

MATERIAL SUPPORTING THE AGENDA

Volume XXXIIIc

This volume contains the Material Supporting the Agenda furnished to each member of the Board of Regents prior to the meetings held on

February 13-14, 1986

April 10-11, 1986

The material is divided according to the standing committees and the meetings that were held and is color coded as follows:

White paper - for documentation of all items that were presented before the deadline date.

Blue paper - all items submitted to the Executive Session and distributed only to the Regents, Chancellor and Executive Vice Chancellors of the System.

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 some people get copies and some do not get copies. If the Executive Secretary was furnished a copy, then that material goes into the appropriate subject file.



Material Supporting the Agenda
of the
Board of Regents
The University of Texas System

Meeting No.: 814

Date: February 13-14, 1986

Location: Houston, Texas

BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

CALENDAR

Place: Conference Room, Tenth Floor
The University of Texas Houston - Main Building
1100 Holcombe Boulevard
Houston, Texas

Host Institution: The University of Texas Health
Science Center at Houston

Thursday, February 13, 1986

1:00 p.m. Meeting of the Board of Regents

See Pages B of R 1 - 7,
Items A - M

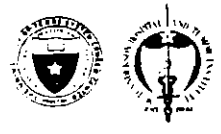
Friday, February 14, 1986

9:00 a.m. Meeting of the Board of Regents

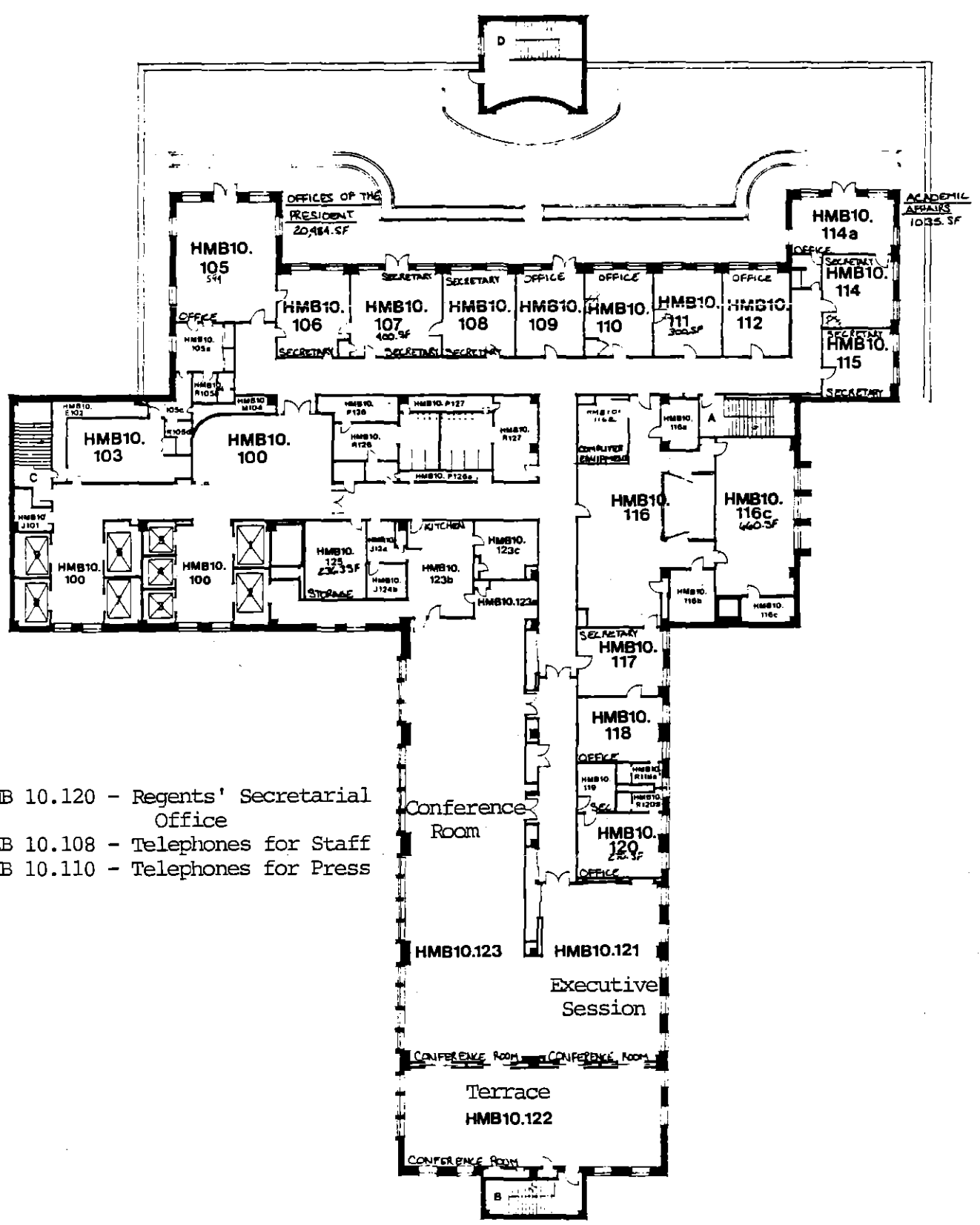
See Page B of R - 8,
Items N - R

Telephone Numbers

President Bulger	(713) 792-4975
Houston Marriott Medical Center 6580 Fannin	(713) 796-0080



UNIVERSITY OF TEXAS



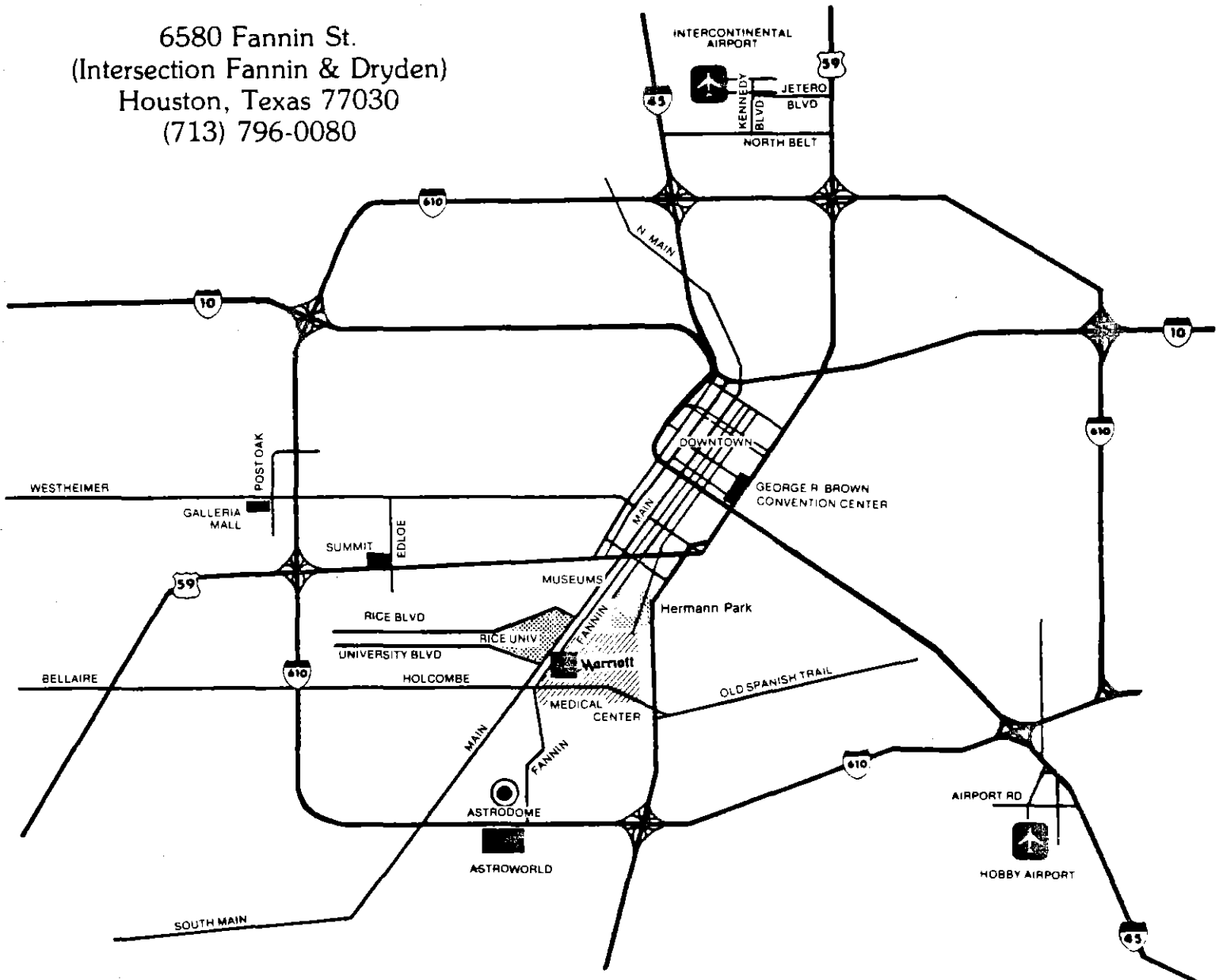
- HMB 10.120 - Regents' Secretarial Office
- HMB 10.108 - Telephones for Staff
- HMB 10.110 - Telephones for Press

10

HOUSTON-MAIN BUILDING
Tenth Floor

HOUSTON **Marriott**[®] MEDICAL CENTER

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(Intersection Fannin & Dryden)
Houston, Texas 77030
(713) 796-0080



610 LOOP TRAVELING EAST

Exit Fannin Street, turn left onto Fannin. Travel Fannin approximately 2 miles. Marriott Hotel will be on your left at the intersection of Fannin and Dryden.

HIGHWAY 59 TRAVELING NORTH

Traveling 59 North, take Shepherd/Greenbriar exit. Turn right onto Greenbriar. Travel Greenbriar to University Boulevard. Turn left onto University Boulevard. Travel University Boulevard to Fannin Street. Turn right onto Fannin. The Marriott Hotel will be on your right at the intersection of Fannin and Dryden.

FROM HOBBY AIRPORT/HIGHWAY 45 NORTH

Depart Hobby Airport onto Broadway. Travel Broadway to 45 North. Exit 45 North onto 610 Loop West. Follow above directions for 610 Loop traveling west.

610 LOOP TRAVELING WEST

Exit Fannin Street. Turn right onto Fannin. Travel Fannin approximately 2 miles. The Marriott Hotel will be on your left at the intersection of Fannin and Dryden.

FROM INTERCONTINENTAL AIRPORT/HIGHWAY 59 SOUTH

Depart Intercontinental Airport onto Jetero Boulevard. Take Jetero to Highway 59 South. Travel 59 South to Fannin Street exit (19 miles). Turn left onto Fannin. The Marriott Hotel will be on your right at the intersection of Fannin and Dryden.

HIGHWAY 45 TRAVELING SOUTH

Travel Highway 45 South to intersection of Highway 59. Take 59 South to Fannin Street exit. Follow directions for Highway 59 South.

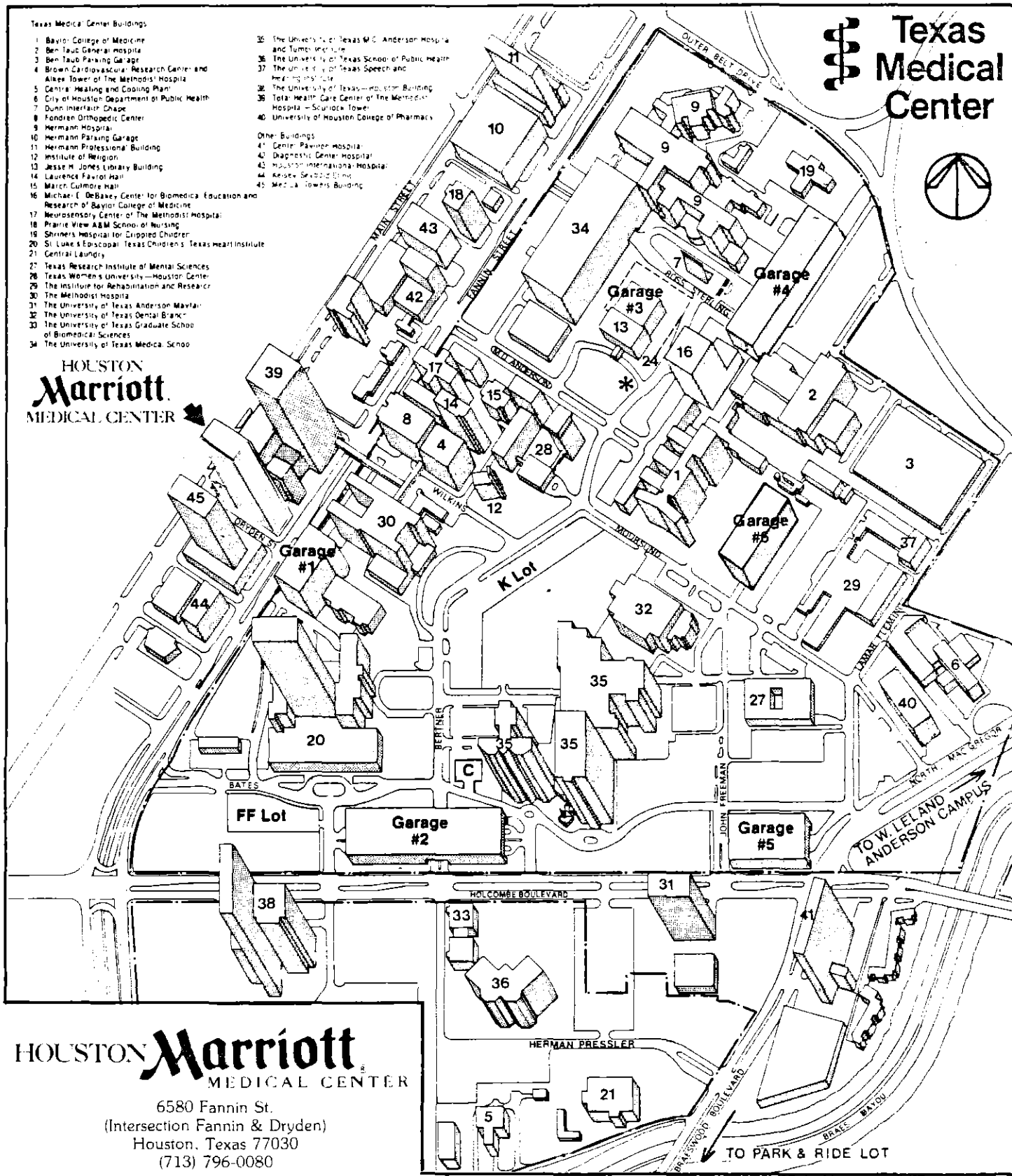
Texas Medical Center



Texas Medical Center Buildings

- 1 Baylor College of Medicine
 - 2 Ben Taub General Hospital
 - 3 Ben Taub Parking Garage
 - 4 Brown Cardiovascular Research Center and Alays Tower of The Methodist Hospital
 - 5 Central Heating and Cooling Plant
 - 6 City of Houston Department of Public Health
 - 7 Dunn Interfaith Chapel
 - 8 Fendren Orthopedic Center
 - 9 Hermann Hospital
 - 10 Hermann Parking Garage
 - 11 Hermann Professional Building
 - 12 Institute of Religion
 - 13 Jesse H. Jones Library Building
 - 14 Laurence Pavoni Hall
 - 15 March-Guthrie Hall
 - 16 Michael E. DeBakey Center for Biomedical Education and Research of Baylor College of Medicine
 - 17 Neurosensory Center of The Methodist Hospital
 - 18 Prairie View A&M School of Nursing
 - 19 Shriner's Hospital for Crippled Children
 - 20 St. Luke's Episcopal Texas Children's Texas Heart Institute
 - 21 Central Laundry
 - 22 Texas Research Institute of Mental Sciences
 - 23 Texas Women's University - Houston Center
 - 24 The Institute for Rehabilitation and Research
 - 25 The Methodist Hospital
 - 26 The University of Texas Anderson Pavilion
 - 27 The University of Texas Dental Branch
 - 28 The University of Texas Graduate School of Biomedical Sciences
 - 29 The University of Texas Medical School
 - 30 The University of Texas M.D. Anderson Hospital and Tumor Institute
 - 31 The University of Texas School of Public Health
 - 32 The University of Texas Speech and Hearing Institute
 - 33 The University of Texas - Houston Building
 - 34 Total Health Care Center of The Methodist Hospital - Scullion Tower
 - 35 University of Houston College of Pharmacy
- Other Buildings
- 41 Center Pavilion Hospital
 - 42 Diagnostic Center Hospital
 - 43 Houston International Hospital
 - 44 Keawe Surgical Clinic
 - 45 Medical Towers Building

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Travel Highway 45 South to intersection of Highway 59. Take 59 South to Fannin Street exit. Follow above directions for Highway 59 South.

Meeting of the Board

AGENDA FOR MEETING
OF
BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

Date and Time: Thursday, February 13, 1986, from 1:00 p.m.
Until Recess
Friday, February 14, 1986, from 9:00 a.m.
Until Adjournment

Place: Conference Room, Tenth Floor
The University of Texas Houston - Main Building

- A. CALL TO ORDER
- B. WELCOME BY PRESIDENT BULGER
- C. APPROVAL OF MINUTES OF REGULAR MEETING HELD
DECEMBER 5-6, 1985
- D. INTRODUCTION OF COMPONENT GUESTS
 - 1. U. T. Arlington - President Nedderman
 - 2. U. T. Austin - President Cunningham
 - 3. U. T. Dallas - President Rutford
 - 4. U. T. El Paso - President Monroe
 - 5. U. T. Permian Basin - President Leach
 - 6. U. T. San Antonio - President Wagener
 - 7. U. T. Tyler - President Hamm
 - 8. U. T. Institute of Texan Cultures - San Antonio -
Interim Executive Director McGiffert
 - 9. U. T. Health Science Center - Dallas -
President Sprague
 - 10. U. T. Medical Branch - Galveston - President Levin
 - 11. U. T. Health Science Center - Houston -
President Bulger
 - 12. U. T. Health Science Center - San Antonio -
President Howe
 - 13. U. T. Cancer Center - President LeMaistre
 - 14. U. T. Health Center - Tyler - Director Hurst
 - 15. Others

E. SPECIAL ITEMS

1. U. T. System: Request for Permission for Individuals to Serve on the City of Austin's Comprehensive Plan Steering Committee [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--

RECOMMENDATION

The Office of the Chancellor recommends that approval be given to the appointment of Dr. Robert D. Mettlen, Vice President for Planning and Special Projects at U. T. Austin, Dr. Rodolfo O. de la Garza, Executive Assistant to the Chancellor, and Mr. James L. Crowson, Vice Chancellor and General Counsel, to the City of Austin's Comprehensive Plan Steering Committee.

It is further recommended that the U. T. Board of Regents find that: (1) the holding of this office by Dr. Mettlen, Dr. de la Garza, and Mr. Crowson is of benefit to the State of Texas, and (2) there is no conflict between the positions these individuals hold in U. T. Austin Administration and U. T. System Administration and their appointment to this panel.

BACKGROUND INFORMATION

On January 15, 1985, the voters of the City of Austin, Texas, amended the City Charter to mandate the writing of a Comprehensive Plan and its enactment into ordinance. The Austin Comprehensive Plan process will be an ongoing two-year process which will impact the City, the U. T. System, the entire Austin community, and the State of Texas into the next century. The Steering Committee is proposed as the central policy guidance and direction mechanism for managing the execution of the proposed two-year work program.

On September 6, 1985, Regents Milburn, Ratliff, and Baldwin, along with Chancellor Mark, Executive Vice Chancellor for Asset Management Patrick, and Vice Chancellor and General Counsel Crowson met with Mayor Cooksey, City Manager Carrasco, and Councilwoman Shipman to discuss several issues. At that time, the overall scope of the Comprehensive Plan was discussed and an invitation was issued for nominations from within the U. T. System to serve as members of this planning panel. On January 9, 1986, announcement was made that the above-named individuals had been appointed to the panel. The appointments are significant in that they represent the first time U. T. System officials have been invited to participate in the City of Austin planning process. Dr. Mettlen will work primarily on the Task Group on Cultural Affairs; Dr. de la Garza will work primarily on the Task Group on Ethnic Minorities; and Mr. Crowson will work primarily on the Task Group on Public Institutions. The panel members serve without remuneration.

This recommendation is in accordance with approval requirements for positions of honor, trust, or profit provided in Article 6252-9a of Vernon's Texas Civil Statutes, and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

2. U. T. System: Recommendation for Approval for Advance Refunding or Cash Defeasance of Certain Non-Permanent University Fund Bond Issues.--

RECOMMENDATION

The Office of the Chancellor recommends that the U. T. Board of Regents authorize the Office of Asset Management and the Office of General Counsel to take all actions necessary to bring to the U. T. Board of Regents at its next meeting a firm recommendation concerning advance refunding or cash defeasance of certain non-Permanent University Fund indebtedness, including specifically the following actions, subject to final ratification by the Board:

- a. Appoint underwriters for the advance refundings
- b. Concur in the appointment of underwriters' counsel
- c. Appoint bond and/or tax counsel
- d. Appoint escrow agents for the investment of proceeds from refunding bonds and fund withdrawals with which to service existing bond indebtedness
- e. Designate a Pricing Committee to work with the managing underwriters to agree on the pricing terms
- f. Authorize the Office of Asset Management to select, through the appropriate procedures, a Paying Agent and Registrar

It is further recommended that the Office of Asset Management be authorized to establish from the proceeds of the advance refundings or cash defeasances any necessary accounts to receive and disburse monies related to the cost of advance refundings or cash defeasances.

The bond issues that would be involved in the proposed transactions include, but are not limited to, the following issues:

The University of Texas System
General Tuition Revenue Bonds
Series 1971, 1972, 1972-A and 1978

The University of Texas at Austin
Building Revenue Bonds, Series 1974 and 1978
Building Revenue Bonds, Series 1969 and 1983

The University of Texas at Arlington
Combined Fee Revenue Bonds, Series 1971-A,
1973, 1973-A, 1974, 1978 and 1985
Student Fee Revenue Bonds, Series 1964,
1966, and 1968

The University of Texas Medical Branch
at Galveston
Endowment and Hospital Revenue Bonds,
Series 1973

The University of Texas M. D. Anderson
Hospital and Tumor Institute at Houston
Endowment and Hospital Revenue Bonds,
Series 1972 and 1976
Hospital Revenue Bonds, Subordinate Lien,
Series 1976

BACKGROUND INFORMATION

The Office of Asset Management and the Office of General Counsel, after consultation with commercial banks, investment banks, and bond counsel have determined that there may be significant cost savings to the U. T. System associated with the advance refunding or cash defeasance of certain non-Permanent University Fund indebtedness. Under the proposal, the U. T. Board of Regents would issue new bonds or draw down related interest and sinking funds and reserve funds and deposit the proceeds into an escrow account with a bank. The proceeds would be invested in risk free government securities yielding a cash flow schedule identical to the required debt service on the existing bonds. The use of such an escrow account to pay the existing bonds debt service as it becomes due would allow the U. T. Board of Regents to eliminate the existing debt issues from its books and replace them with new smaller debt issues. Executive Vice Chancellor Patrick will make a full presentation at the Board meeting.

3. U. T. System: Report from the Executive Vice Chancellor for Asset Management on Investments in Companies Doing Business in South Africa Pursuant to Considerations at the October 1985 Meeting of the U. T. Board of Regents and Possible Actions Related Thereto.--

F. RECESS FOR MEETINGS OF THE STANDING COMMITTEES AND COMMITTEE REPORTS TO THE BOARD

The Standing Committees of the Board of Regents of The University of Texas System will meet as set forth below to consider recommendations on those matters on the agenda for each Committee listed in the Material Supporting the Agenda. At the conclusion of each Standing Committee meeting, the report of that Committee will be formally presented to the Board for consideration and action.

Executive Committee: Chairman Hay
Vice-Chairman Baldwin, Vice-Chairman Ratliff
MSA Page Ex.C - 1

Finance and Audit Committee: Chairman Yzaguirre
Vice-Chairman Roden, Regent Rhodes
MSA Page F&A - 1

Academic Affairs Committee: Chairman Baldwin
Vice-Chairman Milburn, Regent Briscoe
MSA Page AAC - 1

Health Affairs Committee: Chairman Briscoe
Vice-Chairman Yzaguirre, Regent Blanton
MSA Page HAC - 1

Buildings and Grounds Committee: Chairman Rhodes
Vice-Chairman Ratliff, Regent Hay
MSA Page B&G - 1

Land and Investment Committee: Chairman Milburn
Vice-Chairman Blanton, Regent Baldwin, Regent Roden
MSA Page L&I - 1

G. RECONVENE

H. ITEMS FOR THE RECORD

1. U. T. Tyler: Acceptance of Membership to Development Board.--

At the December 1985 U. T. Board of Regents' meeting, Mr. Frank M. Burke, Jr. of Dallas, Texas, was approved for membership on the U. T. Tyler Development Board for a three-year term to expire in 1988. Mr. Burke's acceptance of membership is herewith reported for the record.

2. U. T. Health Science Center - Houston: Acceptance of Membership to Development Board.--

At the December 1985 U. T. Board of Regents' meeting, Mr. Robert R. Combs of Houston, Texas, was approved for membership on the U. T. Health Science Center - Houston Development Board for a three-year term to expire in 1988. Mr. Combs' acceptance of membership is herewith reported for the record.

- I. REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS
- J. REPORT OF SPECIAL COMMITTEES
- K. OTHER MATTERS
- L. SCHEDULED MEETINGS AND EVENTS

Board of Regents' Meetings

<u>Dates</u>	<u>Locations/Hosts</u>
April 10-11, 1986	U. T. Medical Branch - Galveston
June 5-6, 1986	Austin
August 14-15, 1986	Austin
October 9-10, 1986	U. T. Health Science Center - Dallas
December 4-5, 1986	U. T. Health Science Center - San Antonio

Other Events

February 21, 1986	U. T. Austin: Dedication of Chemical and Petroleum Engineering Building
April 10, 1986	U. T. Medical Branch - Galveston: Rededication of Ashbel Smith Building

Holidays

February 17, 1986	George Washington's Birthday
April 21, 1986	Texas Sesquicentennial Day
May 26, 1986	Memorial Day
July 4, 1986	Independence Day

Commencement - 1986

May 9	U. T. Tyler
May 10	U. T. Permian Basin
May 17	U. T. Dallas
	U. T. El Paso
	U. T. Nursing School - Galveston
	U. T. Allied Health Sciences School - San Antonio
May 18	U. T. San Antonio
	U. T. G.S.B.S. - Galveston
	U. T. Nursing School - San Antonio
May 23	U. T. G.S.B.S. - San Antonio
May 24	U. T. Arlington
	U. T. Austin
	U. T. Medical School - Galveston
	U. T. Medical School - San Antonio
	U. T. Dental School - San Antonio
May 31	U. T. Southwestern Medical School - Dallas and U. T. Southwestern G.S.B.S. - Dallas
	U. T. Medical School - Houston
	U. T. Dental Branch - Houston
June 13	U. T. Public Health School - Houston
June 14	U. T. G.S.B.S. - Houston
	U. T. Allied Health Sciences School - Houston
	U. T. Nursing School - Houston
August 16	U. T. Allied Health Sciences School - Galveston
August 17	U. T. Allied Health Sciences School - Dallas

M. RECESS TO EXECUTIVE SESSION

The Board will convene in Executive Session pursuant to Vernon's Texas Civil Statutes, Article 6252-17, Sections 2(e), (f) and (g), to consider those matters set out in the Material Supporting the Agenda.

If time permits, the Board will recess on Thursday afternoon to convene in Executive Session and continue that Executive Session beginning at 9:00 a.m. on Friday until the completion of business --- See Page B of R - 8, Item P.

If time will not permit the beginning of the Executive Session on Thursday, the Board will recess to begin its Executive Session at 9:00 a.m. on Friday and continue until the completion of business.

AGENDA FOR MEETING
OF
BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

Date: February 14, 1986

Time: 9:00 a.m.

Place: Conference Room, Tenth Floor
The University of Texas Houston - Main Building

A.-M. (Pages B of R 1 - 7)

N. CONVENE OR RECONVENE IN EXECUTIVE SESSION

O. RECONVENE IN OPEN SESSION

P. CONSIDERATION OF ACTION ON ANY ITEMS DISCUSSED IN THE EXECUTIVE SESSION OF THE BOARD OF REGENTS PURSUANT TO V.T.C.S., ARTICLE 6252-17, SECTIONS 2(e), (f) and (g)

1. Pending and/or Contemplated Litigation - Section 2(e)

2. Land Acquisition, Purchase, Exchange, Lease or Value of Real Property and Negotiated Contracts for Prospective Gifts or Donations - Section 2(f)

U. T. Health Science Center - San Antonio:
Consideration of Acceptance of Negotiated Gift of Land

3. Personnel Matters [Section 2(g)] Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees

U. T. System: Consideration of the Assignment of Duties and Responsibilities of Officers and Employees of the U. T. Institute of Texan Cultures - San Antonio and U. T. San Antonio

Q. OTHER BUSINESS

R. ADJOURNMENT

1986

January
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June
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July
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August
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September
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October
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November
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December
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Executive Committee

EXECUTIVE COMMITTEE
COMMITTEE CHAIRMAN HAY

Date: February 13, 1986
Time: Following the 1:00 p.m. Session of the Board of Regents
Place: Conference Room, Tenth Floor
The University of Texas Houston - Main Building

	<u>Page</u> <u>Ex.C</u>
1. Permanent University Fund: Recommendation to Name the Endowment Fund for Conservation and Land Utilization Programs "The Billy Carr - Permanent University Fund Lands Endowment for Conservation and Land Utilization" (Exec. Com. Letter 86-10)	3
2. U. T. System: Recommendation to Approve 1986-87 Budget Policies and Limitations (Exec. Com. Letter 86-7)	3
3. U. T. System: Recommendation for Employment of an Investment Counselor for The University of Texas System Professional Medical Malpractice Self-Insurance Plan and Authorization of Amount to be Managed and for the Executive Vice Chancellor for Asset Management and the Office of General Counsel to Execute an Investment Agreement (Exec. Com. Letter 86-10)	6
4. U. T. Austin - College of Business Administration Building (Previously Named the Business Economics Office Building and the Business Economics Building) (Project No. 102-481): Recommended Award of Contracts for Furniture and Furnishings to Southwest Office Interiors, Austin, Texas; Disco Print Company, Houston, Texas; The Paul Anderson Company, San Antonio, Texas; Rockford Business Interiors, Austin, Texas; Business Products and Services, Inc., El Paso, Texas; Business Interiors, Arlington, Texas; Carpet Services, Inc., Austin, Texas; Dallas Drapery Inc., Dallas, Texas; NB Business Systems, Inc., Austin, Texas; and Lundia Division of MII, Inc., Jacksonville, Illinois; and Request for Authorization for the Chancellor to Sign the Contracts (Exec. Com. Letter 86-5)	7
5. U. T. Austin: Authorization to Accept Invitation for Football Team to Participate in the Bluebonnet Bowl in Houston, Texas, on December 31, 1985, and Approval of Preliminary Budget Covering Expenses (Exec. Com. Letter 86-6)	10
6. U. T. Austin: Recommended Concurrence in Purchase of Pforzheimer Library and Approval of Proposed Loan of Library for One Year with Option to Purchase (Exec. Com. Letter 86-9)	11

7. U. T. Austin: Proposed Appointment to the Gus Wortham Memorial Chair in Risk Management and Insurance in the College of Business Administration and the Graduate School of Business Effective January 16, 1986 (Exec. Com. Letter 86-9) 23
8. U. T. San Antonio: Recommendation for Approval to Enter Into a Ground Lease with a Private Entity for the Provision of Student Housing (Exec. Com. Letter 86-8) 23
9. U. T. Medical Branch - Galveston - Remodeling of John Sealy Hospital (Old Building) - Remodeling of McCullough Building, Fourth, Fifth and Sixth Floors for the Departments of Internal Medicine and Surgery (Project No. 601-577): Recommended Award of Construction Contract to E. G. Lowry Co., Inc., Houston, Texas, and Approval of Revised Total Project Cost (Exec. Com. Letter 86-10) 26
10. U. T. Health Science Center - San Antonio: Recommendation for Sale of Property in Bexar County, San Antonio, Texas, to Mr. Sergio Buentello and Mrs. Maria Esthela Buentello, San Antonio, Texas (Exec. Com. Letter 86-10) 31

1. Permanent University Fund: Recommendation to Name the Endowment Fund for Conservation and Land Utilization Programs "The Billy Carr - Permanent University Fund Lands Endowment for Conservation and Land Utilization" (Exec. Com. Letter 86-10).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of the Office of the Chancellor that the Endowment Fund for Conservation and Land Utilization Programs which was authorized at the U. T. Board of Regents' meeting in December 1985 be renamed "The Billy Carr - Permanent University Fund Lands Endowment for Conservation and Land Utilization."

BACKGROUND INFORMATION

Mr. Billy Carr is presently the Manager of University Lands - Surface Interests, and will retire from full time employment with the U. T. System effective February 28, 1986. He has held this position since 1963, and during these twenty-three years has been responsible for and synonymous with the enlightened manner in which the U. T. System has managed the nonmineral aspects of the Permanent University Fund Lands. His stewardship has been progressive and innovative and is substantially responsible for the excellent position and reputation this land enjoys today. This proposal was enthusiastically endorsed by all members of the Land and Investment Committee of the U. T. Board of Regents.

2. U. T. System: Recommendation to Approve 1986-87 Budget Policies and Limitations (Exec. Com. Letter 86-7).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of the Office of the Chancellor that the U. T. Board of Regents approve the following Budget Policies and Limitations for preparation of 1986-87 U. T. System budgets:

1986-87 Budget Policies and Limitations
for General Operating Budgets,
Auxiliary Enterprises, Contracts
and Grants, Restricted Current Funds,
Designated Funds, and Service and
Revolving Funds Activities.

In preparing the first draft of the Fiscal 1987 operating budget, the Chief Administrative Officer of each component institution should adhere to the guidelines and policies set out on Pages Ex.C 4 - 5.

- a. Overall budget totals, including reasonable reserves, must be limited to the funds available for the year from:
- ° General Revenue Appropriations
 - ° Estimates of Local Income
 - ° Limited Use of Institutional Unappropriated Balances
 - ° An amount equal to 20% of the total library appropriation requested for each component in the System's "essential needs" request, which amount is expected to be appropriated from Permanent University Fund Bond Resources.
- b. Inasmuch as the ultimate legislative appropriations to U. T. Institutions were substantially as proposed by The Hobby Plan, subject to the availability of funds, each component's budget:
- ° should provide for an aggregate increase in faculty salaries equal to 6% or more of Fiscal 1986's appropriation
 - ° should provide for an aggregate increase in academic support items equal to 3% or more of Fiscal 1986's appropriation
- c. The recommendations for salary increases for personnel are subject to the current regulations and directives included in the General Appropriations Bill as stated in Article III, Section 22 (amended for the mandated 3% increase provided for in Article V):

"Sec. 22. SALARY PROVISIONS. a. President/Chancellor Salaries: out of the funds appropriated to the general academic institutions, health centers, health science centers and medical education programs in the element of institutional cost General Administration and Student Services, an amount NTE \$58,000 in 1986 and \$59,700 in 1987 may be expended for the salary of a president or chancellor. All presidents or chancellors may receive in addition to the above amounts, a house, utilities, and/or supplement from private sources. If a university owned house is not available an amount NTE \$7,200 per year from the General Administration and Student Services appropriation, and additional funds from gifts and grants where required, may be provided in lieu of house and utilities.

b. It is expressly provided that institutional administrators may grant merit salary increases to employees whose job performance and productivity is consistently above that normally expected or required."

Article V, Sec. 94, further states in part that "the provisions of this act which relate to salaries authorize, generally, a salary increase of three (3) percent in fiscal year 1987. The Comptroller of Public Accounts shall adopt procedures necessary to administer these provisions."

- d. Selective merit salary increases may be provided for the faculty and professional staff. In the case of faculty, merit increases or advances in rank are to be on the basis of teaching effectiveness, research, and public service. This policy relating to faculty salary increases applies to all fund sources.

- e. New faculty positions are to be based on conservative estimates of enrollment increases. Total faculty staffing should be reviewed in terms of planned increases in work load.
- f. Merit salary increases for classified personnel in accordance with the Personnel Pay Plan policies approved by the U. T. Board of Regents may be given only to individuals who will have been employed by the institution for at least six months as of August 31, 1986.
- g. New classified positions are to be requested only when justified by increased work loads.
- h. Maintenance, Operation, and Equipment items can be increased only as justified by expanded work loads, inflation, or newly developing programs.
- i. Travel funds are to be shown as separate line items.

1986-87 OPERATING BUDGET CALENDAR

December 1985	U. T. Board of Regents' Approval of Policies (Executive Committee Letter)
March 21, 1986	<u>Five</u> Draft Copies (bound) of Budgets due to System Administration (including 5 copies of supplemental data)
April 14-25, 1986	Budget Hearings with System Administration
May 16, 1986	<u>Thirty</u> copies of Budgets (bound) due to System Administration (with 5 copies of adjusted supplemental data as applicable)
May 26, 1986	Budgets mailed to the U. T. Board of Regents
June 5-6, 1986	U. T. Board of Regents' Budget Meeting
June 16, 1986	<u>Fifty-five</u> Copies of Budgets (unbound) due to System Administration for binding

3. U. T. System: Recommendation for Employment of an Investment Counselor for The University of Texas System Professional Medical Malpractice Self-Insurance Plan and Authorization of Amount to be Managed and for the Executive Vice Chancellor for Asset Management and the Office of General Counsel to Execute an Investment Agreement (Exec. Com. Letter 86-10).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of the Office of the Chancellor that the U. T. Board of Regents approve the following actions with regard to investment of The University of Texas System Professional Medical Malpractice Self-Insurance Plan:

- a. Employment of Financial Computer Services, Inc., Evanston, Illinois, as an investment counselor
- b. Authorization of an amount of \$5 million to be managed by this investment counselor
- c. Authorization for the Executive Vice Chancellor for Asset Management and the Office of General Counsel to finalize within the parameters of the existing investment counseling agreements an appropriate investment counseling agreement and for the Executive Vice Chancellor for Asset Management to execute such an agreement after it has been reviewed by the Chairman of the Land and Investment Committee and approved as to form by the Office of General Counsel.

BACKGROUND INFORMATION

On October 10, 1985, the Office of the Executive Vice Chancellor for Asset Management received responsibility for the investment of funds constituting The University of Texas System Professional Medical Malpractice Self-Insurance Plan. The Executive Vice Chancellor for Asset Management, after consultation with the Land and Investment Committee members, is of the opinion that the firm recommended is qualified to add a distinct investment style and increase diversification to the Plan.

4. U. T. Austin - College of Business Administration Building (Previously Named the Business Economics Office Building and the Business Economics Building) (Project No. 102-481): Recommended Award of Contracts for Furniture and Furnishings to Southwest Office Interiors, Austin, Texas; Disco Print Company, Houston, Texas; The Paul Anderson Company, San Antonio, Texas; Rockford Business Interiors, Austin, Texas; Business Products and Services, Inc., El Paso, Texas; Business Interiors, Arlington, Texas; Carpet Services, Inc., Austin, Texas; Dallas Drapery Inc., Dallas, Texas; NB Business Systems, Inc., Austin, Texas; and Lundia Division of MII, Inc., Jacksonville, Illinois; and Request for Authorization for the Chancellor to Sign the Contracts (Exec. Com. Letter 86-5).--

RECOMMENDATION

The Executive Committee concurs with the recommendation of President Cunningham and the Office of the Chancellor that the U. T. Board of Regents award contracts for furniture and furnishings for the College of Business Administration Building (previously named the Business Economics Office Building and the Business Economics Building) at U. T. Austin to the following lowest responsible bidders:

Southwest Office Interiors
Austin, Texas

Base Proposal "A" (Faculty Conference & Lounge Furniture)	\$184,388.00
Base Proposal "F" (Executive Chairs)	33,840.00
Base Proposal "H" (Stacking Chairs)	<u>42,079.00</u>

Total Contract Award to Southwest Office Interiors	\$260,307.00
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Disco Print Company
Houston, Texas

Base Proposal "B" (Steel Office Furniture)	68,797.00
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The Paul Anderson Company
San Antonio, Texas

Base Proposal "C" (Wood Office Furniture)	307,082.00
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Rockford Business Interiors
Austin, Texas

Base Proposal "D" (Visitor Chairs)	53,450.60
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Business Products and Services, Inc. El Paso, Texas	
Base Proposal "E" (Desk Chairs)	\$ 56,300.00
Business Interiors Arlington, Texas	
Base Proposal "G" (Tables)	61,386.92
Carpet Services, Inc. Austin, Texas	
Base Proposal "I" (Carpet)	31,308.00
Dallas Drapery Inc. Dallas, Texas	
Base Proposal "J" (Drapery)	4,587.00
NB Business Systems, Inc. Austin, Texas	
Base Proposal "K" (Power Files)	35,681.00
Lundia Division of MII, Inc. Jacksonville, Illinois	
Base Proposal "L" (Compact Shelving)	<u>30,267.00</u>
GRAND TOTAL RECOMMENDED CONTRACT AWARDS	\$909,166.52

It is further recommended that the Chancellor be authorized to sign the contracts awarding these bids based on the results of the Executive Committee circularization.

BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in December 1982, bids were called for and were received, opened and tabulated on October 29, 1985, as shown on Pages Ex.C 9 - 10, for furniture and furnishings for the College of Business Administration (previously called the Business Economics Office Building and the Business Economics Building) at U. T. Austin. Funds for the contract awards are available in the Furnishings and Equipment Account.

With reference to Base Proposal "K" (Power Files), only one bid was received. This package is for two additional power files to match and be intermingled with existing power files. The bid received was less than the estimated cost of \$36,480. It is believed that rebidding would not improve these results.

With respect to Base Proposal "L" (Compact Shelving), only one bid was received. Representatives of all known manufacturers of comparable compact shelving were given the opportunity to bid. Therefore, it was possible that representatives of four different manufacturers could have submitted bids for this package. A telephone canvass of the representatives of the

three manufacturers which did not bid revealed that two of them were too busy with other projects to participate in the bidding. The third company stated that their product would not meet the requirements of the specifications. The bid submitted for \$30,267 was less than the estimated cost of \$31,595. It is believed that rebidding would not improve these results.

With reference to Base Proposal "I" (Carpet), the bid of Southwest Decor Inc., San Antonio, Texas, of \$25,890.95, is not a responsible bid in that the bid does not include all items as required by the specifications. Award to the second lowest bidder, Carpet Services, Inc., Austin, Texas, is recommended. The bid of \$31,308 compares favorably with other bids and with the estimated cost of \$31,434 for Base Proposal "I".

Base Proposal "A", Faculty Conference and Lounge Furniture

Southwest Office Interiors	\$184,388.00
Rockford Business Interiors	188,384.20
Interior Environments, Inc.	208,608.25

Base Proposal "B", Steel Office Furniture

Disco Print Company	\$ 68,797.00
Southwest Office Interiors	71,351.00
Rockford Business Interiors	78,391.03
Business Products and Services, Inc.	84,890.00
Interior Environments, Inc.	88,487.61
Business Interiors	99,689.60

Base Proposal "C", Wood Office Furniture

The Paul Anderson Company	\$307,082.00
Labry Commercial Interiors, Inc.	314,948.84

Base Proposal "D", Visitor Chairs

Rockford Business Interiors	\$ 53,450.60
Wilson Business Products, Systems & Services, Inc.	53,587.06
Southwest Office Interiors	54,439.00
Evans-Monical, Inc.	54,592.66
Clegg/Austin, Inc.	56,027.88
Business Products and Services, Inc.	78,883.00
Business Interiors	82,965.07

Base Proposal "E", Desk Chairs

Business Products and Services, Inc.	\$ 56,300.00
H. McCoy Inc.	66,602.72
Clegg/Austin, Inc.	69,398.52
Labry Commercial Interiors, Inc.	69,966.68
Evans-Monical, Inc.	70,885.53

Base Proposal "F", Executive Chairs

Southwest Office Interiors	\$ 33,840.00
Labry Commercial Interiors, Inc.	34,347.09

Base Proposal "G", Tables

Business Interiors	\$ 61,386.92
Disco Print Company	63,855.00
Rockford Business Interiors	64,938.94
Wilson Business Products, Systems & Services, Inc.	66,150.67

Base Proposal "G", Tables (continued)

Evans-Monical, Inc.	\$ 66,389.75
Southwest Office Interiors	67,683.00
H. McCoy Inc.	68,689.67
Labry Commercial Interiors, Inc.	71,784.91
Business Products and Services, Inc.	78,353.00

Base Proposal "H", Stacking Chairs

Southwest Office Interiors	\$ 42,079.00
Disco Print Company	50,271.00

Base Proposal "I", Carpet

Southwest Decor Inc.	\$ 25,890.95
Carpet Services, Inc.	31,308.00
San Antonio Floor Finishers, Inc.	35,000.00
Rockford Business Interiors	35,979.18

Base Proposal "J", Drapery

Dallas Drapery Inc.	\$ 4,587.00
Sherrill Draperies, Inc.	4,800.90
Southwest Decor Inc.	6,606.75
Dismukes Blind & Drapery Co., Inc.	7,870.00

Base Proposal "K", Power Files

NB Business Systems, Inc.	\$ 35,681.00
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Base Proposal "L", Compact Shelving

Lundia Division of MII, Inc.	\$ 30,267.00
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5. U. T. Austin: Authorization to Accept Invitation for Football Team to Participate in the Bluebonnet Bowl in Houston, Texas, on December 31, 1985, and Approval of Preliminary Budget Covering Expenses (Exec. Com. Letter 86-6).---

RECOMMENDATION

The Executive Committee concurs in the recommendation of President Cunningham and the Office of the Chancellor that the U. T. Board of Regents approve the acceptance by the Intercollegiate Athletics Council for Men of an invitation for U. T. Austin's football team to participate in the Bluebonnet Bowl in Houston, Texas, on December 31, 1985, and approve a preliminary budget as set forth below:

Budget
1985 Bluebonnet Bowl

INCOME:

Estimated Income from Bluebonnet Bowl	\$ 400,000
Less: Amount Due SWC per Conference Policy	<u>(75,240)</u>

Amount Available for Bowl Expenses	\$ 324,760
Less: Game Tickets Provided to Squad, Staff, Administration and Others	<u>(22,880)</u>
Net Available for Bowl Expenses	<u>\$ 301,880</u>

EXPENDITURES:

Awards/Official Functions	\$ 28,800
Employee Fringe Benefits	6,990
Photography (Film/Video)	4,500
Printing and Postage	2,500
Salary Supplements	87,380
Supplies-Player (Training and Equipment)	25,000
Team "NCAA" Incidental Allowance	10,500
Travel Official Party (Transportation and Meals)	78,200
Travel Official Party (Lodging)	32,600
Contingency	<u>7,200</u>
Total--Athletics Department	<u>\$ 283,670</u>
Band and Cheerleaders:	
Band (Travel, Meals, Lodging)	16,710
Cheerleaders	<u>1,500</u>
Total--Band and Cheerleaders	<u>18,210</u>
EXCESS INCOME OVER EXPENDITURES	<u>\$ -0-</u>

BACKGROUND INFORMATION

This recommendation has the support of Athletics Director DeLoss Dodds, the Intercollegiate Athletics Council for Men, and the U. T. Austin Administration, in accordance with the U. T. Austin Bowl Game Policy adopted by the U. T. Board of Regents in February 1982. Actual expenses will be reported to the U. T. Board of Regents in the next appropriate institutional docket.

6. U. T. Austin: Recommended Concurrence in Purchase of Pforzheimer Library and Approval of Proposed Loan of Library for One Year with Option to Purchase (Exec. Com. Letter 86-9).--

RECOMMENDATION

Pursuant to the action of the U. T. Board of Regents at its December 1985 meeting, negotiations for the purchase/acquisition of the Pforzheimer Library and the loan of same to U. T. Austin have been completed. Accordingly, the Executive Committee and the Office of the Chancellor endorse President Cunningham's request for approval of the proposed agreement (substantially in the form set out on Pages Ex.C 13 - 22) for the loan of the Library to U. T. Austin following its purchase on January 7, 1986. The Library will be delivered to U. T. Austin on a loan basis for one year. Under the

terms of the proposed loan agreement, U. T. Austin would have one year to use its best efforts to raise \$15,000,000 as the purchase price for the Library.

The Pforzheimer Foundation will provide and the U. T. Board of Regents will accept a contribution of \$750,000 designated as The Carl H. Pforzheimer Endowment to be used exclusively for the maintenance, preservation and scholarly availability of the Collection so long as the Collection shall be at U. T. Austin. In the event the Collection shall be removed from U. T. Austin, the endowment shall be retained and the income shall be applied to other educational and scholarly purposes at U. T. Austin as the U. T. Board of Regents may deem appropriate.

The Pforzheimer Foundation will also grant authority to U. T. Austin to publish a facsimile edition of the three volume catalog of The Pforzheimer Library.

BACKGROUND INFORMATION

The Pforzheimer Library consists of over 1100 printed volumes and approximately 250 manuscript groupings of letters and documents covering the period 1475 (the year the first book was printed in the English language) to 1700. The 225-year period covered constitutes the foundational period of English culture as we know it today. It is the last major collection of foundational English books in private hands and the addition of the Pforzheimer Library to the collections of the Harry Ransom Humanities Research Center would add a dimension of depth now lacking in its collections regarding the early formative years of our English heritage.

LOAN AGREEMENT

This Loan Agreement is entered into as of the 7th day of January, 1986, by and between H. R. Perot (the "Lender") and The Board of Regents of The University of Texas System for and on behalf of The University of Texas at Austin ("UT").

Subject to the terms and conditions hereinafter expressed, Lender hereby loans to UT and UT hereby borrows from Lender that certain literary collection known as the Carl H. Pforzheimer Library of English Literature (1475 - 1700) and more specifically described in a three-volume catalog entitled The Carl H. Pforzheimer Library: English Literature 1475 - 1700 (New York Privately Printed 1940) (the "Catalog"), and is more specifically described in Schedules I and II to this Loan Agreement, hereinafter referred to as the "Pforzheimer Collection".

Section 1. Term of Loan. This loan shall begin January 7, 1986, the date of the physical transfer of possession of the Pforzheimer Collection to UT, and shall terminate December 31, 1986.

Section 2. Consideration. As consideration for the loan of the Pforzheimer Collection, UT agrees to perform the obligations under this Agreement for the duration of the loan.

Section 3. Location of the Property. UT shall take possession of the property directly from the Carl and Lily Pforzheimer Foundation, Inc. (the "Foundation") on January 7, 1986, the date of the acquisition of the Pforzheimer Collection by Lender. UT shall assume responsibility for making the necessary arrangements for shipping the Pforzheimer Collection from New York City to Austin, Texas, and for all risk of loss or damage, costs and expenses incurred in moving the Pforzheimer Collection. Once the Pforzheimer Collection arrives in Austin, Texas, UT shall take steps to store it at the Harry Ransom Humanities Research Center in a location suitable for the preservation and proper care of such collection. UT shall inform Lender of the location of the Pforzheimer Collection and shall not permit the Pforzheimer Collection to be moved without the written consent of the Lender.

Section 4. Care of Property. UT shall utilize and shall permit others to utilize the Pforzheimer Collection in a manner consistent with the proper care and preservation of the Collection and shall comply with all laws, ordinances, and regulations relating to the possession, use, or maintenance of the property.

Section 5. Identification of Property. If, at any time during the term of this loan, Lender supplies UT with labels, plates, or other markings stating that the Pforzheimer Collection is owned by the Lender, UT shall affix and keep them in a prominent place agreed to by UT and Lender. Unless required by law, UT shall not disclose or publicize the identity of the owner of the Pforzheimer Collection without the prior written consent of the Lender. In any event, UT shall give the Lender 10 days written notice prior to such disclosure or publication.

Section 6. Alterations. UT agrees that no alterations shall be made to the Pforzheimer Collection without obtaining prior written permission from the Lender; however, the Lender agrees to permit UT to take steps necessary to preserve items which are part of the Pforzheimer Collection. Any additions or improvements of any kind to the Pforzheimer Collection shall immediately become property of the Lender and subject to the terms of this Agreement.

Section 7. Maintenance. UT, at its own cost and expense, shall keep the Pforzheimer Collection in good condition and take all reasonable action necessary to avoid damage, destruction, abuse, misuse, or deterioration of all or part of the Pforzheimer Collection.

Section 8. Endowment. UT acknowledges the receipt of a check from the Foundation in the amount of Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000.00) payable to the Board of Regents of The University of Texas System for the benefit of The University of Texas at Austin to serve as an endowment for the maintenance, preservation and scholarly availability of the Pforzheimer Collection. UT hereby agrees to execute and deliver to the Foundation such written confirmation as the Foundation may reasonably request confirming the acceptance of such endowment for the purposes stated therein.

Section 9. Lender's Right of Inspection. Lender shall at all times during business hours of UT have the right to enter on the premises where the Pforzheimer Collection may be located for the purpose of inspecting it or observing its use. UT shall give Lender immediate notice of any attachment or other judicial process affecting the Pforzheimer Collection and shall within a reasonable time, whenever requested by the Lender, advise the Lender of the exact location of every piece of property which is part of the Pforzheimer Collection.

Section 10. Return of Property. On expiration or earlier termination of this Loan Agreement, with respect to the Pforzheimer Collection, and unless UT has exercised its

option to purchase under Section 11 hereof, UT shall return the Pforzheimer Collection to the Lender in its original condition, normal wear excepted, by delivering the Pforzheimer Collection at UT's expense to such place as Lender shall specify.

Section 11. UT's Option to Purchase. Lender hereby grants to UT the option to purchase the Pforzheimer Collection loaned herein, at any time during the term of this Loan Agreement, for a purchase price of Fifteen Million and No/100 Dollars (\$15,000,000.00) (the "Purchase Price"). The exercise of the purchase option by UT will terminate this Agreement. UT may exercise the option granted herein by delivering to the Lender on or before December 31, 1986 a cashier's check in the amount of the Purchase Price and the Lender shall deliver to UT a Bill of Sale conveying the Pforzheimer Collection to UT. This option shall expire on December 31, 1986 if not exercised in the manner set forth herein. UT agrees to use best efforts to raise the Purchase Price during the term hereof. As UT receives funds to become a part of the Purchase Price, such funds shall be placed in an escrow account ("Escrow") and invested in such a manner as to earn interest while preserving the principal. If, at any time during the term of this Agreement, the amount of principal in Escrow reaches the Purchase Price, UT shall immediately exercise its option to purchase under this Section 11. If the amount in Escrow at the expiration of the term of this Agreement is less than the Purchase Price, the principal in Escrow shall be returned to UT and the interest in Escrow accrued during the term of this Agreement shall be paid to the Lender.

Section 12. Delivery and Acceptance of Pforzheimer Collection. UT has inspected and inventoried the Pforzheimer Collection and hereby acknowledges that the Pforzheimer Collection is in good condition and complete with the exception of any omissions described in Schedule I to this Loan Agreement.

Section 13. Risk of Loss or Damage. From and after the date hereof, UT hereby assumes all risk of loss or damage to the Pforzheimer Collection from any cause. No loss or damage to the Pforzheimer Collection will impair any obligation of UT under this Agreement, which shall continue in full force and effect. In the event of loss of or damage to all or part of the Pforzheimer Collection, at the option of the Lender, UT shall (a) place the same in good repair or (b) replace the same with like property in good repair which property shall thereupon become subject to this Loan Agreement or (c) pay the Lender therefor the fair market value of the item or items damaged or destroyed.

Section 14. Obligation to Insure. UT, at its own expense, shall keep the property insured for such risks and in such amounts as shall be agreed to by UT and Lender with carriers acceptable to the Lender. The amount of such coverage shall in no event be less

than Fifteen Million and No/100 Dollars (\$15,000,000.00). All such insurance shall name the Lender and UT as insured. The policies shall provide that they may not be cancelled or altered without at least 30 days prior written notice to the Lender, and the loss payable endorsement shall provide that all amounts payable by reason of loss of or damage to the property shall be payable only to the Lender. UT shall deliver to the Lender evidence satisfactory to the Lender of all such insurance. If loss or damage occurs under circumstances in which UT is not in violation of the terms of any policies and if UT has fulfilled its obligations under Section 13 of this Agreement and is not otherwise in default thereunder, the Lender will pay UT so much of any insurance proceeds received by the Lender as the result of such loss as will fully reimburse UT for the net expense it incurs in fulfilling its obligations under Section 13.

Section 15. Taxes and Fees. UT shall pay all license fees, assessments, and sales, use, property and other taxes now or hereafter imposed on the Pforzheimer Collection by reason of ownership, leasing, renting, purchase by Lender, sale, possession, or use, whether assessed to Lender or UT, together with any penalties or interest in connection therewith, excepting federal, state, or local government taxes or payments in lieu thereof, imposed on or measured by the income of the Lender. If any tax is, by law, to be assessed or billed to the Lender, UT, at its expense, will do anything required to be done by the Lender in connection with the levy, assessment, billing, or payment of such tax and is hereby authorized by the Lender to act on Lender's behalf in such respects; UT will cause all billings of such taxes to be made to the Lender in care of UT and will, from time to time, on request of the Lender, submit written evidence of the payment of all governmental obligations mentioned in this section. It is expressly agreed that UT will not, without obtaining prior written permission of the Lender, assert on its behalf, or on behalf of the Lender, any immunity from taxation based on the tax exempt status, if any, of the Lender.

Section 16. Indemnity of Lender. To the extent authorized by the Constitution and the laws of the State of Texas, UT shall indemnify the Lender against all claims, actions, proceedings, costs, damages, and liabilities, including attorney fees, arising out of, connected with or resulting from use of the Pforzheimer Collection including, without limitation, the inspection, delivery, possession, use, or return thereof.

Section 17. Events Constituting Default. The following events constitute default:

(a) The non-performance by UT of any term, covenant, or condition of this Agreement which is not cured within 20 days after notice thereof by the Lender;

(b) The non-performance by Lender of any term, covenant, or condition of this Agreement which is not cured within 20 days after notice thereof by UT;

(c) Expiration or cancellation of any insurance policy to be paid by UT as provided for under the terms of this Agreement;

(d) Involuntary transfer of UT's interest in this Agreement by operation of law;
or

(e) UT's assignment of any interest in this Agreement.

Section 18. Lender's Right to Prevent Default. Should UT fail to do any act as herein provided, the Lender shall have the right, but not the obligation, without notice to or demand on UT and without releasing UT from any obligation hereunder, to make or do the same and to pay, purchase, contest, or compromise any encumbrance, charge, or lien which in the judgment of the Lender appears to affect the Pforzheimer Collection and in exercising any such rights incur any liability and expend whatever amounts in its discretion it may deem necessary therefor. Should UT fail to make any payment required to be made by this Agreement, all reasonable and necessary payments made by Lender pursuant to this Section 18 shall be, without demand, immediately due and payable by UT and shall bear interest at the rate of ten percent (10%) per annum thereafter until paid.

Section 19. Lender's Right on Default. On occurrence of any event of default defined in Section 17, the Lender may, without notice to or demand on UT, take possession of the Pforzheimer Collection and terminate this Agreement at will.

Section 20. Choice of Law. This Loan Agreement shall be governed by and construed under the laws of the State of Texas.

Section 21. Ownership of Property. The Pforzheimer Collection is and shall at all times during the term of this Loan Agreement remain the sole property of the Lender, and UT shall have no right, title, or interest therein except as expressly set forth in this Agreement.

Section 22. Assignment. UT shall not, during the term of this Loan Agreement, without the prior written consent of the Lender, (a) assign, transfer, pledge, or hypothecate this Agreement, the Pforzheimer Collection or any part thereof or any interest therein; (b) lease or lend the Pforzheimer Collection or any part thereof; or (c) permit the Pforzheimer Collection or any part thereof to be used by anyone other than UT, UT employees, or other qualified persons designated by UT. The Lender may assign its interest, or a part thereof, in this Agreement.

EXECUTED by the parties on this the 3rd day of January, 1986.

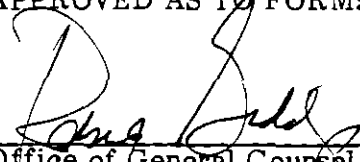
LENDER:



H. R. Perot

UT:

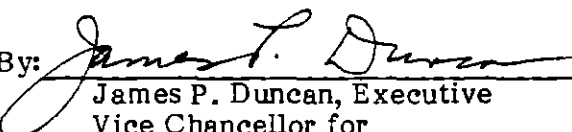
APPROVED AS TO FORM:




Office of General Counsel
The University of Texas System

Board of Regents of The University
of Texas System on behalf of
The University of Texas at Austin

APPROVED AS TO CONTENT:

By: 

James P. Duncan, Executive
Vice Chancellor for
Academic Affairs

By: 

G. Charles Franklin
Vice President for
Business Affairs
The University of
Texas at Austin

SCHEDULE I TO LOAN AGREEMENT

The Pforzheimer Collection consists of those items which are enumerated by catalogue number and described in the body (including the Appendix of Recent Acquisitions) of the Catalog.* The Pforzheimer Collection does not include any works in the library of the late Carl H. Pforzheimer that are referred to in his Introduction to the Catalog but are not enumerated by catalog number in the body (including the Appendix of Recent Acquisitions) of the Catalog. The Pforzheimer Collection does include certain items conveyed by the Foundation as part of the Pforzheimer Collection which the Foundation determined were so closely related to the Pforzheimer Collection that they were included in the sale to Purchaser and have been included in the delivery of the Pforzheimer Collection made herewith. Such additional items are set forth on Schedule II to this Loan Agreement, which may be replaced at a later date with consent of the parties. The failure to complete Schedule II shall not affect the validity of this Loan Agreement, which shall be deemed complete and effective for all purposes.

* Item 1097 of the Catalog was inadvertently omitted in loading the crates in which the Pforzheimer Collection has been packed, and is delivered separately herewith. Items 64 and 66 (bound in a single small volume) do not show on the Foundation's packing lists as having been loaded, but may be in a packed crate. If the latter items subsequently are delivered to Lender, they will be delivered to UT forthwith, but the Lender assumes no other responsibility for the same.

SCHEDULE II TO LOAN AGREEMENT

(Additional items not listed in Catalog but shelved with slips in their respective numerical positions: an *asterisk signifies intention to include such items in Appendix.)

- | | | |
|------|---------------------|--|
| 17A | Ascham, Roger. | Toxophilus,. . . London, 1571. 2d ed. (STC 838) |
| 25A | Bacon, Francis. | Cases of treason. London, 1702. 1st ed. (*App. 41) |
| 25B | _____. | Certain miscellany works. London, 1629, 1st ed. L. H.
Silver copy (*App. 40) |
| 25C | _____. | The charge. . . touching duells. London, 1614. 1st ed.
(*App. 39) |
| 31A | _____. | The essayes. . . London, 1629. (*App. 30) |
| | _____. | a. The essayes. . . London, John Martyn, 1673. |
| | _____. | b. The essays. . . London, Humphrey Robinson,
1668. |
| | _____. | c. The essays. . . London, John Beale, 1639. |
| | _____. | d. The essays. . . (same as above). |
| | _____. | e. The essays. . . London, James Knapton, 1691. |
| | _____. | f. The essays. . . London, Sam. Smith, and Benj.
Walford, 1701. |
| | _____. | g. Sylva Sylvarum. . . London, William Lee, 1635.
4th ed. |
| | _____. | h. Essays moral, economicall, and political.
Boston, Joseph Greenleaf, 1807. (1st Amer.) |
| | _____. | i. Essays. . . (same as above). |
| 34A | _____. | Resuscitatio. . . Together with his Lordships life by
William Rawley. . . London, Printed by Sarah Griffin for
William Lee, 1657. 1st ed. (*App. 33) |
| 36.1 | _____. | Three speeches. . . London, Richard Badger,. . . 1641.
1st ed. (2nd state) (*App. 37) |
| 119D | Burton, Robert. | The anatomy of melancholy. . . Oxford, 1638. 5th ed.
(*App. 38) |
| 142A | Chapman, George. | Al Fooles a comody. . . 1605. (bound last in a volume
with 667A and 426A, g. v.) (*App. 12) |
| 222A | Cotton, Sir Robert. | Diverse choice pieces. . . 1679 (ed. by James Howel) |
| 351A | [Edwards, Henry]. | A preparative to studie: or, The vertue of sack.
London, 1641 (Britwell) (*App. 22) |

- 426A Greene, Robert Greenes groatsworth of witt. London, 1607. (bound
[or, Henry second in a volume with 142A and 667A, g. v.)
Chettle].
- 442A [Guicciardiniana]. A briefe inference upon Gvicciardines digression,. . . of
his Historie. . . London, Edward Blovnt, 1613.
- 451.1 [Harvey, Gabriel]. Ciceronianus. . .1577. (*App. 27) (STC 12899)
- 451.2 _____ . Smithus, vel musarum lachrymae. . . 1578. (*App. 28)
- 469A Heywood, John. A dialogue. . .of all the proverbes in the English tongue.
London [1550] 2nd ed., (*App. 14)
- 506B Howard, Henry, Songes and sonnettes [London] R. Tottell, 1559.
earl of Surrey.
- 574A Alcoran. First complete English version. London, 1649. First
American edition. Worcester, 1806 (the two items in
one slipcase)
- 574B Lacy, John Sr. Hercules buffoon. . . London, J. Hindmarsh, 1684.
- 595.1 Linschoten, His discours of voyages. . .London, John Wolfe [1691]
J. H.van. (*App. 25)
- 604A Locke, J. A letter concerning toleration. London [1740]
(*App. 23)
- 627.1 Lowndes, W. A report containing an essay for the amendment of the
silver coins. London, 1695. (*App. 26)
- CHP/STC Lyly, John. Euphues and his England. London, 1580.
17068
- 647A [Marprelate]. Oh read over Dr. John Bridges. . .[1588] (*App. 36)
- 647B _____ . These martiniane. . . [Wolston, J. Hodgkins. . .] 1589.
(*App. 31)
- 647C _____ . A dialogue wherin is plainly layd open the tyranicall
dealing of Lord Bishops against Gods
children. . .[?London] 1640 (*App. 32)
- 647D _____ . The protestatyon of Martin Marprelate. . . [1589]
(*App. 34)
- 667A Martin, Saint. Seneca moralissmus. . .[London, de Worde, 1516]
(bound in with 426A and 142A, g. v.) (*App. 15)
- 736A _____ . Mirror for Magistrates. 1578 (*App. 16) (bound in with
749A, g. v.)

- 748A Munday, Anthony. A discoverie of Edmund Campion. . . London [John Charlewood] for Edward White, 1582. (*App. 17)
- 749A _____ . Mirroure of mutabilitie. 1579 (bound in with 736A) (*App. 18)
- 856A Seignior, Geroge. Moses and Aaron: a sermon. . . Cambridge, 1670. (bound in is Misc. Ms. 738, a letter by unidentified writer, from Newmarket, addressed "MyLord," after 1700)
- 859A Selden, John. Table-talk. . . Second edition. . . 1696.
- 940A Skelton, John. . . . Certaine bookes. . . London, by John Kynge and Thomas Marche [circa 1560?] (*App. 24)
- 943A _____ . Phyllyp Sparrowe. [London] Rychard Kele [c. 1545] (*App. 19)
- 1014A Tyrwhitt, W. Essayes. . . London, Printed [by Thomas Harper] for William Sheares. . . 1636. (*App. 20)
- Misc. Ms. 814 (bound in with Bulstrode MSs, containing Will of Sophia Bulstrode, 1803, and six other pieces, all post-1700)
- Misc. Ms. 735 (bound in copy of CHP 819, A declaration of the demeanor and cariage of Sir Walter Raleigh, London, 1618)

Additional ms. and pictorial material, contained in the extra-illustrated three volumes of P. F. Tytler's Life of Sir Walter Raleigh, Edinburgh [1833].

7. U. T. Austin: Proposed Appointment to the Gus Wortham Memorial Chair in Risk Management and Insurance in the College of Business Administration and the Graduate School of Business Effective January 16, 1986 (Exec. Com. Letter 86-9).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of President Cunningham and the Office of the Chancellor to appoint Dr. Karl H. Borch, Professor of Insurance, The Norwegian School of Economics and Business Administration, Bergen, Norway, and Visiting Professor in U. T. Austin's Department of Finance for the 1986 Spring Semester, as the initial holder of the Gus Wortham Memorial Chair in Risk Management and Insurance in the College of Business Administration and the Graduate School of Business effective January 16, 1986.

BACKGROUND INFORMATION

Dr. Borch, a faculty member at The Norwegian School of Economics and Business Administration since 1963, is internationally recognized as a leading scholar in his field. He is a Fellow of the Econometric Society, a member of the Norwegian Academy of Science and the International Statistical Institute. He has received numerous international awards and served as a visiting professor at prestigious universities in the United States and numerous other countries. He has over 135 published works to his credit.

The Gus Wortham Memorial Chair in Risk Management and Insurance was established by the U. T. Board of Regents in February 1983.

Executive Committee approval was sought so that Dr. Borch's appointment to the Gus Wortham Memorial Chair in Risk Management and Insurance will coincide with his appointment as Visiting Professor in the Department of Finance.

8. U. T. San Antonio: Recommendation for Approval to Enter Into a Ground Lease with a Private Entity for the Provision of Student Housing (Exec. Com. Letter 86-8).--

RECOMMENDATION

The Executive Committee concurs with the recommendation of President Wagener and the Office of the Chancellor that the U. T. Board of Regents:

- a. Authorize the Chancellor to execute a ground lease agreement, after approval by the Office of General Counsel, leasing a 5.865-acre tract of the U. T. San Antonio campus to Mr. Clarence T. Bach, San Antonio, Texas, as a site for a student dormitory and a recreation center in the form distributed as Attachment 1

- b. Authorize the Chancellor, after approval by the Office of General Counsel, to execute a management agreement with Sandalwood Management, Inc., San Antonio, Texas, and "UTSA Phase I Dormitory Partnership," San Antonio, Texas, for the operation and management of the student dormitory in the form distributed as Attachment 2
- c. Authorize the Chancellor, after approval by the Office of General Counsel, to execute a management agreement with Sandalwood Management, Inc., San Antonio, Texas, and Mr. Clarence T. Bach for the operation and management of a recreation center in the form distributed as Attachment 3
- d. Authorize the Chancellor, after approval by the Office of General Counsel, to execute a Statement of Policy and Undertaking to be delivered to Lloyds Bank Int. Ltd., in the form distributed as Attachment 4
- e. Authorize the Chancellor, after approval by the Office of General Counsel, to execute an appropriate form of consent (as provided in the terms of the Ground Lease Agreement) to a sublease of a portion of the leased premises between Mr. Clarence T. Bach as landlord and "UTSA Phase I Dormitory Partnership" as tenant.

Each of the attachments listed above were distributed to all members of the U. T. Board of Regents with Executive Committee Letter 86-8 and will be included in the Minute Order reflecting Board ratification of the Executive Committee recommendations.

BACKGROUND INFORMATION

At its December 1985 meeting, the U. T. Board of Regents authorized the Office of the Chancellor and the Office of General Counsel to conclude negotiations on (a) Ground Lease Agreement with Mr. Clarence T. Bach, (b) Management Agreement with Sandalwood Management, Inc. and UTSA Phase I Dormitory Partnership for operation of a student dormitory, (c) Management Agreement with Sandalwood Management, Inc., and Mr. Clarence T. Bach for operation of a recreation center, and (d) Statement of Policy and Undertaking to be delivered to Lloyds Bank International, Ltd., all of these agreements to be in substantially the form presented to the U. T. Board of Regents at that meeting, as attachments in the supplemental material to the agenda item. The U. T. Board of Regents further authorized the Executive Committee of the Board to approve the final form of these documents, subject to final ratification of the Board in accordance with the usual procedure.

Negotiations for the provision of student housing on the U. T. San Antonio campus by a private entity have been completed as represented by the referenced documents, which are in substantially the form presented to the U. T. Board of Regents at the December 1985 meeting.

The proposed project includes a ground lease of a 5.865-acre tract of the U. T. San Antonio campus to Mr. Bach, who will provide for the financing and construction of Phase I of the housing project, consisting of a four-story dormitory housing 520 residents, an adjacent recreation center providing amenities for students, and parking facilities. The lease term will be 35 years, with a provision for a five-year extension, if the U. T. Board of Regents would otherwise be defined as a "principal user" of the facilities under the Internal Revenue Code. The dormitory will be financed by the issuance of Educational Facilities Variable Rate Demand Revenue Bonds by the City of San Antonio, Texas, Higher Education Authority, Inc., in the aggregate amount of \$7,300,000.

The ground lease would grant to Mr. Bach a right of first refusal to lease additional tracts on the U. T. San Antonio campus selected by U. T. San Antonio from time to time as necessary for development of subsequent phases of the student housing plan. However, U. T. San Antonio is not restricted at any time from constructing additional dormitories anywhere on the campus at its own cost and expense. The ground lease would grant the U. T. Board of Regents the right to purchase all the improvements on the leased premises (subject to the approval of the Coordinating Board, Texas College and University System) at an appraised price beginning December 31, 1994. If not purchased earlier, all improvements will revert to the U. T. Board of Regents at the expiration of the lease. The ground lease provides that Mr. Bach is expressly authorized to sublet a 4.623-acre portion of the leased premises to "UTSA Phase I Dormitory Partnership," for the purpose of constructing and operating the Phase I Dormitory, and that the Board agrees to execute any instruments reasonably required to evidence Mr. Bach's right to sublet.

It has been recognized for several years that on-campus student housing at U. T. San Antonio is needed if the institution is to realize its full potential in enrollment and campus life. However, an analysis by Rotan Mosle, Inc. of the possibility of financing a student housing project at U. T. San Antonio by issuance of revenue bonds has determined that the project would fall far short from being self-liquidating if financed by revenue bonds. Because of high construction costs and interest rates, absence of the tax benefits available to private developers, and lack of an existing housing revenue base, U. T. San Antonio is unable to finance construction of housing at a rate affordable to students. The proposed ground lease and management agreements will allow the student housing needs at U. T. San Antonio to be met in a timely, responsible and affordable manner.

Under the proposal, management of the dormitory and recreation center will be the responsibility of Sandalwood Management, Inc. (an affiliated entity of Mr. Clarence T. Bach) pursuant to management agreements, to which the U. T. Board of Regents will be a party.

9. U. T. Medical Branch - Galveston - Remodeling of John Sealy Hospital (Old Building) - Remodeling of McCullough Building, Fourth, Fifth and Sixth Floors for the Departments of Internal Medicine and Surgery (Project No. 601-577): Recommended Award of Construction Contract to E. G. Lowry Co., Inc., Houston, Texas, and Approval of Revised Total Project Cost (Exec. Com. Letter 86-10).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of President Levin and the Office of the Chancellor that the U. T. Board of Regents:

- a. Award a construction contract for the Remodeling of John Sealy Hospital (Old Building) - Remodeling of McCullough Building, Fourth, Fifth and Sixth Floors for the Departments of Internal Medicine and Surgery at the U. T. Medical Branch - Galveston to the lowest responsible bidder, E. G. Lowry Co., Inc., Houston, Texas, as follows:

Base Bid	\$4,645,400
Alt. Bid No. 1 (Office Partitions and Work Surfaces)	65,000
Alt. Bid No. 2 (Hematology Office Suite, 4th Floor - John Sealy)	39,000
Alt. Bid No. 3 (Autopsy Support Suite, 5th Floor, Clinical Sciences)	40,000
Alt. Bid No. 4 (High-Density Shelving)	54,000
Alt. Bid No. 6 (Backup Hot Water Converter)	<u>47,000</u>
 Total Recommended Contract Award	 <u><u>\$4,890,400</u></u>

- b. Approve a revised total project cost of \$5,895,500 to cover the recommended contract award, fees, furniture and equipment, and related expenses. (The previously authorized total project cost was \$6,700,000 funded by a grant from The Sealy & Smith Foundation.)

BACKGROUND INFORMATION

In accordance with authorization given by the U. T. Board of Regents in April 1985, bids were received and opened on December 12, 1985, as shown on Pages Ex.C 28 - 30 for the Remodeling of John Sealy Hospital (Old Building) - Remodeling of McCullough Building, Fourth, Fifth and Sixth Floors for the Departments of Internal Medicine and Surgery at the U. T. Medical Branch - Galveston. A contract award to E. G. Lowry Co., Inc., Houston, Texas, in the amount of \$4,890,400 for

the Base Bid and Additive Alternates No. 1, 2, 3, 4 and 6 can be made within the revised total project cost of \$5,895,500. The total project cost had been funded with appropriations of \$6,700,000 from a grant from The Sealy & Smith Foundation. The appropriation from the grant may now be reduced to \$5,895,500 and still provide funds adequate to meet the total project cost.

The recommended total project cost is composed of the following cost elements:

Construction Cost	\$4,890,400
Furniture and Equipment	100,000
Future Work (Asbestos Removal and Air Balancing)	70,000
Fees and Administrative Expenses	488,100
Project Contingency	327,000
Miscellaneous Expenses	<u>20,000</u>
Total Project Cost	<u>\$5,895,500</u>

REMODELING OF MCCULLOUGH BUILDING FOURTH, FIFTH AND SIXTH FLOORS
 THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
 Bids Received December 12, 1985, at
 The University of Texas Medical Branch at Galveston

<u>CONTRACTOR</u>	<u>E. G. Lowry Co., Inc.</u> <u>Houston, TX</u>	<u>Jordan & Nobles Construction</u> <u>Co. of Houston, Inc.</u> <u>Houston, TX</u>	<u>LEBCO</u> <u>CONSTRUCTORS, INC.</u> <u>Houston, TX</u>
BASE BID	\$4,645,400	\$4,676,000	\$4,689,000
Alt. No. 1 - Office Partitions and Work Surfaces	65,000	70,000	67,200
Alt. No. 2 - Hematology Office Suite, 4th Floor - John Sealy	39,000	40,000	45,700
Alt. No. 3 - Autopsy Support Suite, 5th Floor, Clinical Sciences	40,000	40,000	43,700
Alt. No. 4 - High-Density Shelving	54,000	53,000	54,000
Alt. No. 5 - Deductive Price for Rebuilding of Induction Units	N/C	N/C	N/C
Alt. No. 6 - Backup Hot Water Converter	47,000	45,000	48,400

REMODELING OF MCCULLOUGH BUILDING FOURTH, FIFTH AND SIXTH FLOORS
 THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
 (Construction Bids Continued)

<u>CONTRACTOR</u>	<u>Valcon II, Inc.</u> <u>Houston, TX</u>	<u>Spaw-Glass Constructors,</u> <u>A Division of SPAW-GLASS, INC.</u> <u>Houston, TX</u>	<u>Robert E.</u> <u>McKee, Inc.</u> <u>Houston, TX</u>
BASE BID	\$4,800,000	\$4,812,000	\$4,880,000
Alt. No. 1 - Office Partitions and Work Surfaces	92,000	65,000	65,000
Alt. No. 2 - Hematology Office Suite, 4th Floor - John Sealy	61,000	40,000	41,000
Alt. No. 3 - Autopsy Support Suite, 5th Floor, Clinical Sciences	54,000	38,000	40,000
Alt. No. 4 - High-Density Shelving	60,000	50,000	52,000
Alt. No. 5 - Deductive Price for Rebuilding of Induction Units	N/C	N/C	-1,000
Alt. No. 6 - Backup Hot Water Converter	15,000	45,000	47,000

EX.C - 29

REMODELING OF MCCULLOUGH BUILDING FOURTH, FIFTH AND SIXTH FLOORS
 THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
 (Construction Bids Continued)

<u>CONTRACTOR</u>	<u>WILMAC CONSTRUCTORS, INC. Houston, TX</u>	<u>Northdale Construction Company Houston, TX</u>	<u>HARROP CONSTRUCTION COMPANY, INC. Houston, TX</u>
BASE BID	\$4,897,000	\$4,979,000	\$5,273,000
Alt. No. 1 - Office Partitions and Work Surfaces	75,000	68,000	66,000
Alt. No. 2 - Hematology Office Suite, 4th Floor - John Sealy	47,000	63,500	45,000
Alt. No. 3 - Autopsy Support Suite, 5th Floor, Clinical Sciences	43,000	42,000	40,000
Alt. No. 4 - High-Density Shelving	57,000	55,000	66,000
Alt. No. 5 - Deductive Price for Rebuilding of Induction Units	N/C	N/C	N/C
Alt. No. 6 - Backup Hot Water Converter	51,000	41,500	47,000

EX. C - 30

10. U. T. Health Science Center - San Antonio: Recommendation for Sale of Property in Bexar County, San Antonio, Texas, to Mr. Sergio Buentello and Mrs. Maria Esthela Buentello, San Antonio, Texas (Exec. Com. Letter 86-10).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of President Howe and the Office of the Chancellor regarding the sale of the property located at 3643 Barrington (Lot 11, Block 3, NCB 13739 Mary Mount Addition), San Antonio, Bexar County, Texas, to Mr. Sergio Buentello and Mrs. Maria Esthela Buentello, San Antonio, Texas, for a total cash price of \$278,000. The purchaser has deposited \$10,000 as earnest money with the balance due at closing. A five percent commission will be split between the listing broker, Jones-King, and the buyer's broker, Hallmark-Bradfield Properties, Inc., both of San Antonio, Texas. Closing is to be on or before February 13, 1986. It is also recommended that the Executive Vice Chancellor for Asset Management be authorized to execute the Special Warranty Deed for this transaction.

BACKGROUND INFORMATION

This property consists of a .557 acre tract of land with a 4,460 square foot single family dwelling that was purchased in 1974 for \$130,390.19 as the residence for the president of the U. T. Health Science Center - San Antonio. It is being sold because the house is no longer used as an official residence and the property is not needed by the institution.

Finance and Audit Committee

FINANCE AND AUDIT COMMITTEE
COMMITTEE CHAIRMAN YZAGUIRRE

Date: February 13, 1986
Time: Following the meeting of the Executive Committee
Place: Conference Room, Tenth Floor
The University of Texas Houston - Main Building

Page
F&A

1. U. T. System: Docket No. 26 of the Office of the Chancellor

2

1. U. T. System: Docket No. 26 of the Office of the Chancellor.--

RECOMMENDATION

It is recommended that Docket No. 26 of the Office of the Chancellor be approved.

It is requested that the Committee confirm that authority to execute contracts, documents, or instruments approved therein has been delegated to the officer or official executing same.

Academic Affairs Committee

ACADEMIC AFFAIRS COMMITTEE
COMMITTEE CHAIRMAN BALDWIN

Date: February 13, 1986
Time: Following the meeting of the Finance and Audit Committee
Place: Conference Room, Tenth Floor
The University of Texas Houston - Main Building

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1. U. T. System: Proposed Policy for the Administration of Courses Offered in Shortened Format.--

RECOMMENDATION

The Office of the Chancellor recommends that the following System-wide policy for the administration of courses offered in a shortened format be adopted:

U. T. System Policy for the Administration of Courses Offered in Shortened Format

Purpose: The purpose of this policy is to reemphasize the expectations of academic quality and rigor for courses offered by U. T. System component institutions in a shortened format and to provide parameter definitions, guidelines, and requirements for the development of individual institutional policies for the approval and administration of any such courses offered for academic credit within the U. T. System.

Definition: A course offered in a shortened format is any course for which academic credit is given and for which the elapsed time from the first class meeting until the last class meeting or examination period is less than a normal semester or summer session term.

Administrative Responsibility: The President of each U. T. System component institution shall cause to be developed such additional institutional policies and procedures as are necessary to assure compliance with the intent and spirit of this U. T. System policy for the administration of courses offered in shortened formats. These additional requirements should address specific standards such as minimum class contact hours per credit hour and the minimum duration per credit hour among others. Such requirements will be published in the institution's Handbook of Operating Procedures following normal approval procedures.

Additionally, the President of each component institution shall designate an individual or individuals who shall have the authority to approve the scheduling of courses offered in shortened formats. Those so designated shall also be responsible for monitoring academic expectations and the scheduling of all such courses and shall maintain records of compliance with institutional standards for all such course requests considered and approved.

Minimum Policy Requirements:

- a. Any course meeting the definition of a course offered in shortened format must have the advance approval of the individual(s) so designated by the President following institutionally established procedures.
- b. In addition to standard approval requirements, additional written justification is to be considered prior to approval of any course offered in shortened format which does not meet the criteria set out on the following page.

1. The total scheduled class contact hours are approximately the same as the hours which would have occurred in a normal semester or summer session term course with the same credit hours and similar content.
2. The elapsed time of the course and the duration of each class session would permit a typical student to spend approximately the same amount of time in independent study and classroom time as if the course were a normal semester or summer session term course.
3. The standards for admission, drop/withdrawal, and grading are substantially equivalent to similar courses taught in a normal semester or summer session term format.

BACKGROUND INFORMATION

At its October 1985 meeting, the Coordinating Board requested that institutional Governing Boards establish and file with the Coordinating Board policies for short courses on their campuses. This recommendation provides the broad policy parameters for courses offered in a shortened format at U. T. System component institutions and will be supplemented by institutional Handbook policies which provide more precise guidelines and procedural detail appropriate to each campus. In addition to those areas enumerated, component policies will include detail such as: approval and compliance procedures, procedures for assuring that course quality is equivalent to courses offered in a standard term, and administrative procedures for monitoring course records.

The proposed U. T. System policy has the concurrence and editorial input of the presidents of the academic component institutions.

2. U. T. Arlington: Request for Authorization to Establish a Master of Science in Marketing Research and a Master of Science in Information Systems Degrees in the College of Business Administration and to Submit the Proposed Degrees to the Coordinating Board for Approval (Catalog Change).--

RECOMMENDATION

The Office of the Chancellor concurs with President Nedderman's request for authorization to establish a Master of Science degree in Marketing Research and a Master of Science degree in Information Systems in the College of Business Administration at U. T. Arlington. Upon Regental approval, these proposals will be submitted to the Coordinating Board for approval. Descriptions of the proposed programs follow.

Program Descriptions

The Master of Science in Marketing Research degree would provide more in-depth training in Marketing Research than is currently available to students who receive the Master of Business Administration degree. The goal of the M.S. degree in Marketing Research is to prepare students for careers in marketing research and related fields, i.e. marketing, planning, marketing information systems, and brand management. These career paths are supported by three tracks in the program: 1) quantitative research, 2) qualitative research, and 3) account administration/research management. The degree requires a twenty-seven hour foundation program and a thirty-three hour advanced program. Students with undergraduate degrees in business administration from AACSB-accredited schools may waive all or part of the foundation program.

The Master of Science in Information Systems degree would provide more in-depth training in Information Systems than is currently available to students who receive the Master of Business Administration degree. The integration of computing in business and industry in recent years has been extraordinarily rapid, and the demand for persons with specialized graduate education in information systems has increased accordingly. The proposed program meets the evaluation criteria of the Association for Computing Machinery both in terms of depth of specialization in information systems and breadth of preparation in functional areas of business administration. The degree program requires a twenty-seven hour foundation program, a twenty-four hour advanced program, and a six-hour master's thesis. Students may have foundation courses waived if they have completed equivalent courses.

BACKGROUND INFORMATION

In October 1983, U. T. Arlington submitted proposals through the Office of Academic Affairs to Coordinating Board staff for a M.S. in Real Estate, M.S. in Information Systems, and a M.S. in Marketing Research as non-substantive options under their already approved Master of Business Administration degree. The M.S. in Real Estate degree has been approved at the staff level. However, the remaining two proposals are to be submitted for Coordinating Board consideration, thus, the request for approval by the U. T. Board of Regents.

No new courses are required to offer the programs and, consequently, no new faculty or other resources are required to implement the proposals. The programs simply consist of alternate sequences of courses from among those currently offered at the graduate level in business administration. The majors in these programs will take fewer general business courses than those in the M.B.A. programs and more courses in their specialty.

Master's level programs in business administration are within the approved role and scope of U. T. Arlington. Upon Regental and Coordinating Board approval, the next appropriate institutional catalog published will be amended to reflect this action.

3. U. T. Arlington: Status Report on Advanced Robotics Research Institute.--

REPORT FOR THE RECORD

The Office of the Chancellor and President Nedderman wish to report for the record that the Fort Worth Chamber Foundation, Inc., has now reached its \$5 million fund goal on behalf of U. T. Arlington's Advanced Robotics Research Institute with additional funds still anticipated.

With these funds, the Foundation is now prepared to proceed with construction of a building, subject to review and approval by the U. T. System Office of Facilities Planning and Construction, to house the Institute on land donated by Newell & Newell, Ltd. in September 1984. When construction is completed, the Fort Worth Chamber Foundation, Inc. will transfer the land, building, and improvements to the U. T. System. A gift of \$2,000,000 from the Foundation to establish an endowed chair for the Institute director and a fund to cover operational expenses will be presented to the U. T. Board of Regents in the near future.

Building cost, including landscaping and furnishings, is estimated to be \$3 million.

4. U. T. Arlington: Recommendation for Approval to Increase the Student Services Fee (Required) Effective with the Fall Semester 1986 (Catalog Change).--

RECOMMENDATION

The Office of the Chancellor concurs with President Nedderman's recommendation that the U. T. Board of Regents approve an increase in the Student Services Fee (Required) at U. T. Arlington from \$5 per semester credit hour, with a maximum of \$60, to \$6.50 per semester credit hour, with a maximum of \$78 for any one regular long session or eleven week summer session and from \$2.50 to \$3.25 per semester credit hour, with a maximum of \$39 for a summer short session, to be effective with the Fall Semester 1986.

BACKGROUND INFORMATION

U. T. Arlington has not raised its Student Services Fee since 1982. In the meantime, mandated salary increases, inflation, and a requirement that auxiliary enterprises pay matching funds for teacher retirement have contributed to increased program costs. This proposed fee increase is necessary to provide funding to support the current level of activities financed from this revenue source. The Student Services Fee Advisory Committee of U. T. Arlington has endorsed an increase in the Student Services Fee.

If this recommendation is approved, the Minute order will reflect that the next catalog published will conform to this action.

5. U. T. Austin: Proposed Appointment to the Denton A. Cooley Centennial Professorship in Zoology in the College of Natural Sciences Effective September 1, 1986.--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation that Dr. Eric R. Pianka, Professor, Department of Zoology, be appointed as the initial holder of the Denton A. Cooley Centennial Professorship in Zoology in the College of Natural Sciences at U. T. Austin effective September 1, 1986.

BACKGROUND INFORMATION

Dr. Pianka, a faculty member at U. T. Austin since 1968, is internationally recognized for his research contribution to evolutionary and population biology and to ecology, especially as applied to the theory of reproduction focused on animals living in a desert environment. He presents lectures annually throughout the world in his areas of expertise and is a frequent consultant to research journals, universities, and government agencies regarding academic and research matters. Dr. Pianka has authored or coauthored three books, thirteen book chapters, over fifty articles in scholarly research journals, and about thirty book reviews and research reports. In 1984, he was selected to be a member of the Board of Editors of National Geographic Research and is an elected member of the American Society of Naturalists, a Fellow of the American Association for the Advancement of Science, and a Guggenheim Fellow. He is an excellent teacher and an active member of both departmental and college-level committees.

The Denton A. Cooley Centennial Professorship in Zoology was established by the U. T. Board of Regents in June 1983.

6. U. T. Austin: Proposed Appointment to the Bert Kruger Smith Centennial Professorship in Social Work in the School of Social Work Effective September 1, 1986.--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation that Dr. David M. Austin, Professor, School of Social Work, be appointed as the initial holder of the Bert Kruger Smith Centennial Professorship in Social Work in the School of Social Work at U. T. Austin effective September 1, 1986.

BACKGROUND INFORMATION

Dr. Austin, a professor at U. T. Austin since 1973, is nationally recognized for his scholarly contributions to social work policy and administration, especially in the areas of mental health, aging, disabilities, the economic structure of social welfare programs, and the administration of human services. He

served as Administrator of the U. T. Austin Center for Social Work Research from 1974 to 1979 and has held faculty appointments at other prestigious universities in the United States. Dr. Austin has authored or coauthored more than forty scholarly articles or chapters and has presented more than twenty-five major lectures and commissioned papers in his areas of expertise. He is an editorial board member for several social science research journals and is an active member of numerous professional associations. Dr. Austin received the 1982-83 Lora Lee Pederson Teaching Excellence Award in the School of Social Work and has served as both a Graduate Advisor and Chairman of the Doctoral Committee within the School.

The Bert Kruger Smith Centennial Professorship in Social Work was established by the U. T. Board of Regents in August 1983.

7. U. T. Austin: Request for Permission for Individual to Serve on the Texas Board of Licensure for Nursing Home Administrators [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation that approval be given to Governor Mark White's appointment of Dr. Reuben R. McDaniel, Jesse H. Jones Professor in the Graduate School of Business at U. T. Austin, to the Texas Board of Licensure for Nursing Home Administrators.

It is further recommended that the U. T. Board of Regents find that: (1) the holding of this office by Dr. McDaniel is of benefit to the State of Texas, and (2) there is no conflict between Dr. McDaniel's position at U. T. Austin and his membership on this committee.

BACKGROUND INFORMATION

The Texas Board of Licensure for Nursing Home Administrators was established to develop, impose, and enforce standards which must be met by individuals in order to receive a license as a nursing home administrator as provided in Article 4442d of Vernon's Texas Civil Statutes. The Board consists of nine members who serve without remuneration.

This recommendation is in accordance with approval requirements for positions of honor, trust, or profit provided in Article 6252-9a of Vernon's Texas Civil Statutes, and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

8. U. T. Austin: Request for Approval to Grant a Third-Year Leave of Absence for the 1986-87 Academic Year (Part One, Chapter III, Section 16, Subsection 16.4, of the Regents' Rules and Regulations).--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's request for approval to grant a third-year leave of absence without pay to Ashbel Smith Professor Woodrow W. Bledsoe, College of Natural Sciences at U. T. Austin, for the 1986-87 academic year.

BACKGROUND INFORMATION

Dr. Woodrow W. Bledsoe has been a professor at U. T. Austin since 1966 and is committed to returning to U. T. Austin on a full-time basis to complete his outstanding career as a scholar and teacher.

Professor Bledsoe has been on leave for the past two years while serving, on an interim basis, as Vice President and Program Director of the Artificial Intelligence/Knowledge-Based Systems Program at Microelectronics and Computer Technology Corporation (MCC) in Austin, Texas. Dr. Bledsoe has been responsible for formulating and implementing the MCC research program in artificial intelligence and knowledge-based systems, areas in which he is internationally recognized for his scholarly contributions. This extension will allow Dr. Bledsoe to complete several of the most important MCC research projects which show exceptional promise and maximize the likelihood of success of the MCC research program. His continued service at MCC for a third year will also enhance the synergistic interactions that are increasingly occurring between the U. T. Austin computer sciences and mathematics communities and the high-technology research programs in the private sector and justifies the granting of a third consecutive leave of absence in accordance with Subsection 16.4, Section 16, Chapter III, Part One, of the Regents' Rules and Regulations.

9. U. T. Austin: Request for Authorization to Establish a Ph.D. Degree in Child Development and Family Relationships and to Submit the Proposed Degree to the Coordinating Board for Approval (Catalog Change).--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's request for authorization to establish a Ph.D. Degree in Child Development and Family Relationships (program description follows) in the College of Natural Sciences at U. T. Austin. If approved by the U. T. Board of Regents, this proposal will be submitted to the Coordinating Board for review and appropriate action.

Program Description

The purpose of the program is to prepare scholars for research on the development of the individual within the context of the family, community, and culture. This degree is designed to prepare individuals for research, teaching, and administrative positions in colleges and universities and for professional positions in government and other public and private settings. Key features of the program are its strong interdisciplinary nature and the focus on research. Course work in the Ph.D. program in Child Development and Family Relationships will include four components: (a) course sequence in Child Development and Family Relationships and adjacent disciplines, (b) course work in research design and statistics, (c) a supporting program consisting of work complementary to the major (chosen from courses offered both within and without Child Development and Family Relationships), and (d) the dissertation.

It is anticipated that approximately three to five full time students would enroll in the program during its first year of operation and that by its fifth year, ten students would be enrolled. Approximately eleven full time faculty and five part-time faculty are available to be involved in the initial delivery of the program. The estimated additional cost to the institution during the first year of the program is \$6,936 increasing to \$8,431 by its fifth year. No additional funding is being requested from state appropriated funds. The program would be supported by reallocation of existing funds and federal funding from research grants. Current library holdings are more than sufficient and adequate equipment and facilities are available. No new positions are needed to initiate the program.

BACKGROUND INFORMATION

Recent changes in American family life have intensified the demand for research knowledge concerning fundamental issues of individual and family development. Students seeking research-oriented doctoral level preparation in Child Development and Family Relationships do not currently have an option to pursue such preparation at a Texas institution of higher education. The demand for students trained in this area is high and consistently exceeds the supply.

The proposed degree is within the U. T. Board of Regents' approved role and scope table for U. T. Austin.

A team of distinguished consultants reviewed the proposed program and indicated that, if approved, the program had the potential to make excellent contributions at both regional and national levels. The consultants cited the experience of the faculty and the reputation of the current Master's program as particular strengths of the proposed program.

Upon Regental and Coordinating Board approval, the next appropriate catalog published at U. T. Austin will be amended to reflect this action.

10. U. T. Austin: Proposed Amendments to Declaration of Trust Between Board of Operating Trustees of Texas Student Publications (Formerly Texas Student Publications, Inc.) and U. T. Board of Regents.--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation to approve three changes in the Declaration of Trust with the Board of Operating Trustees of Texas Student Publications. The proposed changes, initiated by the Operating Trustees, are presented below.

- a. Amend Paragraph 5 of the Declaration of Trust to read as follows:

5.

The Board of Operating Trustees is composed of eleven voting members, composed as follows:

- A. Four undergraduate students out of the Journalism Department or Advertising Department of The University of Texas at Austin, elected (two to be elected in even-numbered years and two to be elected in odd-numbered years after the initial election; at the initial election under these rules all four shall be elected with provision for staggered terms as hereinafter set out) by those students certified by the chairman of such department as being journalism or advertising majors, and those students with less than 60 hours who are registered in the School of Communication as certified by the Dean of that School. Said election is to be held concurrently with [~~at least three weeks before~~ ~~or at least three weeks after~~] the Spring student government election each year pursuant to the rules established by the Operating Trustees. No student shall be eligible to be a candidate for a position on the Board of Operating Trustees unless he has completed or will have completed by the end of the Spring semester in which the election is held twelve hours of journalism or advertising courses, is in good standing (not on scholastic probation), and has completed at least one semester in residence in the long term at The University of Texas at Austin. The eligibility of a candidate must be certified to by the chairman of the Department of Journalism or Advertising prior to the time of said election.
- B. Two students elected at large from the student body of The University of Texas at Austin (one to be elected in even-numbered years and one to be elected in odd-numbered years after the initial election, at the first election under these rules both shall be elected with provision for staggered terms as hereinafter set out) at the same time as the editor of The Daily Texan, pursuant to Section 11 hereof. If the President of the Students' Association is not one of the students elected at the election, then the President of the Students' Association shall

serve as an ex-officio member of the Board of Operating Trustees without vote. A student who qualifies as a candidate under Section 5, A, shall be neither qualified as a candidate nor eligible to serve as an at-large member of the Board.

- C. Two members of the faculty out of the voting faculty of the Department of Journalism and one member of the faculty out of the voting faculty of the College of Business Administration, all three to be appointed directly by the President of The University of Texas at Austin.
- D. Two professional journalists [~~newspapermen~~] appointed by the President of The University of Texas at Austin.

- b. Amend Paragraph 11 of the Declaration of Trust to read as follows:

11.

Concurrently with [~~At-least-three-weeks-prior-to-or at-least-three-weeks-following~~] the student government elections, there shall be a student publications election on the campus of The University of Texas at Austin. At such election there shall be elected the Editor of The Daily Texan by the students of The University of Texas at Austin, but voting members of the Board of Operating Trustees shall appoint the Editor of The Daily Texan in the case of a vacancy. The eligibility of a candidate for Editor of The Daily Texan must be certified to by the Operating Trustees on standards set out in their Handbook prior to the time of said election. The Operating Trustees shall set out in its Handbook the conditions under which said elections may be held, including length of the campaign. The Editor of The Daily Texan shall serve for a term of one year beginning on June 1. There shall also be elected at this election the two student members of the Board of Operating Trustees (one student to be elected each year after the first spring election) as provided in Section 5 B.

- c. Amend Paragraph 19 of the Declaration of Trust to read as follows:

19.

At least eighteen copies of the minutes of all meetings of the Operating Trustees shall be delivered promptly to the President of The University of Texas at Austin for distribution to the Chancellor, the Executive Vice Chancellor for Academic Affairs, [~~the members of the Board of Regents,~~] the Executive Secretary to the Board of Regents and such members of The University of Texas at Austin administration as the President of The University of Texas at Austin may direct. No action of the Operating Trustees shall have any force or effect unless included in the minutes and until it has been approved by the President of The University of Texas at Austin, except actions of the Operating Trustees pertaining to decisions of the Review Committee, and except as to actions of the Operating Trustees with respect to the

appointment, discipline or removal of editors, which actions need only be reported in the minutes for information, but are not reviewable outside the Board of Operating Trustees.

BACKGROUND INFORMATION

When the charter for Texas Student Publications, Inc. expired in 1970, a Declaration of Trust was the vehicle used for transferring assets of the incorporated entity to U. T. Austin and defining the parameters for operation of Texas Student Publications as an administrative unit under U. T. Austin. The Declaration of Trust, adopted by the U. T. Board of Regents in September 1971, provides that amendments require the consent of the Operating Trustees and the U. T. Board of Regents. Previous amendments to the Trust Agreement were approved on March 15, 1974, December 12, 1975, August 4, 1978, and February 9, 1979.

The proposed changes in Sections 5.A and 11 would cause student publication elections to be held concurrently with student government elections. Operating trustees for Texas Student Publications and U. T. Austin administration feel that combining the election of Student Operating trustees and The Daily Texan editor with the student association election should result in a greater turnout and, therefore, a more representative vote. In addition, combining elections will cut election costs.

The proposed change in Section 5.D is to reflect more gender-neutral terminology.

The proposed change in Section 19 is to remove the requirement for circulating minutes of meetings of the Operating Trustees to all members of the U. T. Board of Regents. At the time the Declaration of Trust was approved, the requirement to send minutes to members of the U. T. Board of Regents was deemed appropriate to facilitate communication under the new arrangement. However, after almost 15 years of operation under this structure, the requirement for circulating all minutes is more burdensome than was the original intent. Regents' Rules and Regulations and other sections of the Trust document are specific as to budget and other actions requiring approval by the institutional chief administrative officer and/or the U. T. Board of Regents.

Upon Regental approval, the next appropriate Handbook of Operating Procedures published at U. T. Austin will be amended to reflect this action.

11. U. T. Austin: Recommendation to Name a Room in the Engineering Teaching Center (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings).--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation to name Room 4.110 in the Engineering Teaching Center at U. T. Austin the Leonardt F. Kreisle Senior Design Project Teaching Laboratory, in accordance with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, relating to the naming of facilities other than buildings.

BACKGROUND INFORMATION

At its meeting in December 1981, the U. T. Board of Regents approved the naming of facilities other than buildings as part of a special private fund development campaign for the College of Engineering, in accordance with Part One, Chapter VII, Section 2, Subsection 2.44 of the Regents' Rules and Regulations.

The naming of Room 4.110 is to recognize gifts from Mr. Stewart N. Campbell and others to support a senior design project teaching laboratory honoring a long-time and distinguished member of the mechanical engineering faculty.

Acceptance of the gifts is recommended on Page L&I - 17, Item 15. The income earned on the endowment is to be used to maintain and improve equipment and for the research and teaching functions of the room.

12. U. T. Dallas: Recommendation for Approval to Increase the Diploma Fee Effective Immediately (Catalog Change).--

RECOMMENDATION

The Office of the Chancellor concurs with President Rutford's recommendation that the U. T. Board of Regents approve an increase in the Diploma Fee at U. T. Dallas from \$6 to \$10 to be effective immediately.

It is further recommended that the U. T. Board of Regents find that the new rate reasonably reflects the cost to U. T. Dallas of the materials and services for which the fee is levied.

BACKGROUND INFORMATION

The fee was established in the 1975-76 academic year, raised to \$6.00 in the 1976-77 academic year, and has not been raised since that date. Current cost of the diploma and cover is

now \$8.45 and current mailing costs range from \$4.32 to \$11.46, thereby necessitating this increase to cover costs of the diploma and related expenses.

If this recommendation is approved, the Minute order will reflect that the next catalog published will conform to this action.

13. U. T. Dallas: Recommendation to Establish a Requirement that International Students Maintain Hospitalization Insurance Effective Fall Semester 1986 (Catalog Change).--

RECOMMENDATION

The Office of the Chancellor concurs in the recommendation of President Rutford that the U. T. Board of Regents:

- a. Approve the proposed requirement that international students holding non-immigrant visas maintain hospitalization insurance while enrolled at U. T. Dallas
- b. Authorize U. T. Dallas to assess the premium enumerated for the U. T. Dallas student health insurance plan where there is no evidence of insurance coverage by international students
- c. Authorize a catalog change to make this requirement effective for the Fall Semester 1986

BACKGROUND INFORMATION

International students on nonimmigrant visas are not eligible to receive free hospitalization. International students without hospitalization have incurred large medical bills which they cannot pay and, within the past year, there have been at least fifteen incidents where international students have incurred serious illness or accidents resulting in major medical expenses. International students may purchase the student hospitalization insurance made available through U. T. Dallas or may show evidence of other insurance at registration.

If this recommendation is approved, the Minute order will reflect that the next catalog published at U. T. Dallas will conform to this action.

Health Affairs Committee

HEALTH AFFAIRS COMMITTEE
COMMITTEE CHAIRMAN BRISCOE

Date: February 13, 1986
Time: Following the meeting of the Academic Affairs Committee
Place: Conference Room, Tenth Floor
The University of Texas Houston - Main Building

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1. U. T. Health Science Center - Dallas: Recommendation for Approval of a Management and Facility Agreement with the North Texas Lithotripsy Center, Dallas, Texas, Involving the Housing of a Lithotripter and the Operation of the North Texas Lithotripsy Center in the Aston Ambulatory Care Center.--

RECOMMENDATION

The Office of the Chancellor concurs with the recommendation of President Sprague to approve the Management and Facility Agreement between the U. T. Health Science Center - Dallas and the North Texas Lithotripsy Center, Dallas, Texas, a not-for-profit Texas corporation, as set out on Pages HAC 4 - 21.

BACKGROUND INFORMATION

The above described Agreement is the result of a series of meetings between officials of the U. T. Health Science Center - Dallas and members of the North Texas Lithotripsy Center, which is comprised of Parkland, St. Paul's, Baylor and Methodist hospitals. Those hospitals formed the North Texas Lithotripsy Center to cooperatively purchase the Extracorporeal Shock Wave Lithotripter Device which is an innovative, second generation kidney stone crushing machine. The machine is an experimental model which uses a laser as opposed to electric shock to break up kidney stones. The model is far less dangerous, painful, traumatic and cumbersome than the first generation machine currently in use around the country.

The consortium of hospitals approached the U. T. Health Science Center - Dallas in October 1985 and requested its participation in the project for two important reasons. First, the Health Science Center offered a neutral site for the lithotripter and, second, the medical school was the only institution in the area capable of providing the protocol and testing necessary for FDA approval of the device. The Health Science Center desired to participate in the proposed plan because of the unique research opportunities that access to the lithotripter will provide and because such access will strengthen its medical education program.

Accordingly, with the assistance of the Office of General Counsel, the North Texas Lithotripsy Center and the U. T. Health Science Center - Dallas negotiated the Management and Facility Agreement. Under that Agreement, the Corporation will purchase and install the lithotripter in 1008 square feet of available space on the 7th floor of the Aston Ambulatory Care Center at the Health Science Center and provide funds to operate the North Texas Lithotripsy Center. The Health Science Center will provide for the day-to-day operation of the Center. The lithotripter is undergoing testing at the University of Washington and should be ready for use in April 1986.

MANAGEMENT AND FACILITY AGREEMENT

This Management and Facility Agreement ("Agreement") is entered into and effective upon the last execution below by the Board of Regents of The University of Texas System (the "University"), for and on behalf of its component institution, The University of Texas Health Science Center at Dallas (hereinafter referred to as "HSC") and the North Texas Lithotripsy Center (hereinafter referred to as "NTLC") a Texas non-profit corporation, in multiple counterparts, each of which shall be deemed an original.

WHEREAS, The NTLC, was organized to create the North Texas Lithotripsy Center (hereinafter referred to as the "Center") for the study, diagnosis and treatment of kidney stone disorders; and

WHEREAS, HSC desires to strengthen its program of medical education, research and patient care through the clinical evaluation and operation of the Extracorporeal, Shock Wave Lithotripter Device (hereafter the "lithotripter") and research of related kidney stone disorders; and

WHEREAS, the University and NTLC propose to cooperate closely in the operation of the Center in the furtherance of each of their respective purposes:

IT IS, THEREFORE, MUTUALLY AGREED AS FOLLOWS:

Section I: Governance of the Center

- (A) The parties agree that the Board of Directors of NTLC shall be the governing body of the Center and shall be accountable and responsible for the development of policies with respect to the Center.
- (B) The parties further agree that the HSC shall operate the Center pursuant to the policies of NTLC and the terms of this Agreement.

Section II: Center Location

The Center shall be located in the Aston Ambulatory Care Center ("AACC") at The University of Texas Health Science Center, 5323 Harry Hines Blvd., Dallas, Texas 75235.

Section III: Patients

- (A) NTLC agrees that prior to FDA approval of the lithotripter, all patients of the NTLC shall participate in the Protocol for the Clinical Evaluation of the International Biomedics Non-Invasive Laser-Driven Extra Corporeal Lithotripsy Device for Fragmentation of Upper Urinary Tract Calculi.
- (B) NTLC agrees that after FDA approval of the lithotripter, all patients of the Center shall have the opportunity, but not the obligation,

to participate in research related to kidney stone disorders.

Section IV: Responsibilities of NTLC

For purposes of this Agreement NTLC agrees to:

- (A) Purchase and install the above described lithotripter without cost to HSC or the University, at the above described location, which installation site shall be satisfactorily prepared by HSC in accordance with manufacturer's specifications, as provided for in Section (V) (A). Title to the Lithotripter shall remain with NTLC.

- (B) Approve and fund an operating budget for the Center which is sufficient to allow HSC to staff, operate and maintain the Center, and to provide a level of care consistent with accepted medical standards. Such budget shall be for each state fiscal year beginning September 1 through August 31 and discussions between the HSC and NTLC concerning anticipated budget requirements for the fiscal year shall begin at least 120 days before September 1. The initial budget shall include a lump sum payment to HSC for start up costs of the Center, other than those costs and

expenses assumed by HSC pursuant to Section (IV) (C).

(IV) (C) Pay to HSC on a monthly basis, in advance of the first day of each month, a space utilization fee in the amount of \$1,322.16. In return for the payment of such fee, HSC shall make available for operation of Center during the term of this Agreement 1008 square feet of usable space on the 7th floor of the AACC for use as the North Texas Lithotripsy Center; and

- (1) all utilities, including electricity and water;
- (2) seasonably heated and refrigerated air conditioning;
- (3) elevator service;
- (4) all reasonable and necessary janitorial and maintenance service for the Center,
- (5) parking for patients and physicians utilizing the Center; and
- (6) security service.

Said fee shall be adjusted on an annual basis beginning September 1, 1986 so as to equal the amount per square foot per year that HSC charges to departments of HSC utilizing space in the AACC. HSC shall provide NTLC with

written notice of the adjusted fee 120 days prior to September 1 of each year this Agreement is in effect.

- (D) Appoint as Medical Director for the Center a full time faculty member of HSC, subject to approval by HSC which shall not be unreasonably withheld.
- (E) Pay to HSC on a monthly basis, after approval of the lithotripter by the FDA, a fee in an amount stated in the annual budget to supplement the salary of the Medical Director. Such supplement shall be reasonable and commensurate with the patient volume of the Center and paid in advance of the first day of each month.
- (F) Appoint a Medical Advisory Board pursuant to the By-Laws of NTLC.
- (G) Establish and enforce, after consultation with the Medical Advisory Board, the requirements and procedures for granting, maintaining and terminating privileges of physicians at the Center. Such requirements shall include, as conditions to the granting and maintaining of physician privileges at the Center:
 - (1) that all physicians with privileges at the Center shall have malpractice

insurance with per-occurrence limits which are at least equal to those provided for HSC physicians pursuant to The University of Texas System Professional Medical Malpractice Self-Insurance Plan. Such insurance shall cover their practice in the Center, which includes but is not limited to, their participation in the Protocol for the Clinical evaluation of the lithotripter;

- (IV) (G) (2) that all physicians have received training and are currently certified by NTLC as qualified to operate the device; and
- (3) that all physicians shall comply with the rules of the HSC and the Center with respect to the medical records.
- (H) Allow physicians on the faculty of the HSC, who have not been granted privileges by the NTLC, access to the Center for purposes of medical education, research and patient care provided that such physicians shall not operate the lithotripter.
- (I) Indemnify and hold harmless HSC and the University from any and all expenses, damages, judgments, court costs, litigation expenses

and attorneys' fees incurred because of any claim, demand, cause of action, lawsuit or judgment arising out of negligence of the North Texas Lithotripsy Center in use of the lithotripter.

Section V: Responsibilities of the HSC

For the purposes of this Agreement, HSC agrees:

- (A) To renovate and satisfactorily prepare the site in the "AACC" at its expense to accommodate the installation of the Lithotripter in accordance with manufacturer's specifications;
- (B) To comply with all local, state and federal laws governing the licensing, accreditation and operation of the lithotripter and the Center;
- (C) To comply with all policies established by the Board of Directors of NTLC and the Rules and Regulations of the Board of Regents of The University of Texas System provided, however, that in the event of a conflict, the Rules and Regulations of the Board of Regents shall control;
- (D) To the extent that funds have been budgeted, by NTLC, provide all the administrative and medical support services required or

appropriate for the day to day operation of the Center pursuant to the terms of this Agreement.

- (V) (E) To identify the Center by placing signs outside the entrance to the Center and at other locations deemed necessary for patient convenience and Center identification.
- (F) To use the above described space in the AACC only as the North Texas Lithotripsy Center except that HSC faculty shall have reasonable access to the Center for research and teaching purposes and patient care.
- (G) To allow designated representatives of NTLC access to the Center during business hours for purposes of inspection of the premises or business records.
- (H) To perform, in a business like manner, all the duties and functions necessary for efficient and effective operation of the Center pursuant to this Agreement including, without limitation, all the activities normally and customarily performed by management of a similar facility. These shall include but not be limited to the following:
 - (1) Within the funds budgeted by NTLC, HSC will hire, train, promote, assign, set

rates of compensation, suspend or terminate employees utilized in operation of the Center in accordance with the Rules and Regulations of the Board of Regents, HSC and state and federal laws. All Center employees shall be employees of and shall be carried on the payroll of HSC and shall not be considered employees of NTLC.

- (V) (H) (2) To secure, on behalf of and at the expense of NTLC, services required for the maintenance, operation or modification of the lithotripter device, in accordance with and as may be required by the FDA and/or the manufacturer of the device.
- (3) To determine the manner in which patients of the Center are scheduled for treatment at the Center. HSC shall also schedule use of the Center for other HSC medical education and research purposes; provided that such activities do not interfere with patient care.
- (4) To maintain a record concerning treatment of patients at the Center and insure the confidentiality of such records in

accordance with state and federal law. Such records shall be the property of NTLC except that copies shall be provided to HSC, the patient's hospital and attending physician.

- (V) (H) (5) To make available, until the expiration of four (4) years after the furnishing of services pursuant to this Agreement, upon request to the Secretary of Health and Human Services, or upon request to the Comptroller General, or any of their duly authorized representatives, this Agreement, books, documents, and records of HSC that are necessary to certify the nature and extent of the cost claimed to Medicare with respect to the services provided under this Agreement.

If HSC carries out any of the duties of this Agreement through a subcontract, with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve-month (12) period, with a related organization, until the expiration of four (4) years after the furnishing of such services pursuant to such

subcontract, HSC shall cause the related organizations to make available, upon written request to the Secretary of Health and Human Services, or upon request to the Comptroller General, or any of their duly authorized representatives, the subcontract, books, documents, and records of such related organization that are necessary to verify the nature and extent of the costs claimed to Medicare with respect to the services provided under this Agreement.

- (V) (H) (6) To negotiate for and procure on behalf of and at the expense of NTLC, as may be directed by NTLC, all supplies, equipment and contract services for the necessary and appropriate operation and maintenance of the Center.
- (7) To keep and maintain the Center in good condition and repair, consistent with the ordinary wear and tear of an outpatient clinic within the funds budgeted.
- (8) To bill patients in the name of NTLC for charges incurred for technical services and supplies provided by the Center and make reasonable efforts to collect

amounts due the Center. HSC shall deposit all monies or receipts generated from technical services and supplies provided by the Center into an account provided by NTLC.

- (V) (H) (9) To negotiate fee arrangements for technical services and supplies provided by the Center with the appropriate third party payors. Other laboratory fees incurred by Center patients will be billed by the facility performing the test. Each participating physician will bill for professional fees in his usual manner.
- (10) To maintain financial records normally kept by outpatient centers; and shall make monthly financial reports to NTLC by providing said statements to the President and Treasurer of NTLC.
- (11) To prepare a proposed annual budget for the fiscal year at least three months prior to the beginning of the fiscal year. This budget shall be prepared in a form designated by NTLC and shall include all revenues which are projected to be received and shall itemize projected

capital expenditures and operating expenses for the fiscal year. Following its approval by the Board of Directors of NTLC, this budget shall be the operating budget for the Center and shall control the expenditures which HSC has authority to make in its operation of the Center. Any non-budgeted expense in excess of \$5,000 shall not be expended without prior approval of NTLC.

- (V) (H) (12) To the extent allowed under the constitution and laws of the State of Texas, HSC agrees to indemnify and hold NTLC harmless from any and all expenses, damages, judgments, court costs, litigation expenses and attorneys' fees incurred because of any claim, demand, cause of action, lawsuit or judgment arising out of the negligence of any person who is an employee of the HSC at the Center.

Section VI: Cooperation between the North Texas
Lithotripsy Center and the UTHSC

NTLC and HSC recognize the interdependent relationship between them in carrying out the terms of this Agreement and agree to consult and cooperate in

good faith with all persons representing each of them in order to carry out the purposes of the Agreement.

Section VII: Liability

The Board of Regents, by entering into and performing these agreements shall not assume or become liable for any of the obligations, liabilities or debts of NTLC.

Section VIII: Term

- (A) This Agreement shall continue until terminated by either party in accordance with the terms of the agreement, provided that NTLC shall obtain a Lithotripter device. If NTLC shall be unsuccessful in obtaining the Lithotripter, after reasonable and good faith efforts to do so, this Agreement shall become null and void.
- (B) This Agreement may be terminated by either party as of August 31 of any calendar year upon prior written notice to the other party. Said notice must be received at least 90 days prior to September 1 of each year.

Section IX: Nonassignability

Neither party shall assign its interests under this Agreement without the prior written consent of the other party.

Section X: No Partnership or Joint Venture

No partnership or joint venture is intended or created by this Agreement.

Section XI: Notices

- (A) All notices required or permitted to be given under this Agreement must be made in writing to be effective and shall be deemed to have been received on the earlier of (i) the date of actual receipt or (ii) five (5) days after the same are deposited in the U.S. mail, registered or certified, postage prepaid, return receipt requested, addressed as follows:

The University of Texas Health
Science Center at Dallas
5323 Harry Hines Boulevard
Dallas, Texas 75235
Attention: President

With Copy to:
Office of General Counsel
The University of Texas System
201 West 7th Street
Austin, Texas 78701

North Texas Lithotripsy Center

(XI) (B) The parties may from time to time and at any time change their respective addresses by written notice to the other party in the manner provided under this Section.

Section XII: Amendments and Modification

This Agreement embodies the entire Agreement between the parties concerning its subject matter, and no oral agreements or correspondence shall be held to vary its provisions. This Agreement may be amended only by written instrument executed by authorized signatories for NTLC and HSC.

Section XIII: Construction of Agreement

- (A) If any term or provision of this Agreement is found to be invalid for any reason, the remainder of this Agreement shall not be affected.
- (B) This Agreement shall be construed according to the laws of the State of Texas.
- (C) This Agreement shall be construed consistent with the Bylaws of NTLC, the Rules and Regulations of the Board of Regents of The

University of Texas System and the Handbook of
Operating Procedures of the HSC.

Section XIV: Default Remedy

In the event of any default in performance of any covenant contained in this Agreement, or as the same may be amended from time to time, the aggrieved party shall notify the defaulting party regarding the particulars of such default in writing, which shall designate a reasonable period of time for the cure of such default, or if the aggrieved party so chooses, for the accomplishment of an alternative proposal described therein which shall be acceptable to said party as grounds for waiver of default. If the defaulting party shall have failed to cure the default or to comply substantially with any such alternative proposal identified in such notice within such reasonable period following such notice, and such failure shall affect adversely the reasonable expectation of the aggrieved party as to a material right, benefit or protection under this Agreement then such aggrieved party may, in addition to and not in lieu of any other remedy otherwise available terminate this Agreement by giving written notice to the other party, in which case such

termination shall occur on the date stated in such notice.

North Texas Lithotripsy
Center
Dallas, Texas

John D. Cawel

Name:
Chairman
Board of Directors

Date: January 17, 1986

FORM APPROVED:

Susan O. Bradsher

Office of General Counsel

CONTENT APPROVED:

Charles C. Sprague

Charles C. Sprague, M.D.

President
U.T. Health Science Center at Dallas
Title

U. T. SYSTEM AUTHORIZATION

Charles B. Mullins
Charles B. Mullins, M.D.

CERTIFICATE OF APPROVAL

I hereby certify that the foregoing Agreement was approved by the Board of Regents of The University of Texas System on the ____ day of _____, 1986, and that the person whose signature appears above is authorized to execute such agreement on behalf of the Board.

Executive Secretary, Board of Regents
The University of Texas System

2. U. T. Medical Branch - Galveston: Request for Permission for Individual to Serve on the Anatomical Board of the State of Texas [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--

RECOMMENDATION

The Office of the Chancellor concurs with a recommendation by President Levin that approval be given to the appointment of Andrew F. Payer, Ph.D., as a representative on the Anatomical Board of the State of Texas.

It is further recommended that the U. T. Board of Regents find that: (1) the holding of this office by Dr. Payer is of benefit to the State of Texas, and (2) there is no conflict between the position this individual holds at the U. T. Medical Branch - Galveston and his appointment to this Board.

BACKGROUND INFORMATION

The Anatomical Board of the State of Texas is authorized by statute (Article 4583, Texas Revised Statutes, as amended) and exercises jurisdiction over anatomical donations. The Board is composed of one representative from each school or college of chiropractic, osteopathy, medicine, or dentistry incorporated in the State. The recommendation is in accordance with approval requirements for positions of honor, trust, or profit provided in Article 6252-9a of Vernon's Texas Civil Statutes and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

Dr. Payer, Associate Professor in the Department of Anatomy at the U. T. Medical Branch - Galveston, will serve for the remainder of the late Dr. Glenn V. Russell's term (through August 31, 1987).

3. U. T. Medical Branch - Galveston: Proposed Appointment of Ashbel Smith Professor Effective February 14, 1986.--

RECOMMENDATION

The Office of the Chancellor recommends the appointment of William C. Levin, M.D., Professor, Department of Internal Medicine, and President of the U. T. Medical Branch - Galveston, as Ashbel Smith Professor effective February 14, 1986.

BACKGROUND INFORMATION

Dr. Levin is exceptionally qualified for this appointment by virtue of his outstanding and dedicated performance as an educator, researcher and administrator at U. T. Medical Branch - Galveston. Dr. Levin received his undergraduate degree from U. T. Austin in 1938, and his medical degree from U. T. Medical Branch - Galveston in 1941. He began his professional career at the U. T. Medical Branch - Galveston in 1944. This appointment is in recognition of the leadership and support Dr. Levin has provided over the last 40 years.

If this recommendation is approved, Dr. Levin will vacate the endowed Warmoth Professorship in Hematology in the Department of Internal Medicine to allow the recruitment of an additional prestigious professor to the Department of Internal Medicine.

The title of Ashbel Smith Professor was approved by the U. T. Board of Regents in October 1964.

4. U. T. Medical Branch - Galveston (U. T. Medical School - Galveston): Request for Approval to Change the Name of the Department of Anatomy to the Department of Anatomy and Neurosciences and to Submit the Proposed Change to the Coordinating Board for Appropriate Approval (Catalog Change).--

RECOMMENDATION

The Office of the Chancellor concurs with the recommendation of President Levin that approval be given to change the name of the Department of Anatomy to the Department of Anatomy and Neurosciences at the U. T. Medical School - Galveston. If approved by the U. T. Board of Regents, this proposal will be forwarded to the Coordinating Board, Texas College and University System, for approval as an administrative change.

BACKGROUND INFORMATION

The name change from the Department of Anatomy to the Department of Anatomy and Neurosciences was precipitated by Dr. William D. Willis, who has recently been appointed as Chairman of the Department, and other faculty members who have acquired international recognition in the field of neurosciences.

Dr. Levin has certified that no additional funds will be required to implement this change nor will there be any change to the curriculum. The proposed change more accurately reflects the academic and pedagogical responsibilities of the Department.

Upon Regental and Coordinating Board approval, the next appropriate catalog published will be amended to reflect this action.

5. U. T. Medical Branch - Galveston: Recommendation to Approve the Installation of a Permanent Plaque in the John Sealy Hospital, 1954 Sector.--

RECOMMENDATION

The Office of the Chancellor concurs with the recommendation by President Levin to install a permanent plaque as set forth below in the John Sealy Hospital, 1954 Sector, at the U. T. Medical Branch - Galveston in honor of The Sealy & Smith Foundation:

WITH APPRECIATION TO
THE SEALY & SMITH FOUNDATION FOR THE JOHN SEALY HOSPITAL
FOR SUSTAINED STEWARDSHIP AND ENLIGHTENED PHILANTHROPY
WHICH MADE POSSIBLE
THE MAJOR RENOVATIONS TO
THE JOHN SEALY HOSPITAL, 1954 SECTOR

BACKGROUND INFORMATION

The Sealy & Smith Foundation has provided significant support for the renovation of The John Sealy Hospital, 1954 Sector. The proposed plaque is a tribute to The Sealy & Smith Foundation's continuing support.

6. U. T. Medical Branch - Galveston (U. T. Allied Health Sciences School - Galveston): Proposed Affiliation Agreement with the Harris County Hospital District, Houston, Texas.--

RECOMMENDATION

The Office of the Chancellor concurs with the recommendation by President Levin that approval be given to the affiliation agreement set out on Pages HAC 25 - 33 between the U. T. Allied Health Sciences School - Galveston and the Harris County Hospital District, Houston, Texas.

BACKGROUND INFORMATION

This nonstandard agreement will provide training for students of the U. T. Allied Health Sciences School - Galveston in the areas of medical record administration, physical therapy, and occupational therapy. This agreement will expire in July 1990.

This agreement has been reviewed and approved by the Office of General Counsel.

AGREEMENT TO AFFILIATION BETWEEN
THE UNIVERSITY OF TEXAS
MEDICAL BRANCH AT GALVESTON
AND
HARRIS COUNTY HOSPITAL DISTRICT

THIS AGREEMENT made and entered into by and between the Harris County Hospital District, a political subdivision organized under the laws of the State of Texas, hereinafter referred to as the "District" and The University of Texas Medical Branch at Galveston, a component institution of The University of Texas System, on behalf of the School of Allied Health Sciences at Galveston, hereinafter referred to as the "University" for the purpose of providing training to students of the University in the areas of medical record administration, physical therapy and occupational therapy.

W I T N E S S E T H:

WHEREAS, the District is the owner and operator of two hospitals, Ben Taub General Hospital and Jefferson Davis Hospital (hereinafter called the "Hospitals"), and numerous neighborhood clinics, all situated in Harris County, Texas, providing medical and hospital care for the indigent and needy residents of Harris County, Texas; and

WHEREAS, University, through its School of Allied Health Sciences, provides an educational curriculum and program for its students with respect to the health care services of medical record administration, physical therapy and occupational therapy; and

WHEREAS, it is mutually recognized that District, and the University have certain objectives in common, namely, (a) providing health care personnel of the highest caliber which perform high quality professional care of patients, (b) educating and training health care personnel, (c) advancing knowledge in the field of health care, and (d) promoting personal and community health and education, through the training of highly qualified medical record administrators, physical therapists and occupational therapists and that each can accomplish these objectives in a larger measure and more effectively through affiliation operations; and

WHEREAS, it is mutually recognized that District's primary function is to provide the best possible medical and hospital care for the indigent citizens

of Harris County; and

WHEREAS, District and University recognize that these objectives can be accomplished in a larger measure and more effectively through affiliation operations in order to (1) facilitate the overall educational program in University by providing its students in medical record administration, physical therapy and occupational therapy with unique opportunities for learning experiences, and (2) accomplish the fullest utilization of available teaching facilities and expertise with respect to health care services by increasing and expanding professional contacts between University's academic faculty members and District's professional personnel; and

WHEREAS, it is the desire of both parties, and it is for the benefit of the citizens of Harris County, that District maintain health care programs for its patients, and that it is essential, in order that District and University accomplish their common objectives, to establish and implement a program involving the association of said parties and their respective resources;

NOW, THEREFORE, for and in consideration of the premises and in further consideration of the matters hereinafter set forth, the District and the University, do hereby stipulate and agree as follows:

1. Separate Jurisdiction: The University will continue, as it has in the past, to operate its programs of the highest quality in health professional education and other areas and shall retain all jurisdictional powers incident to its separate ownership and operation, including plenary power to determine the general and fiscal policies of its educational programs and to appoint its administration, faculty and other personnel subject to the terms of the subsequent paragraphs of this Agreement.

The District shall retain over its hospitals and facilities all jurisdictional powers incident to its separate ownership and operation, including the plenary power to determine the general and fiscal policies relating to the operations of its facilities and to appoint its administration, professional staff and other personnel; provided, however, the Board of Managers of the District shall in any and all events retain final jurisdiction over the administration and supervision of its hospitals and facilities, including all patient services and the types of activities occurring within any of the facilities of District.

2. Responsibilities of District: The District will furnish the premises, facilities and equipment necessary for conducting the Medical Record Administration Educational Experience Program, Physical Therapy Educational Experience Program and the Occupational Therapy Educational Experience Program (hereinafter called "Programs").

Furthermore, in connection with such Programs, District agrees:

(a) To permit the authority or authorities responsible for accreditation of University's curriculum regarding Programs, to inspect all facilities, services and other things provided by District pursuant to this agreement, and to inspect all information to the extent permitted by law, maintained by District in connection with these Programs and the participants therein, at such reasonable times as may be requested by University.

(b) To comply with all federal, state and local laws, ordinances, rules and regulations applicable to performance by District of its obligations under this agreement.

(c) To provide equally to each student of University participating in the Programs emergency health care not to exceed the cost to District of One Hundred Dollars (\$100.00), with respect to injuries sustained in any of District's hospitals or facilities.

(d) To continue to operate its hospitals and other facilities in a manner and within such standards as are consistent with District's purpose of providing the highest quality patient care available, and, to such end, University shall assist District in such efforts to improve patient care by providing the necessary personnel herein specified for maintenance of Programs.

3. Responsibilities of University: University hereby agrees:

(a) To furnish to District, insofar as such information is reasonably available to University and to the extent permitted by law, the following:

- 1) The name and health status report of each student assigned by University to participate in Programs, at least four (4) weeks prior to the date such students are scheduled to begin participation in Programs; and
- 2) Any additional information with respect to such students

as the District may require for proper operation of the Programs.

(b) To assign for participation in Programs only those students who have satisfactorily completed those portions of University's curriculum which are prerequisite to such participation, as determined by University. University shall be responsible for directing its Programs in accordance with the proper applications in the field of medical records administration, physical therapy and occupational therapy and such Programs shall meet all guidelines and/or licensing requirements for the Programs established by the appropriate state, local, or national associations for the profession.

(c) To designate a qualified professional member of University's faculty to be responsible for the learning assignment to be assumed by each student participating in Programs, and to furnish to District in writing the name(s) of such faculty member(s).

(d) To do all things reasonably necessary and proper to assure compliance by its students, who participate in Programs, with District's written regulations and policies.

(e) To advise students participating in Programs that they and not District or University are solely responsible for (1) providing for themselves any dress or garments required (but not provided by District to be worn by students participating in Programs), and transportation, housing, living arrangements and accommodations to the extent not voluntarily provided by University and District; and (2) reporting to District on time in accordance with Programs' schedules.

(f) In the event District should determine and advise the University that the presence of any faculty member or student shall no longer be permitted on District's premises, University shall immediately comply with such advisory, and may in its discretion conduct a review of such student's or faculty member's participation. University will advise such student or faculty member of the withdrawal of any rights to remain on District's premises.

4. Student Health Care Assignments: District and University shall annually determine the maximum number of students which shall be assigned to participate in the Programs. District shall pay no compensation for any services which may be rendered by students enrolled under the Programs, and under no circumstances

shall any student be considered for any purpose to be an employee or agent of District.

The University agrees that it will furnish the District with evidence that each student has in effect professional liability insurance coverage in an amount not less than ONE HUNDRED THOUSAND DOLLARS (\$100,000) per person, THREE HUNDRED THOUSAND DOLLARS (\$300,000) per single occurrence, and ONE HUNDRED THOUSAND DOLLARS (\$100,000) property damage per single occurrence, such coverage to continue in effect while such student is assigned to the District. The University agrees to inform the District immediately of each renewal, cancellation, or change in the content or amount of such coverage. The carrier and terms of such insurance shall be subject to the prior and continuing approval of the District, which approval shall not be unreasonably withheld. To the extent permitted by law, the University agrees to indemnify and hold harmless the District from and against any and all claims, demands, causes of action, liabilities, costs, damages, expenses, and attorneys' fees asserted or adjudged against or incurred by the District resulting from the breach by the University of any provisions of this paragraph. By entering into this Agreement, it is recognized that the University is not waiving any sovereign or governmental immunity the University, its agents or employees, have under state law.

5. University's Teaching Programs: The Programs specified herein shall be performed within the facilities of District; provided, however, District reserves the right to restrict students from the physical facilities of District which are not essential to learning experiences under Programs. University's faculty, staff and students shall not be permitted to make any use of District's facilities for any purpose which is not consistent with Programs under this Agreement.

6. Consultation Between Parties: The committee to be known as the "Joint Consultation Committee" shall be established in furtherance of the administration of Programs under this Agreement. Said committee shall be made up of an equal number of representatives from District and University, and shall have meetings whenever necessary or appropriate for (1) resolution of any problems which may arise between District and University, (2) educational purposes so that members of the committee will be familiar with the joint operations of District and University and with any problems incident to

implementation of this agreement, and (3) review and evaluation of qualifications of medical record administration, occupational therapy and physical therapy students who may be assigned to participate in Programs.

7. Accreditation: University shall be required to maintain accreditation with the appropriate local, state or national accreditation organization or organizations as may be necessary and proper, and shall keep District informed of all actions taken with regard to such accreditation standings. If University should for any reason lose either or all of its local, state or national accreditation or accreditations, this Agreement will immediately become null and void, and all personnel and students of University taking part in Programs shall be removed immediately by University from District's facilities.

District shall be required to maintain accreditation with the appropriate local, state or national accreditation organization or organizations as may be necessary or proper, and shall keep University informed of all actions taken with respect to such accreditation standings. If District should for any reason lose either or all of its local, state or national accreditations, this agreement will immediately become null and void, and all personnel involved in programs shall be immediately removed by University.

8. Supervision: University's directors for medical record administration, occupational therapy and physical therapy training Programs or their designees and the District's administrator or designee shall have control over all students of University assigned to District's facilities under these Programs only, with respect to assuring compliance with administrative policies established for operation of District's facilities. University shall establish such administrative policies as are necessary or proper for operation of Programs so long as such policies are not inconsistent with District's policies, rules and regulations.

District's administrator may under this agreement at any time declare any student or faculty member of University to be outside the scope of these Programs, and, pursuant to subparagraph 3 (f), may require removal of such person or persons from Programs subject to this agreement. University shall take such action necessary to remove such student or faculty member from the District's facilities.

9. Grants, Research or Demonstration Projects: University shall submit to District any and all proposals for research or demonstration projects in which

it is anticipated by University that District's facilities may be utilized. University recognizes and acknowledges District's policy that District shall not be committed to participate in any such grants, research or demonstration projects or similar activities, without having first had the plan for any such projects submitted to District for approval by District. In accordance with this policy, should University desire to initiate any such project which may commit District or any of District's facilities or personnel to such project, University shall first submit the plan and a completed application for such project to District for approval by District. In the event District does not approve such projects, University shall not proceed with any such project involving District to the extent of participation by District.

District shall submit to University any and all proposals for research or demonstration projects in which it is anticipated by District that personnel or students of University may be utilized. Should District desire to initiate any project which commits University or any of its personnel to such project, District shall first submit such plan and completed application to University for approval by University. If University does not approve same, District shall not proceed with any such project involving University.

10. Entirety of Agreement: This instrument contains the entire agreement between the parties on the subject matter hereof. No amendments shall be valid unless in writing and signed by the duly authorized representatives of the parties. No oral representations of any officer, agent or employee of District or of The University of Texas System or its component institutions (including, but not limited to, University) either before or after the effective date of this Agreement, shall affect or modify any obligations of either party hereunder.

11. Term; Termination: This agreement shall be effective upon execution by District and University; provided, however, said agreement shall become effective only on and after the date approved by the Board of Regents of The University of Texas System, as same is provided by specific date, stated hereinafter. If so approved and effective, this agreement shall thereafter be in effect on the date of such approval and thereafter for the term provided. Such term shall be until July 31, 1990, unless sooner terminated by mutual consent of the parties, or by either party hereto giving to the other party

written notice of termination. Any written notice of termination shall specify the date of termination, but in no event shall such termination be effective until at least six (6) months after receipt of such notice by the other party, unless otherwise specified herein.

12. Miscellaneous Provision: This agreement shall be binding on and shall inure to the benefit of the parties and their respective successors and assignees; provided, however, no assignment by one party shall be effective except upon obtaining the written consent of the other party thirty (30) days prior to such assignment. It is specifically recognized that either party may enter into other agreements and affiliations so long as such are not inconsistent with the terms and provisions of this agreement.

This agreement shall be subject to all present and future valid laws, orders and regulations of the United States of America, the State of Texas, and any other governmental or regulatory authority having jurisdiction over the Programs or facilities.

13. Notices: Unless otherwise specifically provided in this agreement, any notice, communication, request, reply or advice (herein severally and collectively for convenience called "Notice") herein provided or permitted to be given, made, or accepted by either party to the other must be in writing and shall be given or served to the party to be notified, either by depositing the same in the United States Mail, postage prepaid and registered or certified, duly addressed to such party with return receipt requested, or by delivering the same to any designated officer or representative of such party to be notified, or by prepaid telegram, when appropriate, addressed to such representative to be notified. Notice in the manner heretofore described shall be deemed effective, as to the party to be notified, if by personal delivery, when received by such party's designated representative, as provided hereinafter, or if by mailing, seven (7) days after same is so deposited in the United States Mail for mailing to such party's designated representative at the business address of such person. Notice given in any other manner shall be effective only if and when received by the other party to be notified. The addresses of the parties to receive Notice, until changed as provided hereinafter, shall be as follows:

1. For University: The University of Texas Medical Branch
at Galveston, School of Allied Health Sciences, Galveston,
Texas 77550.
2. For District: Harris County Hospital District, Post
Office Box 66769, Houston, Texas 77006.

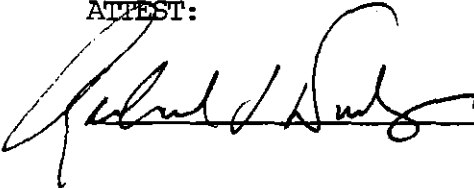
The parties have the right to change their respective addresses, and, in the event either party changes such address, written notice shall be given the other party within fifteen (15) days after such change.

IN WITNESS WHEREOF, this agreement is executed by District and University to be effective on the day and year first above written, in duplicate copies each of which shall be deemed an original of equal force, as follows:

1. It has on the 30th day of April, 1985, been executed on behalf of the Harris County Hospital District by the Chairman of the Board of Managers, pursuant to the order of the board of Managers so authorized; and

2. It has on the _____ day of _____, 19____, been executed on behalf of The University of Texas Medical Branch at Galveston by the President of said University, pursuant to approval by the President of The University of Texas System and by the Board of Regents of The University of Texas System.

ATTEST:



DISTRICT
HARRIS COUNTY HOSPITAL DISTRICT

By 
_____ Chairman of the Board of Managers

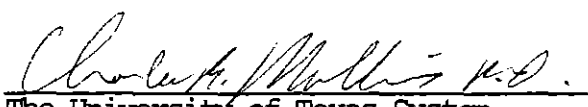
UNIVERSITY

By 
_____ President of The University of Texas Medical Branch at Galveston

APPROVED AS TO FORM:


_____ University Attorney

APPROVED AS TO CONTENT:


_____ The University of Texas System

CERTIFICATE OF APPROVAL

I hereby certify that the foregoing Agreement was approved by the Board of Regents of The University of Texas System on the _____ day of _____, 1986, and that the person whose signature appears above is authorized to execute such agreement on behalf of the Board.

Executive Secretary, Board of Regents
The University of Texas System

7. U. T. Health Science Center - Houston: Proposed Appointment to the Edward Randall, III Professorship in Internal Medicine Effective February 14, 1986.--

RECOMMENDATION

The Office of the Chancellor concurs with the recommendation by President Bulger to appoint Thomas E. Andreoli, M.D., as the initial holder of the Edward Randall, III Professorship in Internal Medicine at the U. T. Health Science Center - Houston effective February 14, 1986.

This appointment is contingent upon approval of the redesignation of the Edward Randall, III Professorship in the Medical Sciences to the Edward Randall, III Professorship in Internal Medicine as proposed in Item 32, Page L&I - 27.

BACKGROUND INFORMATION

Thomas E. Andreoli, M.D., joined the U. T. Health Science Center - Houston in 1979 as Professor and Chairman of the Department of Internal Medicine. He received his medical degree magna cum laude from Georgetown University, Washington, D. C. Dr. Andreoli has held faculty positions at Duke University, Durham, North Carolina, and the University of Alabama School of Medicine, Birmingham, Alabama. In the six years that Dr. Andreoli has been with the U. T. Health Science Center - Houston, he has received five teaching awards and recruited several outstanding academic physicians to the Department of Internal Medicine. These achievements have resulted in the Department achieving national recognition. He is a Diplomate in Nephrology, American Board of Internal Medicine, a member of several professional associations, an editor for scholarly journals, and co-author of a recent book, Cecil Essentials of Medicine.

The Edward Randall, III Professorship in the Medical Sciences was established by the U. T. Board of Regents in June 1983.

8. U. T. Health Science Center - Houston: Recommendation to Approve the Naming of the Pediatric Surgical Library as the Benjy Brooks Surgical Library (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings).--

RECOMMENDATION

The Office of the Chancellor concurs with the request by President Bulger to approve the naming of the Pediatric Surgical Library in the Department of Pediatrics, Room 6.282 of the Medical School Building at the U. T. Health Science Center - Houston, as the Benjy Brooks Surgical Library. This recommendation is in accordance with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, relating to the naming of facilities other than buildings.

BACKGROUND INFORMATION

Dr. Benjy Brooks received her M.D. at U. T. Medical Branch - Galveston in 1948. After receiving post-doctoral training in pediatric surgery at Harvard Medical School, Dr. Brooks became the first woman pediatric surgeon in Texas. In 1973, Dr. Brooks joined the faculty of the U. T. Health Science Center - Houston to establish the Division of Pediatric Surgery which she headed until 1983. Dr. Brooks is currently Special Assistant to the President for Ethics and Professor of Pediatric Surgery at the U. T. Health Science Center - Houston. In 1985, she was named to the Texas Women's Hall of Fame. It is most appropriate that this library be dedicated to Dr. Brooks.

9. U. T. Health Science Center - Houston: Proposed Agreement in Principle to a Relationship Between U. T. System and The Gamma Foundation, Houston, Texas, and Authorization of Negotiations, Within Certain Parameters, Concerning Support of a Proposed Neurosciences Institute.--

RECOMMENDATION

The Office of the Chancellor concurs with the recommendations of President Bulger that the U. T. Board of Regents:

- a. Agree in principle to the establishment of a formal relationship between The Gamma Foundation, Houston, Texas, and U. T. System, on behalf of U. T. Health Science Center - Houston, for the support of the operation of a proposed institute to be called The Neurosciences Institute
- b. Authorize the Executive Vice Chancellor for Health Affairs and the Office of General Counsel to negotiate a formal relationship, report back to the Board the progress of the negotiations, and present for the Board's future consideration and approval any necessary instruments showing the details of any agreements that may be reached within the following parameters on specified terms, with the only potential unreimbursed financial contribution to the Neurosciences Institute by the U. T. System being the possibility of provision of lease space at less than market rates:
 - (1) that U. T. Health Science Center - Houston space be made available for the institute
 - (2) that faculty be made available
 - (3) that U. T. Health Science Center - Houston equipment and facilities be made available
 - (4) that graduate students be made available
 - (5) that administrative and other services be available on a shared service basis

BACKGROUND INFORMATION

A small group of Houston businessmen has organized a non-profit corporation, The Gamma Foundation, and have obtained a tax exemption for its operation under Section 501(c)(3) of the Internal Revenue Code. The Gamma Foundation proposes the establishment of an institute to engage in research with respect to the more severe forms of mental illness, with particular emphasis on the neurosciences, biochemistry and molecular biology. The Neurosciences Institute, thus, would be directed toward basic research as distinguished from clinical research.

The general concept is that U. T. Health Science Center - Houston and The Gamma Foundation would, as a community-based project, endeavor to establish research activities and to attract to the Institute world-class scientists to conduct research activities on a permanent basis.

The proposed financial contribution of U. T. Health Science Center - Houston would be the furnishing of appropriate facilities for the Institute, at a nominal cost. The Foundation proposes to raise the necessary funds to implement the research programs.

The Institute should be free-standing. Its scientists would be responsible to the director of the Institute and the director responsible to the Board of Trustees. It is anticipated that the funding of the Institute's activities would come from sources other than U. T. System. It is estimated that the overall annual budget of the Institute for salaries and other direct operational costs would be approximately \$2 to \$5 million per year. These funds would be raised by the Institute on a permanent basis by annual commitments from various institutions and donors.

With the present operation of The University of Texas Mental Sciences Institute and the coming operation of the 250-bed, Harris County Psychiatric Center, the proposed Institute constitutes a next logical step in the commitment of U. T. Health Science Center - Houston to mental health sciences.

Upon authorization of further negotiations within the parameters outlined above, the Office of Health Affairs and the Office of General Counsel will proceed immediately to investigate and negotiate the further details of the feasibility of the proposed project.

10. U. T. Health Science Center - Houston and U. T. Cancer Center: Proposed Agreement in Principle to a Relationship Between U. T. System and American Medical International, Inc., Houston, Texas, and Authorization of Negotiations, Within Certain Parameters, Concerning Support of the Southwest Institute of Immunological and Infectious Disorders.--

RECOMMENDATION

The Office of the Chancellor concurs with the joint recommendations of President LeMaistre and President Bulger that the U. T. Board of Regents:

- a. Agree in principle to the establishment of a formal relationship between American Medical International, Inc., Houston, Texas, and U. T. System, on behalf of U. T. Cancer Center and

U. T. Health Science Center - Houston, for the support of the operation of the Southwest Institute of Immunological and Infectious Disorders

- b. Authorize the Executive Vice Chancellor for Health Affairs and the Office of General Counsel to negotiate a formal relationship, report back to the Board the progress of the negotiations, and present for the Board's future consideration and approval any necessary instruments showing the details of any agreements that may be reached within the following parameters:
- (1) that U. T. System not be involved in any direct monetary outlays
 - (2) that the operation of the Institute be supported by U. T. System providing a Medical Director and Chief of Staff, consulting physicians, and house staff through a nonstandard affiliation agreement
 - (3) that U. T. System support the Institute and a proposed, separate, non-profit foundation by working with the foundation to obtain grants for necessary research
 - (4) that U. T. System help the Institute establish necessary research protocols and patient screening processes

BACKGROUND INFORMATION

American Medical International, Inc. (AMI), has proposed the establishment of a research, education, and treatment hospital to be called the Southwest Institute of Immunological and Infectious Disorders. The Citizens General Hospital, a 150-bed, AMI facility in Houston, Texas, would be converted to house the Institute; there would be no expense to U. T. System. The Institute's primary purpose would be to treat patients who have immunological, infectious and related disorders.

James Curren, M.D., Director of a task force at the Center for Disease Control, Atlanta, Georgia, estimates that over one million people have been exposed to viruses that are thought to be the causes of certain immunological disorders. Some immunological diseases are now so prevalent that they are being recognized as a world-wide epidemic. Over 10,533 individuals have been diagnosed with one very prevalent immunological disease and projections indicate that by the end of 1986 over 18,000 cases of it will have been identified. Longer term forecasts reflect near-exponential growth of the disorder; there is no cure nor vaccine in sight. AMI wants the opportunity to demonstrate leadership in private industry in this area of health care.

U. T. Cancer Center physicians are currently treating patients with immunological and infectious disorders at M. D. Anderson Hospital. U. T. Health Science Center - Houston faculty are currently treating patients with similar maladies at Hermann Hospital. Doctors from U. T. System components are interested in research opportunities related to the underlying viruses. Grant applications are now being taken with the potential for significant funding of projects hoping to find cures. U. T. System physicians are eager to be a part of the solution to the growing number of life-threatening immunological disorders.

AMI would prefer to join with U. T. Health Science Center - Houston and U. T. Cancer Center in the collaborative development of this new facility. The affiliation of these three entities would be mutually beneficial.

Upon authorization of further negotiations within the parameters outlined above, the Office of Health Affairs will proceed immediately to investigate and negotiate the further details of the feasibility of the proposed project.

11. U. T. Cancer Center: Proposed Appointment of Ashbel Smith Professor Effective March 1, 1986.--

RECOMMENDATION

The Office of the Chancellor concurs with the recommendation by President LeMaistre to appoint Alando J. Ballantyne, M.D., Surgeon and Professor of Surgery, Department of Head and Neck Surgery at the U. T. Cancer Center, as an Ashbel Smith Professor effective March 1, 1986.

BACKGROUND INFORMATION

Alando J. Ballantyne, M.D., has served with distinction at the U. T. Cancer Center since his appointment in 1952. Dr. Ballantyne is recognized as a leader in the area of head and neck surgery and is the author of numerous publications. Since his retirement in 1980, he has remained a part time member of the staff. The appointment of Dr. Ballantyne as an Ashbel Smith Professor is an acknowledgement of his distinguished career as a physician and member of the U. T. Cancer Center staff.

The title of Ashbel Smith Professor was approved by the U. T. Board of Regents in April 1980.

12. U. T. Cancer Center: Proposed Appointment to the Robert R. Herring Professorship in Clinical Research Effective March 1, 1986.--

RECOMMENDATION

The Office of the Chancellor concurs with the recommendation by President LeMaistre that Bernard Levin, M.D., Chief of the Section of Digestive Diseases and Gastrointestinal Oncology, and Professor of Medicine at the U. T. Cancer Center, be appointed initial holder of the Robert R. Herring Professorship in Clinical Research effective March 1, 1986.

BACKGROUND INFORMATION

Bernard Levin, M.D., received his medical degree in 1964 from the University of Witwaterstrand Medical School, Johannesburg, South Africa. Dr. Levin was a faculty member at the University of Chicago, Chicago, Illinois, for almost twenty years prior to accepting the position of Internist and Professor of Medicine at the U. T. Cancer Center in 1984. Dr. Levin is a distinguished gastrointestinal oncologist and has made significant scientific contributions in his area of expertise. He has developed a strong basic science program in biochemistry related to cancer prevention and has successfully recruited a number of outstanding scientists. These achievements have focused national attention on the program in Gastrointestinal Oncology at the U. T. Cancer Center.

The Robert R. Herring Professorship in Clinical Research was established by the U. T. Board of Regents in April 1981.

13. U. T. Cancer Center: Proposed Reappointment to the Sue and Radcliffe Killam Professorship Effective March 1, 1986.--

RECOMMENDATION

The Office of the Chancellor concurs with the recommendation by President LeMaistre to reappoint Louise C. Strong, M.D., to the Sue and Radcliffe Killam Professorship at the U. T. Cancer Center for an additional five-year term to be effective March 1, 1986.

BACKGROUND INFORMATION

Louise C. Strong, M.D., has been a member of the U. T. Cancer Center faculty since 1976 and has been a major contributor to the field of pediatric oncology, epidemiology and genetics. In 1984, Dr. Strong was appointed by President Reagan to serve on the National Cancer Advisory Board. The donors of the Sue and Radcliffe Killam Professorship intended for the Professorship to be rotated every five years; however, they enthusiastically endorse Dr. Strong's reappointment for an additional five-year term.

The Sue and Radcliffe Killam Professorship was established by the U. T. Board of Regents in February 1981.

14. U. T. Cancer Center: Proposed Appointment to the Kathryn O'Connor Research Professorship Effective March 1, 1986.--

RECOMMENDATION

The Office of the Chancellor concurs with the recommendation by President LeMaistre to appoint Stuart O. Zimmerman, Ph.D., to the Kathryn O'Connor Research Professorship at the U. T. Cancer Center effective March 1, 1986.

BACKGROUND INFORMATION

Stuart O. Zimmerman received his Ph.D. in mathematical biology from the University of Chicago, Chicago, Illinois, in 1964 and was subsequently appointed to the University of Chicago faculty. In 1967, he joined the U. T. Cancer Center as Chairman of the Department of Biomathematics until 1981 when he was appointed Head of the Division of Biomedical Information Resources. In 1985, Dr. Zimmerman was given the additional title of Executive Director for Information Systems. Dr. Zimmerman has authored numerous publications and has been an invited lecturer at meetings throughout the United States.

The Kathryn O'Connor Research Professorship was established by the U. T. Board of Regents in June 1981.

15. U. T. Cancer Center: Proposed Appointment to the R. E. "Bob" Smith Chair in Cell Biology Effective March 1, 1986 (NO PUBLICITY).--

RECOMMENDATION

The Office of the Chancellor concurs with the recommendation by President LeMaistre to appoint Isaiah J. Fidler, Ph.D., as initial holder of the R. E. "Bob" Smith Chair in Cell Biology at the U. T. Cancer Center effective March 1, 1986. This appointment is contingent upon establishment of the Chair as proposed in Item 35, Page L&I - 28.

BACKGROUND INFORMATION

Dr. Isaiah J. Fidler joined the U. T. Cancer Center staff in September 1983 as Biologist and Professor of Cell Biology, and Chairman of the Department of Cell Biology. He is recognized by many as the foremost authority regarding the nature and mechanisms of tumor metastasis and tumor biology. Prior to his appointment, he was awarded the prestigious Bertner Award for his research. Appointment to this Chair is an appropriate recognition of Dr. Fidler as an outstanding scientist and scholar.

Dr. Fidler will relinquish his current appointment to the Olla S. Stribling Chair for Cancer Research when this appointment is approved by the U. T. Board of Regents.

NO PUBLICITY

16. U. T. Cancer Center: Proposed Appointment to the Vivian L. Smith Chair in Immunology Effective March 1, 1986 (NO PUBLICITY).--

RECOMMENDATION

The Office of the Chancellor concurs with the recommendation by President LeMaistre to appoint Margaret L. Kripke, Ph.D., as initial holder of the Vivian L. Smith Chair in Immunology at the U. T. Cancer Center effective March 1, 1986. This appointment is contingent upon approval of the establishment of the Chair as proposed in Item 36, Page L&I - 29.

BACKGROUND INFORMATION

In 1983, Margaret L. Kripke, Ph.D., joined the U. T. Cancer Center staff as Immunologist and Professor of Immunology, Chairman of the Department of Immunology, and holder of the Kathryn O'Connor Research Professorship. Dr. Kripke will relinquish her appointment to the Professorship when she is appointed to the Vivian L. Smith Chair in Immunology. She served on the faculties of the University of Utah College of Medicine, Salt Lake City, Utah, and the National Cancer Institute-Frederick Cancer Research Facility, Frederick, Maryland. Dr. Kripke is an outstanding researcher and most deserving of this appointment.

NO PUBLICITY

17. U. T. Cancer Center: Proposed Appointment to the Olla S. Stribling Chair for Cancer Research Effective March 1, 1986.--

RECOMMENDATION

The Office of the Chancellor concurs with the recommendation by President LeMaistre to appoint Jose M. Trujillo, M.D., to the Olla S. Stribling Chair for Cancer Research at the U. T. Cancer Center effective March 1, 1986.

BACKGROUND INFORMATION

Jose M. Trujillo, M.D., received his medical degree in 1956 from the National University of Buenos Aires, Argentina. In 1963, following a fellowship in pathology, Dr. Trujillo was appointed to the U. T. Cancer Center faculty. He was appointed as Head of the Division of Laboratory Medicine in 1984. It is appropriate that Dr. Trujillo's distinguished career with the U. T. Cancer Center be honored with his appointment to the Olla S. Stribling Chair for Cancer Research.

The Olla S. Stribling Chair for Cancer Research was established by the U. T. Board of Regents in April 1980.

Buildings and Grounds Committee

BUILDINGS AND GROUNDS COMMITTEE
COMMITTEE CHAIRMAN RHODES

Date: February 13, 1986
Time: Following the meeting of the Health Affairs Committee
Place: Conference Room, Tenth Floor
The University of Texas Houston - Main Building

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8. U. T. Health Science Center - Houston:
Request for Approval to Name Courtyard
Between the U. T. Medical School - Houston
and the Jesse H. Jones Library Building in
Memory of C. Frank Webber, M.D.

14

1. U. T. Arlington - Engineering Building Addition and Renovation: Status Report on Location of the Aerospace Research Center.--

REPORT FOR THE RECORD

The Office of the Chancellor and President Nedderman wish to report for the record that the proposed Aerospace Research Center will be located on the U. T. Arlington campus as originally approved by the U. T. Board of Regents in August 1982. The U. T. Board of Regents, at its meeting in October 1985, authorized negotiations with the City of Arlington for a ground lease for the relocation of the Aerospace Research Center (a wind tunnel facility) to the Arlington Municipal Airport. These negotiations were unfruitful primarily because of the high cost of providing utilities to the airport site being considered. The Aerospace Research Center will therefore be constructed on the U. T. Arlington campus as a part of the Engineering Building Addition and Renovation project as originally approved by the U. T. Board of Regents.

2. U. T. Austin - Lila B. Etter Alumni House (Alumni Center) - Remodel and Expansion: Request for Approval of Project in Principle and Renegotiation of Lease.--

RECOMMENDATION

The Office of the Chancellor concurs with the recommendation of President Cunningham that the U. T. Board of Regents approve in principle a project for the expansion and remodeling of the Lila B. Etter Alumni House (Alumni Center) at U. T. Austin by The Ex-Students' Association and the renegotiation of the existing lease agreement with the understanding that preliminary plans, cost estimate, and the renegotiated lease be submitted to the U. T. Board of Regents for consideration at a future meeting.

This item requires the concurrence of the Academic Affairs Committee.

BACKGROUND INFORMATION

The U. T. Austin Ex-Students' Association proposes to expand and remodel their facilities on the campus of U. T. Austin, the Lila B. Etter Alumni House (Alumni Center), by constructing an addition of approximately 17,200 square feet on the north side of the existing 14,000 square foot building. Underground parking for fifty vehicles will also be provided. The construction of the addition may necessitate the modification and/or rerouting of East 22nd Street.

The estimated total project cost for the expansion, remodeling and related expenses is approximately \$4,000,000 which will be raised by The Ex-Students' Association.

The Ex-Students' Association prefers to select and contract with the project architect and the construction contractor. However, plans will be submitted to the U. T. Board of Regents for approval.

The current ground lease agreement has three years remaining, with a right to renew for another twenty-five years. This leaves twenty-eight years remaining on the lease. The Ex-Students' Association would like to renegotiate a ground lease to extend a minimum of an additional twenty-five years.

3. U. T. Austin: Recommendation for Approval of a Lease of Land to the United States of America for the Establishment of the Low Level Wind Shear Alert System at Robert Mueller Airport in Austin, Texas.--

RECOMMENDATION

The Office of the Chancellor concurs with the recommendation of President Cunningham that the Chancellor be authorized to sign a lease agreement between the United States of America and the U. T. Board of Regents as set out on Pages B&G 4 - 9. The leased land is to be used to locate a wind sensing device for the City of Austin's Robert Mueller Airport.

BACKGROUND INFORMATION

The administration at U. T. Austin has received a request from the Federal Aviation Administration (FAA) for the lease of a small site (20' x 20') on which to locate a wind sensing device for the City of Austin's Robert Mueller Airport. The site is adjacent to IH-35 at the intersection of East Campus Drive and Red River Street.

Normally, airports have only one wind sensing device located approximately at centerfield. This sensor is incapable of detecting critical winds in the approach and departure corridors. Thus, if a wind change zone is extending toward the airport, it cannot be detected until it reaches the center of the airfield. In 1976, the FAA began to formulate a new concept known as the Low Level Wind Shear Alert System (LLWSAS) to detect critical winds around the airport periphery. The concept is to locate additional wind sensing devices around the airport, relay the data to a computer, detect wind shifts before they move onto the airfield, and relay this information to pilots through the local air traffic controller.

The FAA proposal is for a year-to-year lease through September 30, 2000. The terms of the lease are in compliance with the Regents' Rules and Regulations regarding underground utilities and provide for all maintenance to be performed by the Lessee. There will be no cost to the University, nor will there be any rental income. The principal beneficiary of the lease is the City of Austin and the consideration realized by the University is the additional safety the City of Austin will be able to provide at the Robert Mueller Airport through the installation of the Low Level Wind Shear Alert System.

U.S. DEPARTMENT OF TRANSPORTATION

FEDERAL AVIATION ADMINISTRATION
Southwest Region
P.O. Box 1689
Fort Worth, TX 76101

Lease No.: DTFA07-86-L-01074
Low Level Wind Shear Alert System (LLWSAS)
Site No. 5
Austin, Texas

LEASE

between

THE BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

and

THE UNITED STATES OF AMERICA

This LEASE, made and entered into this day of in the year one thousand nine hundred and eighty , by and between THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, whose address is Ashbel Smith Hall, 201 West 7th Street, Austin, Texas 78701, for itself, its successors and assigns, hereinafter called the Lessor and the UNITED STATES OF AMERICA, hereinafter called the Government:

WITNESSETH: The parties hereto in consideration of the mutual covenants and benefits described herein agree as follows:

1. For the term beginning January 1, 1986, and ending September 30, 1986, the Lessor hereby leases to the Government the following described property, hereinafter called the premises, VIZ:

LLWSAS SITE NO. 5

See Plat of Survey and Legal Description (Exhibit "A") for said site, attached hereto and made a part hereof.

a. Together with a right-of-way for ingress to and egress from the premises; a right-of-way or rights-of-way for establishing and maintaining a pole line or pole lines for extending electric power, and telecommunications facilities to the premises; and right-of-way for subsurface power, communication and water lines to the premises; all rights-of-way to be over the said lands and adjoining lands of the lessor, and unless herein described by metes and bounds, to be by routes reasonably determined to be the most convenient to the Lessor.

Lease No.: DTFA07-86-L-01074
Low Level Wind Shear Alert System (LLWSAS)
Site No. 5
Austin, Texas

b. And the right of grading, conditioning, and installing drainage facilities, and seeding the soil of the premises, and the removal of all obstructions from the premises which may constitute a hindrance to the establishment and maintenance of air navigation and telecommunications facilities.

c. And the right to make alterations, attach fixtures, and erect additions, structures, or signs, in or upon the premises hereby leased, which alterations, fixtures, additions, structures or signs so placed in or upon, or attached to the said premises shall be and remain the property of the Government, and may be removed upon the date of expiration or termination of this lease, or within ninety (90) days thereafter, by or on behalf of the Government, or its grantees, or purchasers of said alterations, fixtures, additions, structures, or signs.

2. RENEWAL OPTION:

This lease may, at the option of the Government, be renewed from year to year and otherwise upon the terms and conditions herein specified. The Government's options shall be deemed exercised and the lease renewed each year for one (1) year unless the Government gives the Lessor sixty (60) days' written notice that it will not exercise its option before this lease or any renewal thereof expires; PROVIDED that no renewal shall extend this lease beyond the 30th day of September 1996.

3. CANCELLATION BY LESSOR:

The Lessor may terminate this lease at any time by giving at least one (1) year's notice in writing to the Government. Said notice shall be sent by certified or registered mail.

4. CANCELLATION BY GOVERNMENT:

The Government may terminate this lease at any time by giving at least sixty (60) days' notice in writing to the Lessor. Said notice shall be sent by certified or registered mail.

5. OFFICIALS NOT TO BENEFIT:

No Member of or Delegate to Congress, or Resident Commissioner shall be admitted to any share or part of this lease contract, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this lease contract if made with a corporation for its general benefit.

Lease No.: DTFA07-86-L-01074
Low Level Wind Shear Alert System (LLWSAS)
Site No. 5
Austin, Texas

6. LESSOR WARRANTY:

The Lessor warrants that no person or selling agency has been employed or retained to solicit or secure this lease upon an agreement or understanding for a commission, brokerage, percentage or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the Lessor for the purpose of securing business. For breach or violation of this warranty, the Government shall have the right to annul this lease without liability, or in its discretion to deduct from amounts otherwise due under this lease or other consideration, the full amount of such commission, brokerage, percentage, or contingent fee.

7. RESTORATION:

The Government shall surrender possession of the premises upon the expiration or termination of this lease. The Government shall within ninety (90) days after such expiration or termination, or within such additional time as may be mutually agreed upon, restore the premises to as good condition as that existing at the time of the Government's initial entry upon the premises under this lease or any preceding lease, ordinary wear and tear, damage by natural elements and by circumstances over which the Government has no control, excepted.

8. NOTICES:

All notices sent to the parties under the lease shall be addressed as follows:

To the Lessor: The Board of Regents of the University of Texas System, Ashbel Smith Hall, 201 West 7th Street, Austin, TX 78701

To the Government: Department of Transportation, Federal Aviation Administration, Southwest Region, P.O. Box 1689, ATTN: ASW-56, Fort Worth, TX 76101

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

As the holder of a mortgage, dated _____ (See attached Signature Page)
_____, recorded in volume _____,
_____, pages _____,
against the above-described premises,
the undersigned hereby consents to
the foregoing lease and agrees that, if
while the lease is in force the mortgage
is foreclosed, the foreclosure shall not
void the lease.

(Mortgagee)

Lease No.: DTFA07-86-L-01074
Low Level Wind Shear Alert System (LLWSAS)
Site No. 5
Austin, Texas

ATTEST:

THE UNITED STATES OF AMERICA

By Lottie M. Kirsch
Lottie M. Kirsch
Title Contracting Officer

CONTENT APPROVED:

Hans Mark
Chancellor Mark

The University of Texas System

FORM APPROVED:

[Signature]
Office of General Counsel
The University of Texas System

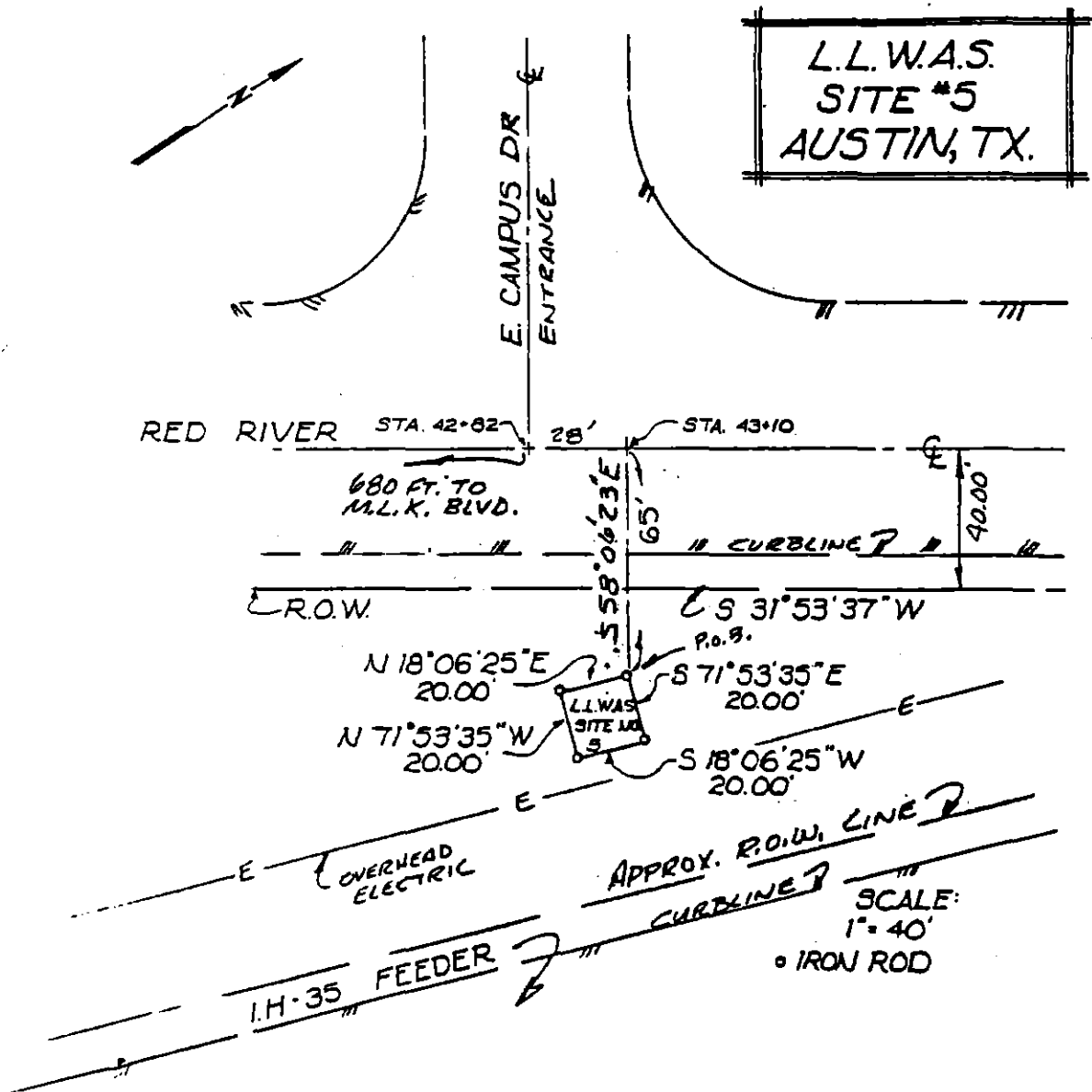
BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

By _____
Title _____

CERTIFICATE OF APPROVAL

I hereby certify that the foregoing lease was approved by the Board of Regents of The University of Texas System on the _____ day of _____, 1986, and that the person whose signature appears above is authorized to execute such agreement on behalf of the Board.

Executive Secretary, Board of Regents
The University of Texas System



FIELD NOTES FOR 400 SQUARE FEET OF LAND OUT OF BLOCK 8, CHRISTIAN AND FELLMAN ADDITION IN AUSTIN, TRAVIS COUNTY, TEXAS, SAID 400 SQUARE FEET OF LAND BEING OUT OF THAT CERTAIN 11.8651 ACRE TRACT OWNED BY THE UNIVERSITY OF TEXAS AND DESCRIBED IN VOLUME 4589 AT PAGE 2338, DEED RECORDS, TRAVIS COUNTY, TEXAS; SAID 400 SQUARE FEET OF LAND BEING SITUATED IN THAT CERTAIN PARCEL OF LAND BOUNDED ON THE SOUTH BY MARTIN LUTHER KING, JR., BLVD., BOUNDED ON THE WEST BY RED RIVER STREET AS DEDICATED IN VOLUME 5077 AT PAGE 1758, DEED RECORDS, TRAVIS COUNTY, TEXAS, AND BOUNDED ON THE EAST BY INTERSTATE HIGHWAY 35, SAID 400 SQ. FEET OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING FOR REFERENCE at Red River Street centerline station 42+82 as shown on HRS/FOREST AND COTTON, INC., CONSULTING ENGINEERS plans titled "RELOCATION OF RED RIVER STREET" dated November 1974, sheet 6 of 35, File No. 406-09-06, said point being the intersection of the centerline of Red River St. and the East Campus Drive;

THENCE, with the centerline of Red River Street, N31°53'37"E 28 feet;

THENCE, in a direction perpendicular to said Red River St. centerline, S58°06'23"E, at 40 feet passing the east R.O.W. line of Red River St., for a total distance of 65 feet to a No. 5 rebar set for the northwest corner and POINT OF BEGINNING HEREOF;

THENCE, S71°53'35"E 20.00 feet to a No. 5 rebar set for the northeast corner hereof;

THENCE, S18°06'25"W 20.00 feet to a No. 5 rebar set for the southeast corner hereof;

EXHIBIT "A" TO
LEASE NO. DTFA07-86-L-01074

cont.

L.L.W.A.S. SITE NO. 5

THENCE, N71°53'35"W 20.00 feet to a No. 5 rebar set for the southwest corner hereof;

THENCE, N18°06'25"E 20.00 feet to the POINT OF BEGINNING.

Surveyed by S.A. GARZA ENGINEERS, INC., 401 W. 29th Street, Austin, Texas, 78705. Data recorded in field book #195.

Stephen Earl Cobb

STEPHEN EARL COBB
REGISTERED PUBLIC SURVEYOR
NO. 4297

10/8/85
DATE



4. U. T. Institute of Texan Cultures - San Antonio - Renovation of Public Areas: Request for Project Authorization; Preparation of Final Plans, Advertisement for Bids, and Award of Contracts by U. T. Institute of Texan Cultures Administration; and Appropriation Therefor.--

RECOMMENDATIONS

The Office of the Chancellor concurs with the recommendations of Interim Executive Director McGiffert that the U. T. Board of Regents:

- a. Authorize a project for the first segment of the Renovation of Public Areas at the U. T. Institute of Texan Cultures - San Antonio at an estimated total project cost of \$250,000
- b. Authorize preparation of final plans and specifications, advertisement for bids, and award of contracts by the U. T. Institute of Texan Cultures Administration with its own forces or through contract services, as required, in consultation with the Office of Facilities Planning and Construction
- c. Appropriate \$250,000 from Permanent University Fund Bond Proceeds for total project funding

BACKGROUND INFORMATION

This proposed project is the first segment of capital improvements totaling \$2,130,000 approved in principle by the U. T. Board of Regents in October 1985 for the U. T. Institute of Texan Cultures - San Antonio. Making all of the improvements in one large project would interfere with the normal operation of the Institute. Hence, the project will be accomplished in several segments. The estimated total project cost of this first segment is \$250,000 and will include (1) improving security by replacing an existing fence and providing security lighting of the grounds, (2) cleaning all exterior surfaces of the building, (3) remodeling public restrooms to improve accessibility for the handicapped, and (4) replacing an existing greenhouse.

This project is within the scope of the Capital Improvement Program approved by the U. T. Board of Regents in October 1985.

5. U. T. Medical Branch - Galveston - Remodeling of John Sealy Hospital (Old Building) - Remodeling of Dietary Facilities, Stage III Cafeteria (Project No. 601-612): Request for Approval of Final Plans; Authorization to Advertise for Bids and for the Executive Committee to Award Contract; and Appropriation Therefor.--

RECOMMENDATIONS

The Office of the Chancellor concurs with the recommendations of President Levin that the U. T. Board of Regents:

- a. Approve the final plans and specifications for the Remodeling of Dietary Facilities, Stage III Cafeteria, John Sealy Hospital (Old Building) at the U. T. Medical Branch - Galveston at an estimated total project cost of \$3,000,000
- b. Authorize the Office of Facilities Planning and Construction to advertise for bids upon completion of final review
- c. Authorize the Executive Committee to award all contracts associated with this project within the authorized total project cost
- d. Appropriate \$3,000,000 from Medical Branch Unappropriated Balances for total project funding

This item requires the concurrence of the Finance and Audit Committee.

BACKGROUND INFORMATION

As part of the phased remodeling of the 1954 sector of the John Sealy Hospital, final plans and specifications for the Remodeling of Dietary Facilities, Stage III Cafeteria have been prepared by the Project Architect, Page Southerland Page, Houston, Texas. This represents a continuing effort to renovate the older section of the hospital as authorized by the U. T. Board of Regents in February 1974.

The John Sealy cafeteria presently operates from a metal building that was set up in 1975 as a temporary arrangement while major renovations were being made in the kitchen area. The cafeteria is an important Medical Branch hospital operation which provides service for employees, outpatients, and visitors. The proposed project would move the cafeteria back into the main building and provide a modern and efficient setting for food service operations, along with a vending machine area and a sandwich shop. This project involves the remodeling of 20,200 square feet of space on the first floor of the hospital, at an estimated total project cost of \$3,000,000.

6. U. T. Medical Branch - Galveston - Remodeling of the 1700 Strand Building: Request for Project Authorization; Submission to Coordinating Board; Preparation of Final Plans, Advertisement for Bids, and Award of Construction Contract by U. T. Medical Branch - Galveston Administration; and Appropriation Therefor.--

RECOMMENDATIONS

The Office of the Chancellor concurs with the recommendations of President Levin that the U. T. Board of Regents:

- a. Authorize the Remodeling of the 1700 Strand Building at the U. T. Medical Branch - Galveston at an estimated total project cost of \$400,000
- b. Authorize submission of the project to the Coordinating Board, Texas College and University System
- c. Authorize preparation of final plans and specifications, advertisement for bids and award of a construction contract by U. T. Medical Branch - Galveston Administration with its own forces or through contract services, as required, in consultation with the Office of Facilities Planning and Construction
- d. Appropriate \$400,000 from Medical Branch Unappropriated Balances for total project funding

This item requires the concurrence of the Finance and Audit and Health Affairs Committees.

BACKGROUND INFORMATION

The 1700 Strand Building was constructed in 1931 and served as a U. S. Customs House. The Medical Branch acquired the building from the federal government in 1977. It presently houses the Family Planning Clinic, Printing and Reproduction Department, Offices for the Department of Institutional Services, and the Book Bindery Division of the Medical Branch Library.

Other than some extensive roof repairs that were performed in 1979, the Medical Branch has performed routine maintenance only on this building. It has serious Life Safety Code violations that must be corrected. This work would involve enclosing the present stairways and providing properly designed exits, outside stairways at the dead-end wings, handicap ramps, and a fire alarm system. The building also needs to be waterproofed and the exterior painted.

7. U. T. Health Science Center - Houston (U. T. Dental Branch - Houston) - Facilities Improvements for the Dental Branch Building and Dental Science Institute (Project No. 701-393): Request for Authorization to Advertise for Bids on Reduced Scope of Work; for Executive Committee to Award Contract; and Appropriation Therefor.--

RECOMMENDATIONS

The Office of the Chancellor concurs with the recommendations of President Bulger that the U. T. Board of Regents:

- a. Authorize the Office of Facilities Planning and Construction to advertise for bids for the Facilities Improvements for the Dental Branch Building and Dental Science Institute at the U. T. Health Science Center - Houston at an estimated total project cost of \$10,695,000
- b. Authorize the Executive Committee to award contracts within the authorized total project cost of \$10,695,000
- c. Appropriate \$8,000,000 from Permanent University Fund Bond Proceeds, \$1,000,000 from a grant from the M. D. Anderson Foundation and \$1,000,000 from Unexpended Plant Funds for total cost of the reduced scope project (Previous appropriations have been \$670,000 from Permanent University Fund Bond Proceeds and \$25,000 from Interest on Proceeds of Permanent University Fund Bonds).

BACKGROUND INFORMATION

In August 1984, the U. T. Board of Regents approved final plans and specifications for the Facilities Improvements of the Dental Branch Building and Dental Science Institute at an estimated total project cost of \$17,705,000.

It has since been determined that the scope of the project will have to be reduced due to funding constraints. The scope of the project has been reduced by deleting all furniture and equipment for the new addition, the remodeling of the existing basement for student laboratories, and the remodeling of the existing first, second and third floors.

The reduced scope project will include construction of a new five-level, 92,500 square foot addition. The estimated total project cost for the addition is \$10,695,000.

The limited scope project is within the scope of the Capital Improvement Program approved by the U. T. Board of Regents in October 1985.

BUILDINGS AND GROUNDS COMMITTEE

EMERGENCY ITEM

February 13, 1986

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DOCUMENTATION

8. U. T. Health Science Center - Houston: Request for Approval to Name Courtyard Between the U. T. Medical School - Houston and the Jesse H. Jones Library Building in Memory of C. Frank Webber, M.D.--

RECOMMENDATION

The Office of the Chancellor concurs in the recommendation of President Bulger and the Houston Academy of Medicine that the courtyard between the U. T. Medical School - Houston and the Jesse H. Jones Library Building be named in memory of the late C. Frank Webber, M.D.

BACKGROUND INFORMATION

Dr. Webber, who died very unexpectedly on December 12, 1985, was a distinguished physician who had also been extremely active in medical affairs at the local, state and national levels. He held several responsible positions in the U. T. Health Science Center - Houston and at the time of his death was the Dean of the U. T. Medical School - Houston.

The courtyard is the joint property of the Health Science Center and the Houston Academy of Medicine, and the Academy is on record as favoring this memorial.

Land and Investment Committee

LAND AND INVESTMENT COMMITTEE
COMMITTEE CHAIRMAN MILBURN

Date: February 13, 1986
Time: Following the meeting of the Buildings and
Grounds Committee
Place: Conference Room, Tenth Floor
The University of Texas Houston - Main Building

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I. PERMANENT UNIVERSITY FUND

A. INVESTMENT MATTERS

Report on Clearance of Monies to Permanent University Fund for November and December, 1985, and Report on Oil and Gas Development as of December 31, 1985.--The following reports with respect to (a) certain monies cleared to the Permanent University Fund for November and December, 1985, and (b) Oil and Gas Development as of December 31, 1985, are submitted by the Executive Director for Investments and Trusts:

	November, 1985	December, 1985	Cumulative Through December of This Fiscal Year (1985-1986)	Cumulative Through December of Preceding Fiscal Year (1984-1985)	Per Cent Change
<u>Permanent University Fund</u>					
Royalty					
Oil	\$ 7,820,751.62	\$ 8,874,733.10	\$ 32,395,854.46	\$35,767,233.28	(9.43%)
Gas	2,433,008.20	2,790,305.34	10,443,052.45	9,913,631.32	5.34%
Sulphur	10,000.00	10,000.00	128,183.55	82,907.76	
Water	40,402.73	43,222.78	217,238.96	150,508.56	
Brine	9,503.06	10,988.93	40,185.90	31,871.21	
Rental					
Oil and Gas Leases	18,602.61	74,003.75	376,427.40	320,489.55	
Other	300.00	400.00	1,000.00	731.96	
Sale of Sand, Gravel, Etc.	3,575.25	3,300.50	10,793.00	7,671.25	
Gain or (Loss) on Sale of Securities	<u>21,072,089.86</u>	<u>20,066,043.80</u>	<u>76,415,843.39</u>	<u>3,829,954.06</u>	
Sub-Total	<u>31,408,233.33</u>	<u>31,872,998.20</u>	<u>120,028,579.11</u>	<u>50,104,998.95</u>	<u>139.55%</u>
Bonuses					
Oil and Gas Lease Sales	-0-	-0-	5,913,600.00	-0-	
Amendments and Extensions to Mineral Leases	<u>18,262.72</u>	<u>9,772.14</u>	<u>176,187.39</u>	<u>221,844.75</u>	
Total Bonuses	<u>18,262.72</u>	<u>9,772.14</u>	<u>6,089,787.39</u>	<u>221,844.75</u>	
TOTAL CLEARANCES	<u>\$31,426,496.05</u>	<u>\$31,882,770.34</u>	<u>\$126,118,366.50</u>	<u>\$50,326,843.70</u>	<u>150.60%</u>

Oil and Gas Development - December 31, 1985
Acreage Under Lease - 840,647

Number of Producing Acres - 568,015

Number of Producing Leases - 2,279

II. COMMON TRUST FUND

1. U. T. System: Recommendation to Approve Editorial Changes to The Charter of The University of Texas System Common Trust Fund, Article IV, Item 3.--

RECOMMENDATION

The Office of the Chancellor recommends that the U. T. Board of Regents approve the following editorial changes in Item 3 of Article IV of The Charter of The University of Texas System Common Trust Fund as amended by the U. T. Board of Regents on December 5, 1985:

3. Any withdrawals from the Fund require prior approval of the Board of Regents. Withdrawals shall be valued at the market value of the assigned units on the quarterly evaluation date following the approval by the Board of Regents. Withdrawals shall be paid in cash as soon as practicable after such valuation [~~the quarterly evaluation date following the approval of the Board of Regents at the market value of the units assigned to the endowment or trust~~].

BACKGROUND INFORMATION

Discussions subsequent to the December 1985 meeting of the U. T. Board of Regents have caused the Office of Asset Management to conclude that the above recommended editorial changes in The Charter of the Common Trust Fund will clarify the procedures for withdrawal from the Fund.

2. U. T. System: Recommendation to Establish the Income Reserve Quasi-Endowment Fund and the Amortization Income Reserve Quasi-Endowment Fund within the Common Trust Fund and to Specify the Formula and Timing of Additions and Withdrawals from Such Quasi-Endowments.--

RECOMMENDATION

The Office of the Chancellor recommends the following action with regard to the establishment and administration of two quasi-endowment funds invested within the Common Trust Fund of The University of Texas System:

- a. Establish an Income Reserve Quasi-Endowment Fund in the Common Trust Fund for the investment of funds to be retained in the "Income Reserve Account" as defined in The Charter of The University of Texas System Common Trust Fund. No units shall be assigned to this quasi-endowment.
- b. Authorize the Offices of the Comptroller and the Executive Vice Chancellor for Asset Management to remove funds from the revenue account

and to add funds to the Income Reserve Quasi-Endowment Fund as described in Article VI, Item 4, of The Charter of The University of Texas System Common Trust Fund. This authorization shall serve as approval of the U. T. Board of Regents for such transfers.

- c. Authorize the Offices of the Comptroller and the Executive Vice Chancellor for Asset Management to add funds to the revenue account and to withdraw funds from the Income Reserve Quasi-Endowment Fund as described in Article VII, Item 1, of The Charter of The University of Texas System Common Trust Fund. This authorization shall serve as approval of the U. T. Board of Regents for such transfers.
- d. Establish an Amortization Income Reserve Quasi-Endowment Fund in the Common Trust Fund for the investment of funds recorded as amortization income but not included in "Gross Cash Income" or "Net Cash Income" as defined in Article VI, Item 1, of The Charter of The University of Texas System Common Trust Fund. No units shall be assigned to this quasi-endowment.
- e. Authorize the Offices of the Comptroller and the Executive Vice Chancellor for Asset Management to remove funds from the revenue account and to add funds to the Amortization Income Reserve Quasi-Endowment Fund as the discount, net of premiums, of bonds held in the Common Trust Fund is amortized. This authorization shall serve as approval of the U. T. Board of Regents for such transfers.
- f. Authorize the Offices of the Comptroller and the Executive Vice Chancellor for Asset Management to recognize the amortized amount related to a bond in the revenue account and adjust the Amortization Income Reserve Quasi-Endowment Fund appropriately when a bond involving a discount or premium matures or is sold.

BACKGROUND INFORMATION

The Charter of The University of Texas System Common Trust Fund as amended on December 5, 1985, states in part in Article VI, Item 4:

Any net cash income for a quarter which exceeds the distribution amount for the quarter shall be retained in the Income Reserve Account of the [Common Trust] Fund.

Under fund accounting, any net cash income which exceeded the distribution amount would be classified as restricted funds which are not allowed access to the full range of investment opportunities provided in the Common Trust Fund. In order to retain these funds as provided in The Charter and to invest the funds in the Common Trust Fund, a quasi-endowment account should be established. Items b. and c. authorize Offices of the Comptroller and the Executive Vice Chancellor for Asset Management to increase funds in the quasi-endowment account

when "Any net cash income for a quarter ... exceeds the distribution amount for the quarter" and to withdraw funds from the quasi-endowment account when the calculation of the distribution amount contained in The Charter requires distribution of some or all of the "Income Reserve Account" as shown below.

The distribution amount shall be the lesser of:

- (a) one-fourth of an annual guideline percentage established by the U. T. Board of Regents of a book value base (originally the book value of the Fund as of August 31, 1985) and as redetermined from time to time by the U. T. Board of Regents, plus the net admissions and withdrawals to the Fund on each quarterly entrance date occurring after the last period included in the established base; or
- (b) the net cash income for the quarter plus the Income Reserve Account of the Fund.

As recommended by the official guidelines for fund accounting as published in College and University Business Administration, 4th Edition, bond discounts and premiums are amortized over the term of the bond and such amortization affects the book value and the revenue accounts of the Common Trust Fund. The Charter of The University of Texas System Common Trust Fund establishes the principle that the portions of revenue for which the Fund has not received cash payment are not available to be distributed. Cash payments related to such amortized income are not received until a bond matures or is sold. Items d. through f. recommend that the amortized income, which is not available for distribution, be removed from its restricted funds status and placed in a quasi-endowment fund in the Common Trust Fund for investment purposes until such time as payment is received related to this income. At that time, the income from the discount or premium purchase would be removed from the quasi-endowment account and shown in the revenue account as available for distribution.

III. TRUST AND SPECIAL FUNDS

A. GIFTS, BEQUESTS AND ESTATES

1. U. T. Arlington: Recommendation to Accept Bequest to Establish the Rudolf Hermanns UTA Endowment Fund for Excellence and Authorize the Executive Vice Chancellor for Asset Management to Invest the Assets of the Fund.--

RECOMMENDATION

The Office of the Chancellor concurs with President Nedderman's recommendation to accept a bequest, estimated to be in excess of \$1,500,000, from the Estate of Rudolf Hermanns, Arlington, Texas, to establish the Rudolf Hermanns UTA Endowment Fund for Excellence at U. T. Arlington.

It is further recommended that the U. T. Board of Regents authorize the Executive Vice Chancellor for Asset Management to invest these funds and to execute all necessary instruments with the Executors and Trustees of the Hermanns Estate which

are necessary to effectuate the management and investment of such endowment after approval of such instruments by the Office of General Counsel.

BACKGROUND INFORMATION

Mr. Rudolf Hermanns came to the United States from West Germany and became involved in horticulture sales. He lived near the U. T. Arlington campus for twenty years where he watched the school's growth and was an active member in the college community.

The Will of Rudolf Hermanns, deceased, designates Dr. Wendell H. Nedderman, President of U. T. Arlington, or his successor, and Mr. Dieter Suptitz of Hamburg-Eidelstedt, West Germany, as co-trustees of the endowment trust. When Mr. Suptitz is unable to serve, the Vice President of Financial Affairs at U. T. Arlington and his successor will be appointed as the new co-trustee. Dr. Nedderman has asked the U. T. Board of Regents to serve as agent of the trust and custodian of the funds.

Income earned from the endowment will be used to recognize and reward graduate students, faculty, and research staff at U. T. Arlington who have exhibited academic excellence in the field of research and teaching potential.

2. U. T. Arlington: Recommendation to Accept Transfer of Funds to Establish the Public Accounting Professorship and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

RECOMMENDATION

The Office of the Chancellor concurs with President Nedderman's recommendation to accept a transfer of \$100,000 from U. T. Arlington restricted funds to establish the Public Accounting Professorship at U. T. Arlington.

It is further recommended that the actual income which will be earned on the \$100,000 transfer of previously reported gifts be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I, of the Texas Education Code, when matching funds are made available under that act.

BACKGROUND INFORMATION

The Public Accounting Professorship is funded with gifts and pledges from several national and local public accounting firms. The professorship will be awarded to an outstanding faculty member in the Department of Accounting at U. T. Arlington who has significant accomplishments in the areas of teaching, research, and service in the field of accounting.

3. U. T. Austin: Recommendation to Accept Gift of Securities and Pledge to Establish the Robert M. Duffey, Jr. Endowed Lectureship in the Graduate School and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation to accept 700 shares of Texas Commerce Bancshares, Inc. common stock valued at approximately \$18,676 and a \$1,324 minimum pledge, payable prior to August 31, 1989, for a total of \$20,000 from Mr. and Mrs. Robert M. Duffey, Jr., Brownsville, Texas, to establish the Robert M. Duffey, Jr. Endowed Lectureship in the Graduate School at U. T. Austin.

It is further recommended that the gift of securities and pledge, as received, be matched under The Regents' Endowed Teachers and Scholars Program and used to double the endowment.

BACKGROUND INFORMATION

Mr. Robert M. Duffey, Jr., chairman and chief executive officer of the Texas Commerce Bank, Brownsville, Texas, attended U. T. Austin in 1949 and is a member of the U. T. Austin Dads' Association and The President's Associates. He served as chairman of the College of Business Administration Advisory Council from 1983 to 1984 and is a past member of the Marine Science Institute Advisory Council.

4. U. T. Austin: W. St. John Garwood and W. St. John Garwood, Jr. Centennial Chair in Law in the School of Law - Recommendation for Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program for Addition to the Ellen Clayton Garwood Centennial Professorship in Creative Writing in the College of Liberal Arts.--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation that a previously accepted pledge of \$200,000 for the W. St. John Garwood and W. St. John Garwood, Jr. Centennial Chair in Law in the School of Law at U. T. Austin be matched under The Regents' Endowed Teachers and Scholars Program and used to increase the endowment of the Ellen Clayton Garwood Centennial Professorship in Creative Writing in the College of Liberal Arts.

BACKGROUND INFORMATION

The W. St. John Garwood Centennial Professorship in Law was established at the February 1982 meeting of the U. T. Board of Regents with \$95,000 in gifts and a \$5,000 pledge for a total

of \$100,000 from Mr. W. St. John Garwood, Jr., Mr. William L. Garwood, the McAshan Educational and Charitable Trust, and The Clayton Fund. The pledge has been paid in full. Matching funds from The Centennial Teachers and Scholars Program were used to establish the Ellen Clayton Garwood Centennial Professorship in Creative Writing. The W. St. John Garwood Centennial Professorship in Law was redesignated as the W. St. John Garwood and W. St. John Garwood, Jr. Centennial Chair in Law at the December 1985 U. T. Board of Regents' meeting with acceptance of a \$200,000 pledge, payable prior to August 31, 1989, from The Clayton Fund. The pledge and \$200,000 in matching funds from the Sheffield Challenge Fund Endowment Program increased the total endowment to \$500,000 with \$100,000 being held by The University of Texas Law School Foundation (an external foundation).

Mr. W. St. John Garwood attended U. T. Austin between 1918 and 1919 and received his L.L.B. from Harvard University in 1922. Mr. Garwood was on the faculty of The University of Texas School of Law as a visiting professor in 1960 and as a professor in 1961. Mr. W. St. John Garwood, Jr., received his L.L.B. from U. T. Austin in 1953 and was a trustee of The Clayton Fund and the McAshan Educational and Charitable Trust.

5. U. T. Austin: Recommendation to Accept Gift and Pledge to Establish the Viola Smith Hoffman Lectureship in Liberal Arts and Fine Arts in the Colleges of Liberal Arts and Fine Arts and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation to accept a \$5,000 gift and a \$15,000 pledge, due prior to August 31, 1989, for a total of \$20,000 from Dr. George Hoffman, Austin, Texas, to establish the Viola Smith Hoffman Lectureship in Liberal Arts and Fine Arts in the Colleges of Liberal Arts and Fine Arts at U. T. Austin.

It is further recommended that the gift and pledge, as received, be matched under The Regents' Endowed Teachers and Scholars Program and used to double the endowment of the lectureship.

BACKGROUND INFORMATION

Dr. George Hoffman joined the U. T. Austin faculty in 1949 as an Assistant Professor of Geography and became a professor in 1961. He served as Chairman of the department in 1978 and was appointed Professor Emeritus upon his retirement in 1984.

Dr. Hoffman is funding this lectureship in honor of his late wife, Viola, who was especially interested in the field of international studies and the history of fine arts and music.

6. U. T. Austin: Recommendation to Accept Bequest to Establish the Iris Howard Regents Professorship in English Literature in the College of Liberal Arts and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program to Establish the Annie Laurie Howard Regents Professorship in Fine Arts in the College of Fine Arts and Increase the Endowment of the Iris Howard Regents Professorship in English Literature.--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation to accept a bequest, estimated to be in excess of \$279,202 from the Estate of Annie Laurie Howard, Houston, Texas, to establish the Iris Howard Regents Professorship in English Literature in the College of Liberal Arts at U. T. Austin.

It is further recommended that the bequest be matched under The Regents' Endowed Teachers and Scholars Program to establish the Annie Laurie Howard Regents Professorship in Fine Arts in the College of Fine Arts with one-half of the matching funds and use the remaining one-half to increase the endowment of the Iris Howard Regents Professorship in English Literature in the College of Liberal Arts.

BACKGROUND INFORMATION

Ms. Annie Laurie Howard, who died October 23, 1984, received a B.B.A. in 1926 and a M.B.A. in 1932 in general business from U. T. Austin. She was a school teacher in Houston as was her sister, Iris Howard, deceased, for whom the Professorship is named.

7. U. T. Austin: Recommendation to Accept Gift and Pledges to Establish the David Wechsler Regents Chair in Psychology in the College of Liberal Arts and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation to accept a \$100,000 gift and a \$150,000 pledge, payable prior to August 31, 1989, from Mrs. David Wechsler, New York, New York, and a \$250,000 pledge, payable prior to August 31, 1989, from Harcourt Brace Jovanovich, Inc./The Psychological Corporation, Orlando, Florida, for a total of \$500,000 to establish the David Wechsler Regents Chair in Psychology in the Department of Psychology, College of Liberal Arts, at U. T. Austin.

It is further recommended that the gift and pledges, as received, be matched under The Regents' Endowed Teachers and Scholars Program and used to double the endowment.

BACKGROUND INFORMATION

Mrs. Wechsler is funding this chair in memory of her late husband, David Wechsler, who was a distinguished psychologist and author of several books dealing with psychology. Special emphasis is to be placed on human abilities, intelligence, aptitudes, and related areas in the Department of Psychology.

Harcourt Brace Jovanovich, Inc. publishes books, journals, and educational tests as well as conducts courses and seminars in law, accounting, and business. It operates three marine parks and is the owner of book clubs and VHF television stations. The Psychological Corporation, a subsidiary of Harcourt Brace Jovanovich, Inc., is based in Cleveland, Ohio, and provides psychological test services, testing materials, and industrial consulting.

8. U. T. Austin: Recommendation to Accept Gift to Establish the Sonia Wolf Wilson Lectureship in Home Economics in the College of Natural Sciences and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation to accept a \$25,000 gift from the Wilson Oxygen & Supply Company, Inc., Austin, Texas, to establish the Sonia Wolf Wilson Lectureship in Home Economics in the Department of Home Economics, College of Natural Sciences, at U. T. Austin.

It is further recommended that the gift be matched under The Regents' Endowed Teachers and Scholars Program and used to double the endowment.

BACKGROUND INFORMATION

Mr. Samuel A. Wilson, President of the Wilson Oxygen & Supply Company, Inc., is funding this lectureship in honor of his wife, Sonia Wolf Wilson, who has devoted much of her time and energy to the Department of Home Economics. Mrs. Wilson received her B.S. in Home Economics from U. T. Austin in 1954 and is a member of The Ex-Students' Association, the Home Economics Departmental Visiting Committee, and Friends of the Performing Arts Center.

9. U. T. Austin: Recommendation to Accept Gift to Establish the Center for High Performance Computing Endowment.--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation to accept a \$1,000,000 gift from an anonymous donor to establish the Center for High Performance Computing Endowment at U. T. Austin.

Income earned from the endowment will be used to supplement the salary of the manager of the Center for High Performance Computing and for other professional activities of the Center.

10. U. T. Austin: Recommendation to Accept Gift to Establish the Equipment Endowment for the Department of Computer Sciences and the Curriculum Development for the Department of Computer Sciences Endowment in the College of Natural Sciences.--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation to accept a \$300,000 gift from an anonymous donor to establish the Equipment Endowment for the Department of Computer Sciences with \$100,000 and an endowment for Curriculum Development for the Department of Computer Sciences with \$200,000 in the College of Natural Sciences at U. T. Austin.

11. U. T. Austin: Pharmacy Centennial Fellowship in Alcoholism Research in the College of Pharmacy - Recommendation to Redesignate as the Bergen Brunswig Corporation Centennial Fellowship in Pharmacy.--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation to redesignate the Pharmacy Centennial Fellowship in Alcoholism Research in the College of Pharmacy at U. T. Austin as the Bergen Brunswig Corporation Centennial Fellowship in Pharmacy.

BACKGROUND INFORMATION

The Pharmacy Centennial Fellowship in Alcoholism Research was established at the June 1983 meeting of the U. T. Board of Regents with a \$20,000 gift and a \$30,000 pledge from the Pharmaceutical Foundation Advisory Council for a total endowment of \$50,000. The pledge has been paid in full.

The Bergen Brunswig Corporation, Los Angeles, California, is a diversified health service and consumer products distribution organization and a strong supporter of the College of Pharmacy at U. T. Austin.

12. U. T. Austin: Recommendation to Accept Transfer of Funds to Establish the Ben Davis Geeslin Endowed Presidential Scholarship in the College of Engineering.--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation to accept a \$25,000 transfer of previously reported gifts from current restricted funds to establish the Ben Davis Geeslin Endowed Presidential Scholarship in the Department of Civil Engineering, College of Engineering, at U. T. Austin.

Income earned from the endowment will be used to award scholarships to worthy students majoring in civil engineering with preference given to upperclassmen and graduate students expressing an interest in environmental and water resources engineering.

BACKGROUND INFORMATION

Mr. Ben Davis Geeslin, Brady, Texas, received his L.L.B. in 1939 from the U. T. Austin School of Law and is a member of The University of Texas Law Association Dean's Council.

13. U. T. Austin: Recommendation to Accept Gifts to Establish the Earnest F. Gloyna Scholarship in Environmental and Water Resources Engineering in the College of Engineering.--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation to accept a \$3,000 gift from Dr. Earnest F. Gloyna, Austin, Texas, and an \$8,000 gift from Mr. Joe C. Walter, Jr., Houston, Texas, for a total of \$11,000 to establish the Earnest F. Gloyna Scholarship in Environmental and Water Resources Engineering in the Department of Civil Engineering, College of Engineering, at U. T. Austin.

Income earned from the endowment will be used to grant scholarships to outstanding and worthy undergraduate and graduate students in the Department of Civil Engineering who are interested in environmental and water resources engineering.

BACKGROUND INFORMATION

Dr. Earnest F. Gloyna, Dean of the College of Engineering, and holder of the Bettie Margaret Smith Chair, is a past member of the College of Engineering Foundation Advisory Council. He joined the U. T. Austin faculty in 1947 as an instructor of civil engineering and became a professor in 1959. Dr. Gloyna has served as dean of the College of Engineering since 1970.

Mr. Joe C. Walter, Jr., received his B.S. in Petroleum Engineering in 1949 and his M.A. in Geology in 1951 from U. T. Austin and is an honorary member of the College of Engineering Foundation Advisory Council and the Geology Foundation Advisory Council. He is also a member of the U. T. Austin Development Board, The Chancellor's Council, The President's Associates, and The Ex-Students' Association.

14. U. T. Austin: Recommendation to Accept Gift to Establish the Robert Austin Hatcher Endowed Scholarship in the College of Business Administration.--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation to accept a \$10,000 gift from Mr. and Mrs. M. M. Hatcher, Dallas, Texas, to establish the Robert Austin Hatcher Endowed Scholarship in the College of Business Administration at U. T. Austin.

Income earned from the endowment will be administered by the Office of Student Financial Aid and used to grant a scholarship to students in the College of Business Administration.

BACKGROUND INFORMATION

Mr. and Mrs. M. M. Hatcher are funding this scholarship in memory of their son, Robert, who died in 1967. Mr. Robert Hatcher received his B.B.A. from U. T. Austin and was co-captain of the swim team.

15. U. T. Austin: Recommendation to Accept Gifts to Establish the Leonardt F. Kreisle Senior Design Project Teaching Laboratory Endowment Fund in the College of Engineering.--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation to accept a \$25,000 gift from Mr. Stewart N. Campbell, Houston, Texas, and \$400 in gifts from various donors for a total of \$25,400 to establish the Leonardt F. Kreisle Senior Design Project Teaching Laboratory endowment fund in the College of Engineering at U. T. Austin.

Income earned from the endowment will be used to maintain and improve equipment, and for activities and facilities necessary for the research and teaching functions of the room.

BACKGROUND INFORMATION

These gifts are part of a special private fund development campaign for the College of Engineering in accordance with Part One, Chapter VII, Section 2, Subsection 2.44 of the Regents' Rules and Regulations relating to the naming of facilities other than buildings.

In recognition of these gifts, a room in the new Chemical and Petroleum Engineering Building is being named as recommended on Page AAC - 14, Item 11.

16. U. T. Austin (Marine Science Institute): E. J. Lund Founder's Fund - Recommendation to Redesignate the Use of Endowment Income.--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation to redesignate the use of the income from the E. J. Lund Founder's Fund at the U. T. Austin Marine Science Institute from research fellowships in electrophysiology and awards in biophysics to fellowships and scholarships for research in the general field of marine science.

BACKGROUND INFORMATION

The E. J. Lund Founder's Fund was established at the July 1979 meeting of the U. T. Board of Regents with assets from the Estate of Hilda F. Rosene Lund. Mrs. Lund specified in her Will that the income from the endowment should be used to establish the E. J. Lund Fellowship in Electrophysiology and the E. J. Lund Research Scholarship Awards in Biophysics for Graduate Students of Exceptional Merit as a perpetual memorial to her late husband, Dr. E. J. Lund. The academic areas of electrophysiology and biophysics were disciplines of major academic pursuit during the period that Dr. Lund was director of the Marine Science Institute at Port Aransas, Texas. These areas are no longer a major focus of research at the Marine Science Institute. There is declining interest in these research areas, and it has become increasingly impractical to make these awards. Therefore, a redesignation of the endowment income as provided in Section 65.36(f) of the Texas Education Code will allow the use of the Fund to further the disciplines of the Marine Science Institute and still carry out the intent and wishes of Mrs. Lund.

Dr. Hilda F. Rosene Lund, deceased, was a professor of zoology who served on the U. T. Austin faculty from 1933 to 1957. She was the first Texas woman in the field of natural science to receive a Guggenheim Fellowship and was a member of numerous professional organizations.

17. U. T. Austin: Recommendation to Accept Gift and Corporate Matching Funds to Establish the Pennzoil and Pogo Producing Companies - William E. Gipson Scholarships in the College of Natural Sciences.--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation to accept a \$5,000 gift from Mr. William E. Gipson and corporate matching funds of \$15,000 from the Pennzoil Company and \$10,000 from the Pogo Producing Company, all of Houston, Texas, for a total of \$30,000 to establish the Pennzoil and Pogo Producing Companies - William E. Gipson Scholarships in the Department of Geological Sciences, College of Natural Sciences, at U. T. Austin.

Income earned from the endowment will be used to award scholarships to "University of Texas at Austin graduates who are working on their Masters Degree in Geological Sciences" and are U. S. citizens.

BACKGROUND INFORMATION

Mr. William E. Gipson received a B.A. in 1948 and a M.A. in 1949 in geology from U. T. Austin. He is President and Chief Operating Officer of Pogo Producing Company and a former vice president of Pennzoil Company. Mr. Gipson is a member of the Geology Foundation Advisory Council, The Ex-Students' Association, The Chancellor's Council, and The President's Associates.

18. U. T. Austin: Recommendation to Establish the David Proctor Scholarship Endowment in the School of Law.--

RECOMMENDATION

The Office of the Chancellor reports that The University of Texas Law School Foundation (an external foundation) has expressed the desire that the David Proctor Scholarship Endowment be established in the School of Law at U. T. Austin. The Office of the Chancellor concurs with President Cunningham's recommendation that the endowment, to be funded by The University of Texas Law School Foundation, be established in accordance with the Regents' Rules and Regulations. The funds for the endowment will be held and administered by The University of Texas Law School Foundation.

BACKGROUND INFORMATION

The University of Texas Law School Foundation has received a bequest of \$175,000 from the Estate of Jean Blocker Proctor, Boca Raton, Florida, to establish an endowment in the School of Law in memory of her late husband, David Proctor.

Mr. Proctor received his L.L.B. in 1915 from the School of Law at U. T. Austin and was an employee of the Gulf Oil Company for 39 years.

19. U. T. Austin: Recommendation to Accept Gifts to Establish the Jewel Popham Raschke Memorial Scholarship for Mathematics Education in the College of Education.--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation to accept \$25,710 in gifts from various donors to establish the Jewel Popham Raschke Memorial Scholarship for Mathematics Education in the Department of Curriculum and Instruction, College of Education, U. T. Austin.

Income earned from the endowment will be used to award scholarships to outstanding students majoring in mathematics education.

BACKGROUND INFORMATION

Mrs. Jewel P. Raschke, deceased, received a B.A. in 1939 and a M.A. in 1942 from U. T. Austin. She was an assistant professor of mathematics education for 22 years at U. T. Austin.

20. U. T. Austin: Recommendation to Accept Gift and Corporate Matching Funds to Establish The Pearl M. Riggs Endowed Scholarship in Education in the College of Education.--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation to accept a \$5,000 gift from Mrs. Ina Riggs Brundrett, Tyler, Texas, and \$15,000 in corporate matching funds from the Exxon Education Foundation, New York, New York, for a total of \$20,000 to establish The Pearl M. Riggs Endowed Scholarship in Education in the College of Education at U. T. Austin.

Income earned from the endowment will be used to recognize and support outstanding students pursuing a degree in the College of Education.

BACKGROUND INFORMATION

Mrs. Ina Riggs Brundrett is establishing this endowment in honor of her mother, Mrs. Pearl M. Riggs, Tyler, Texas, for her strong belief in the importance of quality teachers at all levels. Mrs. Brundrett attended U. T. Austin from 1949 to 1954 and is a member of The Ex-Students' Association.

21. U. T. Austin: John O. Rodgers Endowed Scholarship Fund in the College of Education - Recommendation to Redesignate as the John O. and Cathryn Rodgers Endowed Scholarship Fund.--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation to redesignate the John O. Rodgers Endowed Scholarship Fund in the College of Education at U. T. Austin as the John O. and Cathryn Rodgers Endowed Scholarship Fund.

BACKGROUND INFORMATION

The John O. Rodgers Endowed Scholarship Fund was established at the February 1982 meeting of the U. T. Board of Regents with a \$6,973 gift from Dr. and Mrs. Charles W. Monday, Jr., Huntsville, Texas, and \$3,027 in gifts from various donors.

Dr. John O. Rodgers, deceased, received a M.A. in 1940 in educational administration and a Ph.D. in 1957 in educational administration and American history from U. T. Austin. He served as Associate Dean of the College of Education from 1965 until 1974 when he was designated Professor Emeritus.

22. U. T. Austin: Recommendation to Accept Gifts to Establish the Sol Taishoff Memorial Endowed Scholarship in Broadcasting in the College of Communication.--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation to accept a \$12,500 gift from Mr. Mike Shapiro, Jacksonville, Texas, and a \$12,500 gift from the Broadcasting-Taishoff Foundation, Inc., Washington, D.C., for a total of \$25,000 to establish the Sol Taishoff Memorial Endowed Scholarship in Broadcasting in the College of Communication at U. T. Austin.

Income earned from the endowment will be used to award a scholarship based on financial need and grade point average to an upperclassman in the Department of Radio-Television-Film who plans a career in broadcasting.

BACKGROUND INFORMATION

Mr. Mike Shapiro, a broadcast management consultant, and the Broadcasting-Taishoff Foundation, Inc. are funding this scholarship to honor the late Sol Taishoff who in 1931 founded the Broadcasting Magazine, a leading publication dealing with commercial broadcasting in the United States. Mr. Taishoff served as the magazine's editor-in-chief from the founding of the periodical until his death on August 15, 1982. The Broadcasting-Taishoff Foundation, Inc. was established from

his estate to provide scholarships to various institutions for students majoring in broadcasting and particularly, broadcasting management.

23. U. T. Austin: Recommendation to Accept Gift to Establish the Fleet and Chester Wynne Endowed Scholarship in the College of Education.--

RECOMMENDATION

The Office of the Chancellor concurs with President Cunningham's recommendation to accept a \$25,000 gift from Mrs. Jo Alice Tomforde, Tyler, Texas, to establish the Fleet and Chester Wynne Endowed Scholarship in the College of Education at U. T. Austin.

Income earned from the endowment will be used to provide financial assistance to worthy students who are committed to a career of teaching and education.

BACKGROUND INFORMATION

Mrs. Jo Alice Tomforde is funding this scholarship in memory of her parents, Fleet and Chester Wynne. Mrs. Tomforde received a B.A. in arts and sciences from U. T. Austin in 1946 and is a member of the College of Education Foundation Advisory Council.

24. U. T. Dallas: Recommendation to Accept Gifts to Establish the George W. Jalonick III and Dorothy Cockrell Jalonick Memorial Distinguished Lecture in Aviation Advancement.--

RECOMMENDATION

The Office of the Chancellor concurs with President Rutford's recommendation to accept gifts totalling \$42,000 from various donors to establish the George W. Jalonick III and Dorothy Cockrell Jalonick Memorial Distinguished Lecture in Aviation Advancement at U. T. Dallas.

BACKGROUND INFORMATION

Mr. George W. Jalonick III, deceased, was a dedicated benefactor of U. T. Austin and U. T. Dallas and was active in The Chancellor's Council where he served as chairman of its Executive Committee. Mr. Jalonick was also a founding member of the U. T. Dallas President's Associates. His professional life in the aviation industry is notable for the role he played in shaping local, state, and national aviation policies. His service to aviation included his work on behalf of the History of Aviation Collection at U. T. Dallas.

25. U. T. El Paso: Recommendation to Accept Transfer of Funds to Establish The Carl Hertzog Endowment Fund.--

RECOMMENDATION

The Office of the Chancellor concurs with President Monroe's recommendation to accept a transfer from U. T. El Paso restricted funds of \$12,133.94 to establish The Carl Hertzog Endowment Fund at U. T. El Paso.

Income earned from the endowment will be used to develop the Hertzog Collection in the Special Collections section of the U. T. El Paso Library.

BACKGROUND INFORMATION

Mr. Carl Hertzog, deceased, was the founder of the Texas Western Press at U. T. El Paso and a renowned book designer. Upon his retirement in 1969, Mr. Hertzog donated his books and papers to the U. T. El Paso Library. These works constitute one of the finest collections of printing and design and are of considerable research value. The Carl Hertzog Room, dedicated on December 12, 1984, provides an outstanding display and research facility for the Hertzog Collection.

26. U. T. El Paso: Recommendation to Accept Gift to Establish the John T. MacGuire Professorship in Mechanical and Industrial Engineering and the Betty M. MacGuire Professorship in Business Administration and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

RECOMMENDATION

The Office of the Chancellor concurs with President Monroe's recommendation to accept a \$250,000 cash gift from Mr. and Mrs. John T. MacGuire, El Paso, Texas, to establish the John T. MacGuire Professorship in Mechanical and Industrial Engineering and the Betty M. MacGuire Professorship in Business Administration at U. T. El Paso with \$125,000 each.

It is further recommended that the actual income which will be earned on the \$250,000 be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I, of the Texas Education Code, when matching funds are made available under that act.

BACKGROUND INFORMATION

Mr. and Mrs. John T. MacGuire have been long-time supporters of U. T. El Paso and currently are members of the U. T. El Paso President's Associates and the Alumni Matrix Society. Mr. MacGuire graduated from U. T. Austin with a degree in

engineering and Mrs. MacGuire graduated from U. T. El Paso with a degree in business administration. Both have been leading citizens in their community for years.

27. U. T. El Paso: Recommendation to Accept Gift of Real Property in El Paso County, Texas, from Mr. and Mrs. Thomas W. Cooley, Federal Way, Washington.--

RECOMMENDATION

The Office of the Chancellor concurs with the recommendation of President Monroe to accept a gift of real property being all of Lot 2, Block 5 in Horizon City Estates, Unit 22, El Paso County, Texas, with a value of approximately \$350, from Mr. and Mrs. Thomas W. Cooley, Federal Way, Washington, for the unrestricted use of the President of U. T. El Paso.

BACKGROUND INFORMATION

The U. T. Board of Regents currently holds title to 14 lots in Horizon City Estates and five lots in the surrounding area.

28. U. T. Permian Basin: Recommendation to Accept Gift and Establish the Ellen and Bill Noel Distinguished Professorship for Energy Research and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

RECOMMENDATION

The Office of the Chancellor concurs with President Leach's recommendation to accept a \$250,000 gift from Lissa and Cy Wagner, Jr., Midland, Texas, to establish the Ellen and Bill Noel Distinguished Professorship for Energy Research at U. T. Permian Basin.

It is further recommended that the actual income which will be earned on the \$250,000 gift be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I, of the Texas Education Code, when matching funds are made available under that act.

BACKGROUND INFORMATION

Mr. Cy Wagner, Jr., and his wife, Lissa, are funding this professorship in honor of Ellen and Bill Noel, parents of Mrs. Wagner. Mr. Wagner is a member of The University Cancer Foundation Board of Visitors and the McDonald Observatory and Department of Astronomy Board of Visitors. He has been a partner in Wagner & Brown, an oil and gas production company located in Midland, Texas, since 1962.

Mr. William D. Noel, Odessa, Texas, received a B.B.A. in 1935 from U. T. Austin and is a member of The Chancellor's Council, and the U. T. Austin President's Associates. He served as chairman of the U. T. Permian Basin Development Board in 1984 and is the founder of the U. T. Permian Basin Library. Mr. Noel, an independent oil operator and investor, is president of Fort Terrett Leasing, Inc. and Fort Terrett Ranch, Inc., both of Odessa, Texas. His leadership spawned the world's largest inland petrochemical complex of four major companies in his adopted hometown of Odessa.

29. U. T. Tyler: Sam R. Greer and Laura Greer Ruggles-Gates Fund For Excellence in English and Literature - Recommendation to Accept Additional Gift and Redesignate as the Sam R. Greer Endowed Presidential Scholarship.--

RECOMMENDATION

The Office of the Chancellor concurs with President Hamm's recommendation to accept an additional gift of \$15,000 from Mrs. Laura Greer Ruggles-Gates, Tyler, Texas, for addition to the Sam R. Greer and Laura Greer Ruggles-Gates Fund for Excellence in English and Literature at U. T. Tyler for a total endowment of \$25,000 and redesignate as the Sam R. Greer Endowed Presidential Scholarship.

Income from the endowment will be used to encourage and reward productive scholarship, research, and inquiry, as well as to provide scholarly opportunities for the advanced study of English and literature.

BACKGROUND INFORMATION

Mrs. Laura Greer Ruggles-Gates is a devoted supporter of U. T. Tyler as well as a leader in civic affairs and community clubs. Mr. Sam R. Greer, deceased, was very active in the Texas banking industry. He was the past president of the Peoples National Bank of Tyler, Texas, and organized two banks in Pittsburg, Texas, in 1894.

30. U. T. Tyler: Recommendation to Accept Gift and Corporate Matching Funds to Establish the Jack and Dorothy Fay White Endowed Presidential Scholarship.--

RECOMMENDATION

The Office of the Chancellor concurs with President Hamm's recommendation to accept a gift of \$8,350 from Mr. and Mrs. John E. White, Jr., Tyler, Texas, and a \$16,700 matching gift from the Atlantic Richfield Foundation, for a total of \$25,050 to establish the Jack and Dorothy Fay White Endowed Presidential Scholarship at U. T. Tyler.

Income earned from the endowment will be used to provide an annual scholarship to a student who is in need of financial assistance in order to attend U. T. Tyler.

BACKGROUND INFORMATION

Mr. John E. White, Jr., is a member of the U. T. Tyler President's Associates. From 1946 to 1960 he was associated with Sinclair Oil and Refinery which later became Atlantic Richfield.

31. U. T. Health Science Center - Dallas (U. T. Southwestern Medical School - Dallas): Gail Griffiths Hill Visiting Professorship in Cardiology - Recommendation to Accept Additional Gift and Redesignate as the Gail Griffiths Hill Professorship in Cardiology and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

RECOMMENDATION

The Office of the Chancellor concurs with President Sprague's recommendation to accept an additional gift of \$45,000 from The Sweetheart Ball Committee, Dallas, Texas, for addition to the Gail Griffiths Hill Visiting Professorship in Cardiology for a total endowment of \$110,000 and redesignate it as the Gail Griffiths Hill Professorship in Cardiology at the U. T. Health Science Center - Dallas.

It is further recommended that the actual income which will be earned on the \$45,000 gift be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I, of the Texas Education Code, when matching funds are made available under that act.

BACKGROUND INFORMATION

The Gail Griffiths Hill Visiting Professorship in Cardiology was established at the October 1984 meeting of the U. T. Board of Regents with a \$65,000 gift from The Sweetheart Ball Committee to honor Mrs. Gail Griffiths Hill, Dallas, Texas. The Committee is a charity group comprised of prominent Dallas women.

32. U. T. Health Science Center - Houston: Edward Randall, III Professorship in the Medical Sciences - Recommendation to Redesignate as the Edward Randall, III Professorship in Internal Medicine.--

RECOMMENDATION

The Office of the Chancellor concurs with President Bulger's recommendation to redesignate the Edward Randall, III Professorship in the Medical Sciences at the U. T. Health Science Center - Houston as the Edward Randall, III Professorship in Internal Medicine.

BACKGROUND INFORMATION

The Edward Randall, III Professorship in the Medical Sciences was established with \$100,000 in funds from the John H. Freeman Fund at the June 1983 U. T. Board of Regents' meeting.

Mr. Edward Randall, III is a prominent Houston citizen and has devoted considerable time and energy to U. T. Health Science Center - Houston projects. He has been president of the U. T. Health Science Center - Houston Development Board and is a member of The Chancellor's Council.

33. U. T. Health Science Center - San Antonio: Recommendation to Accept Gift and Pledge to Establish The Humana Foundation Chair of Obstetrics and Gynecology and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

RECOMMENDATION

The Office of the Chancellor concurs with President Howe's recommendation to accept a \$500,000 gift and a \$500,000 pledge, due prior to February 28, 1988, from The Humana Foundation Inc., Louisville, Kentucky, to establish The Humana Foundation Chair of Obstetrics and Gynecology at the U. T. Health Science Center - San Antonio.

It is further recommended that the actual income which will be earned on the gift and pledge totaling \$1,000,000, as received, be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I, of the Texas Education Code, when matching funds are made available under that act.

BACKGROUND INFORMATION

The Humana Foundation Inc. is a private foundation established by Humana Inc. to carry forward the company's history of philanthropy. Humana Inc. provides an integrated system of health care services throughout the world. Their local involvement in San Antonio, Texas, includes the Humana Women's Hospital - South Texas, Humana Hospital - Metropolitan, and Humana

Hospital - San Antonio. The purpose of the endowment is to support research and other academic endeavors of an eminent scholar at the U. T. Health Science Center - San Antonio.

34. U. T. Cancer Center (U. T. M.D. Anderson Hospital - Houston): Recommendation to Accept Gift and Transfer of Funds to Establish the W. A. "Tex" and Deborah Moncrief, Jr., Chair and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

RECOMMENDATION

The Office of the Chancellor concurs with President LeMaistre's recommendation to accept a \$500,000 gift from Mr. W. A. "Tex" Moncrief, Jr., Fort Worth, Texas, and a \$500,000 transfer of funds from the Anderson Clinical Professorships Account, for a total of \$1,000,000 to establish the W. A. "Tex" and Deborah Moncrief, Jr., Chair at the U. T. M.D. Anderson Hospital - Houston of the U. T. Cancer Center.

It is further recommended that the actual income which will be earned on the \$500,000 gift be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I, of the Texas Education Code, when matching funds are made available under that act.

BACKGROUND INFORMATION

Mr. W. A. "Tex" Moncrief, Jr., graduated from U. T. Austin in 1942 with a B.S. in petroleum engineering and is a well-known oil and gas producer. He has been a member of The University Cancer Foundation Board of Visitors since 1982.

35. U. T. Cancer Center (U. T. M.D. Anderson Hospital - Houston): Recommendation to Accept Gift to Establish the R. E. "Bob" Smith Chair in Cell Biology and Eligibility for Matching Funds Under the Texas Eminent Scholars Program (No Publicity).--

RECOMMENDATION

The Office of the Chancellor concurs with President LeMaistre's recommendation to accept a gift of \$1,000,000 from Mrs. Vivian L. Smith, Houston, Texas, to establish the R. E. "Bob" Smith Chair in Cell Biology at the U. T. M.D. Anderson Hospital - Houston of the U. T. Cancer Center.

It is further recommended that the actual income which will be earned on the \$1,000,000 gift be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I, of the Texas Education Code, when matching funds are made available under that act.

BACKGROUND INFORMATION

Mrs. Vivian L. Smith is making this gift in memory of her late husband, R. E. "Bob" Smith. Mr. Smith, a successful independent oil man and real estate investor, was noted for his philanthropy. Mrs. Smith is a current member of The President's Council at the U. T. Cancer Center and an active businesswoman in the Houston area.

See Item 15, Page HAC - 40 related to proposed appointment to this chair.

NO PUBLICITY

36. U. T. Cancer Center (U. T. M.D. Anderson Hospital - Houston): Recommendation to Accept Gift to Establish the Vivian L. Smith Chair in Immunology and Eligibility for Matching Funds Under the Texas Eminent Scholars Program (No Publicity).--

RECOMMENDATION

The Office of the Chancellor concurs with President LeMaistre's recommendation to accept a gift of \$1,000,000 from Mrs. Vivian L. Smith, Houston, Texas, to establish the Vivian L. Smith Chair in Immunology at the U. T. M.D. Anderson Hospital - Houston of the U. T. Cancer Center.

It is further recommended that the actual income which will be earned on the gift of \$1,000,000 be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I, of the Texas Education Code, when matching funds are made available under that act.

BACKGROUND INFORMATION

Mrs. Vivian L. Smith is a current member of The President's Council at the U. T. Cancer Center and an active businesswoman in the Houston area.

See Item 16, Page HAC - 41 related to proposed appointment to this chair.

NO PUBLICITY

B. REAL ESTATE MATTERS

1. U. T. Austin - Balcones Research Center: Recommendation to Grant a Ground Lease to The Southland Corporation, Dallas, Texas.--

RECOMMENDATION

The Office of the Chancellor concurs with the recommendation of President Cunningham for the lease of approximately 105,000 square feet of land located at the northeast corner of U. S. 183 and Braker Lane, Austin, Travis County, Texas (Balcones Research Center - The University of Texas at Austin), to The Southland Corporation of Dallas, Texas, effective June 1, 1986. The proposed lease provides for a term of 20 years and for two five-year renewal options. Minimum guaranteed rentals would begin at \$7,500 per month and would be increased \$675 per month each five years during the initial term and each option period. Percentage rent in the amount by which 1-3/4% of gross sales on the site, excluding petroleum products, exceeds the minimum rent would also be paid.

BACKGROUND INFORMATION

The Southland Corporation proposes to construct a standard 7-Eleven store on the premises and sublease a portion of the site to one or more restaurants or fast food operations with all plans, landscaping and subleases subject to approval by U. T. Austin. This site was previously leased to Allied Bank North Austin, N.A. (formerly the National Bank of Commerce) for \$1,850 per month. The bank's request to cancel the lease was accepted by the U. T. Board of Regents at its April 1985 meeting. The site has not been leased since that time.

2. U. T. Austin: Estate of Alice Jane Sheffield - Request for Authorization to Sell Real Property and Execute Deeds of Sale.--

RECOMMENDATION

The Office of the Chancellor concurs with the recommendation of President Cunningham that authorization be given to the executors of the Estate of Alice Jane Sheffield to sell the real property interests which remain to be liquidated from Mrs. Sheffield's Estate for the use and benefit of U. T. Austin at their appraised market value and that the Executive Vice Chancellor for Asset Management be authorized to execute the deeds of sale required for each transaction. The real property assets which remain are a 68.5 acre tract of land in Anderson County, Texas, and a 1/15 undivided interest in a 350 acre tract of land in Fort Bend County, Texas. The mineral interests in each tract will be retained where it is appropriate.

BACKGROUND INFORMATION

At its June 1985 meeting, the U. T. Board of Regents accepted the bequest of the Estate of Alice Jane Sheffield. The proceeds from the estate are to be used for additions to and the establishment of various endowed academic positions in the School of Law and are eligible for matching funds under The Regents' Endowed Teachers and Scholars Program. The value of the bequest was estimated at \$3,500,000. To date, \$3,000,000 has been received from the trustees of the Estate.

The executors of the Estate have asked for authority to sell the remaining real estate interests and for the U. T. System to join in the execution of the deeds of sale. The U. T. System staff will evaluate all offers to insure that fair market value is received.

3. U. T. Tyler: Sam A. Lindsey Endowment Fund - Recommendation for Oil and Gas Lease Covering an Undivided Mineral Interest Out of the W. H. Adams Survey in Smith County, Texas, to MTA, Inc., Tyler, Texas.--

RECOMMENDATION

The Office of the Chancellor concurs with the recommendation of President Hamm that the U. T. Board of Regents authorize an oil and gas lease covering an undivided interest in 38.7 acres out of the W. H. Adams Survey, A-29, Smith County, Texas, to MTA, Inc. of Tyler, Texas. This interest (7.2563 net mineral acres) is held in trust for the U. T. Tyler - Sam A. Lindsey Endowment Fund. The proposed lease provides for a 3/16 royalty, a \$100 per net mineral acre bonus, a \$1.00 per net mineral acre annual rental, and a paid-up term of three years.

BACKGROUND INFORMATION

This mineral interest is among several non-producing mineral interests acquired through a bequest from the Estate of Louise Lindsey Merrick, which was accepted by the U. T. Board of Regents at its October 1982 meeting.

IV. INTELLECTUAL PROPERTY

1. U. T. Board of Regents: Recommendation for Approval of Amendments to Part Two, Chapter V, Section 2.4, Subsections 2.44 and 2.45 (Intellectual Property Policy) of the Regents' Rules and Regulations.--

RECOMMENDATION

The Office of the Chancellor recommends that the U. T. Board of Regents amend the Intellectual Property Policy contained in the Regents' Rules and Regulations as follows:

- a. Amend Part Two, Chapter V, Section 2, Subsection 2.4, Subdivision 2.44, Paragraph 2.442 to read as follows:

2.442 The intellectual property is related to the individual's employment responsibility, or has resulted either from activities performed by the individual on System time, or with support by State funds, or from using System facilities.

- b. Amend Part Two, Chapter V, Section 2, Subsection 2.4, Subdivision 2.45, Paragraph 2.452 and Subparagraph 2.4521 to read as follows:

2.452 Intellectual property either related to the individual's employment responsibility, or resulting from activities performed on System time, or with support by State funds, or from using System facilities.
(See 2.442.)

2.4521 Before publishing, a creator of intellectual property that the creator believes may be patentable and which (a) relates to the individual's employment responsibility, or (b) results from activities done on System time, or (c) is created with support by State funds, or (d) is created using System facilities, shall be submitted [~~submit-such-creations~~] to the Institutional Patent Committee for determination of the System's interest. In those instances, however, where delay would jeopardize obtaining the appropriate protection for the property, the creator may, with the approval of the Chairman of the Institutional Patent Committee and the chief administrative officer, file a patent application or take other steps to obtain available protection prior to the Committee and administrative review provided in the following two subsections. If the request is granted, the creator may proceed with the filing of a patent application or other available protective measures pending the

determination of the System's interest; provided, however, that the creator shall be reimbursed for expenses in filing the patent application or taking other steps to obtain protection if the decision of the System is to assert and exploit its interests. The Chairman of the Institutional Patent Committee shall notify the System Intellectual Property Office of any such application.

BACKGROUND INFORMATION

On January 7, 1986, Chancellor Mark hosted a System-wide meeting to discuss implementation of the Intellectual Property Policy adopted by the U. T. Board of Regents at its December 1985 meeting. In response to observations made and questions raised at that meeting, the proposed amendments are suggested. These changes are intended to more clearly delineate those intellectual properties that belong to the U. T. Board of Regents, and to more specifically designate those particular properties (inventions) that are required to be submitted to an Institutional Patent Committee. The inventions to be submitted to an Institutional Patent Committee are ones that have a reasonable likelihood of protection, thus excluding from this obligation minor inventions which are unlikely to be patentable.

The changes also emphasize that any one of the following factual situations result in intellectual property rights owned by the U. T. Board of Regents:

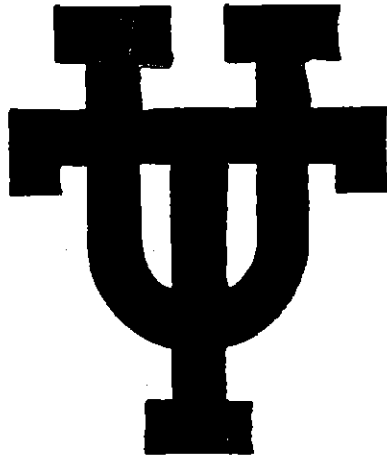
- Created on System time
- Created using State funds
- Created using System facilities
- Creation is related to the creators' employment responsibility

2. U. T. Board of Regents: Proposed Concurrent Use Agreement with The University of Tennessee, Knoxville, Tennessee, for the Trademark, "UT and Design".--

RECOMMENDATION

The Office of the Chancellor concurs in the recommendation of the Office of General Counsel and President Cunningham that the U. T. Board of Regents approve a Concurrent Use Agreement between the U. T. Board of Regents and The University of Tennessee, Knoxville, Tennessee, for the trademark, "UT and

Design," as set out on Pages L&I 36 - 45. The term "UT and Design" has reference to the following mark:



BACKGROUND INFORMATION

For many years both The University of Texas at Austin and The University of Tennessee have concurrently used the trademark "UT and Design." The U. T. Board of Regents has been the owner of U. S. Registration No. 1,230,439 for the service mark "UT and Design" for educational and entertainment services since 1983.

The University of Tennessee has filed applications with the U. S. Patent and Trademark Office for the same mark in various classes of goods in which the U. T. Board of Regents does not presently have registrations or pending applications. In the event Tennessee's pending applications for registration were to issue, the U. T. Board of Regents would be precluded from licensing the use of "UT and Design" to any commercial entity for use on products in those particular classes of goods.

In lieu of the U. T. Board of Regents filing a formal opposition against Tennessee's applications, which would be very costly, the Concurrent Use Agreement will prevent Tennessee from obtaining any exclusive registrations for the mark "UT and Design" in those classes of goods where applications are now pending.

The agreement will grant the exclusive right to the U. T. Board of Regents for use of the mark "UT and Design" in the geographic area of the United States falling west of the Mississippi River, with the exception of West Baton Rouge Parish, Louisiana, and limited use permitted in connection with bowl games and special events as specified in the agreement. The University of Tennessee shall have the exclusive right to the same mark in the geographic area of the United States falling east of the Mississippi River, together with West Baton Rouge Parish, Louisiana, and limited use permitted in connection with bowl games and special events. Filing of the Concurrent Use Agreement with the U. S. Patent and Trademark Office will allow prosecution of both universities' co-pending applications for the same trademark.

While this is not an ideal solution, it is the only practical agreement that could be negotiated with The University of Tennessee. It does avoid a costly and protracted administrative and court proceeding and the narrow application of this agreement to "UT and Design" makes it unlikely that there will be any effect upon the licenses of either university since most, if not all, of the items currently produced by licensees contain an additional identifier such as "Texas" or "Tennessee" or "The University of Texas at Austin" or "University of Tennessee."

AGREEMENT

This Agreement is entered into by and between the BOARD OF REGENTS, THE UNIVERSITY OF TEXAS SYSTEM, a state agency of the State of Texas having an address of 201 West 7th Street, Austin, Texas 78701 (hereinafter referred to as "TEXAS"), and THE UNIVERSITY OF TENNESSEE, a public educational corporation of the State of Tennessee, whose address is 800 Andy Holt Tower, The University of Tennessee, Knoxville, Tennessee 37996 (hereinafter referred to as "TENNESSEE").

I. PARTIES/BACKGROUND

1:1 TEXAS has adopted and concurrently used the mark UT and Design for entertainment services and for various college imprinted goods. TEXAS is the owner of U.S. Registration No. 1,230,439 for the mark "UT" and Design for entertainment services. A copy of the registration illustrating the mark "UT" and Design is attached as ATTACHMENT A hereto.

1:2 TENNESSEE has adopted and concurrently used the mark UT and Design for entertainment services and for various college imprinted goods such as key chains; watches and bracelets; window and bumper stickers; general purpose gym bags and garment bags for travel; ceramic mugs, glass mugs, drinking glasses, goblets and insulating sleeve-holders for beverage cans; sweat shirts, sweat suits, socks, T-shirts, jackets and baby bibs. TENNESSEE has filed United States Application Serial No. 501,111 to register the

mark "UT" and Design for the above listed goods. An example of the "UT" and Design mark of TENNESSEE is attached as ATTACHMENT B hereto.

1:3 TEXAS and TENNESSEE are the parties to this Agreement.

II. OTHER MARKS

2:1 Each party also uses other marks in connection with its entertainment services and college imprinted goods.

2:2 TEXAS, for example, uses the marks "UNIVERSITY OF TEXAS", "TEXAS", "LONGHORNS" and "DESIGN OF LONGHORN" (and variations thereof) in connection with its entertainment services and college imprinted goods.

2:3 TENNESSEE, for example, uses the marks "UNIVERSITY OF TENNESSEE", "TENNESSEE", "VOLUNTEERS" and "VOLS" (and variations thereof) in connection with its entertainment services and college imprinted goods.

2:4 Often, the printed matter used in association with the entertainment services and the college imprinted goods of either of the parties bear more than one of that party's marks.

2:5 The parties believe that, when a "UT" mark is used in conjunction with another mark or marks of the same party, the indication of origin (TEXAS or TENNESSEE) is apparent, and no likelihood of confusion is caused by use of the "UT" mark under such conditions. Consequently, this agreement is not intended to

apply to printed matter for entertainment services or to college imprinted goods which bear another mark of either party in addition to a "UT" mark.

III. DEFINITIONS

3:1 "UT Mark(s)" means the letters "UT", whether or not in a design form, where such letters are used to designate either TEXAS or TENNESSEE, and where such letters are not used, on or in association with the goods/services, with another mark of the same party.

3:2 "Goods/services" means entertainment services and college imprinted goods.

3:3 "College imprinted goods" means items such as those listed in Section 1:2 above and similar items bearing a mark of one of the parties; such items are, for example novelties and articles of glassware or clothing, but this is not an exhaustive list.

IV. INTENT OF AGREEMENT

4:1 A controversy has arisen between the parties concerning the concurrent use and registration of the UT Marks for the goods/services. After due consideration and negotiation, the parties are entering into this Agreement as to their respective geographic trade territories for use of the UT Marks in order to avoid confusion, mistake or deception.

4:2 It is the opinion of the parties that, without this agreement, the UT Marks, if found in the same locality on or in association with the goods/services, would in all likelihood cause confusion or mistake or deceive consumers and potential consumers. To avoid this possibility of confusion, the parties feel that it is in the best interest of the public to pursue the agreement stated herein.

V. AGREEMENT

Based upon the mutual covenants and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

5:1 TEXAS shall have the exclusive right to use the UT Mark for the goods/services in the geographic area of the United States falling west of the Mississippi River, with the exception of West Baton Rouge Parish, Louisiana. This is to be the exclusive territory of TEXAS, with the exception of limited use permitted in connection with bowl games and special events as set forth in Section 5:4 below.

5:2 TENNESSEE shall have the exclusive right to use the UT Mark for the goods/services in the geographic area of the United States falling east of the Mississippi, together with West Baton Rouge Parish, Louisiana. This is to be the exclusive territory of TENNESSEE, with the exception of limited use permitted in connection with bowl games and special events as set forth in Section 5:4 below.

5:3 Each party agrees not to use its UT Mark in the geographic territory designated as the exclusive territory of the other party, with the exception of bowl games or other special events as set forth in Section 5:4 below.

5:4 The parties recognize that because of the nature of collegiate athletic competition and academic exchange, there will be isolated events ("special events") in which, for example, a sports team from one party will be engaged in competition within the exclusive territory of the other. The parties agree that, should either party have a bowl game or other special event in the exclusive territory of the other party, the party having such a bowl game or other special event shall have the right to use its UT Mark within a fifty mile radius of the location of the bowl game or other special event for the week preceding the bowl game or other special event through the conclusion of the last day of the bowl game or other special event.

5:5 It is expressly understood that this Agreement is being entered into to avoid confusion, mistake or deception among consumers or potential consumers. To avoid a possibility of confusion, the parties feel it is in the best interest to be bound by the terms stated herein.

5:6 The parties agree to use their best efforts to avoid actual confusion, mistake or deception of the consuming public.

VI. REGISTRATIONS

6.1 The parties consent to the other party's registration in the United States Patent and Trademark Office of its UT Mark for the goods/services consistent with the scope of this Agreement. Each party will grant the other a consent to register consistent with this Agreement in a form presented to it by the other party and acceptable to the consenting party, if requested to do so.

6.2 It is contemplated that the parties will concurrently register the UT Marks in the United States Patent and Trademark Office for the geographic areas specified in Sections 5.1 and 5.2 above. Accordingly, TENNESSEE will amend its pending application Serial No. 501,111 to recite the area of its exclusive rights consistent with Section 5.2 above.

6.3 Each party may register its UT Mark in a state within its exclusive area specified in this Agreement. Neither party will register its UT Mark as a state registration in Louisiana.

6.4 Each party may register and use anywhere any of its marks which includes the letters "UT" so long as such mark falls outside the definition of "UT Mark" as recited in Section 3.1 above.

THE BOARD OF REGENTS, THE
UNIVERSITY OF TEXAS SYSTEM

DATE:

November 7, 1985

By: Hans Mark
Chancellor, The University
of Texas System

THE UNIVERSITY OF TENNESSEE

DATE:

November 13, 1985

By: [Signature]
President

Approved as to Form:

[Signature]
Office of General Counsel
The University of Texas System

CERTIFICATE OF APPROVAL

I hereby certify that the foregoing Agreement was approved by the Board of Regents of The University of Texas System on the ___ day of _____, 1985, and that the person whose signature appears above is authorized to execute such agreement on behalf of the Board.

Executive Secretary, Board of Regents
The University of Texas System

Int. Cl.: 41

Prior U.S. Cl.: 107

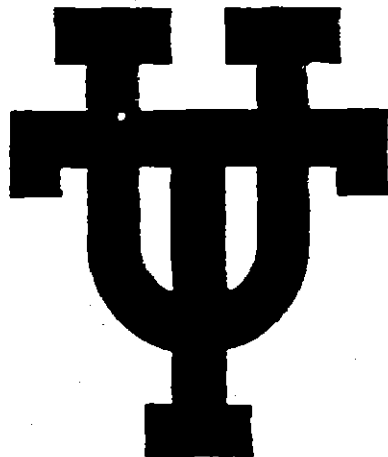
United States Patent and Trademark Office

Reg. No. 1,230,439

Registered Mar. 8, 1983

SERVICE MARK
Principal Register

filed
UT



Board of Regents, The University of Texas System
(Texas governing body, University of Texas)
201 W. 7th St.
Austin, Tex. 78701

For: ENTERTAINMENT SERVICES—NAME-
LY, CONDUCTING AND SPONSORING COL-
LEGE ATHLETIC COMPETITIONS AND
ACTIVITIES, MUSICAL CONCERTS AND EN-
TERTAINMENT, in CLASS 41 (U.S. Cl. 107).

First use 1900; in commerce 1906.

The mark consists of the fanciful representation of
the letters UT.

Ser. No. 321,788, filed Aug. 3, 1981.

CARLISLE WALTERS, Examining Attorney

ATTACHMENT A

SN 494,523. Fountain Industries, Inc., Albert Lea, Minn. Filed Aug. 13, 1984.



Owner of U.S. Reg. Nos. 954,991, 1,888,420 and others. No claim is made to the exclusive right to use "Brand", apart from the mark as shown.

Class 9—Electrical and Scientific Apparatus
For Beverage Dispensing Machines (U.S. Cl. 23).
First use Jul. 18, 1984; in commerce Jul. 18, 1984.

Class 30—Staple Foods
For Coffee and Decaffeinated Coffee (U.S. Cl. 46).
First use Jun. 29, 1984; in commerce Jun. 29, 1984.

SN 495,485. Tenkoz, Inc., Macon, Ga. Filed Aug. 20, 1984.

TENKOZ

Class 1—Chemicals
For Chemical Products for Agriculture—Namely, Fertilizers (U.S. Cl. 6).
First use Mar. 26, 1984; in commerce Mar. 26, 1984.

Class 5—Pharmaceuticals
For Insecticides, Herbicides and Fungicides (U.S. Cl. 18).
First use Jun. 8, 1984; in commerce Jun. 8, 1984.

SN 495,661. Whole Oats Enterprises, New York, N.Y. Filed Aug. 20, 1984.

DARYL HALL JOHN OATES

Daryl Hall and John Oates are the names of living individuals, the two partners of applicant, both whom have consented to the use and registration of their names by signing this application.

Class 6—Metal Goods
For Key Chains (U.S. Cl. 13).
First use Mar. 1983; in commerce Mar. 1983.

Class 16—Paper Goods and Printed Matter
For Posters and Printed Concert Programs (U.S. Cl. 38).
First use 1976; in commerce 1976.

Class 20—Furniture and Articles Not Otherwise Classified
For Ornamental Novelty Buttons (U.S. Cl. 50).
First use 1971; in commerce 1971.

Class 25—Clothing
For Tee-Shirts, Sweat Shirts, Shorts, Hats and Visor Caps (U.S. Cl. 39).
First use 1976; in commerce 1976.

SN 496,619. Northwestern University, Evanston, Ill. Filed Aug. 27, 1984.

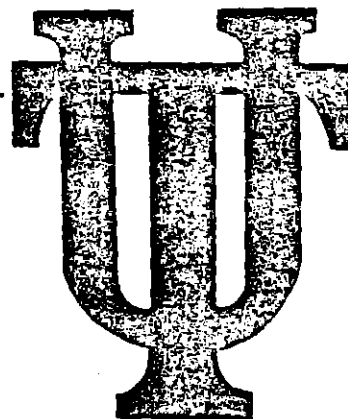


Class 16—Paper Goods and Printed Matter
For Writing Paper, Notebooks, Decals, and Booklets, Pamphlets, and Programs Dealing with Northwestern University (U.S. Cls. 37 and 38).
First use Sep. 1, 1981; in commerce Sep. 1, 1981.

Class 21—Housewares and Glass
For Mugs and Glass Beverageware (U.S. Cls. 30 and 33).
First use Aug. 15, 1983; in commerce Aug. 15, 1983.

Class 25—Clothing
For Clothing—Namely, Jackets, Caps, Belts, Sweatsuits, Shirts, Ties, Shorts, T-Shirts, Sweaters, Gym Shorts, and Sweatshirts (U.S. Cl. 39).
First use Sep. 1, 1981; in commerce Sep. 1, 1981.

SN 501,111. The University of Tennessee, Knoxville, Tenn. Filed Sep. 26, 1984.



Class 6—Metal Goods
For Key Chains (U.S. Cl. 13).
First use 1961; in commerce 1961.

Class 14—Jewelry
For Watches and Bracelets (U.S. Cls. 27 and 28).
First use 1971; in commerce 1971.

Class 16—Paper Goods and Printed Matter
For Window and Bumper Stickers (U.S. Cl. 38).
First use 1972; in commerce 1972.

Class 18—Leather Goods
 For General Purpose Gym Bags, and Garment Bags for Travel
 (U.S. Cl. 3)
 First use 1962; in commerce 1962.

Class 21—Housewares and Glass
 For Ceramic Mugs, Glass Mugs, Drinking Glasses, Goblets,
 and Insulating Sleeve-Holders for Beverage Cans (U.S. Cls. 2, 30
 and 33).
 First use 1965; in commerce 1965.

Class 25—Clothing
 For Sweat Shirts, Sweat Suits, Socks, T-Shirts, Jackets and
 Baby Bibs (U.S. Cl. 39).
 First use 1936; in commerce 1936.

SN 503,138. Stewart Sandwiches International, Inc., Norfolk, Va.
 Filed Oct. 9, 1984.

Super Stew



Owner of U.S. Reg. No. 1,225,559.
 No claim is made to the exclusive right to use the
 representation of the goods, apart from the mark as shown.
 The lining on the drawing is a feature of the mark.

Class 11—Environmental Control Apparatus
 For Frozen Beverage Dispensing Machines (U.S. Cl. 31).
 First use Jun. 1, 1984; in commerce Jun. 1, 1984.

Class 32—Light Beverages
 For Semi-Frozen Slush Type Soft Drink for Consumption On
 or Off the Premises (U.S. Cl. 45)
 First use Jun. 1, 1984; in commerce Jun. 1, 1984.

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Executive Session of the Board

BOARD OF REGENTS
EXECUTIVE SESSION
Pursuant to Vernon's Texas Civil Statutes
Article 6252-17, Sections 2(e), (f) and (g)

Date: February 14, 1986

Time: The Board will recess to Executive Session, if time permits, on Thursday afternoon and continue at 9:00 a.m. on Friday morning. If the regular agenda on Thursday does not permit sufficient time to begin the Executive Session, it will convene at 9:00 a.m. on Friday.

Place: Room HMB 10.121, Tenth Floor
The University of Texas Houston - Main Building

1. Pending and/or Contemplated Litigation - Section 2(e)
2. Land Acquisition, Purchase, Exchange, Lease or Value of Real Property and Negotiated Contracts for Prospective Gifts or Donations - Section 2(f)

U. T. Health Science Center - San Antonio:
Consideration of Acceptance of Negotiated Gift of Land
3. Personnel Matters [Section 2(g)] Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees

U. T. System: Consideration of the Assignment of Duties and Responsibilities of Officers and Employees of the U. T. Institute of Texan Cultures - San Antonio and U. T. San Antonio