commitment schedule is \$1,035,000 and this appropriation of \$1,010,000 together with previous appropriations for architects' fees fund this project.