

MATERIAL SUPPORTING THE AGENDA

VOLUME XLIC

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

June 9, 1994
August 11, 1994

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.: 878
Date: June 9, 1994
Location: Odessa, Texas

BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

CALENDAR

Place: Room 470, Mesa Building
The University of Texas of the Permian Basin
4901 East University Boulevard
Odessa, Texas

Host Institution: The University of Texas
of the Permian Basin

Thursday, June 9, 1994

10:00 a.m.

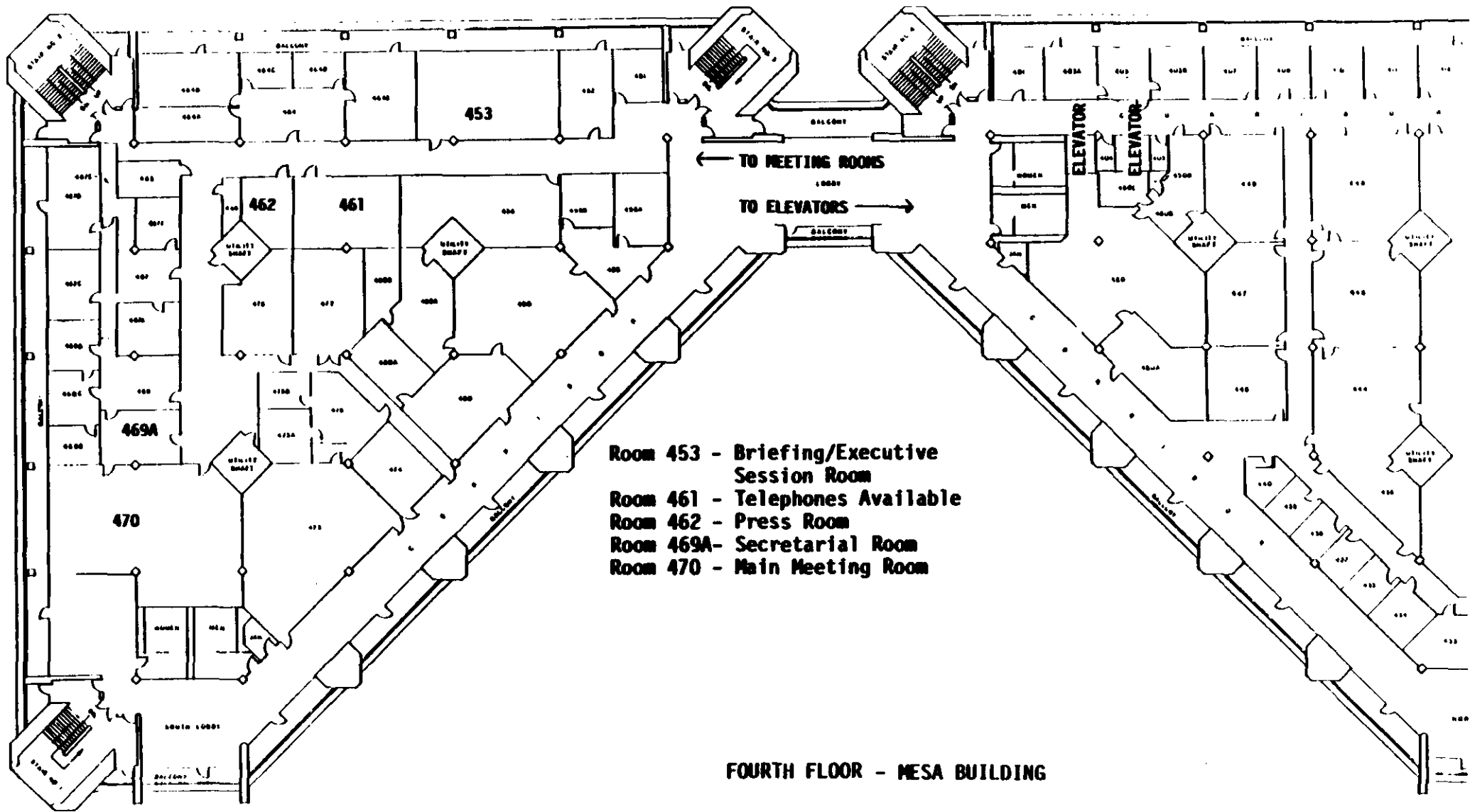
Convene in Open Session with
recess to Executive Session
as per the agenda

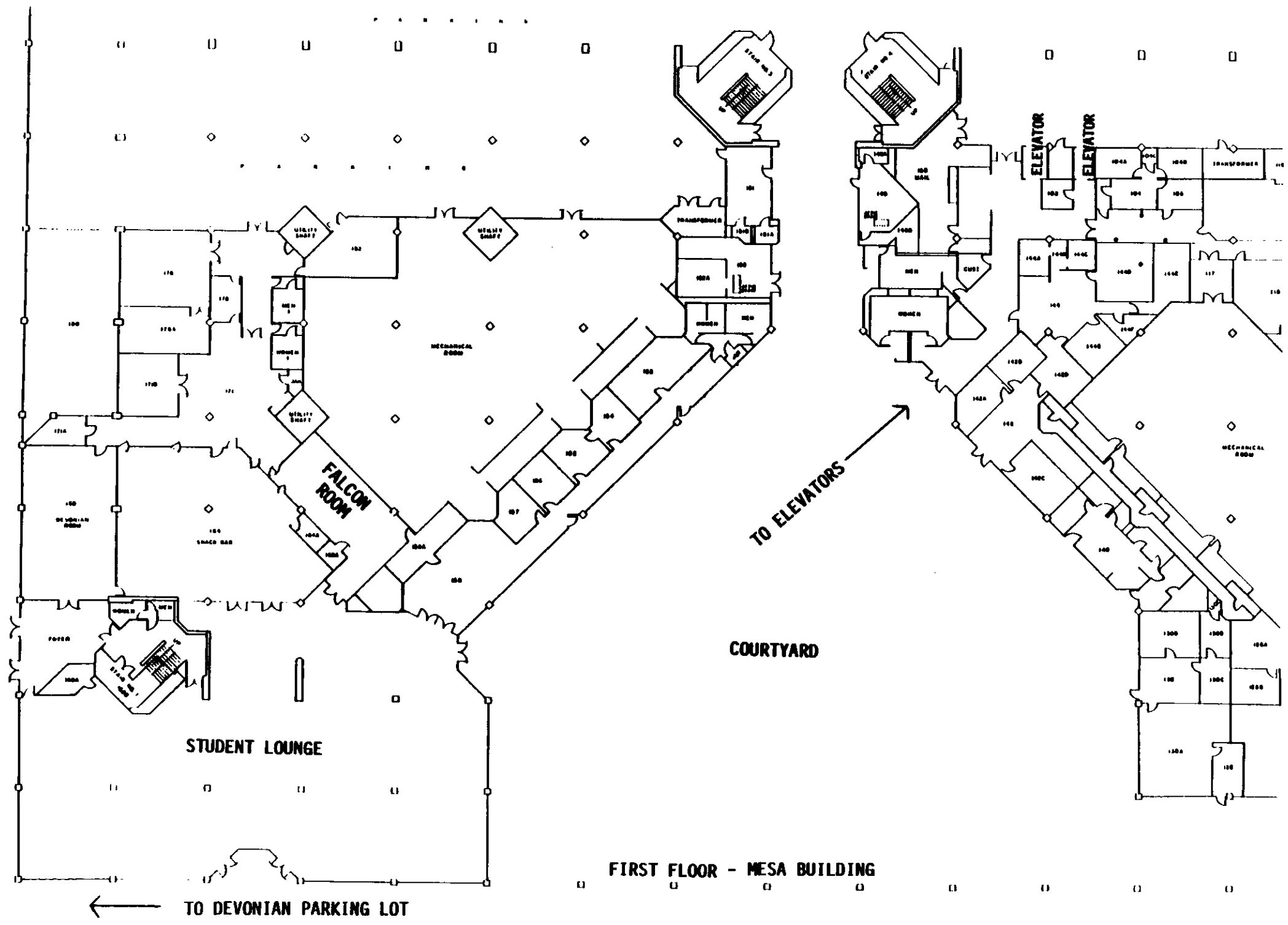
See Pages B of R 1 - 47
Items A - P

Telephone Numbers

President Sorber's Office (915) 552-2100

Odessa Hilton Hotel
5200 East University Boulevard (915) 368-5885





STUDENT LOUNGE

FALCON ROOM

COURTYARD

ELEVATOR

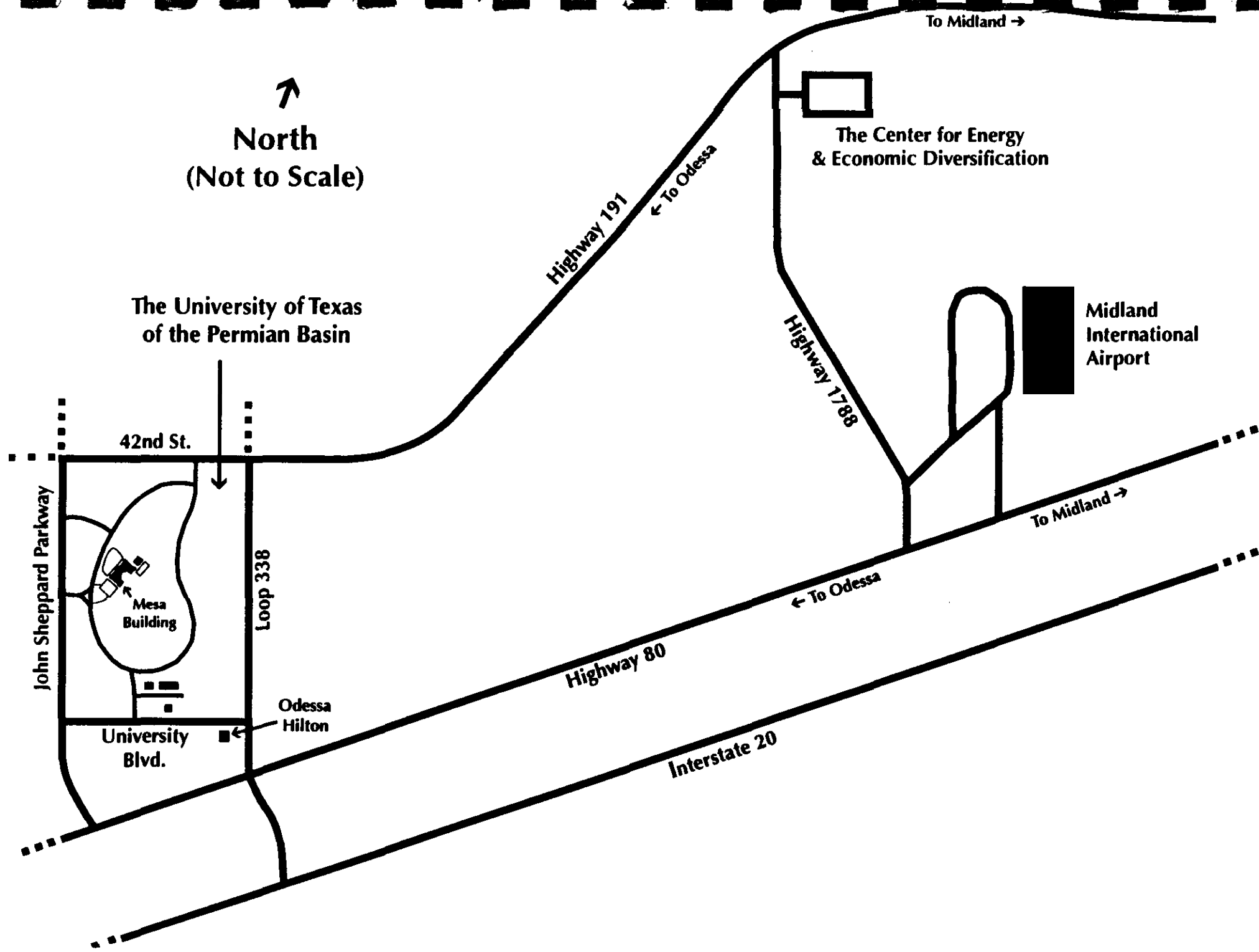
ELEVATOR

TO ELEVATORS

TO DEVONIAN PARKING LOT

FIRST FLOOR - MESA BUILDING

↑
North
(Not to Scale)



The University of Texas
of the Permian Basin

42nd St.

John Sheppard Parkway

Mesa Building

Loop 338

University Blvd.

Odessa Hilton

Highway 191
← To Odessa

Highway 1788

Highway 80

Interstate 20

← To Odessa

To Midland →

The Center for Energy
& Economic Diversification

Midland
International
Airport

To Midland →

**Meeting of
the Board**

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

Date: Thursday, June 9, 1994

Time: 10:00 a.m. Convene in Open Session with
recess to Executive Session
as per the agenda

Place: Room 470 (Open Session) and Room 453 (Executive
Session), Mesa Building, U. T. Permian Basin

A. CALL TO ORDER

B. WELCOME BY PRESIDENT SORBER

C. APPROVAL OF MINUTES OF REGULAR MEETING HELD
APRIL 14, 1994, AND SPECIAL MEETING HELD
APRIL 22, 1994

D. SPECIAL ITEM

See Page B of R - 2.

U. T. System: Proposed Membership or Status of Organization for All Component Development Boards and Advisory Councils Effective September 1, 1994.--

- (1) U. T. Arlington: Development Board, School of Architecture, College of Business Administration, College of Engineering, School of Social Work, and School of Nursing Advisory Councils;
- (2) U. T. Austin: Development Board, School of Architecture Foundation, College of Business Administration Foundation, College of Communication Foundation, College of Education Foundation, College of Engineering Foundation, College of Fine Arts Foundation, Geology Foundation, Graduate School Foundation, Graduate School of Library and Information Science Foundation, Harry Ransom Humanities Research Center, College of Liberal Arts Foundation, Longhorn Associates for Excellence in Women's Athletics, Longhorn Foundation, Marine Science, McDonald Observatory and Department of Astronomy Board of Visitors, College of Natural Sciences Foundation, School of Nursing Foundation, Pharmaceutical Foundation, School of Social Work Foundation, Texas Union, and Winedale Historical Center Advisory Councils;
- (3) U. T. Brownsville: Development Board;
- (4) U. T. Dallas: Development Board, School of Arts and Humanities, Callier Center for Communication Disorders, Erik Jonsson School of Engineering and Computer Science, School of General Studies, Cecil and Ida Green Center for the Study of Science and Society, School of Management, School of Social Sciences, and Management School Foundation Advisory Councils;
- (5) U. T. El Paso: Development Board, College of Engineering Industrial and Miner Foundation Advisory Councils;
- (6) U. T. Pan American: Development Board, School of Business Administration/Center for Entrepreneurship and Economic Development, School of Business Administration, Engineering, and Hispanic Mother Daughter Program Advisory Councils;
- (7) U. T. Permian Basin: Development Board, Center for Energy and Economic Diversification, Economic Development Administration University Center, Petroleum Industry Alliance, and Small Business Development Center Advisory Councils;
- (8) U. T. San Antonio: Development Board, College of Business, College of Fine Arts and Humanities, College of Sciences and Engineering, College of Social and Behavioral Sciences Advisory Councils, and U. T. Institute of Texan Cultures - San Antonio Development Board;
- (9) U. T. Tyler: Development Board;
- (10) U. T. Southwestern Medical Center - Dallas: Development Board;
- (11) U. T. Medical Branch - Galveston: Development Board, School of Allied Health Sciences and School of Nursing Advisory Councils;
- (12) U. T. Health Science Center - Houston: Development Board;
- (13) U. T. Health Science Center - San Antonio: Development Board, Dental School, Medical School, and Nursing School Advisory Councils;
- (14) U. T. M.D. Anderson Cancer Center: University Cancer Foundation Board of Visitors; and
- (15) U. T. Health Center - Tyler: Development Board.--

RECOMMENDATION

The Chancellor and the Executive Vice Chancellor for Academic Affairs or the Executive Vice Chancellor for Health Affairs, as appropriate, concur in the recommendation of the respective chief administrative officers that the U. T. Board of

Regents approve the membership of the component development boards and advisory councils of The University of Texas System as set forth on Pages B of R 3 - 42 to be effective September 1, 1994. The full membership of each organization is set out with the reappointments indicated by a single asterisk and new appointments by double asterisks.

1. The University of Texas at Arlington

Development Board.--Authorized Membership 43:

	<u>Term Expires</u>
** Mr. John Adams, Dallas	1997
Mr. Eugene T. Allen, Arlington	1995
Malcolm K. Brachman, Ph.D., Dallas	1996
* Mr. James T. Brown, Grand Prairie	1997
Mr. Chris Carroll, Arlington	1995
Mr. Donald Carter, Dallas	1995
Mr. J. Jan Collmer, Dallas	1995
* Mr. Tom Cravens, Arlington	1997
Mr. James A. Cribbs, Arlington	1996
Mr. Robert Decherd, Dallas	1996
Mr. Robert C. Duncan, Arlington	1996
Ms. Billie N. Farrar, Arlington	1995
* Mr. Ed Frazier, Dallas	1997
Mr. Jenkins Garrett, Fort Worth	1996
Mr. H. Jarrell Gibbs, Dallas	1996
The Honorable Richard E. Greene, Arlington	1995
* Albert H. Halff, Ph.D., Dallas	1997
** Mr. Bob B. Hallmark, Dallas	1997
** Mr. John Justin, Fort Worth	1997
** Mr. Bob Lane, Dallas	1997
Mr. Cecil W. Mayfield, Arlington	1995
** Mr. Harvey Mitchell, Dallas	1997
** Mr. Stu Moore, Arlington	1997
* Ms. Daphne Motheral, Fort Worth	1997
Mr. Bill Prince, Arlington	1995
Mr. Nathan L. Robinett, Arlington	1996
Benedict A. Termini, M.D., Arlington	1995
Mr. Carson Thompson, Fort Worth	1995
Mr. Tom Timmons, Dallas	1996
** Mr. Wyntress Booker Ware, Fort Worth	1997
* The Honorable Royce West, Dallas	1997
Mr. Ted C. Willis, Arlington	1995
* Mr. Jesse Wilson, Dallas	1997

Unfilled Terms - 10 (To be determined as filled)

School of Architecture Advisory Council.--
Authorized Membership 27:

	<u>Term Expires</u>
Mr. Bill Booziotis, FAIA, Dallas	1995
Mr. David Braden, FAIA, Dallas	1995
Richard Brettell, Ph.D., Dallas	1996
Mr. Frank C. Clements, ASLA, Dallas	1996
* Mr. Gary Cunningham, FAIA, Dallas	1997
Mr. Stuart Dawson, ASLA, Watertown, MA	1995
Mr. David Dillon, Dallas	1996
Mr. Mark Dilworth, AIA, Dallas	1996
** Mr. Darrell Fields, Tempe, AZ	1997
* Mr. Martin Growald, AIA, Fort Worth	1997

Mr. Ralph Hawkins, AIA, Dallas	1996
Ms. Carol Hermanovski, Dallas	1995
Mr. Don Kirk, FAIA, Fort Worth	1995
* Robert Maloy, Ph.D., Dallas	1997
* Mr. Raymond Nasher, Dallas	1997
Ms. Jessie Price, Dallas	1995
Mr. Joseph Scalabrin, FAIA, Dallas	1996
Ms. Landon Scarlett, Dallas	1996
* Daniel Schodek, Ph.D., Cambridge, MA	1997
Mr. Gene Schrickel, FASLA, Arlington	1996
Mr. Nelson Spencer, Dallas	1996
Mr. Ed Stout, Fort Worth	1996
* Mr. Bartholomew Voorsanger, FAIA, New York, NY	1997
* Mr. James Wiley, FAIA, Dallas	1997

Unfilled Terms - 3 (To be determined as filled)

College of Business Administration Advisory Council.--
Authorized Membership 30:

	<u>Term Expires</u>
Mr. Robert F. Anderson, Fort Worth	1996
* Mr. Terry R. Dallas, Fort Worth	1997
Mr. Raul Elizondo, Dallas	1996
* Mr. Tom Harenchar, Arlington	1997
Mr. W. Preston Holsinger, Dallas	1995
** Mr. Bill Greenhill, Fort Worth	1997
Mr. James E. Jack, Dallas	1996
* Mr. Charles E. Lambert, Fort Worth	1997
* Ms. Susie Leinbaugh, Dallas	1997
Mr. Thomas M. McMahon, San Francisco, CA	1996
* Mr. Bruce McNeil, Fort Worth	1997
Dr. Harrold Melton, Dallas	1996
Mr. David Newell, Fort Worth	1995
Mr. Ronald L. Parrish, Fort Worth	1995
* Mr. Charles O. Paul, Fort Worth	1997
Ms. Vikki L. Pier, Fort Worth	1996
Mr. William W. Richey, Dallas	1996
Mr. Stephen W. Spies, Arlington	1995
Mr. Donald E. Wagner, Dallas	1995
Mr. Phillip R. Williams, Arlington	1995
Mr. Clyde E. Womack, Fort Worth	1996

Unfilled Terms - 9 (To be determined as filled)

College of Engineering Advisory Council.--
Authorized Membership 26:

	<u>Term Expires</u>
Mr. L. N. Bell, Dallas	1996
Mr. Tom Brand, Richardson	1996
Mr. E. R. Brooks, Dallas	1996
* Mr. Jan Collmer, Dallas	1997
* Mr. C. R. Farmer, Jr., Dallas	1997
Felix Fenter, Ph.D., Dallas	1995
Mr. Wilton N. Hammond, Fort Worth	1996
* Mr. William F. Hayes, Dallas	1997
Mr. Max D. Hopper, Fort Worth	1996
Mr. Dwayne Humphrey, Arlington	1996
Mr. Patrick K. Kirkwood, Irving	1996
Mr. Charles Lynk, Fort Worth	1995

Mr. James R. Nichols, Fort Worth	1996
* John Patterson, Ph.D., Arlington	1997
Donald C. Price, Ph.D., Plano	1996
* Mr. Eric Ross, Richardson	1997
Mr. Roger Yandell, Fort Worth	1995

Unfilled Terms - 9 (To be determined as filled)

School of Social Work Advisory Council.--
Authorized Membership 26:

	<u>Term Expires</u>
* Mrs. Geraldine Beer, Dallas	1997
* Malcolm Brachman, Ph.D., Dallas	1997
Mr. J. Vernon Campbell, Arlington	1996
Mr. Ronald S. Clark, Arlington	1996
* Mr. Thomas Delatour, Dallas	1997
* Mr. Roy E. Dulak, Dallas	1997
Mr. Larry Eason, Fort Worth	1995
* Ms. Billie Farrar, Arlington	1997
* Mrs. Betty Jo Hay, Dallas	1997
Mr. Pete Hinojosa, Fort Worth	1995
Mrs. Erma Johnson, Fort Worth	1995
Mrs. JoLene Johnston, Arlington	1996
Ms. Lori Palmer, Dallas	1995
Mr. Eddie Sandoval, Hurst	1995
Mr. Ralph Shannon, Dallas	1996
Mr. Earle A. Shields, Jr., Fort Worth	1995
Mrs. Dovie Webber, Arlington	1996
Mr. John Widner, Fort Worth	1995

Unfilled Terms - 8 (To be determined as filled)

School of Nursing Advisory Council.--
Authorized Membership 16:

	<u>Term Expires</u>
* Ron Anderson, M.D., Dallas	1997
Mr. Dave Bloxom, Sr., Fort Worth	1995
* Mr. R. E. Cox III, Fort Worth	1997
Mr. Dan Dipert, Arlington	1995
Mr. Tom Dwyer, Dallas	1996
Mr. John Gavras, Irving	1996
* Barbara Grundeman, R.N., Arlington	1997
Mrs. Vera Harrington, Sulphur Springs	1996
James F. Herd, M.D., Fort Worth	1996
Hazel Jay, R.N., Fort Worth	1996
* Mr. Rex C. McRae, Arlington	1997
Mary Jo Perley, R.N., Ph.D., Dallas	1995
Mrs. Joyce Pike, Arlington	1996
Mr. Ron Smith, Fort Worth	1995
Ms. Rita Rodriguez Utt, Fort Worth	1995

Unfilled Term - 1 (To be determined as filled)

The University of Texas at AustinDevelopment Board.--Authorized Membership 64:

	<u>Term Expires</u>
Nasser I. Al-Rashid, Ph.D., Riyadh, Saudi Arabia	1996
Mr. R. C. Allen, Corpus Christi	1996
Mrs. Ada C. Anderson, Austin	1996
* Mr. Morris Atlas, McAllen	1997
Mr. John W. Barnhill, Jr., Brenham	1995
Mr. Sam Barshop, San Antonio	1996
Ms. Joan Ragsdale Baskin, Midland	1995
* Mrs. Nancy Lee Bass, Fort Worth	1997
The Honorable Lloyd M. Bentsen, Jr., Washington, DC	1995
* Mr. Jack S. Blanton, Houston	1997
Mr. Lewis E. Brazelton III, Houston	1996
Mr. Jon Brumley, Fort Worth	1995
Mr. J. A. Canales, Corpus Christi	1996
* Mr. Ruben R. Cardenas, McAllen	1997
* Mrs. Bob Casey, Jr., Houston	1997
Mr. John S. Chase, FAIA, Houston	1995
Mr. Ted Collins, Jr., Midland	1996
Ms. Barbara Smith Conrad, New York, NY	1995
Mrs. Mary McDermott Cook, Dallas	1996
Mr. Jack Rust Crosby, Austin	1996
Mr. Luis A. de la Garza, San Antonio	1996
* Mr. Franklin W. Denius, Austin	1997
Mrs. Ben A. Donnell, Corpus Christi	1995
* Mr. Bob R. Dorsey, Austin	1997
Peter T. Flawn, Ph.D., Austin	1995
The Honorable William N. Hall, Jr., Laredo	1996
Mr. Burt Harkins, Corpus Christi	1996
Mr. Norcell D. Haywood, AIA, San Antonio	1996
The Honorable Kay Bailey Hutchison, Washington, DC	1995
Mrs. Bebe Canales Inkley, San Antonio	1996
Admiral B. R. Inman, USN Retired, Austin	1996
Mrs. Joseph D. Jamail, Houston	1996
* Mrs. Jean W. Kaspar, Shiner	1997
Mr. Lowell H. Lebermann, Jr., Austin	Special Member
* Mr. Jeff B. Love, Houston	1997
* Mrs. Prudence M. Mackintosh, Dallas	1997
Mr. Bob Marbut, San Antonio	1996
Mrs. Margaret McDermott, Dallas	1996
Mr. James R. Moffett, New Orleans, LA	1995
Mr. James M. Moroney, Jr., Dallas	1995
* Mr. Mike A. Myers, Dallas	1997
Mr. Wade T. Nowlin, Fort Worth	1995
* Mr. Robert L. Parker, Sr., Tulsa, OK	1997
Mr. James L. Powell, Fort McKavett	1995
Mario E. Ramirez, M.D., McAllen	Special Member
* Mr. Shannon H. Ratliff, Austin	1997
Mr. Corbin J. Robertson, Jr., Houston	1995
Mr. Benno C. Schmidt, New York, NY	1996
Mr. Marvin Selig, Seguin	1995
H. Don Smith, M.D., Tyler	1996
* Mrs. Sandra Esquivel Snyder, Dallas	1997
* Mr. Ralph Spence, Tyler	1997
Mr. Ronald G. Steinhart, Dallas	1996
Mrs. Annette G. Strauss, Dallas	1995
* Mr. John T. Stuart III, Dallas	1997
Mr. Larry E. Temple, Austin	1996
Mr. Robert C. Vaughn, Dallas	1996
Ms. Trisha Wilson, Dallas	1995
Mrs. Betty Bentsen Winn, McAllen	1995

* Mr. J. Sam Winters, Austin	1997
* Mrs. Carolyn Josey Young, Houston	1997
Mr. Mario Yzaguirre, Brownsville	1995

Unfilled Terms - 4 (To be determined as filled)

School of Architecture Foundation Advisory Council.--
 Authorized Membership 39:

	<u>Term Expires</u>
* Mr. Lexa M. Acker, Austin	1995
Mr. Frank M. Aldridge III, Dallas	1995
** Mr. Richard M. Archer, San Antonio	1997
Mr. Marvin E. Beck, Austin	1995
** Mr. Robert Carrozza, Dallas	1997
Mr. Bob J. Crow, Fort Worth	1995
Mr. Gary Mark Cunningham, Dallas	1996
Mr. Jerry A. Davis, FAIA, New York, NY	1996
** Ms. Susan L. Dell, Austin	1997
Ms. Deborah K. Dietsch, Washington, DC	1996
Mr. Bobby D. Dillon, Temple	1995
Mr. Ted Flato, San Antonio	1995
** Mr. Thomas A. Forbes, Austin	1997
** Ms. Lisa Germany, Austin	1997
* Mr. Richard T. Gilbane, Providence, RI	1996
Mr. Stan Haas, Austin	1995
Mr. Ray Henry, Pasadena, CA	1995
* Mr. Wendell P. Holmes III, The Woodlands	1997
** Mr. Carlos Jimenez, Houston	1997
Ms. W. Elisabeth Juen, Austin	1996
Mrs. Alfred A. King, Austin	1995
** Mr. Ricardo Legorreta, Mexico City, Mexico	1997
Ms. Katheryn Lott, Austin	1995
** Mr. Graham B. Luhn, AIA, Houston	1997
Ms. Jane H. Macon, San Antonio	1995
Ms. Kimberly A. Marks, San Antonio	1996
** Mr. Richard Philip Martinez, Austin	1997
Mr. Peter Flagg Maxson, Austin	1996
Mr. Laurin McCracken, AIA, Baltimore, MD	1996
* Mr. Larry Peel, Austin	1996
Ms. Karin Richmond, Austin	1995
Ms. Deedie Rose, Dallas	1996
Ms. Nancy Wilson Scanlan, Austin	1996
Mr. Frank H. Sherwood, Fort Worth	1996
** Ms. Melissa Stenicka, San Antonio	1997
** Mrs. Stephen J. Summers, Dallas	1997
Ms. Helen L. Thompson, Austin	1996
** Mr. David H. Watkins, AIA, Bellaire	1997
Mr. Mehrdad Yazdani, Santa Monica, CA	1995

College of Business Administration Foundation
 Advisory Council.--Authorized Membership 46:

	<u>Term Expires</u>
Mr. John L. Adams, Dallas	1996
Mr. Travis W. Bain II, Plano	1996
Mr. Stephen P. Ballantyne, San Antonio	1995
Mr. John A. Bermingham, Parsippany, NJ	1996
Mr. Lewis E. Brazelton III, Houston	1996
Mr. Jon Brumley, Fort Worth	1996
* Mr. Shelby H. Carter, Jr., Austin	1995
Mr. Hubbard Scott Caven, Jr., Houston	1996
Mr. Eugenio Clariond, R.R., San Nicholas de los Garza, N.L., Mexico	1995
** Ms. Linnet F. Deily, Houston	1996
** Mr. Miguel Espinosa, Houston	1997

Mr. Donald L. Evans, Midland	1995
** Mr. John D. Furst, Dallas	1997
Mr. A. J. Gallerano, Houston	1996
* Joseph M. Grant, Ph.D., Dallas	1997
* Mr. Robert G. Greer, Houston	1995
Ms. Barbara Sublett Guthery, Austin	1996
* Frederick B. Hegi, Jr., Ph.D., Dallas	1995
** Mr. William C. Helms, Houston	1997
* Mr. Alfred Jackson, Houston	1995
* Mr. Kenneth M. Jastrow, Austin	1995
Mr. Larry G. Jones, Houston	1995
* Mr. Don D. Jordan, Houston	1995
* Mr. Gregory A. Kozmetsky, Austin	1995
Mr. Andrew K. Ludwick, Santa Clara, CA	1996
** Mr. Homer L. Luther, Jr., Houston	1997
* Mr. Frank W. Maresh, Houston	1995
Mr. W. Baker McAdams, London, England	1995
* Allen T. McInnes, Ph.D., Houston	1995
** Mr. Lawrence D. Milligan, Cincinnati, OH	1996
Mr. Preston Moore, Jr., Houston	1996
Mr. James J. Mulva, Bartlesville, OK	1996
Mr. Gerald Duane Pint, Austin	1996
Mr. Joe N. Prothro, Wichita Falls	1996
Mr. Benjamin Rodriguez, San Antonio	1995
** Mr. Damon P. Smith III, New York, NY	1997
** Mr. Ronald G. Steinhart, Dallas	1997
Mr. John T. Stuart III, Dallas	1996
Mr. Charles S. Teeple IV, Austin	1996
Mr. Ralph B. Thomas, Houston	1996
Mr. James G. Thompson, Skillman, NJ	1995
Mr. McHenry T. Tichenor, Jr., Dallas	1996
* Mr. Peter S. Wareing, Houston	1995
Mr. George S. Watson, Dallas	1996
* Christopher Wrather, Ph.D., Santa Monica, CA	1995

Unfilled Term - 1 (To be determined as filled)

College of Communication Foundation Advisory Council.--
 Authorized Membership 35:

	<u>Term Expires</u>
** Mr. Carlos Arce, Austin	1997
* Mr. Fred V. Barbee, El Campo	1997
* Mrs. Eddy Blanton, Houston	1997
Mr. Philip William Bode III, Dallas	1996
Mr. Alison M. Bond, Plano	1996
Ms. Martha Buchanan, Washington, DC	1996
** Mr. Norman W. Campbell, Dallas	1997
* Ms. Merry Maureen Clark, New York, NY	1997
Ms. Catherine Jean Crier, New York, NY	1995
* Lillian J. Davis, Ph.D., Austin	1997
** Mr. Leo DeLeon, Jr., Houston	1997
** Mr. Fernando Dovalina, Houston	1997
** Ms. Linda Ellerbee, New York, NY	1997
Ms. Mary Margaret Farabee, Austin	1996
Mr. Albert E. Fitzpatrick, Miami, FL	1995
Mr. Larry Franklin, San Antonio	1995
Mr. Terry Hemeyer, Spring	1996
Mrs. Karen Elliott House, New York, NY	1995
** Mr. Jeff R. Hunt, Miami, FL	1997
Mr. Joseph T. Jerkins, Austin	1996
** Ms. Barbara J. Johnson, Houston	1997
Mr. Ralph Langer, Dallas	1996
Mr. Robert H. Levi, Dunwoody, GA	1996
Mr. Julian R. Levine, Vienna, VA	1995
Mr. Dave R. Lopez, Austin	1995
Mr. Terry Patch, Dallas	1995

** Mr. W. Michael Ray, Dallas	1997
Mr. H. Ken Rigsbee, Austin	1995
Mrs. Josefina A. Salas-Porras, El Paso	1995
Mr. Neal Spelce, Austin	1995
Ms. Martha Russell Tiller, Dallas	1995
** Ms. Clarice Tinsley-Giles, Dallas	1997
** Mr. W. David Watkins, Washington, DC	1997
Elizabeth L. Young, Ph.D., Washington, DC	1995
Mr. Michael A. Zinberg, Beverly Hills, CA	1996

College of Education Foundation Advisory Council.--
Authorized Membership 65:

	<u>Term Expires</u>
Mrs. Ada C. Anderson, Austin	1995
Mr. David D. Anderson, Austin	1996
Mrs. Kathy Armstrong, Austin	1996
* Mrs. Dorothy C. Ashby, Houston	1997
Ms. K. Jane Cook Barnhill, Brenham	1996
* Mr. Daniel A. Bennett, San Antonio	1997
Mr. Joseph W. Berend, Austin	1996
* Mr. Frank L. Breedlove, Dallas	1997
Mr. W. Gray Bryant, Austin	1995
Mr. Jack Thomas Burnett, Austin	1996
Mr. Jerry M. Carlson, Austin	1996
Mrs. Hetty Jean Clement, Austin	1996
Mr. Hector De Leon, Austin	1995
Mr. Bob R. Dorsey, Austin	1995
Mr. Andrew C. Elliott, Jr., Austin	1995
* Mr. Richard F. Erdmann, Salt Lake City, UT	1997
Mrs. Dillon J. Ferguson, Houston	1996
** Mrs. Julius Glickman, Houston	1997
* Mr. Heriberto Guerra, Jr., San Antonio	1997
Donald D. Hammill, Ed.D., Austin	1996
** Carl E. Hansen, Ed.D, Austin	1997
** Mr. R. A. "Swede" Hanson, College Station	1997
Mr. David Hart, Austin	1996
Mr. Robert T. Hayes, Dallas	1996
Mr. Marvin D. Henderson, Jr., Round Rock	1995
Mrs. John L. Hill, Jr., Houston	1995
** Mrs. Debbie P. Hinch, Tulsa, OK	1997
Mrs. Patricia E. Bell Hunter, Austin	1995
Ms. Carol F. Ikard, El Paso	1996
* Claiborne Holt Johnson, Jr., Ph.D., Plano	1997
W. N. Kirby, Ph.D., Austin	1995
Mrs. Janey Lack, Victoria	1996
Mr. Jack De Vere Ladd, Midland	1995
Mrs. Franna White Litton, Houston	1995
* Mr. Tom Luce, Dallas	1997
Ms. Marynell Maloney, San Antonio	1996
* Mrs. Mollie B. Maresh, Austin	1997
Mrs. Anne Rogers Mauzy, Austin	1995
Mr. Roy Mayers, Austin	1996
Mrs. Jane Clements Monday, Huntsville	1996
Mrs. Kay Webb Nunnally, Houston	1995
Mrs. Melinda Perrin, Houston	1995
* Mr. Juan Portillo, Austin	1997
Winston C. Power, Jr., Ph.D., Silverthorne, CO	1995
Mrs. Gay K. Ratliff, Austin	1995
Mr. William J. Renfro, Austin	1995
* Mrs. Thomas Burton Rhodes, Jr., Dallas	1997
** Mr. Edward C. Small, Austin	1997
Mrs. C. Richard Stasney, Houston	1995
Mr. John T. Stuart III, Dallas	1996
* Gordon K. Teal, Ph.D., Dallas	1997
Mrs. Jo Alice Tomforde, Houston	1996
** Mr. F. Gary Valdez, Austin	1997

* Mr. Donald Van Stone, Austin	1997
Mrs. Stephanie Whitehurst, Austin	1995
Mrs. Robert Wilkes, Austin	1995
* Mr. Louis B. Williams, Jr., Austin	1997
* Mr. Linus D. Wright, Ph.D., Dallas	1997
Mrs. Carolyn Josey Young, Houston	1996
** Mrs. Jack C. Zarrow, Tulsa, OK	1997
** Mr. Manuel Zuniga, Del Valle	1997

Unfilled Terms - 4 (To be determined as filled)

College of Engineering Foundation Advisory Council.--
Authorized Membership 60:

	<u>Term Expires</u>
* Mr. Herbert K. Acord, Fairfax, VA	1997
** Mr. James R. Adams, San Antonio	1997
** Mr. Gary Ashcraft, Austin	1997
* Ms. Jasmine Azima, Austin	1997
Mr. James W. Bagley, Santa Clara, CA	1995
Mr. Mellon C. Baird, Jr., Austin	1995
** Mr. C. Robert Black, White Plains, NY	1997
David C. Bonner, Ph.D., Ashtabula, OH	1995
* Mr. William Meredith Boren, Houston	1997
Mr. John D. Burns, Houston	1996
** Donald M. Carlton, Ph.D., Austin	1997
Mr. W. E. Crain, San Francisco, CA	1995
** Mr. James D. Crownover, Dallas	1997
* Ralph S. Cunningham, Ph.D., Houston	1997
Mr. Keys A. Curry, Jr., Houston	1995
Mr. Kenneth R. Dickerson, Los Angeles, CA	1995
* Mr. D. Keith Dodson, Houston	1997
E. Linn Draper, Jr., Ph.D., Columbus, OH	1996
Michael P. Ekstrom, Ph.D., Houston	1995
** Larry E. Farmer, Ph.D., Esher, England	1997
* Craig Fields, Ph.D., Austin	1997
Mr. John A. Focht, Jr., Houston	1996
Mr. S. A. Garza, Austin	1995
Mr. Dale D. Gilliam, Houston	1995
Mr. M. E. "Gene" Gillis, Houston	1995
Murray Goldman, Ph.D., Phoenix, AZ	1996
Mr. Stephen Henry Grote, Houston	1995
Mr. Jeffrey M. Heller, Dallas	1996
Mr. Jack L. Howe, Jr., Bartlesville, OK	1996
** Mr. Robert M. Howe, Jr., Tulsa, OK	1997
Mr. Gary T. Hurford, Arlington	1996
* Mr. Milton B. Lee II, Austin	1997
Mr. Charles A. Machemehl, Jr., Birmingham, AL	1995
Mr. Robert C. Marini, Cambridge, MA	1995
** Mr. Harold L. McDonald, Jr., Sparta, NJ	1997
** Mr. E. F. McFarland, Houston	1997
Mr. Robert E. McKee III, Houston	1996
Mr. Russell J. McNaughton, Austin	1995
Mr. Edward J. Mooney, Naperville, IL	1995
Mr. Arnold Wray Oliver, Wichita Falls	1995
Mr. Ron Payne, Maynard, MA	1996
Mr. L. T. Pirkey, Austin	1996
Mr. David John Pritchard, Anchorage, AK	1996
Mr. Vin Prothro, Dallas	1995
Mr. Edwin L. Rainwater, Freeport	1996
** Mr. Charles M. Rampacek, Kingwood	1997
Mr. James E. Roberts, Dallas	1996
* Major General Hugh G. Robinson, Dallas	1997
Mr. Marvin Selig, Seguin	1995
** Mr. Yazan N. Sharif, Dallas	1997
Mr. Israel Sheinberg, Dallas	1995
* Mr. Arthur L. Smalley, Jr., Houston	1997

** Mr. Larry Smith, Houston	1997
* William J. Spencer, Ph.D., Austin	1997
Mr. Emil L. Tejml, Dallas	1996
Mr. Robert F. Thompson, Houston	1995
James J. Truchard, Ph.D., Austin	1996
Mr. Donald Charles Vaughn, Houston	1995
Mr. Jack Zarrow, Tulsa, OK	1995

Unfilled Term - 1 (To be determined as filled)

College of Fine Arts Foundation Advisory Council.--
 Authorized Membership 50:

	<u>Term Expires</u>
** Mr. James C. Armstrong, Austin	1997
Mrs. Susan Teeple Auler, Austin	1995
Mrs. Martha S. Avant, San Antonio	1996
Mrs. A. L. Ballard, Houston	1996
Mrs. Lawrence S. Barzune, Dallas	1996
Mr. W. Gray Bryant, Austin	1995
* Paul Burns, M.D., Austin	1997
* Mrs. Roy A. Butler, Austin	1997
** Mrs. Mary Zerbee Cartwright, Dinero	1997
Mrs. Charles M. Christensen, Austin	1996
** Mr. James Ray Cox, Midland	1997
* Mrs. Fredricka Crain, Houston	1997
Mrs. Jewel B. Crosswell, Houston	1996
Mr. Peter de Wetter, El Paso	1995
* Mr. Bob R. Dorsey, Austin	1997
Ms. Jeaneane B. Duncan, Houston	1996
Mrs. Katherine F. Ebert, Houston	1995
Mrs. Jeannette Smith Eppler, Dallas	1995
** Mr. Benjamin J. Fortson, Fort Worth	1997
Mrs. James B. Francis, Dallas	1995
* Mr. Lester E. Giese, Nursery	1997
** Ms. Sharon D. Gill, San Antonio	1997
** Mr. Theodore P. Gorski, Jr., Fort Worth	1997
** Mrs. Marie Halff, San Antonio	1997
* Mrs. Marie B. Hanna-Liling, Austin	1997
Mrs. Adele Perry Hart, Fort Worth	1996
* H. Bryce Jordan, Ph.D., Austin	1997
Mrs. Kathryn Lloyd Ketelsen, Houston	1995
* Ms. Susan Garwood Knapp, Houston	1997
Mrs. Edythe Kruger, Austin	1996
Amy Freeman Lee, Ph.D., San Antonio	1996
Mr. John Robert Lively, Midland	1996
Mrs. Robert Livingston, Victoria	1996
Mrs. Mari Schuchart Marchbanks, Austin	1995
** Ms. Suzanne C. Martin, Midland	1997
** Mr. Charles T. May, Jr., Dallas	1997
Ms. Ann Maddox Moore, McAllen	1995
Mr. William B. Moser, Jr., Beeville	1995
Mrs. Edith O'Donnell, Dallas	1996
Ms. Kristin Anne Ozmun, Austin	1995
Mrs. Jane S. Parker, Austin	1995
* Mrs. D. J. Sibley, Jr., Austin	1997
** Mrs. Sylvia Spertus, Austin	1997
Mrs. Adair Ramsey Sutherland, San Antonio	1996
Mr. Lewis T. Tarver, Jr., San Antonio	1995
Mrs. Jere W. Thompson, Dallas	1996
Mrs. Sue Trammell Whitfield, Houston	1996
Ms. Marilyn E. Wilhelm, Houston	1995
Ms. Julia M. Wilkinson, Austin	1995

Unfilled Term - 1 (To be determined as filled)

Geology Foundation Advisory Council.--
 Authorized Membership 39:

	<u>Term Expires</u>
* Mr. Charles W. Alcorn, Jr., Victoria	1997
Mr. Eugene L. Ames, Jr., San Antonio	1995
* Richard R. Bloomer, Ph.D., Leander	1997
** Mr. Keith R. Brownlee, Plano	1997
Mr. Thomas M. Burke, Houston	1996
Mr. Richard M. Coffelt, Houston	1996
* Mr. Weyman W. Crawford, Houston	1997
Mr. L. Decker Dawson, Midland	1995
* Rodger E. Denison, Ph.D., Dallas	1997
* Mr. George A. Donnelly, Jr., Midland	1997
* Mr. Thomas E. Fanning, Houston	1997
Mr. James H. Frasher, Houston	1996
Joseph N. Gittelman, Ph.D., Houston	1996
** Thomas W. Grimshaw, Ph.D., Austin	1997
Mr. W. Douglas Hall, Austin	1995
* Mr. George M. Harwell, Jr., Houston	1997
Mr. Larry R. Hensarling, Lafayette, LA	1996
Mr. David S. Holland, Sr., Houston	1995
Mr. Charles J. Hooper, Houston	1995
Mr. John A. Jackson, Dallas	1995
* Mr. J. Donald Langston, Kailua Kona, HI	1997
Susan A. Longacre, Ph.D., Houston	1995
** Ms. Pamela E. Luttrell, Celle, Germany	1997
* Mr. Vance M. Lynch, Austin	1997
Mr. David F. Martineau, Dallas	1995
* Mr. Harry A. Miller, Jr., Midland	1997
Mr. Michael B. Morris, Houston	1996
Mr. James C. Patterson, Houston	1996
* Mr. William F. Reynolds, Wichita Falls	1997
* Mr. George W. Schneider, Jr., Metairie, LA	1997
Mr. Don B. Sheffield, Houston	1995
** Mr. Russell G. Slayback, Wilton, CT	1997
** Mr. Richard R. Standaert, Dallas	1997
Mr. William T. Stokes, Jr., Dallas	1996
Mr. David Bruce Story, Houston	1995
Mr. Eddie A. Williamson, Calgary, Canada	1996
* Mr. Phillip E. Wyche, Austin	1997

Unfilled Terms - 2 (To be determined as filled)

Graduate School Foundation Advisory Council.--

This advisory council was approved by the Board of Regents on March 26, 1976, and nominees to membership have not yet been submitted for Regental approval.

Graduate School of Library and Information Science
Foundation Advisory Council.--Authorized Membership 12:

	<u>Term Expires</u>
Mary R. Boyvey, Ph.D., Austin	1995
* Governor Bill Daniel, Liberty	1997
Ms. Margie Grossenbacher, Waco	1996
Ms. Linda K. Hankinson, Dallas	1995
Ms. Carolyn A. Lewis, Austin	1996
Mrs. Rita Roberdeau Palm, Fort Worth	1995
** Ms. Mary J. Parrish, San Francisco, CA	1997
John P. Schneider, M.D., Austin	1996
* Mr. Robert Alan Walton, Berkeley, CA	1997
Mr. J. Phelps White, Roswell, NM	1995

Unfilled Terms - 2 (To be determined as filled)

Harry Ransom Humanities Research Center Advisory Council.--
Authorized Membership 25:

	<u>Term Expires</u>
Thomas Bourne, M.D., Houston	1995
* Mrs. John S. Cargile, San Angelo	1997
Ms. Kay Cattarulla, Dallas	1995
* Mrs. Jo Anne Christian, Austin	1996
Fleur Cowles, London, England	1995
* Mrs. Ramona Davis, Houston	1997
Mrs. Valerie S. Dunnam, Austin	1995
* Mr. Leonard J. Eaton, Jr., Tulsa, OK	1996
Ms. Cynthia Weber Farah, El Paso	1996
** Mr. Norman Fischer, Austin	1997
Mrs. Priscilla Pond Flawn, Austin	1995
* Diana Hobby, Ph.D., Houston	1997
Mrs. Henrietta Jacobsen, West Lake Hills	1996
Mr. Bernard L. Lifshutz, San Antonio	1996
** Mrs. Marlene Nathan Meyerson, Dallas	1997
** Mr. Morton H. Meyerson, Dallas	1997
** Mr. J. Sam Moore, Jr., El Paso	1997
* Mrs. Nancy Perot Mulford, Dallas	1997
Clare Perkins Ratliff, Ph.D., Austin	1995
* Charlotte W. Rhodes, Ph.D., Dripping Springs	1997
Mr. L. Jeffrey Selznick, Coconut Grove, FL	1995
* Mr. John T. Whatley, Austin	1996
Mr. Stephen White, Los Angeles, CA	1996
Mr. William P. Wright, Jr., Abilene	1996
Mrs. Leila Clark Wynn, Greenville, MS	1996

College of Liberal Arts Foundation Advisory Council.--
Authorized Membership 45:

	<u>Term Expires</u>
Mr. John A. Adkins, Houston	1995
Mr. Gordon Appleman, Fort Worth	1995
Mrs. Mary M. Miller Arnold, Austin	1996
* Mr. Rex G. Baker III, Dripping Springs	1997
Mrs. Carolyn Grisham Barber, Abilene	1996
Mrs. Peggy Pattillo Beckham, Abilene	1995
** Mr. John B. Beckworth, Houston	1997
Mrs. Jack S. Blanton, Jr., Houston	1996
Ms. Michelle K. Brock, Midland	1995
Mrs. Mary Stewart Brumley, Fort Worth	1996
* Mr. T. Drew Cauthorn, San Antonio	1997
Mr. Coby Chase, Dallas	1996
* Mr. John B. Connally III, Houston	1997
Mr. William C. Davidson, Jr., Austin	1995
* Daniel G. Duke, M.D., San Antonio	1997
Mr. Creekmore Fath, Austin	1995
** Mr. Howard Pressley Hallam, Dallas	1997
Mrs. Patricia W. Hammond, San Antonio	1995
** Mr. Thomas O. Harbison, Dallas	1996
Mr. R. Brian Haymon, Baton Rouge, LA	1995
Mr. Morton L. Herman, Fort Worth	1995
Mr. Dwight E. Jefferson, Houston	1996
* Mr. Lenoir Moody Josey II, Houston	1997
* Mrs. Shirley Fisher Kline, San Antonio	1997
Mrs. Prudence M. Mackintosh, Dallas	1996
* Mr. William E. Matthews, Houston	1997
* Michael S. McArthur, M.D., Tyler	1997
Mr. Brian Thomas McLaughlin, Midland	1996
** Mrs. Barbara Snyder Nelson, Houston	1996
** Mrs. Carol Nicklaus, Amarillo	1997
Ms. Martha B. Northington, Houston	1995
Mr. D. Dudley Oldham, Houston	1996

Mrs. William N. Patman, Austin	1996
Ms. Nancy Hunt Powell, Fort McKavett	1996
Mr. L. Daniel Prescott, Jr., Fort Worth	1995
Mr. Paul R. Ray, Jr., Fort Worth	1995
Mr. David Patterson Smith, Dallas	1996
** Mr. Frank F. Smith, Jr., Houston	1996
* Mrs. Sandra Esquivel Snyder, Dallas	1997
Mrs. Carolyn W. Stone, Dallas	1995
** Mrs. Nenetta C. Tatum, Fort Worth	1997
* Mr. Tom Ward, Washington, DC	1997
* W. Darrell Willerson, Jr., M.D., San Antonio	1997
Mr. James Milton Wilson, Jr., Houston	1995

Unfilled Term - 1 (To be determined as filled)

Longhorn Associates for Excellence in Women's Athletics
Advisory Council.--Authorized Membership 40:

	<u>Term Expires</u>
Mr. Charles Akins, Austin	1995
Mrs. Nelwyn S. Belt, San Antonio	1996
Mrs. Winston L. Cave, Austin	1996
* JoAnn M. Cornet, M.D., Austin	1997
** Ms. Alice Cranz, Fort Worth	1997
Mrs. Betty Sanford Crawford, Dallas	1995
Mr. Bryan P. Dixon, Dallas	1996
** Ms. Melody Kelly Douglas, Cypress	1997
Mr. Walter W. Durham, Dallas	1996
** Alma L. Garza, D.D.S., Dallas	1997
Ms. Cynthia A. Gonzalez, Garland	1996
Mr. Arthur F. Graf III, San Antonio	1996
Mrs. W. Carter Grinstead, Jr., Houston	1995
Mrs. Brandi M. Hagli, Lubbock	1995
Ms. Judy Haralson, Austin	1995
** Lester Harrell, Jr., Ph.D., Austin	1997
Ms. Fran Harris, Austin	1995
** Mrs. Lou Harris, San Antonio	1997
Mr. Gilbert A. Herrera, Houston	1995
Mrs. Betty Himmelblau, Austin	1995
Mrs. Judy Island, Waco	1995
Ms. Carolyn Frost Keenan, Houston	1995
** Mr. J. R. Lawley, Houston	1997
** Mrs. Rebecca R. Lee, Dallas	1997
* Mrs. Martha S. Mangum, San Antonio	1997
Ms. Debra J. Mann, Dallas	1996
Mrs. Dian Moore, Dallas	1996
Mr. George O. Nokes, Jr., Austin	1995
Ms. Linda S. Nowlin, Spring	1996
** Mr. Charlie F. Pardonner, Austin	1997
Miss Ruth Rendon, Seabrook	1995
** Julie Sandstad, M.D., Dallas	1997
Mrs. Lynda L. Shropshire, Fort Worth	1996
Mr. Albert A. Taub, Arlington	1995
* Mrs. Carolyn B. Townsend, Dallas	1997
Mrs. Joan H. Whitworth, Austin	1995
Mrs. Pamela P. Willeford, Austin	1996
Mrs. Bonnie H. Wilson, Dallas	1995
** Ms. Mary C. Wysong, Fort Worth	1997

Unfilled Term - 1 (To be determined as filled)

Longhorn Foundation Advisory Council.--
Authorized Membership 70:

	<u>Term Expires</u>
* Mr. Rooster Andrews, Austin	1997
Mr. Stephen P. Ballantyne, San Antonio	1996
Mr. John W. Barnhill, Jr., Brenham	1995
Mr. H. L. Brown, Jr., Midland	1995
* Mr. Harold D. Carter, Dallas	1997
** Mr. John B. Connally III, Houston	1997
Mr. Robert S. Craig, Missouri City	1996
** Mrs. Jerry Crawford, Dallas	1997
* Mr. Solomon D. David, Jr., New Braunfels	1995
Mr. Franklin W. Denius, Austin	1996
Mr. Bryan P. Dixon, Dallas	1995
** Mrs. Ann C. Edens, Austin	1997
** Mr. S. Finley Ewing, Jr., Dallas	1996
Mrs. Nancy Warren Frasher, Austin	1995
Mr. E. P. Gemmer, Jr., Houston	1995
* Mr. Robert G. Greer, Houston	1995
* Ms. Barbara Sublett Guthery, Austin	1996
Mr. Jeffrey M. Heller, Dallas	1996
* Mrs. Eleanor M. Hill, Houston	1997
Mr. Michael H. Hillman, Houston	1995
Mr. Dwight E. Jefferson, Houston	1996
Mr. Roosevelt Leaks, Austin	1996
Mr. Stewart Lee, Dallas	1996
Mr. Joel M. Levy, Houston	1995
** Norman Lewis Mason, D.D.S., Austin	1997
* Mr. W. Wayne McDonald, Austin	1997
Mr. Pat McMahan, San Antonio	1995
Mr. Paul D. Meek, Dallas	1995
Mr. Baker Montgomery, Dallas	1996
** Mr. Preston Moore, Jr., Houston	1997
Mr. Robert K. Moses, Jr., Houston	1995
* Mr. Mike A. Myers, Dallas	1997
Mr. Walter L. New, Jr., Austin	1995
Mr. Robert L. Parker, Sr., Tulsa, OK	1995
** Mr. William B. Pyle, Houston	1997
* Mr. B. M. Rankin, Jr., Dallas	1997
Mr. Donald J. Reese, Austin	1996
** Mr. Robert L. Riviere, Austin	1997
Mr. Corbin J. Robertson, Jr., Houston	1995
** Mr. Lawrence Mack Sampleton, Jr., Austin	1997
Mr. Wallace H. Scott, Jr., Austin	1995
Mr. Weldon H. Smith, Houston	1996
* Mr. Charles L. Sowell, Houston	1997
* Mr. Robert L. Stillwell, Houston	1997
Mr. William T. Stokes, Jr., Dallas	1996
** Al Thaggard III, M.D., San Antonio	1997
Mr. Jere W. Thompson, Dallas	1995
Mr. John P. Thompson, Dallas	1995
* Mr. Peyton L. Townsend, Jr., Dallas	1997
Mr. Robert K. Utley III, Dallas	1996
** Mr. Duer Wagner, Jr., Fort Worth	1996
Mr. Charles M. Wender, San Antonio	1996
Mr. Julius E. Whittier, Dallas	1995
Mr. Darrell R. Windham, El Paso	1996
Mr. Earl L. Yeakel III, Austin	1996

Unfilled Terms - 15

(To be determined as filled)

Marine Science Advisory Council.--
Authorized Membership 45:

	<u>Term Expires</u>
* Mrs. Joseph M. Abell, Jr., Austin	1997
Charles W. Bailey, Jr., M.D., Houston	1996
Mr. Perry R. Bass, Fort Worth	1995
Alan C. Baum, M.D., Houston	1996
Mr. G. Michael Boswell, Dallas	1996
* Mr. Frank B. Burney, San Antonio	1997
Mr. Charles C. Butt, San Antonio	1996
** Mr. Ken Callaway, Rockport	1997
** Mrs. Mary Campbell, Corpus Christi	1997
** Mr. Michael L. Cook, Austin	1997
** Jonathan F. Decherd, M.D., Austin	1997
** Mrs. Ben A. Donnell, Corpus Christi	1997
Mr. Laurens B. Fish, Jr., Austin	1996
* Peter T. Flawn, Ph.D., Austin	1997
** Thomas P. Francis, D.D.S., Austin	1997
** Mrs. Barbara Gentry, San Antonio	1997
* Mr. Christopher Gill, San Antonio	1995
Mr. James W. Gorman, Jr., San Antonio	1996
Mrs. Claire S. Grasedonio, Corpus Christi	1995
* Mr. Hugh Half, Jr., San Antonio	1997
* Mr. John C. Holmgreen, Jr., Corpus Christi	1997
** Mr. Clayton J. Hoover, Corpus Christi	1997
Clark Hubbs, Ph.D., Austin	1995
Mr. Robert M. Kendrick, Corpus Christi	1995
* Mr. Clark R. Mandigo, San Antonio	1997
Mrs. Edith McAllister, San Antonio	1995
** David L. McCarron, M.D., Austin	1997
* Mr. Kilburn G. Moore, San Antonio	1995
* Mr. George P. Morrill II, Beeville	1997
Mark A. Northam, Ph.D., Stavanger, Norway	1995
** Theo S. Painter, Jr., M.D., Austin	1997
Mrs. Helen Brooks Pina, Port Aransas	1996
Mrs. B. Coleman Renick, Jr., San Antonio	1995
** Lewis F. Russell, Jr., M.D., San Antonio	1997
H. Irving Schweppe, Jr., M.D., Houston	1995
Mr. Arthur A. Seeligson, Jr., San Antonio	1995
* Mr. Frederick M. Smith, Dallas	1997
Mr. Ben F. Vaughan III, Austin	1996
Mrs. Patricia Hawn Wallace, Corpus Christi	1996
Mr. H. C. Weil, Corpus Christi	1995
Mr. Thomas Whelan III, Houston	1996

Unfilled Terms - 4 (To be determined as filled)

McDonald Observatory and Department of Astronomy
Board of Visitors.--Authorized Membership 35:

	<u>Term Expires</u>
Ms. Lucy M. Alexander, Austin	1996
Mr. Mark E. Bivins, Amarillo	1996
* Mr. William C. Block, Bergheim	1997
Malcolm K. Brachman, Ph.D., Dallas	1996
Mr. William Terry Bray, Austin	1996
** Mr. J. P. Bryan III, Houston	1997
Mr. Clifton Caldwell, Albany	1995
Mr. George Christian, Austin	1995
* Mr. Joseph A. Cialone II, Houston	1997
Ms. Anne P. Dickson, Dallas	1996
Mr. Marshall Doke, Jr., Dallas	1995
Mr. George A. Finley III, Corpus Christi	1995
Mr. David Graeber, AIA, Austin	1996
Mr. William F. Guest, Houston	1995

** Mr. Paul Hobby, Houston	1997
Ms. Elizabeth S. Hutchinson, Bethesda, MD	1995
* Mrs. Katherine Miller Johnson, Austin	1997
Mr. Herbert D. Kelleher, Dallas	1996
** Mrs. Garland M. Lasater, Jr., Fort Worth	1997
Mr. Tom E. Link, Austin	1995
Mr. Paul D. Meek, Dallas	1995
* Mr. J. Arthur Miller, Dallas	1997
** Mr. Michael Bradford Moody, Jr., Houston	1997
Ms. Lillian A. Murray, Corpus Christi	1995
* Judy Newton, Ph.D., San Antonio	1997
Mr. Pike Powers, Jr., Austin	1996
* Mr. William H. Ratz, Houston	1997
** Mr. Carl E. Ryan, El Paso	1996
Mr. Marshall T. Steves, Jr., San Antonio	1996
Mr. Robert W. Strauser, Austin	1996
* Mr. Curtis T. Vaughan, Jr., San Antonio	1997
Mr. David M. Weeks, Austin	1995
* Mr. Gene Wiggins, Arlington	1997
Francis Hamilton Wright, Jr., M.D., Nashville, TN	1995
Mr. Samuel T. Yanagisawa, Dallas	1996

College of Natural Sciences Foundation Advisory Council.--
Authorized Membership 55:

	<u>Term Expires</u>
* Jean Andrews, Ph.D., Austin	1997
* Jasper H. Arnold III, D.B.A., Houston	1997
Mr. Malcolm D. Bailey, Houston	1996
Mr. Mellon C. Baird, Jr., Austin	1995
Mr. Thomas Lyle Baker, Dallas	1996
Robert A. Bell, Ph.D., New York, NY	1996
C. Eugene Carlton, Jr., M.D., Houston	1995
Donald M. Carlton, Ph.D., Austin	1996
Howard Crockett, M.D., Conroe	1995
Mr. Richard B. Curtin, San Antonio	1995
* Mr. E. Ted Davis, Houston	1997
* Mr. Norbert D. Dittrich, Houston	1997
Mrs. Jean K. Durkee, Austin	1996
Peter T. Flawn, Ph.D., Austin	1996
** Mr. Bruce Galt, Richardson	1996
Mr. James R. Gattis, Houston	1995
* F. Parker Gregg, M.D., Houston	1997
Mr. Ralph T. Hull, Houston	1996
Neil Iscoe, Ph.D., Austin	1996
Mr. Chester Jones, Houston	1995
Mrs. Sidney Jones, Austin	1995
** Fritz Kalhammer, Ph.D., Palo Alto, CA	1996
* Mrs. Jean W. Kaspar, Shiner	1997
* James E. Kmiecik, Ph.D., Houston	1997
* Rear Admiral John W. Koenig, Austin	1997
** Mr. Charles Luellen, Austin	1997
* Mr. Paul D. Meek, Dallas	1997
Charles W. Monday, Jr., M.D., Huntsville	1995
Mrs. Judith D. Moyers, New York, NY	1995
** Mr. Edward Munoz, Chatham, NJ	1997
** Ms. Lillian A. Murray, Corpus Christi	1997
Mr. William F. O'Keefe, McLean, VA	1995
** Mr. Robert O'Rear, Bellevue, WA	1996
Warren D. Parker, M.D., Houston	1996
* Mr. A. Lee Pfluger, San Angelo	1996
* James A. Prentice, M.D., Austin	1997
Mr. Rom Rhome, Houston	1995
James A. Rickard, Ph.D., Houston	1995
Glenn A. Rogers, D.D.S., Midland	1996
Robert B. Rosenberg, Ph.D., Chicago, IL	1996

Mr. John N. Scott, Austin	1995
* Mr. Israel Sheinberg, Dallas	1997
* Mrs. Karen Larson Shewbart, Freeport	1997
* Mr. Thomas V. Shockley III, Dallas	1997
* Edward J. Skiko, Ph.D., Fairfield, CT	1997
Mr. William T. Stokes, Jr., Dallas	1996
** Ms. Sara Martinez Tucker, Santa Clara, CA	1997
Mr. Larry C. Wadle, Houston	1996
Mr. J. Virgil Waggoner, Houston	1996
Mrs. Sam A. Wilson, Austin	1995
Mr. Anton H. Witte, Jr., Charlotte, NC	1996

Unfilled Terms - 4 (To be determined as filled)

School of Nursing Foundation Advisory Council.--
Authorized Membership 28:

	<u>Term Expires</u>
Mr. Jack L. Campbell, Austin	1995
Lois Elizabeth DeBakey, Ph.D., Houston	1996
Richard A. DeVaul, M.D., College Station	1996
Donald J. Gessler, M.D., Austin	1996
Mr. M. K. Hage, Jr., Austin	1996
Mrs. Elizabeth A. Hart, Dallas	1996
Ms. Marsha Z. Kruger, Austin	1995
Mr. Duncan Manning, Dallas	1995
Mrs. Arthuree L. Quander, Austin	1995
Mrs. Sandra Harris Rotman, Austin	1995
Mr. Dell M. Sheftall, Jr., Austin	1995
Ms. Sally T. Sullivan, Austin	1996
Gayle P. Varnell, Ph.D., Plano	1996

Unfilled Terms - 15 (To be determined as filled)

Pharmaceutical Foundation Advisory Council.--
Authorized Membership 35:

	<u>Term Expires</u>
Ron J. Anderson, M.D., Dallas	1996
** Mr. Thomas L. Anderson, Carrollton	1995
Mr. V. N. Anderson, Chicago, IL	1996
* Romeo T. Bachand, Jr., M.D., Abbott Park, IL	1997
** Ms. V. Anne Ballard, Elgin	1995
* Mrs. B. A. Caffey, Arlington	1997
* Mr. John R. Carson, San Antonio	1997
Mr. William L. Clifton, Jr., Waco	1995
Mr. Robert Coopman, San Antonio	1995
William I. Dismukes, R.Ph., F.A.C.A., Austin	1996
* Mr. Donald K. Fletcher, Philadelphia, PA	1997
Mr. Robert A. Gude, Fort Worth	1995
Mr. Harold E. Habeger, Amarillo	1996
* Mr. Alan W. Hamm, Fort Worth	1997
Mr. Edward Louis Hiller, Baton Rouge, LA	1995
Mr. Lonnie F. Hollingsworth, Lubbock	1995
** Mr. Robert A. Ingram, Research Triangle Park, NC	1997
Robert C. Johnson, D.P.S., Scottsdale, AZ	1996
Mr. Vaughn M. Kailian, South San Francisco, CA	1995
Mr. Jan M. Klinck, McAllen	1996
* Mr. Lewis L. Liggett II, Indianapolis, IN	1997
Mr. Gerald J. Mossinghoff, J.D., Washington, DC	1996
* Mr. Robert L. Myers, Clearwater, FL	1997
Mr. Joseph A. Oddis, Bethesda, MD	1995
** Mr. John E. Ogden, Washington, DC	1997
Ms. Dian Graves Owen, Abilene	1995
* Mr. Lance Piccolo, Northbrook, IL	1997

* Joseph V. Roney, R.Ph., Somerville, NJ	1997
* Ms. Marina P. Sifuentes, Austin	1997
Mrs. Cynthia Edwards Standerfer, Azle	1995
* Patricia E. Stewart, M.D., Fort Washington, PA	1997
Mr. William G. Thien, Deerfield, IL	1996
Mr. Daniel D. Vela, McAllen	1996
Mr. Charles M. West, Fairfax Station, VA	1996
Mr. Ronald L. Ziegler, Alexandria, VA	1995

School of Social Work Foundation Advisory Council.--
Authorized Membership 30:

	<u>Term Expires</u>
Mrs. Patricia S. Ayres, Austin	1995
Mr. Tom Backus, Austin	1995
Ms. Patricia G. Bailey, Austin	1995
Mrs. Sonja R. Berry, Austin	1995
* James L. Boynton, M.D., Nacogdoches	1997
Julian Cano, Jr., Ed.D., San Antonio	1995
Mrs. Eleanor Cochran, Austin	1995
** Michael R. Daley, Ph.D., Nacogdoches	1997
** Mr. Louis E. DeMoll, Jr., Austin	1997
Mr. Bruce H. Esterline, Dallas	1996
** Mrs. Ann S. Goodman, El Paso	1997
Mrs. Beverly Griffith, Austin	1996
* Mrs. Genevieve Tarlton Hearon, Austin	1997
Mr. Dennis R. Jones, Austin	1995
Ms. Margery Engel Loeb, Victoria	1996
Brenda Wilkins Lyles, Ph.D., Houston	1995
Dan McLendon, Ph.D., Round Rock	1995
Mr. Michael L. Meadows, Richardson	1996
Mr. Joe W. Milkes, Dallas	1996
Ms. Camille D. Miller, Austin	1996
Mr. Victor W. Ravel, Austin	1995
Ms. Judy Rosenblum, Fort Worth	1995
* Mrs. Barbara H. Staley, Houston	1997
Ms. Diane Stewart, Austin	1996
Mr. Robert P. Stewart, Dallas	1996
** Mr. August N. Swain, Austin	1997
* Mrs. Bettie Anderson Wilson, Port Lavaca	1995
Mr. Charles I. Wright, Round Rock	1996

Unfilled Terms - 2 (To be determined as filled)

Texas Union Advisory Council.--Authorized Membership 21:

	<u>Term Expires</u>
Ms. Janet Bauerle Anderson, San Antonio	1995
* Mr. John W. Anderson, Houston	1997
The Honorable Harley R. Clark, Jr., Austin	1996
Mr. James V. Derrick, Jr., Houston	1996
Mrs. Laurens B. Fish, Jr., Austin	1995
Mr. Thomas J. Forestier, The Woodlands	1996
** Mr. David R. Lambert, Dallas	1997
Ms. Sherrita Doris Lee, Houston	1996
Mrs. Maline Gilbert McCalla, Austin	1996
** Ms. Mary McDonald, New York, NY	1997
Mrs. Cappy R. McGarr, Dallas	1996
* Mr. Stan McLelland, San Antonio	1997
Mr. C. C. Nolen, Oklahoma City, OK	1995
Mr. John W. Pieper, Dallas	1996
** Mrs. Jane R. Rhodes, Baytown	1997
** Mr. Peter C. Selig, San Antonio	1997
* Michael Shawn Smith, M.D., Oklahoma City, OK	1997

Unfilled Terms - 4 (To be determined as filled)

Winedale Historical Center Advisory Council.--
Authorized Membership 34:

	<u>Term Expires</u>
Mr. Paul S. Ache, Jr., Houston	1996
Mrs. Paul S. Ache, Jr., Houston	1996
Mrs. Helen Anderson, Houston	1996
Mr. Thomas D. Anderson, Houston	1996
Mr. Thomas E. Berry, Houston	1996
Mrs. Thomas E. Berry, Houston	1996
Ms. Julia E. Bishop, Round Top	1996
Mr. William F. Bishop, Round Top	1996
Ms. Flo Crady, Houston	1996
** Mrs. Dorothy S. Giese, La Grange	1997
** Mr. Leerie R. Giese, La Grange	1997
** Mr. Charles L. Howes, Round Top	1997
** Mrs. Ida Bess Howes, Round Top	1997
* Mr. Earl Littman, Houston	1997
* Mrs. Natalie Littman, Houston	1997
Mr. Jerry W. McNeely, Houston	1996
Mrs. Virginia L. McNeely, Houston	1996
Mr. Charles T. Newton, Jr., Houston	1996
* Mrs. Robert L. Norton, Jr., Austin	1997
Mrs. Carolyn Monroe Peck, Round Top	1996
Mr. Charles Northrop Peck III, Round Top	1996
Ms. Sandy Reed, Round Top	1996
Mr. Alfred Wagner, Jr., Houston	1996
Mr. David B. Wagner, College Station	1996
Mrs. Laura M. Wagner, College Station	1996
** Mr. Oliver Wagner, Brenham	1997
Mrs. Ruby D. Wagner, Houston	1996
** Mrs. Virginia Rose K. Wagner, Brenham	1997
Mrs. Diane T. Welch, College Station	1995
William C. Welch, Ed.D., College Station	1995
** Mrs. Betty Brown Williams, Houston	1997
** Mr. Walter L. Williams, Houston	1997

Unfilled Terms - 2 (To be determined as filled)

3. The University of Texas at Brownsville

Development Board.--Authorized Membership 35:

	<u>Term Expires</u>
** Mr. Frank Boggus, Harlingen	1995
** Mrs. Rosemary Breedlove, Los Fresnos	1995
** Mr. Danny Butler, Raymondville	1995
** Mr. Carlos Cantu, Downer Grove, IL	1997
** The Honorable Norma Cantu, Washington, DC	1995
** Mrs. Mary Rose Cardenas, Brownsville	1995
** Mr. Augustine Celaya, Brownsville	1997
* Mrs. Mellena Conner, Brownsville	1997
** Mr. Robert M. Duffey, Jr., Rancho Viejo	1996
* Mr. Robert B. Dunkin, San Benito	1996
** Mr. Ruben Edelstein, Brownsville	1996
** Mr. Dennis Franke, South Padre Island	1997
** The Honorable Antonio O. Garza, Jr., Brownsville	1995
** David Garza, J.D., Brownsville	1996
** Ygnacio Garza, C.P.A., Brownsville	1997
** Mrs. Patty Gorges, Harlingen	1997
** Mr. Harry Holzman, Brownsville	1995
** Mrs. Chandler Lindsley, Dallas	1996
** Mr. David Merrill, Brownsville	1996
** Mrs. Vicky Moore, South Padre Island	1997

** Ms. Carolyn Ostos, Brownsville	1995
** Mr. Al Padilla, Harlingen	1995
** Mr. Jaime Parra, Sr., Brownsville	1997
** The Honorable Federico Peña, Washington, DC	1995
** Eduardo R. Rodriguez, J.D., Brownsville	1996
** Mr. Fred Rusteberg, Brownsville	1997
** Mr. Bob Shepard, Harlingen	1996
** Ciro Sumaya, M.D., Rockville, MD	1995
** Mr. Raul Tijerina, Jr., Brownsville	1995
** Mr. Tudor Ulhorn, Harlingen	1997
** Mrs. Blanca Vela, Brownsville	1996
** Mr. Nathan Winters, San Benito	1996

Unfilled Terms - 3 (To be determined as filled)

4. The University of Texas at Dallas

Development Board.--Authorized Membership 50:

	<u>Term Expires</u>
Mr. John L. Adams, Dallas	1995
* Mr. Kent M. Black, Dallas	1997
Mr. George W. Bramblett, Jr., Dallas	1996
** Mr. David Brandenburg, Dallas	1996
Mr. Hollis Brashear, Dallas	1996
Mr. Bruce Calder, Dallas	1995
** Mr. Gerald Carlton, Plano	1997
Mr. J. Jan Collmer, Dallas	1995
* Mr. Trammell S. Crow, Dallas	1997
Mr. Dick Dulaney, Richardson	1997
* Mr. Thomas M. Dunning, Dallas	1997
Mrs. Caroline Edens, Dallas	1995
Mr. Ruben E. Esquivel, Dallas	1996
* Mr. Hill Feinberg, Dallas	1997
* Mr. James L. Fischer, Dallas	1997
Mrs. Carolyn Foxworth, Dallas	1995
* Mr. J. Guadalupe V. Garcia, Dallas	1997
* Ms. Kathryn Hall, Dallas	1997
Ms. Linda Wertheimer Hart, Dallas	1995
Mrs. J. E. Henry, Richardson	1995
Sydney Smith Hicks, Ph.D., Dallas	1995
Mr. Jerry Hogan, Dallas	1995
* Mr. Gifford K. Johnson, Dallas	1997
Mr. Philip R. Jonsson, Dallas	1995
Mr. Robert L. Keiser, Dallas	1995
Mr. Dale V. Kesler, Dallas	1995
Mr. Tom Lazo, Dallas	1995
* Mr. James R. Lightner, Dallas	1997
Mr. Charles R. Lotter, Dallas	1995
Mr. Tyree Miller, Dallas	1995
James E. Mitchell, Ph.D., Plano	1995
Mr. H. Ronald Nash, Irving	1996
Mr. Erle Nye, Dallas	1996
Mr. James P. Sheehan, Dallas	1995
Mr. Andrew M. Stern, Dallas	1995
Mr. David Tacke, Dallas	1995
Mrs. Ann Utley, Dallas	1995
Mr. James R. Voisinet, Dallas	1995
Mr. C. Lee Walton, Jr., Dallas	1995
Mr. William P. Weber, Dallas	1995
Mr. Linus Wright, Dallas	1995
Kneeland Youngblood, M.D., Plano	1995

Unfilled Terms - 8 (To be determined as filled)

Advisory Council for the School of Arts and Humanities.--
Authorized Membership 25:

	<u>Term Expires</u>
Mr. David Caldwell, Dallas	1995
Mrs. Gayle C. Davitt, Richardson	1995
Mr. Robert Mader, Richardson	1995
* Mr. S. P. "Bud" Mandell, Dallas	1996
* Ms. Margaret Morrice, Richardson	1996
Ms. Pat Porter, Dallas	1995
Ms. Synthia Rogers, Dallas	1995
* Mrs. Elizabeth Semrad, Richardson	1996
Mr. John C. Tatum, Jr., Dallas	1995
Mrs. Gail Thomas, Dallas	1995

Unfilled Terms - 15 (To be determined as filled)

Advisory Council for the Callier Center for
Communication Disorders.--Authorized Membership 30:

	<u>Term Expires</u>
Mr. Stuart Bumpas, Dallas	1995
* Mrs. Allen Cullum, Dallas	1997
Mrs. Dorine Cunningham, Wills Point	1995
Mrs. Margery Currey, Dallas	1996
Mr. Joe Dealey, Dallas	1996
Mrs. Joe Dealey, Jr., Dallas	1995
Mrs. Robert E. Dennard, Dallas	1996
Aram Glorig, M.D., Los Angeles, CA	1996
* Mr. Jay Goltz, Dallas	1997
* Miss Nelle C. Johnston, Dallas	1997
* Mr. Michael Lockerd, Dallas	1997
* Mr. P. M. McCullough, Dallas	1997
Ludwig A. Michael, M.D., Dallas	1995
Mr. Robert Neely, Dallas	1995
* Mrs. Emilie Schepps, Dallas	1997
Mrs. Steve Schiff, Dallas	1995
Mr. Pat Y. Spillman, Dallas	1995
* Mr. Thomas S. Swiley, Dallas	1997
Mr. Carl J. Thomsen, Dallas	1996
Mr. Barney Young, Dallas	1996

Unfilled Terms - 10 (To be determined as filled)

Erik Jonsson School of Engineering and Computer Science
Advisory Council.--Authorized Membership 30:

	<u>Term Expires</u>
Harold Allen, Ph.D., Garland	1996
** Mr. Al Arronte, Dallas	1997
Mr. Kent Black, Dallas	1995
Mr. George Brody, Richardson	1996
Mr. James J. Byrne, Dallas	1995
Mr. James D. Crownover, Carrollton	1996
Mr. Donald J. Hayes, Plano	1995
* Mr. Jerry Hogan, Richardson	1997
* Mr. Leif Kallen, Richardson	1997
Mr. James R. Lightner, Richardson	1996
* Mr. Robert M. Lockerd, Plano	1997
Mr. Kenneth R. Lowe, Dallas	1996
** Ms. Ellie Luce, Richardson	1997
Mr. Michael McAnally, Richardson	1995
Mr. Peter Marino, Garland	1995
Mr. Raymond Marlow, Dallas	1995
Ms. Helen Suzanne Marshall, Dallas	1996

Mr. Wayne Masters, Dallas	1996
* Mr. Harry Messenger, Richardson	1997
* Mr. Peter O'Donnell, Jr., Dallas	1997
Mr. David Orr, Richardson	1995
Mr. Robert J. Paluck, Richardson	1996
* Mr. Jerry Rogers, Richardson	1997
** Mr. Richard Skinner, Plano	1997
Mr. Sam Smith, Plano	1995
** Mr. Peter C. Waal, Plano	1997
Mr. James F. Young, Dallas	1996

Unfilled Terms - 3 (To be determined as filled)

Advisory Council for the School of General Studies.--
Authorized Membership 28:

	<u>Term Expires</u>
* Ms. Beverly Laughlin Brooks, Dallas	1996
* Ms. Saralynn Busch, Dallas	1996
* Mr. Russ Delatour, Dallas	1996
Mr. Roy Dulak, Dallas	1995
* Ms. Carol Duncan, Dallas	1996
Mr. Hardy H. England, Fort Worth	1995
* Mr. Edward M. Fjordbak, Dallas	1996
* Mr. Lupe Garcia, Dallas	1996
Ms. Vivian Johnson, Dallas	1995
* Ms. Lorraine Kaas, Dallas	1996
Mr. David Kaplan, Richardson	1995
* Mrs. Eloise W. Koonce, Dallas	1996
* Mr. Jack Lowe, Jr., Dallas	1996
Mr. John McCaa, Dallas	1995
* Ms. Diane Price, Richardson	1996
Mr. Ernest H. Randall, Jr., Dallas	1995
Raymond Reed, Ph.D., Dallas	1995
Mr. Adrian Reyes, Dallas	1995
* The Honorable Martha E. Ritter, Richardson	1996
Mrs. Hortense Sanger, Dallas	1995
* Mary Sias, Ph.D., Dallas	1996
Mr. Michael Spratt, Dallas	1995
* Mr. C. E. Teague, Richardson	1996
* Mrs. Julius Wolfram, Dallas	1996

Unfilled Terms - 4 (To be determined as filled)

Advisory Council for the Cecil and Ida Green Center for
the Study of Science and Society.--
Authorized Membership 16:

	<u>Term Expires</u>
* Robert McCormick Adams, Ph.D., Washington, DC	1995
* Richard Atkinson, Ph.D., La Jolla, CA	1995
Brian Berry, Ph.D., Richardson	1996
Robert Frosch, Ph.D., Cambridge, MA	1996
Jerry Junkins, M.S., Dallas	1995
Jack Meltzer, M.A., Chevy Chase, MD	1996
* Harry Messel, Ph.D., Queensland, Australia	1997
Pauline Newman, Ph.D., LL.B., Washington, DC	1995
* Frank Press, Ph.D., Washington, DC	1997
* Walter Rosenblith, Ph.D., Cambridge, MA	1997
Charles Sprague, M.D., Dallas	1996
David Strangway, Ph.D., Vancouver, BC	1996
* Sir Crispin Tickell, Ph.D., Oxford, England	1997

Unfilled Terms - 3 (To be determined as filled)

Advisory Council for the School of Management.--
 Authorized Membership 42:

	<u>Term Expires</u>
Mr. J. Michael Allred, Garland	1996
Mr. John D. Beletic, Dallas	1995
Mr. Jerry L. Bergthold, Plano	1996
Mr. Charles M. Best, Dallas	1996
** Mr. W. Humphrey Bogart, Dallas	1996
Mr. George Brody, Richardson	1996
** Mr. Robert A. Chereck, Dallas	1997
Ms. Ka Cotter, Dallas	1995
Mr. James L. Crowson, Dallas	1995
Mr. Robert Hall, Dallas	1995
Sydney Smith Hicks, Ph.D., Dallas	1995
Mr. Gerald H. Hoag, Dallas	1996
* Mr. Max D. Hopper, Dallas	1997
** Ms. Deborah Hueppeler, Dallas	1996
Mr. Gilbert E. Hurley, Dallas	1995
Mr. Brian T. Kelly, Dallas	1996
Mr. J. Peter Kline, Dallas	1995
Mr. Ronald A. Kodimer, Richardson	1996
Mr. Gene E. Leeson, Dallas	1996
Mr. Charles Lotter, Dallas	1996
** Mr. Kenneth D. McGill, Richardson	1996
** Ms. Jeannette Meier, Dallas	1996
Mr. Thomas E. Meurer, Dallas	1995
** Mr. Paul Murphy, Irving	1996
Mr. Marvin J. Newell, Dallas	1995
** Mr. Ralph A. Oliva, Dallas	1997
** Mr. Gary Pinkham, Richardson	1996
* Mr. R. Jay Powell III, Dallas	1997
Mr. A. R. Roberts, Richardson	1996
Mr. John P. Rochon, Dallas	1996
* Mr. Rex A. Sebastian, Dallas	1997
** Mr. Thomas V. Shockley III, Dallas	1997
Mr. Bruce D. Simpson, Dallas	1996
** Mr. Stephen M. Straty, Dallas	1996
Ms. Karen Stuart, Dallas	1995
Mr. Allan J. Tomlinson, Dallas	1995
** Mr. Thomas Wageman, Dallas	1997
Mr. R. A. Wahl, Dallas	1996
Mr. William W. Winspear, Dallas	1995
* Mr. Clyde Wyant, Dallas	1997

Unfilled Terms - 2 (To be determined as filled)

Advisory Council for the School of Social Sciences.--
 Authorized Membership 25:

	<u>Term Expires</u>
Mr. Richard J. Agnich, Dallas	1995
Ms. Carolyn Bacon, Dallas	1995
* Mr. Thomas M. Dunning, Dallas	1997
Ms. Ruth Miller Fitzgibbons, Dallas	1996
* Mr. J. Guadalupe C. Garcia, Dallas	1995
Mr. Jeremy Halbreich, Dallas	1996
* The Honorable Patrick Higginbotham, Dallas	1997
* The Honorable Lee Jackson, Dallas	1997
* The Honorable Eddie Bernice Johnson, Dallas	1996
* Jan LeCroy, Ph.D., Dallas	1997
* Mr. Pettis Norman, Dallas	1997
* The Honorable Florence Shapiro, Plano	1997

Unfilled Terms - 13 (To be determined as filled)

Advisory Council for the Management School Foundation.--
 This advisory council was approved by the Board of Regents on February 11, 1993, and nominees to membership have not yet been submitted for Regental approval.

5. The University of Texas at El Paso

Development Board.--Authorized Membership 35:

	<u>Term Expires</u>
Mr. Moshe Azoulay, El Paso	1995
* Mr. Federico Barrio T., Juarez, Mexico	1997
Mr. Julian Bernat, El Paso	1996
Gordon L. Black, M.D., El Paso	1995
Mr. Allen Born, Norcross, GA	1996
Mr. Hughes Butterworth, Jr., El Paso	1995
** Mr. Jorge Contreras, Juarez, Mexico	1997
Mr. H. M. Daugherty, Jr., El Paso	1996
* Mr. Federico de la Vega, Juarez, Mexico	1997
* Mr. Peter de Wetter, El Paso	1997
Edward Egbert, M.D., El Paso	1995
Mr. Robert C. Heasley, El Paso	1995
Mr. Donald S. Henderson, El Paso	1995
* Mrs. George (Bette) Hervey, El Paso	1997
* Mr. Hector Holguin, El Paso	1997
Mr. Lindsay B. Holt, El Paso	1996
Mr. Robert H. Hoy, Jr., El Paso	1996
Mr. Woody L. Hunt, El Paso	1996
Ms. Deborah Kastrin, Austin	1995
Mr. Guillermo Licon, El Paso	1995
Mrs. Carroll S. Maxon, El Paso	1995
* Mr. Ellis O. Mayfield, El Paso	1997
* Ms. Cheryl A. McCown, El Paso	1995
** Dunny Morton, M.D., El Paso	1997
* Laurance N. Nickey, M.D., El Paso	1997
Mr. Jaime Oaxaca, Los Angeles, CA	1996
* Mr. Guillermo Ochoa, El Paso	1997
* Mr. Jim Phillips, El Paso	1997
Mr. Jonathan W. Rogers, El Paso	1996
** Ms. Stanlee Rubin, El Paso	1997
Mr. Humberto F. Sambrano, El Paso	1996
** Mr. Martin Silva, El Paso	1997
* Mr. Steve Taylor, El Paso	1997
Judson F. Williams, Ph.D., El Paso	1996
** Mr. William A. Wise, El Paso	1997

College of Engineering Industrial Advisory Council.--
Authorized Membership 30:

	<u>Term Expires</u>
* Mr. Bruce F. Aumack, Austin	1997
* Mr. George Bailey, El Paso	1997
* Mr. Jorge A. Broggio, Mansfield, OH	1997
* Mr. Tony G. Conde, El Paso	1997
* Mr. Hector Holguin, El Paso	1997
* Mr. Guillermo Licon, El Paso	1997
* Mr. John R. Shaw, El Paso	1997
* Mr. Ignacio R. Troncoso, El Paso	1997
* Mr. James A. Wise, White Sands Missile Range, NM	1997
* Mr. Tony Woo, El Paso	1997

Unfilled Terms - 20 (To be determined as filled)

Miner Foundation Advisory Council.--Authorized Membership 39:

	<u>Term Expires</u>
* Dwayne M. Aboud, M.D., El Paso	1997
Mr. Manny Aldana, El Paso	1995
Mr. Thomas C. Balsiger, El Paso	1996
Mr. Jim Barlow, El Paso	1996
Mr. L. Paul Berry, El Paso	1995
* Rene O. Casavantes, D.M.D., El Paso	1997
* Mr. John Colman, El Paso	1997
Ms. Kimberly D. Curlin, El Paso	1995
** Ms. Susan Drewry, El Paso	1997
* Mr. H. M. Bart Fischer, El Paso	1996
Mr. John H. Fuller, El Paso	1996
Ms. Alma Rosa Ganem, El Paso	1995
Mr. Howard Goldberg, El Paso	1995
Mr. Edward C. Houghton, Jr., El Paso	1996
Mr. Bill Howell, El Paso	1996
* Mr. Charles W. Hurd, Jr., El Paso	1997
Joe N. Kidd, M.D., El Paso	1996
Ms. Susan R. King, El Paso	1996
Ms. Marina C. Lee, El Paso	1995
* Mr. Richard Martinez, El Paso	1996
Ms. Susan B. Mayfield, El Paso	1996
* Mr. Clark McKean, El Paso	1997
* Mr. Michael P. McNamee, El Paso	1996
** Mr. Gil Mendez, El Paso	1997
Mr. Ted Moore, El Paso	1995
* Maj. Gen. (Ret.) John B. Oblinger, El Paso	1997
Mr. Paul A. Perez, El Paso	1996
* Mr. Roberto Perez, El Paso	1997
Rene M. Rosas, D.D.S., El Paso	1995
Mr. Ron R. Rush, El Paso	1995
Mr. Humberto F. Sambrano, El Paso	1995
Col. Jim Smith, El Paso	1996
** Mr. Jack Solon, El Paso	1997
** Mr. Bill Thomas, El Paso	1997
** Ms. Sandy Tyler, El Paso	1997
Mr. Kermit W. Uecker, El Paso	1995
* Mr. Russell A. Vandenburg, El Paso	1997
** Ms. Wendy Viramontes, El Paso	1997
Mr. Robert V. Wingo, El Paso	1995

6. The University of Texas - Pan American

Development Board.--Authorized Membership 18:

	<u>Term Expires</u>
Mrs. Sylvia Aaronson, Houston	1996
Mr. Horacio Barrera, Brownsville	1996
* Mr. Bill Ellis, Jr., McAllen	1997
* David Finley, Ph.D., Dallas	1997
* Mr. Enrique Guerra, Linn	1997
* Mr. Jon Dee Lawrence, Austin	1997
Mr. Dave Lopez, Austin	1995
Mr. Eleazar Lucio, McAllen	1996
* Ms. Carolyn Maddux, Tomball	1997
Mr. John Martin, McAllen	1995
Mrs. Margaret McAllen, Weslaco	1995
Mr. Jerry Mills, Austin	1996
Mr. Jaime Ramon, Dallas	1995
* Mrs. Lauryn Gayle White, Dallas	1997
Mr. Herm Wille, New York, NY	1995

Unfilled Terms - 3 (To be determined as filled)

School of Business Administration/Center for Entrepreneurship
and Economic Development Advisory Council.--Authorized
Membership 24:

	<u>Term Expires</u>
Mr. James Michael Allen, McAllen	1996
Mr. Mike A. Allen, McAllen	1996
Mr. David Allex, Harlingen	1995
** Mr. Anthony Alvarez, McAllen	1997
** Mr. George Bennack, Raymondville	1997
** Barbara Bolin, Ph.D., Austin	1995
Mr. Anthony Covacevich, Edinburg	1996
Mr. Robert de los Santos, Harlingen	1996
* Mr. Irv Downing, Brownsville	1996
Mr. Mario Espinosa, Edcouch	1996
** Mr. Gary R. Gaither, McAllen	1997
Juliet Garcia, Ph.D., Brownsville	1995
Ms. Wanda Garza, Brownsville	1996
** Mr. Ruben Hinojosa, Mercedes	1997
* Mr. Alan Kamasaki, Mercedes	1996
** Mr. Ed Koplan, Weslaco	1997
** Ms. Sonia Perez, McAllen	1997
* Mr. Humberto Rodriguez, Edinburg	1997
Mr. Paul Rodriguez, McAllen	1995
* Mr. C. H. "Mickey" Sepulveda, McAllen	1997
Mr. Tito Torres, McAllen	1995
* Mr. Sam Vale, Rio Grande City	1997
Mr. Steve Vassberg, Harlingen	1995
** Mr. Leroy J. Wormley, Jr., Austin	1995

School of Business Administration Advisory Council.--
Authorized Membership 24:

	<u>Term Expires</u>
Cayetano Barrera, M.D., McAllen	1995
Mr. Eddie Cano, McAllen	1995
Mr. Ruben Cardenas, McAllen	1995
Ms. Irma Claudio, Chicago, IL	1996
* Mr. Richard Cortez, McAllen	1997
Ms. Elizabeth Dietz, San Juan	1996
Mr. Noe Fernandez, McAllen	1995
Ben Garza, M.D., Edinburg	1995
Ms. Letty Gavito, Houston	1996
Mr. Gary Gurwitz, McAllen	1995
* Mr. Ruben Hinojosa, Mercedes	1997
* Mr. Jan Klinck, McAllen	1997
* Mr. Cullen Looney, Edinburg	1997
* Mr. David Mendez, Houston	1997
Mr. Pete Franis, McAllen	1996
Mr. Glen Roney, McAllen	1996
Mr. Neal Runnels, McAllen	1995
* Mr. Robert Shepard, Harlingen	1997
Mr. Gary Sollner, McAllen	1996
* Mrs. Lauryn Gayle White, Dallas	1997
Mr. Roberto J. Yzaguirre, McAllen	1995

Unfilled Terms - 3 (To be determined as filled)

Engineering Advisory Council.--Authorized Membership 24:

	<u>Term Expires</u>
Mr. Robert Begian, McAllen	1996
** Luis Boza, Ph.D., Holmdel, NJ	1997
* Ms. Cheryl Cambridge, Los Angeles, CA	1997
** Mr. Gilbert Chapman, Madison Heights, MI	1997

Mr. D. Duane Gilliam, Ashland, KY	1995
Mr. Arnaldo Guerra, San Benito	1995
Mr. David Hendrickson, Brownsville	1995
* Mr. Don Lauby, McAllen	1997
Mr. Frank E. Macher, Dearborn, MI	1996
Mr. John C. Della Maggiora, McAllen	1995
** Mr. Stephen Morrey, McAllen	1997
Mr. G. R. "Bill" Ranganath, McAllen	1996
Mr. Brian Rawls, Weslaco	1996
Mr. C. H. "Mickey" Sepulveda, McAllen	1995
Mr. Don J. Skiba, Brownsville	1995
** Mr. Robert Swanagan, Baytown	1997
** Gary Tritle, Ph.D., Austin	1997
** Mr. Marcus Wilson, Scottsdale, AZ	1996
Herbert H. Woodson, Ph.D., Austin	1996

Unfilled Terms - 5 (To be determined as filled)

Hispanic Mother Daughter Program Advisory Council.--
 Authorized Membership 15:

	<u>Term Expires</u>
** Ms. Gloria Castaneda, Mission	1997
** Ms. Dori Contreras, McAllen	1997
Mr. Tony De Leon, CLU, Austin	1996
** Ms. Diana Delgado, Edinburg	1997
Ms. Judy Godinez, McAllen	1995
Ms. Alida Hernandez, McAllen	1996
Mr. Rolando Pena, Edcouch	1996
Ms. Leticia Valadez, McAllen	1995

Unfilled Terms - 7 (To be determined as filled)

7. The University of Texas of the Permian Basin

Development Board.--Authorized Membership 31:

	<u>Term Expires</u>
Mr. H. Eugene Abbott, Midland	1996
Mrs. Johnnie Lou Avery, Big Spring	1996
Mr. Bob Barnes, Odessa	1996
** Mr. Grant Billingsley, Midland	1997
Mr. Frank Cahoon, Midland	1996
* Mr. J. C. Chancellor, Odessa	1997
* Mr. Frank Deaderick, Odessa	1997
Mr. J. Conrad Dunagan, Monahans	1995
Mr. Kirk Edwards, Odessa	1996
Mr. John Foster, Odessa	1995
* Mr. G. William Fowler, Odessa	1997
* Mr. Sam Gonzalez, Odessa	1997
Mr. James R. "Buzz" Hurt, Odessa	1996
Ms. Joann McKnight Lambert, Odessa	1996
Mr. LaDoyce Lambert, Odessa	1995
* Mr. John Landgraf, Odessa	1997
Mr. Steve Late, Odessa	1995
** Mr. Cadell Liedtke, Midland	1997
* Mrs. W. D. Noel, Odessa	1997
Mr. Joseph I. O'Neill III, Midland	1995
Mr. William Quillen, Odessa	1995
Mr. James Roberts, Andrews	1996
Mr. Ted Roden, Odessa	1995
Mr. Ron Sewell, Odessa	1995
** Mr. Scott Sheffield, Midland	1997

Mrs. Richard C. Slack, Pecos	1995
* Mr. Charles Spence, Midland	1997
Mr. Ray Stafford, Odessa	1995
Mr. Ray Stoker, Odessa	1996
* Mr. Carroll Thomas, Midland	1997
* Mr. Cyril Wagner, Jr., Midland	1997

Center for Energy and Economic Diversification Advisory Council.--This advisory council is being dissolved.
See Item 18 on Page AAC - 24.

Economic Development Administration University Center Advisory Council.--Authorized Membership 10:

	<u>Term Expires</u>
** Ms. Johnnie Lou Avery, Big Spring	1997
** Mr. Lester Baker, Stanton	1996
** Mr. Wesley Burnett, Andrews	1996
** Mr. Neil McDonald, Odessa	1995
** Ms. Brenda Mowry, Fort Stockton	1995
** Mr. Dave Nix, Lamesa	1995
** Mr. John Robert Prude, Fort Davis	1995
** Mr. Thomas J. Stinson, Midland	1997
** Mr. Carroll Thomas, Midland	1997

Unfilled Term - 1 (To be determined as filled)

See Item 18 on Page AAC - 24 for establishment of this advisory council.

Petroleum Industry Alliance Advisory Council.--Authorized Membership 10

See Item 18 on Page AAC - 24 for establishment of this advisory council. Nominees to membership have not yet been submitted for Regental approval.

Small Business Development Center Advisory Council.--Authorized Membership 15:

	<u>Term Expires</u>
** The Honorable Frances Clark, Kermit	1995
** Mr. Jose Cuevas, Jr., Midland	1995
** Mr. Bill Elms, Odessa	1997
** Mr. John Foster, Odessa	1997
** Mr. Wayne Merritt, Midland	1995
** Mr. Ken Moore, Big Lake	1996
** Mr. Steve Pingel, Midland	1996
** Mr. Charles Spence, Midland	1996
** Mr. Ray Stafford, Odessa	1997
** Mr. Jack Tidwell, Odessa	1995
** Ms. Betsy Triplett-Hurt, Odessa	1996
** Mr. Max Wright, Midland	1997

Unfilled Terms - 3 (To be determined as filled)

See Item 18 on Page AAC - 24 for establishment of this advisory council.

The University of Texas at San AntonioDevelopment Board.--Authorized Membership 65:

	<u>Term Expires</u>
Mr. John D. Alexander, Jr., San Antonio	1996
Mr. Charles E. Amato, San Antonio	1996
Mr. Ernesto Ancira, Jr., San Antonio	1996
Mr. Sam Barshop, San Antonio	1996
** Mr. Frank A. Bennack, Jr., New York, NY	1997
Mrs. Albert M. Biedenharn, Jr., San Antonio	1995
* Roland K. Blumberg, Ph.D., Seguin	1997
Mrs. Harold Brannan, San Antonio	1995
Governor Dolph Briscoe, Jr., Uvalde and San Antonio	1996
Col. Roy Burley (Ret.), San Antonio	1996
* Mr. Richard W. Calvert, San Antonio	1997
Ms. Robin D. Carson, San Antonio	1996
Ambassador Henry E. Catto, San Antonio	1996
Mr. Charles E. Cheever, Jr., San Antonio	1996
* The Honorable Henry G. Cisneros, Ph.D., San Antonio and Washington, DC	1997
Mr. Fully Clingman, San Antonio	1995
Mr. Bob W. Coleman, San Antonio	1995
Mr. James Conley, San Antonio	1995
* Mr. W. G. Conway, San Antonio	1997
Mr. Richard R. DeGregorio, San Antonio	1996
Mr. Donald J. Douglass, San Antonio	1995
** Mr. Alan W. Dreeben, San Antonio	1997
** Mr. Arthur Rojas Emerson, San Antonio	1997
* Mr. Ruben M. Escobedo, San Antonio	1997
** Mr. Alfredo L. Flores, Jr., San Antonio	1997
Mr. Larry Franklin, San Antonio	1995
Mr. T. C. Frost, San Antonio	1995
** Miss Gloria Galt, San Antonio	1997
** Burton E. Grossman, Ph.D., San Antonio	1997
* Mr. C. C. "Pop" Gunn, San Antonio	1997
Mr. Alex H. Halff, San Antonio	1995
Lawrence B. Harkless, D.P.M., San Antonio	1996
Mr. Richard A. Harris, San Antonio	1996
Mr. Roger R. Hemminghaus, San Antonio	1995
** General H. T. Johnson, San Antonio	1997
Mr. Richard M. Landsman, San Antonio	1996
Mr. Pat Legan, San Antonio	1995
Mr. Bernard L. Lifshutz, San Antonio	1995
Mrs. Walter W. McAllister, Jr., San Antonio	1996
** Mr. Stan McClellan, San Antonio	1997
Mr. B. J. "Red" McCombs, San Antonio	1995
Gen. Robert F. McDermott (Ret.), San Antonio	1995
Mr. Joe C. McKinney, San Antonio	1995
Mr. Balous T. Miller, San Antonio	1996
Mrs. Aaronetta Pierce, San Antonio	1995
Mr. Boone Powell, San Antonio	1995
* Mr. James R. Reed, San Antonio	1997
Mr. Sam Riklin, San Antonio	1996
** Mr. Paul L. Serff, San Antonio	1997
** Mr. Lionel Sosa, San Antonio	1997
Mr. John T. Steen, Jr., San Antonio	1996
** Mr. Marshall T. Steves, Sr., San Antonio	1997
Mr. Louis H. Stumberg, San Antonio	1995
Mr. Monte D. Tomerlin, San Antonio	1996
Mr. Curtis Vaughan, Jr., San Antonio	1996
Mr. Tom Vickers, San Antonio	1996
Arnold I. Walder, M.D., San Antonio	1996
Mr. W. Lawrence Walker, Jr., San Antonio	1995

Mrs. Irene S. Wischer, San Antonio	1996
Mrs. Jo Ann Woliver, San Antonio	1996
* Mr. George Wray, Jr., San Antonio	1997

Unfilled Terms - 4 (To be determined as filled)

College of Business Advisory Council.--
 Authorized Membership 38:

	<u>Term Expires</u>
* Mr. Larry J. Alexander, San Antonio	1996
Mr. Charles E. Amato, San Antonio	1996
* Mr. Jesse A. Baker, San Antonio	1995
** Ms. Doris Bencsik, San Antonio	1997
* Mr. Ernest Bromley, San Antonio	1997
* Mr. John C. Brouillard, San Antonio	1997
Mr. Robert P. Burke, San Antonio	1995
Ms. Robin D. Carson, San Antonio	1995
Mr. Bob W. Coleman, San Antonio	1996
Mr. Robert Cuyler, San Antonio	1995
Mrs. Alice S. Dawson, San Antonio	1995
Mr. Luis de la Garza, San Antonio	1996
Mr. James R. Dublin, San Antonio	1996
** Ms. Susan Evers, San Antonio	1997
Mr. Ruben Flores, Jr., San Antonio	1996
Mr. W. Bebb Francis III, San Antonio	1995
* Mr. Patrick B. Frost, San Antonio	1997
Mr. Steven Harms, San Antonio	1995
M. Staser Holcomb, VAdm., San Antonio	1995
** Mr. William R. Klesse, San Antonio	1997
Mr. Joe Earl Linson, San Antonio	1995
Mr. Steven Lundgren, San Antonio	1995
* Mr. Pete R. Martinez, San Antonio	1997
** Mr. John McEachern, San Antonio	1997
Mr. Joe C. McKinney, San Antonio	1996
Mr. Balous T. Miller, San Antonio	1996
Mr. Victor Miramontes, San Antonio	1996
Mr. Philip J. Pfeiffer, San Antonio	1996
Ms. Irene C. Primera, San Antonio	1996
* Ms. Sylvia Romo, San Antonio	1997
Mr. Michael Sauder, San Antonio	1995
** Mr. Paul Serff, San Antonio	1997
* Mr. Thomas J. Sineni, San Antonio	1997
Mr. Alan Stinson, San Antonio	1996
** Mr. Charles D. Wade, San Antonio	1997
* Mr. Jim M. Williams, San Antonio	1995
** Mr. Navarra Williams, San Antonio	1997
Mr. Hansell N. York III, San Antonio	1996

College of Fine Arts and Humanities Advisory Council.--
 Authorized Membership 55:

	<u>Term Expires</u>
H. Norman Abramson, Ph.D., San Antonio	1996
Ardow Ameduri, M.D., San Antonio	1996
* Ms. Margaret Anderson, San Antonio	1997
Mrs. Thelma Andrews, San Antonio	1996
** Mr. Richard Archer, San Antonio	1997
Barry M. Beller, M.D., San Antonio	1996
** Mr. James R. Berg, San Antonio	1997
Mr. J. David Bowen, San Antonio	1995
** Mr. James C. Browning, San Antonio	1997
** Mr. Michael H. Casey, San Antonio	1997
Mrs. Candace P. Chumney, San Antonio	1996
Mr. John R. Cook, San Antonio	1995
** Mr. Bjorn Dybdahl, San Antonio	1997

	Mrs. Mary Fisher, San Antonio	1996
*	Mr. Bruce Flohr, San Antonio	1997
	Mr. Alfredo L. Flores, Jr., San Antonio	1996
	The Honorable Emilio Garza, Helotes	1995
**	Mr. James Gavigan, San Antonio	1997
**	Mrs. Terry Gordon, San Antonio	1997
	Mr. David Hendricks, San Antonio	1996
	Gregory M. Jackson, M.D., San Antonio	1995
	Ms. Angelika Jansen, San Antonio	1995
	Lillian Martin Jones, M.D., San Antonio	1996
*	Mrs. Sharon Martin Kocurek, San Antonio	1997
**	Mr. Daniel Y. Kruger, San Antonio	1997
	Mr. Mark Lane, San Antonio	1995
	Mr. Cappy Lawton, San Antonio	1995
	Mr. James Lifshutz, San Antonio	1996
*	Mrs. Margo Spitz Marbut, San Antonio	1997
	Mrs. Roxi L. McCloskey, San Antonio	1996
**	Arvo Neidre, M.D., San Antonio	1997
**	James Olsson, M.D., San Antonio	1997
	Ms. Nancy Pawel, San Antonio	1995
	Mr. Dogan A. Perese, San Antonio	1995
	Mrs. Aaronetta Pierce, San Antonio	1996
	Mr. Boone Powell, San Antonio	1996
	Mrs. Dianne Powell, San Antonio	1995
	Mrs. Jane Cheever Powell, San Antonio	1995
	Paul H. Ratner, M.D., San Antonio	1996
	Mrs. Marianne C. Reuter, San Antonio	1995
	Mr. Jack A. Rodgers, San Antonio	1996
	Mr. William R. Simcock, San Antonio	1995
	Mrs. Bobi Stern, San Antonio	1995
*	Mr. Alfred F. Sturchio, San Antonio	1997
	Mr. Lewis T. Tarver, Jr., San Antonio	1995
	Mr. Richard Teitz, San Antonio	1995
**	Mrs. Caroline Walker, San Antonio	1997
**	Mr. Neil Walsdorf, San Antonio	1997
	Mrs. Jo Ann Wigodsky, San Antonio	1995
	Mrs. Margaret Pace Willson, San Antonio	1996

Unfilled Terms - 5 (To be determined as filled)

College of Sciences and Engineering Advisory Council.--
Authorized Membership 30:

		<u>Term Expires</u>
	Maj. Gen. George K. Anderson, San Antonio	1995
	Mr. Robert J. Beal, San Antonio	1996
*	Mr. John E. Campion, San Antonio	1997
	Mr. Doroteo Chavarria, P.E., San Antonio	1996
*	Mr. Richard B. Curtin, San Antonio	1997
	Maj. Gen. Lewis E. Curtis III, San Antonio	1996
	Mr. Matthew A. Donohue, San Antonio	1995
	Mr. Leigh A. Ewing, San Antonio	1995
	Mr. Martin Goland, San Antonio	1995
*	Mr. Merrill Hammon, San Antonio	1997
**	Mr. Lyle Hawthorne, San Antonio	1997
*	Mr. Mario A. Hernandez, San Antonio	1997
**	Mr. Durrell U. Howard, San Antonio	1997
	Gen. Hansford T. Johnson, San Antonio	1996
*	Mr. Joe C. McKinney, San Antonio	1997
	Mr. Max Navarro, San Antonio	1995
	Mr. Larry N. Reed, San Antonio	1996
	Mr. William M. Sims, San Antonio	1996
	John L. VandeBerg, Ph.D., San Antonio	1995
	Mr. Dave Zinnecker, San Antonio	1996

Unfilled Terms - 10 (To be determined as filled)

College of Social and Behavioral Sciences Advisory Council.--
Authorized Membership 45:

	<u>Term Expires</u>
Ms. Mindi Alterman, San Antonio	1996
** Ms. Annabelle Ardid-Friedland, San Antonio	1997
Mr. Paul Beyer, San Antonio	1995
Reverend Claude Black, San Antonio	1995
Mr. Edward Borix, San Antonio	1996
Ms. Audreyjane (Ajay) Castro, San Antonio	1995
Ms. Nora Chávez, San Antonio	1996
Raymond M. Costello, Ph.D., San Antonio	1995
** Shannon Courtney, Ph.D., San Antonio	1997
Ms. Marilyn Eades, San Antonio	1996
Sylvia P. Fernandez, Ph.D., San Antonio	1995
** Ms. Barbara Hendricks, San Antonio	1997
Mr. Steven Huffman, San Antonio	1995
Ms. Mary Kelly, San Antonio	1996
** Mrs. Martha Landsman, San Antonio	1997
Elizabeth Lende, Ph.D., San Antonio	1995
** Mr. Joe Linson, San Antonio	1997
Ms. Harriet Marmon, San Antonio	1995
** Mr. Al Martinez-Fonts, San Antonio	1997
Gen. William V. McBride, (Ret.), San Antonio	1995
Mr. Henry Muñoz III, San Antonio	1995
Mr. Al Notzon, San Antonio	1995
** Agustin Orci, Ph.D., San Antonio	1997
Mr. Randall Palmer III, San Antonio	1996
Mr. Harris Pappas, Houston	1996
** Mr. George V. Pedraza, San Antonio	1997
Ms. Ginger Purdy, San Antonio	1995
The Honorable Bonnie Reed, San Antonio	1995
Mr. Robert Rivard, San Antonio	1995
** Mrs. Katherine Sosa, San Antonio	1997
** Mrs. Christina Rodriguez Weiss, San Antonio	1997
Ms. Linda Winston, San Antonio	1996
Mr. Carl Yeckel, Dallas	1996

Unfilled Terms - 12 (To be determined as filled)

U. T. Institute of Texan Cultures - San Antonio Development
Board.--Authorized Membership 45:

	<u>Term Expires</u>
** Mr. Eugene Ames, San Antonio	1997
Mr. Charles C. Andrews, Jr., San Antonio	1995
Mr. Lynn C. Ashby, Houston	1995
Mrs. T. Armour (Claudia Abbey) Ball, Comstock and San Antonio	1996
Mrs. Glenn (Ann) Biggs, San Antonio	1996
* Mr. Robert A. Buschman, San Antonio	1997
Mr. Clifton Caldwell, Albany	1996
Mr. Frank W. Calhoun, Houston	1996
Mr. Tony L. Chauveaux, Beaumont	1995
Mrs. John B. (Gloria J.) Coleman, Houston	1996
Mrs. Ralph F. (Barbara A.) Cox, Fort Worth	1996
Mr. John De La Garza, Jr., Dallas	1995
Mr. John Eckel, Galveston	1995
** Mrs. Victoria Hurd Goebel, San Antonio	1997
Mr. Gregory G. Gomez, Dallas	1996
** Mrs. Diana Bravo Gonzales, San Antonio	1997
* Mr. Brian S. Greig, Austin	1997
Mr. Henry Guerra, San Antonio	1995
Robert L. M. Hilliard, M.D., San Antonio	1996
Mr. Reagan Houston IV, San Antonio	1995

Mrs. Everett (Elizabeth S.) Hutchinson, Bethesda, MD, and Palestine	1995
Mrs. Don (Jean) Kaspar, Shiner	1996
Mr. John H. Keck, Laredo	1995
Mr. Irwin L. Levy, Houston	1995
Mr. Douglas W. Matthews, Galveston	1995
John P. McGovern, M.D., Houston	1995
** Mr. William McKenzie, Dallas	1997
Sheridan Grace Nichols, Ph.D., Dallas	1995
Damaso A. Oliva, M.D., San Antonio	1996
Mr. Chris B. Parsons, Houston	1996
Dan C. Peavy, Jr., D.D.S., San Antonio	1995
Mr. Richard Potter, Gilmer	1996
** Mr. Tony Rivera, San Antonio	1997
Mrs. Walter (Ruth D.) Sterling, Houston	1995
Mr. Marshall T. Steves, Jr., San Antonio	1995
Mrs. Louis H. (Mary Pat) Stumberg, San Antonio	1996
** Mr. Rick Wilbins, Dallas	1996
W. Darrell Willerson, Jr., M.D., San Antonio	1996
* Mrs. Irene Wischer, San Antonio	1997
Mr. William P. Wright, Jr., Abilene	1996
Mrs. Nancy Young, Houston	1995

Unfilled Terms - 4 (To be determined as filled)

9. The University of Texas at Tyler

Development Board.--Authorized Membership 40:

	<u>Term Expires</u>
Mr. James W. Arnold, Tyler	1995
* Mrs. Patsy Bass, Tyler	1997
Mr. Henry M. Bell, Jr., Tyler	1995
Mr. Jeff Buford, Tyler	1996
* Mr. Frank M. Burke, Jr., Dallas	1997
Mr. Allen M. Burt, Tyler	1995
** Ms. Linda Butter, Longview	1997
Mrs. D. K. Caldwell, Tyler	1996
Mr. Kerry Cammack, Austin	1996
Mr. Gordon Campbell, Tyler	1996
Robert Cargill, Ph.D., Longview	1996
* Mrs. Claudia Carroll, Tyler	1997
* Mr. Charles L. Childers, Tyler	1997
Mr. Vernon E. Faulconer, Tyler	1996
* Mr. David M. Fender, Tyler	1997
** Ben E. Fisch, M.D., Tyler	1997
** Mr. Richard Grainger, Tyler	1997
Mr. Richard B. Hamm, Tyler	1995
Mr. Bill G. Hartley, Tyler	1996
* Samuel D. Houston, M.D., Tyler	1997
* Mr. Robert B. Irwin, Tyler	1997
* Mrs. Mary Elizabeth Jackson, Tyler	1997
** Mrs. Melinda Lenhart, Longview	1997
* Mr. John Carmichael Martin III, Longview	1997
Mrs. Maurine Muntz, Tyler	1996
Mr. George W. Oge, Tyler	1995
Mr. Wade C. Ridley, Tyler	1996
* Mr. A. W. Riter, Jr., Tyler	1997
** Mr. A. W. Riter III, Tyler	1997
* Mr. Robert M. Rogers, Tyler	1997
Mr. Jere Ruff, Longview	1995
* Mr. Donald G. Russell, Tyler	1997
Mr. Norman M. Shtofman, Tyler	1996
** Joe Ed Smith, M.D., Athens	1997
* Mr. Ralph Spence, Tyler	1997

Mr. Eugene Talbert, Tyler	1995
Jim M. Vaughn, M.D., Tyler	1996
Carl U. Westbrook II, M.D., Tyler	1996
Mr. John E. White, Jr., Tyler	1995
Mr. James C. Wynne, Jr., Tyler	1996

10.

The University of Texas
Southwestern Medical Center at Dallas

Development Board.--The Southwestern Medical Foundation serves in this capacity. The nominees are not subject to Regental approval.

11.

The University of Texas
Medical Branch at Galveston

Development Board.--Authorized Membership 51:

	<u>Term Expires</u>
W. Tom Arnold, M.D., Houston	1996
* A. Nelson Avery, M.D., Austin	1997
Mrs. Ann Barber Brinkerhoff, Houston	1996
* George R. Brown, M.D., Austin	1997
* C. B. Bruner, M.D., Fort Worth	1997
* Max C. Butler, M.D., Houston	1997
* Paul J. Cunningham, M.D., Galveston	1997
Mr. Jack T. Currie, Houston	1995
* Harry K. Davis, M.D., Coronado, CA	1997
Mr. Michael C. Doherty, Galveston	1996
Mr. Charles T. Doyle, Texas City	1995
Mr. John Eckel, Galveston	1996
Tracy D. Gage, M.D., Lubbock	1996
* Mr. Edwin M. Gale, Beaumont	1997
* Louis J. Girard, M.D., F.A.C.S., Houston	1997
* Mrs. Judy Roberts Godinez, McAllen	1997
Miss F. Marie Hall, Big Spring	1996
* Mr. Titus H. Harris, Jr., Houston	1997
* Mr. Irwin M. Herz, Jr., Galveston	1997
Robert L. M. Hilliard, M.D., San Antonio	1995
* Wayne H. Holtzman, Ph.D., Austin	1997
** Mrs. Lee Hage Jamail, Houston	1995
Mavis P. Kelsey, M.D., Houston	1996
Mr. Rai B. Kelso, Galveston	1996
* Mr. Harris L. Kempner, Jr., Galveston	1997
Mrs. Ruth L. Kempner, Galveston	1995
* Donald R. Lewis, M.D., Paris	1997
John L. Mann, M.D., El Paso	1995
Mr. Douglas W. Matthews, Galveston	1995
* Bernard A. Milstein, M.D., Galveston	1997
Mr. George P. Mitchell, The Woodlands	1995
Mr. Robert L. Moody, Galveston	1995
* Mr. Ross R. Moody, Austin	1995
Mrs. Edna Phillips, Fayetteville	1996
Mrs. Fredell Pollak-Rosen, Galveston	1996
Mario E. Ramirez, M.D., Roma	1996
Mr. Risher Randall, Houston	1996
Mrs. Jo Stewart Randel, Panhandle	1995
Raleigh R. Ross, M.D., Burnet	1995
Ray E. Santos, M.D., Lubbock	1996
The Honorable A. R. Schwartz, Galveston	1996
Mr. Ralph Spence, Tyler	1996
Mr. Howard Tellepsen, Houston	1995

Mr. Edwin J. Terry, Austin	1996
* Peter K. Thompson, M.D., Houston	1997
Robert B. Wilkins, M.D., Houston	1995
Mr. Charles A. Worthen, Galveston	1995

Unfilled Terms - 4 (To be determined as filled)

School of Allied Health Sciences Advisory Council.--
Authorized Membership 18:

	<u>Term Expires</u>
Michael J. Ahearn, Ph.D., Houston	1996
Ms. Barbara Crews, Galveston	1995
Ms. Beverly Ripple Dickerson, Houston	1996
* Mr. Joe Garcia, Jr., Galveston	1997
* Miss F. Marie Hall, Big Spring	1997
Mr. Jerald Hurt, Houston	1995
Ms. Theresé Lossow, Webster	1995
Ms. Mike (Gage) Martin, Galveston	1995
Ralph Morris, M.D., LaMarque	1996
* Ms. Linda Ott, Galveston	1997
** Ms. Barbara Railey, Houston	1996
* Karl Shaner, Dr.P.H., Austin	1997
* Ms. Ann Simmons, Galveston	1997
Mr. Dolph Tillotson, Galveston	1996
Mr. Donald B. Wagner, Houston	1995
Armin Weinberg, Ph.D., Houston	1995
Ms. Jeanette Winfree, Galveston	1996

Unfilled Term - 1 (To be determined as filled)

School of Nursing Advisory Council.--
Authorized Membership 25:

	<u>Term Expires</u>
Mrs. Lloyd (Gayle) Bentsen III, Houston	1995
Mrs. John (Drucie) Chase, Houston	1995
Mrs. Richard (Jan) Coggeshall, Galveston	1995
Mrs. Morton A. (Bobby Sue) Cohn, Houston	1995
Mrs. Edwin (Becky) Gale, Beaumont	1995
Mr. Kyle Gillespie, Galveston	1996
* Mrs. Judy Godinez, McAllen	1997
Miss F. Marie Hall, Big Spring	1995
Mrs. Charlotte Hill, Houston	1996
Lolly Lockhart, R.N., Ph.D., Austin	1996
Mrs. Thomas S. (Kitty) Mackey, Texas City	1996
* Barbara A. McClurg, R.N., Ed.D., Dewey, AZ	1997
* Mrs. W. L. (Darlene) Moody IV, Galveston	1997
Mr. F. Andy Odom, Galveston	1996
* Mrs. Mary Remmers, Tyler	1997
Mrs. Lewis S. (Fredell) Rosen, Galveston	1996
Mrs. Marilyn Schwartz, Galveston	1996
* Mrs. Walter (Ruth) Sterling, Houston	1997
Mrs. Joe Max (Anita M.) Taylor, Galveston	1996
Mr. John E. Walker, Galveston	1995
* Mrs. Charles A. (Susan) Worthen, Galveston	1997
* Mr. William E. (Bill) Young, Houston	1997

Unfilled Terms - 3 (To be determined as filled)

The University of Texas
Health Science Center at Houston

Development Board.--Authorized Membership 65:

	<u>Term Expires</u>
** Mr. Paul Anderson, Houston	1997
Mrs. Isaac Arnold, Houston	1996
Mr. J. Evans Attwell, Houston	1995
* Mr. Lorne D. Bain, Houston	1997
Mrs. Margaret A. (E. William) Barnett, Houston	1996
Mr. Paul F. Barnhart, Jr., Houston	1995
Mr. W. Joseph Blood, Fulshear	1995
Mrs. Daniel A. Breen, Houston	1996
* Mr. William K. Bruce, Houston	1997
Mr. William J. Campbell, Houston	1995
Mrs. Drucie R. (John S.) Chase, Houston	1995
Mr. Alfred L. Deaton III, Houston	1995
Mr. M. Dow Dunn, Houston	1995
Mr. James A. Elkins III, Houston	1996
* Mr. James F. Erwin, Houston	1997
Mr. L. R. French III, Houston	1995
** Mr. Harold V. Goodman, Houston	1997
Mr. Jenard M. Gross, Houston	1996
Mr. William Helms, Houston	1996
Mrs. Eleanor M. Hill, Houston	1995
Mr. Gerald D. Hines, Houston	1995
Mrs. Wendy (Jeffrey C.) Hines, Houston	1996
Mr. Brad Howell, Houston	1996
** The Honorable Roy M. Huffington, Houston	1997
Mr. Lenoir M. Josey II, Houston	1995
** Mr. Jerry Kane, Corpus Christi	1997
** Ms. Carolyn Keenan, Houston	1995
Mrs. Elyse B. (Robert C.) Lanier, Houston	1995
Mr. Truett Latimer, Houston	1995
Mr. Max Levit, Houston	1997
Mr. Joel M. Levy, Houston	1995
Mr. Barry Lewis, Houston	1996
Mr. Leo E. Linbeck, Jr., Houston	1995
Mr. Earl B. Loggins, Houston	1995
Mr. Ben F. Love, Houston	1995
Ms. Mary Ralph Lowe, Houston	1996
Mrs. Marilyn G. (Frederick R.) Lummis, Houston	1995
Mr. Rodney H. Margolis, Houston	1995
Mr. Jack H. Mayfield, Jr., Houston	1996
Mrs. Mary Hale Lovett McLean, Houston	1995
Mr. Hank Moore, Houston	1995
** Mr. Preston Moore, Houston	1997
Mrs. Beth R. (Reed) Morian, Houston	1996
Mr. Dee Osborne, Houston	1996
* Mr. Robert S. Parsley, Houston	1997
Mr. Joseph H. Peck, Jr., Houston	1996
Mrs. Melinda H. (Michael W.) Perrin, Houston	1995
** Mr. Scott E. Rozzell, Houston	1997
* Mr. Christopher B. Sarofim, Houston	1997
** Mr. R. A. Seale, Jr., Houston	1997
Mr. Neil B. Strauss, Houston	1995
Mr. Ralph B. Thomas, Houston	1996
Mr. Richard J. Trabulsi, Jr., Houston	1996
Mr. J. Adan Trevino, Houston	1996
Mr. David M. Underwood, Jr., Houston	1995
Mr. Temple Webber, Jr., Houston	1996
Mr. Presley E. Werlein III, Houston	1995
Mr. Robert C. Wilson III, Houston	1996

Unfilled Terms - 7

(To be determined as filled)

The University of Texas
Health Science Center at San Antonio

Development Board.--Authorized Membership 71:

	<u>Term Expires</u>
Mr. Steve Atherton, San Antonio	1995
* Mr. Edward H. Austin, Jr., San Antonio	1997
** Mr. Charles T. Barrett, San Antonio	1997
Mr. Sam Barshop, San Antonio	1995
Mr. J. Michael Bell, San Antonio	1995
Mr. Glenn Biggs, San Antonio	1995
** Mr. Guy Bodine, San Antonio	1997
Mrs. Dolph (Janey) Briscoe, Uvalde	1996
* Mr. J. Bruce Bugg, Jr., San Antonio	1997
Mr. Charles C. Butt, Jr., San Antonio	1995
Mr. Richard W. Calvert, San Antonio	1996
Donald M. Carlton, Ph.D., Austin	1995
* Mrs. Robin D. Carson, San Antonio	1997
** Mr. Steven Dufilho, San Antonio	1997
* Mr. Ruben Escobedo, San Antonio	1997
Mr. Ben F. Foster, Jr., San Antonio	1996
** Mr. Larry Franklin, San Antonio	1997
Mr. Thomas C. Frost, San Antonio	1996
Rafael Garza, M.D., McAllen	1995
** Mr. Christopher "Kit" Goldsbury, San Antonio	1997
** Dr. Burton Grossman, San Antonio	1997
* Mr. C. C. Gunn, Sr., San Antonio	1997
** Mr. Richard Harris, San Antonio	1997
* Mr. Roger Hemminghaus, San Antonio	1997
Mr. Peter Hennessey III, San Antonio	1996
* Mr. Mario A. Hernandez, San Antonio	1997
* Mr. Earl C. Hill, San Antonio	1997
Mr. James E. Ingram, San Antonio	1995
Mr. George B. Irish, San Antonio	1996
Mr. Gary Jacobs, Laredo	1996
Mr. B. K. Johnson, San Antonio	1995
** Ms. Harriet Kelley, San Antonio	1997
Mr. Patrick J. Kennedy, San Antonio	1995
Mr. John Kerr, San Antonio	1995
Mrs. Charles (Kathleen) Kuper, San Antonio	1995
* Mr. Pat Legan, San Antonio	1997
** Mrs. Nancy Loeffler, San Antonio	1997
* Mr. Ricardo E. "Dickie" Longoria, Laredo	1997
Mr. Bob Marbut, San Antonio	1995
Mr. L. Lowry Mays, San Antonio	1996
Mr. B. J. "Red" McCombs, San Antonio	1995
General Robert F. McDermott, San Antonio	1995
* Mr. Joe C. McKinney, San Antonio	1997
** Mr. Stan L. McLelland, San Antonio	1997
Claude L. Nabers, D.D.S., San Antonio	1996
Mr. John E. Newman, Jr., San Antonio	1996
Mr. Emilio Nicolas, San Antonio	1996
Mr. Dennis Nixon, San Antonio	1996
Mr. John Oberman, San Antonio	1996
* Mr. Charles G. Orsinger, San Antonio	1997
* Mr. Dan E. Parman, San Antonio	1997
* Mr. Tom E. Pawel, San Antonio	1997
* Mr. Philip J. Pfeiffer, San Antonio	1997
** Mrs. Aaronetta Pierce, San Antonio	1997
** Mr. David Rocha, San Antonio	1997
Mr. Stanley D. Rosenberg, San Antonio	1996
Mrs. Arthur (Linda) Seeligson, Jr., San Antonio	1995
* Mr. Pete C. Selig, San Antonio	1997
* John M. Smith, Jr., M.D., San Antonio	1997
Mrs. Joe R. (Jocelyn) Straus, Jr., San Antonio	1996

* Mr. Arnold "Pic" Swartz, San Antonio	1997
The Honorable Abelardo L. Valdez, Washington, DC	1995
* Mr. Harold E. Walker, San Antonio	1997
Mr. W. Lawrence Walker, Jr., San Antonio	1996
* Mr. Martin Weiss, San Antonio	1997
Mr. C. Martin Wender, San Antonio	1995
Robert V. West, Jr., Ph.D., San Antonio	1995
** Mr. Edward E. Whitacre, San Antonio	1997
** Mrs. Linda Whitacre, San Antonio	1997
Mr. Jack Willome, San Antonio	1995
* Mr. Fausto Yturria, Jr., Brownsville	1997

Dental School Advisory Council.--
Authorized Membership 30:

	<u>Term Expires</u>
Col. Ted Almquist, Lackland AFB	1996
James Bauerle, D.D.S., San Antonio	1995
Mr. Michael Beldon, San Antonio	1996
* Ms. Nancy S. Bohman, San Antonio	1997
** Ms. Helen Butler, San Antonio	1997
Dr. Charles L. Cotrell, San Antonio	1996
Mr. Mike De La Garza, San Antonio	1996
** Mr. Cipriano Guerra, San Antonio	1997
** Ms. Mary Hartman, San Antonio	1997
Mr. Mark Kilpatrick, San Antonio	1995
Ms. Harriet Marmon, CPA, San Antonio	1996
Mr. Mike Novak, San Antonio	1996
** Mr. Arturo Sanchez, San Antonio	1997
* Reeves Smith, D.D.S., San Antonio	1997
Louis Tomaino, CSW, DSW, San Antonio	1996
Ms. Maria Elena Torralva, San Antonio	1995

Unfilled Terms - 14 (To be determined as filled)

Medical School Advisory Council.--
Authorized Membership 15:

	<u>Term Expires</u>
Louis J. Agnese, Jr., Ph.D., San Antonio	1995
Mr. Ernesto Ancira, Jr., San Antonio	1996
* Harold M. Brannan, M.D., San Antonio	1997
Frank Bryant, Jr., M.D., San Antonio	1996
Ronald K. Calgaard, Ph.D., San Antonio	1996
* Stanley E. Crawford, Sr., M.D., San Antonio	1997
* Scott C. Duncan, M.D., San Antonio	1997
* Milton S. Jacobs, M.D., San Antonio	1997
* Gen. William V. McBride (Ret.), San Antonio	1997
* Patrick M. Palmer, M.D., San Antonio	1997
* Ms. Sylvia Romo, San Antonio	1997
* Mr. J. Burleson Smith, San Antonio	1997
* Mr. Paul H. Smith, San Antonio	1997
Mr. Thomas E. Turner, Jr., San Antonio	1995

Unfilled Term - 1 (To be determined as filled)

Nursing School Advisory Council.--
Authorized Membership 30:

	<u>Term Expires</u>
** Mrs. Patricia Alexander, San Antonio	1997
** Robin Ancira, R.N., San Antonio	1997
** Mrs. Barbara Banker, San Antonio	1997
** Mrs. Mary Briseno, San Antonio	1997
Mrs. Jean Carlyle, San Antonio	1995

Mrs. Ann Coleman, San Antonio	1996
* Mrs. Jane Dreyfus, San Antonio	1997
Mrs. Cheryl Freed, San Antonio	1996
* Juliet V. Garcia, Ph.D., Brownsville	1997
Ms. Susan Hallmark, Helotes	1996
Mr. Anthony Hargrove, San Antonio	1996
Mrs. Dot Hemminghaus, Boerne	1996
* Mr. E. D. Hodge III, San Antonio	1997
* Col. William G. McKinsey (Ret.), San Antonio	1997
Mr. Don McManus, San Antonio	1995
* Mrs. Deborah Menger, San Antonio	1997
Brig. Gen. Diann Hale O'Connor (Ret.), Arlington	1995
Mrs. Harriet Oppenheimer, San Antonio	1995
Mrs. Margaret Rambie, Uvalde	1995
** Mrs. Valerie Robinson, San Antonio	1997
Ms. Phyllis Siegel, San Antonio	1996
** Charlene Smith, R.N., San Antonio	1997
** Ms. Kathy Sosa, San Antonio	1997
Mrs. C. Ritchie (Elaine) Spence, San Antonio	1996
** Mr. George Verduzco, Laredo	1997
** Mr. John Wampler, San Antonio	1997
** Ms. Evamay Watts, Universal City	1997
Mrs. Maria Christina Rodriguez Weiss, San Antonio	1996
** Mrs. Darolyn Worth, Comfort	1997

Unfilled Term - 1 (To be determined as filled)

14.

The University of Texas
M.D. Anderson Cancer Center

University Cancer Foundation Board of Visitors.--
Authorized Membership 50:

	<u>Term Expires</u>
Mr. Edward Azar, El Paso	1996
Mr. Thomas J. Brorby, Austin	1995
Mr. John R. Butler, Jr., Houston	1996
Mr. Roy Butler, Austin	1995
Mr. William E. Carl, Corpus Christi	1996
Mrs. George Ann Carter, Fort Worth	1995
* Mr. Ernest H. Cockrell, Houston	1997
Mr. Robert J. Cruikshank, Houston	1996
Mr. Thomas H. Cruikshank, Dallas	1996
* Mr. Arthur Rhew Dooley, Jr., Beaumont	1997
* Mr. Dillon J. Ferguson, Houston	1997
Mr. Edward O. Gaylord, Houston	1995
* Mr. Gary F. Gibson, Freeport	1997
* Mr. Harold V. Goodman, Houston	1997
Miss Lyda Hill, Dallas	1996
Mr. Forrest E. Hoglund, Houston	1995
Mr. Woody L. Hunt, El Paso	1996
Mr. Scott J. Hyten, Austin	1995
* Mr. Joseph D. Jamail, Houston	1997
Mr. Richard J. V. Johnson, Houston	1996
* Mrs. Glenda Kane, Corpus Christi	1997
Mr. Melvyn N. Klein, Corpus Christi	1995
Mr. R. Bruce LaBoon, Houston	1995
Mrs. Elyse B. Lanier, Houston	1995
Mrs. Marty V. Leonard, Fort Worth	1996
Mr. Max Levit, Houston	1997
* Mr. Michael R. Levy, Austin	1997
Mr. Harry J. Longwell, Houston	1996

* Mr. Red McCombs, San Antonio	1997
Mr. John McCormack, Houston	1995
Mr. Randall Meyer, Houston	1996
* Mr. Charles Miller, Houston	1997
Mr. George P. Mitchell, The Woodlands	1995
Mr. Merriman Morton, Austin	1996
Mrs. Georgette Mosbacher, Houston	1996
* Mr. Robert Nichols, Dallas	1997
* Mr. Robert R. Onstead, Houston	1997
Mr. J. David Oppenheimer, San Antonio	1995
Mr. James H. Polk III, Santa Fe, NM	1995
Mr. Edward Randall III, Houston	1995
Mr. L. G. Rawl, Irving	1995
Ms. Regina J. Rogers, Houston	1995
* Mr. Walter M. Ross, Houston	1997
** Mrs. Peggy Sewell, Dallas	1997
Mr. Marc J. Shapiro, Houston	1996
Mr. Charles M. Simmons, Fort Worth	1995
Mr. Wade C. Smith, Dallas	1995
Miss Josephine Sparks, Corpus Christi	1995
Mr. Jack T. Trotter, Houston	1996

Unfilled Term - 1 (To be determined as filled)

15. The University of Texas Health Center at Tyler

Development Board.--Authorized Membership 60:

	<u>Term Expires</u>
Mr. Jud Adams, Tyler	1996
Mr. James W. Arnold, Tyler	1996
* Mr. Jeff Austin, Sr., Frankston	1997
Mr. Dick Barnett, Tyler	1996
Mr. Harold Beaird, Tyler	1995
Mr. Henry M. Bell, Jr., Tyler	1995
Mr. Henry Bell III, Tyler	1996
Mr. Herbert Buie, Tyler	1995
Mr. Frank M. Burke, Jr., Dallas	1996
* Mr. Allen Burt, Tyler	1997
Mrs. D. K. Caldwell, Tyler	1995
Mr. Charles L. Childers, Tyler	1995
** Mr. Leonard Davis, Tyler	1996
* Mrs. Thomas E. Duncan, Lufkin	1997
Mrs. Nancy Fair, Tyler	1996
* Mr. David Fender, Tyler	1997
Mr. Murphy George, Lufkin	1996
Mrs. R. L. Gibson, Kilgore	1996
* Mrs. D. R. Glass, Tyler	1997
Bob Glaze, D.C., Gilmer	1995
Mr. Richard Hamm, Tyler	1995
Mr. B. G. Hartley, Tyler	1996
* Mr. Bob L. Herd, Tyler	1997
Mr. Larry Hickman, Tyler	1995
Mr. Bob Irwin, Tyler	1996
Earl C. Kinzie, D.O., Lindale	1995
Mr. Will A. Knight, Tyler	1996
* Mr. Jim Loyd, Tyler	1997
Mr. Gene Meier, Tyler	1995
** Mr. John Muse, Dallas	1997
** Mr. Steve Oden, Texarkana	1997
* Mr. George Oge, Sr., Tyler	1997
Mrs. Lou Ornelas, Tyler	1996
Mr. Harry Phillips, Tyler	1995
* Mr. Jack L. Phillips, Gladewater	1997
** Mr. Rogers Pope, Longview	1997

The Honorable Thomas B. Ramey, Jr., Tyler	1995
Mr. Edwin Rasco, Tyler	1996
Mr. Richard L. Ray, Tyler	1995
** Mr. Jim Reynolds, Tyler	1996
Mr. Tom Richards, Longview	1995
Mr. H. Lanier Richey, Tyler	1995
* Mr. Wade Ridley, Tyler	1997
Mr. A. W. Riter, Jr., Tyler	1995
Mr. A. W. Riter III, Tyler	1995
Mr. Sam Roosth, Tyler	1996
Mr. Bill Ross, Tyler	1996
* Mr. James R. Russell, Tyler	1997
C. Fagg Sanford, M.D., Tyler	1995
Mr. Norman Shtofman, Tyler	1996
** Mr. H. Thompson Smith, Tyler	1997
Mr. Ralph Spence, Tyler	1995
Ms. Rose Strong, Longview	1995
John C. Turner, M.D., Tyler	1996
* James M. Vaughn, M.D., Tyler	1997
* Mr. Dayton Walkup, Kilgore	1997
* Mr. John Warner, Tyler	1997
* Mrs. Watson W. Wise, Tyler	1997
Mr. Royce E. Wisenbaker, Tyler	1996
* Mr. Sam Wolf, Tyler	1997

E. 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 Rapoport
Vice-Chairman Temple, Vice-Chairman Lebermann
MSA Page EX.C - 1

Business Affairs and Audit Committee: Chairman Loeffler, Regent Cruikshank, Regent Smiley
MSA Page BAAC - 1

Academic Affairs Committee: Chairman Holmes
Regent Lebermann, Regent Ramirez
MSA Page AAC - 1

Health Affairs Committee: Chairman Ramirez
Regent Cruikshank, Regent Hicks, Regent Temple
MSA Page HAC - 1

Facilities Planning and Construction Committee:
Chairman Temple, Regent Holmes, Regent Lebermann,
Regent Smiley
MSA Page FPCC - 1

Asset Management Committee: Chairman Cruikshank
Regent Hicks, Regent Lebermann, Regent Loeffler,
Regent Smiley
MSA Page AMC - 1

F. RECONVENE AS COMMITTEE OF THE WHOLE

G. ITEMS FOR THE RECORD

1. U. T. Austin - Alan and Nancy Hamm Endowed Presidential Scholarship in the College of Pharmacy: Amendment to Minute Order of December 2, 1993, to Reflect Correct Endowment Name.--

REPORT

At the December 1993 meeting, the U. T. Board of Regents, at the request of U. T. Austin, established the Alan and Nancy Hamm Endowed Presidential Scholarship in the College of Pharmacy at U. T. Austin. The words "in Pharmacy," which are consistent with the donor's understanding, were inadvertently omitted from the endowment title by U. T. Austin. Thus the December 1993 Board action is to be amended to reflect the Scholarship as the Alan and Nancy Hamm Endowed Presidential Scholarship in Pharmacy.

2. U. T. Austin - Tracy-Locke/Morris Hite Endowed Presidential Scholarship Fund for Advertising Studies in the College of Communication: Amendment to Minute Order of August 12, 1993, to Reflect Correct Amount of Matching Funds Under The Brackenridge Matching Program #2.--

REPORT

At the August 1993 meeting, the U. T. Board of Regents, at the request of U. T. Austin, allocated \$59,937.50 of matching funds from The Brackenridge Matching Program #2 to the Tracy-Locke/Morris Hite Endowed Presidential Scholarship Fund for Advertising Studies in the Department of Advertising, College of Communication, at U. T. Austin. The matching allocation, which was to be calculated on a one for two basis on \$101,875 of qualifying gifts, was incorrectly listed as \$59,937.50. Thus the August 1993 Board action is to be amended to reflect \$50,937.50 as the correct amount of matching to be allocated.

3. U. T. Austin: Report on Change of Call Letters for the Student Radio Station from KTSB to KVRX.--

REPORT

At the August 1993 meeting, the U. T. Board of Regents approved a resolution authorizing a time-sharing agreement between U. T. Austin, on behalf of the radio operations of Texas Student Publications (KTSB), and Texas Educational Broadcasting Co-operative, Inc., doing business as Austin Co-op Radio, Inc. (KOOP).

The student radio station operated by Texas Student Publications on the U. T. Austin campus originally used the call letters KTSB. These call letters were not subject to approval by the Federal Communications Commission (FCC) during the several year period when the station did not broadcast on the public airwaves. The radio signal was carried by wire by the local cable company, Austin Cablevision, to cable subscribers. After obtaining a license from the FCC to operate a non-commercial FM radio station jointly with another applicant, it was necessary to select new call letters since KTSB was in use in Ohio. A listing of five choices was approved by the Texas Student Publications Board of Operating Trustees on September 24, 1993. The FCC has approved the call letters KVRX for the new radio station.

4. U. T. Pan American - Student Housing, Apartment Complex (Phase I): Report on Status of Project.--

REPORT

At the June 1993 meeting, the U. T. Board of Regents authorized initiation of Phase I of a project for student housing on the U. T. Pan American campus to accommodate an estimated 400-500 students on an 8-acre tract. Approval was also given for U. T. Pan American to solicit proposals from developers to construct and manage the Phase I complex.

Proposals were solicited and four developers responded. However, following a review of the bids, U. T. Pan American reports for the record that it desires to delay the project at this time and plans to solicit new proposals before proceeding with the project.

5. U. T. Permian Basin: Reorganization of the Academic Administrative Structure - Clarification of Division Name.--

REPORT

At the February 1994 meeting, the U. T. Board of Regents authorized U. T. Permian Basin to reorganize its academic administrative structure from five (5) divisions to three (3) schools. In the recommendation to the U. T. Board of Regents, the name of the former Division of Business Administration was referred to as the School of Business Administration instead of the School of Business as approved by the Texas Higher Education Coordinating Board.

H. REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS

REPORT

The 85th Oil and Gas Lease Sale and the Frontier Oil and Gas Lease Sale No. 85-A were held in Midland, Texas, on May 10, 1994. Total bonuses of \$1,400,826 were received.

There were 41,907 acres nominated by the oil and gas industry, and bids were received on 16,429 acres. Bonuses in the amount of \$927,806 were paid for this acreage.

There were 484,759 acres available for leasing under the terms of the Frontier Sale and bids were received on 5,827 acres. Bonuses in the amount of \$473,020 were paid for this acreage.

The next Oil and Gas Lease Sale is scheduled for November 10, 1994, in Midland, Texas.

- I. REPORT OF SPECIAL COMMITTEES
- J. OTHER MATTERS
- K. RECESS TO EXECUTIVE SESSION

The Board will convene in Executive Session pursuant to Texas Government Code, Chapter 551, Sections 551.071, 551.072, and 551.074 to consider those matters set out on Pages Ex.S 1 - 2 of the Material Supporting the Agenda.

- L. RECONVENE IN OPEN SESSION

- M. CONSIDERATION OF ACTION ON ANY ITEMS DISCUSSED IN THE EXECUTIVE SESSION OF THE BOARD OF REGENTS PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551, SECTIONS 551.071, 551.072, AND 551.074

- 1. Pending and/or Contemplated Litigation - Section 551.071

- a. U. T. Medical Branch - Galveston: Proposed Settlement of Medical Liability Litigation
- b. U. T. Health Science Center - Houston: Proposed Settlement of Medical Liability Litigation
- c. U. T. Health Science Center - Houston: Proposed Settlement of Medical Liability Litigation
- d. U. T. Health Science Center - San Antonio: Proposed Settlement of Medical Liability Litigation
- e. U. T. M.D. Anderson Cancer Center: Proposed Settlement of Medical Liability Litigation
- f. U. T. Health Center - Tyler: Proposed Settlement of Medical Liability Litigation

- 2. Land Acquisition, Purchase, Exchange, Lease or Value of Real Property and Negotiated Contracts for Prospective Gifts or Donations - Section 551.072

- a. U. T. Austin - Borden-Superior Dairies Gift: Request for Authorization to Grant Purchase Options on Two Parcels of Vacant Land in Austin, Travis County, Texas
- b. U. T. Austin: Request for Authorization to Sell an Approximately 8.336 Acre Tract of Land Located Near the J. J. Pickle Research Campus in Austin, Travis County, Texas
- c. U. T. Austin and U. T. San Antonio: Request for Authorization to Sell Lot 1, Section Three, Oak View Subdivision, Austin, Travis County, Texas, and to Purchase Lot 25, Block 18, New City Block 302, E. A. M. Subdivision, U-1, San Antonio, Bexar County, Texas

- d. U. T. Medical Branch - Galveston: Request for Authorization to Accept a Gift of Real Estate Known as 910 Rosenberg (Adjacent to the Open Gates Conference Center) and to Acquire Additional Real Estate Located in the Remainder of Block 204 in Galveston, Galveston County, Texas
- 3. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees - Section 551.074
 - a. U. T. System: Consideration of Personnel Aspects of the Operating Budgets for the Fiscal Year Ending August 31, 1995, Including Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds, and Medical and Dental Services, Research and Development Plans and Request for the Chancellor to Make Editorial Corrections Therein
 - b. U. T. Health Science Center - Houston: Consideration of Recommendation of Hearing Tribunal Regarding Termination of Tenured Faculty Member

N. SCHEDULED EVENTS

1. Board of Regents' Meetings

<u>Dates</u>	<u>Locations/Hosts</u>
August 11, 1994	No Host - Austin
October 7, 1994	U. T. Dallas
December 1, 1994	U. T. Pan American

2. Other Events

September 29, 1994	U. T. M.D. Anderson Cancer Center: Faculty Honors Convocation
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O. OTHER BUSINESS

P. ADJOURNMENT

JANUARY 1994							FEBRUARY 1994							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	
						1			1	2	3	4	5	
2	3	4	5	6	7	8	6	7	8	9	10	11	12	
9	10	11	12	13	14	15	13	14	15	16	17	18	19	
16	17	18	19	20	21	22	20	21	22	23	24	25	26	
23	24	25	26	27	28	29	27	28						
30	31													
MARCH 1994							APRIL 1994							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	
			1	2	3	4	5					1	2	
6	7	8	9	10	11	12	3	4	5	6	7	8	9	
13	14	15	16	17	18	19	10	11	12	13	14	15	16	
20	21	22	23	24	25	26	17	18	19	20	21	22	23	
27	28	29	30	31			24	25	26	27	28	29	30	
MAY 1994							JUNE 1994							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	
1	2	3	4	5	6	7				1	2	3	4	
8	9	10	11	12	13	14	5	6	7	8	9	10	11	
15	16	17	18	19	20	21	12	13	14	15	16	17	18	
22	23	24	25	26	27	28	19	20	21	22	23	24	25	
29	30	31					26	27	28	29	30			
JULY 1994							AUGUST 1994							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	
					1	2			1	2	3	4	5	6
3	4	5	6	7	8	9	7	8	9	10	11	12	13	
10	11	12	13	14	15	16	14	15	16	17	18	19	20	
17	18	19	20	21	22	23	21	22	23	24	25	26	27	
24	25	26	27	28	29	30	28	29	30	31				
31														
SEPTEMBER 1994							OCTOBER 1994							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	
				1	2	3						1		
4	5	6	7	8	9	10	2	3	4	5	6	7	8	
11	12	13	14	15	16	17	9	10	11	12	13	14	15	
18	19	20	21	22	23	24	16	17	18	19	20	21	22	
25	26	27	28	29	30		23	24	25	26	27	28	29	
							30	31						
NOVEMBER 1994							DECEMBER 1994							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	
		1	2	3	4	5					1	2	3	
6	7	8	9	10	11	12	4	5	6	7	8	9	10	
13	14	15	16	17	18	19	11	12	13	14	15	16	17	
20	21	22	23	24	25	26	18	19	20	21	22	23	24	
27	28	29	30				25	26	27	28	29	30	31	

**Executive
Committee**

EXECUTIVE COMMITTEE
Committee Chairman Rapoport

Date: June 9, 1994
Time: Following the convening of the Board of Regents
at 10:00 a.m.
Place: Room 470, Mesa Building, U. T. Permian Basin

	<u>Page</u> <u>Ex.C</u>
1. U. T. Arlington: Request for Authorization to Purchase a 2.4356 Acre Tract of Land with Improvements in Arlington, Tarrant County, Texas, and Request for Authorization to Execute Documents (NO PUBLICITY) (Exec. Com. Letter 94-12)	2
2. U. T. Austin - Athletic Fields Phase I Construction: Request for Approval to Increase Project Cost; Resubmission of the Project to the Coordinating Board; and Appropriation Therefor (Exec. Com. Letter 94-12)	3
3. U. T. San Antonio: Recommendation to Approve Logo (Regents' <u>Rules and Regulations</u> , Part Two, Chapter I, Section 9, Subsection 9.4) (Exec. Com. Letter 94-12)	4
4. U. T. Southwestern Medical Center - Dallas - Research Building - Phase II North Campus Expansion (Project No. 303-755): Recommended Award of Construction Contract for Stage Three - Six Shell Floors Finish Out to Huber, Hunt & Nichols, Inc., Dallas, Texas (Exec. Com. Letter 94-13)	6
5. U. T. M.D. Anderson Cancer Center - R. E. "Bob" Smith Research Building - Upgrading and Expansion of Mechanical and Utility Systems - Phase II (Project No. 703-770): Recommended Award of General Construction Contract to Way Engineering Company, Inc., Houston, Texas (Exec. Com. Letter 94-13)	10

1. U. T. Arlington: Request for Authorization to Purchase a 2.4356 Acre Tract of Land with Improvements in Arlington, Tarrant County, Texas, and Request for Authorization to Execute Documents (NO PUBLICITY) (Exec. Com. Letter 94-12).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Amacher that the U. T. Board of Regents authorize the purchase by U. T. Arlington of 2.4356 acres, Lot 6-R, Block 1, Ditto and Collins Addition, Arlington, Tarrant County, Texas, from Mr. Paul Tilley and Mr. J. E. Kettle, Arlington, Tarrant County, Texas for \$1,392,825.

It is further recommended that the Vice President for Business Affairs be authorized to execute, on behalf of U. T. Arlington, all documents pertaining to the purchase following approval of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Office of General Counsel.

The property is within authorized boundaries for campus expansion approved by the U. T. Board of Regents at the November 1966 meeting and the Texas Legislature in 1967, 1971, and 1979. Texas Higher Education Coordinating Board approval for acquisition of property within the defined boundaries is therefore not required.

BACKGROUND INFORMATION

The property is currently occupied by Bauder Fashion College, a private vocational school with facilities for classrooms, housing, and administrative and related uses. The school, located at 508 South Center Street, is adjacent to the east boundary of the U. T. Arlington campus.

The 2.4356 acre site consists of a 199-space surface parking facility and a 3-story, 58,916 square foot concrete frame building, built in 1963. The location of the school makes it an excellent potential acquisition either to provide additional space for the School of Urban and Public Affairs or additional specialized space for Theatre Arts/Communications/Fine Arts. The parking spaces can be used immediately to alleviate a current shortage of campus parking.

U. T. Arlington has obtained two MAI appraisals for the property and has received environmental site assessment reports for the property. An appraisal by Ron Ward & Associates, Inc. of Arlington, Texas, dated May 27, 1993, indicated a value of \$1,800,000 for the property. The second appraisal by Rohrer & Goodrich, Inc. of Fort Worth, Texas, dated June 1, 1993, indicated a value of \$1,000,000 for the property. U. T. Arlington proposes to use Unexpended Plant Funds to make the purchase.

The current owners desire to transfer ownership prior to September 1, 1994. In addition, the current owners insist that negotiations be kept confidential to allow sufficient time to inform the Bauder Fashion College student body of the potential transaction and to announce suitable alternate arrangements to fulfill obligations to current students.

NO PUBLICITY

2. U. T. Austin - Athletic Fields Phase I Construction: Request for Approval to Increase Project Cost; Resubmission of the Project to the Coordinating Board; and Appropriation Therefor (Exec. Com. Letter 94-12).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs, and President Berdahl that the U. T. Board of Regents:

- a. Authorize an increase in the total project cost of the U. T. Austin Athletic Fields Phase I construction from \$2,000,000 to \$2,300,000
- b. Authorize resubmission of the project to the Texas Higher Education Coordinating Board
- c. Appropriate an additional \$300,000 from Intercollegiate Athletics for Men balances for total project funding. Previous appropriations were \$2,000,000 from the same source.

BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in August 1993, final plans and specifications for the U. T. Austin - Athletic Fields Phase I construction were prepared and bids received by the U. T. Austin Physical Plant Department. The base bid plus the desired alternate bids were found to total approximately \$300,000 more than the authorized total project cost.

The desired alternate bids add a Prescription Turf System for both the soccer and football fields and foundations and electrical work to serve the scoreboard and film towers. The Departments of Intercollegiate Athletics for Men and Women agree upon the need to accept the alternate bids to provide a superior irrigation, fertilization, and drainage system. This is particularly important for the Women's Intercollegiate soccer field which will be used both for practice and competition. Sufficient funds from Intercollegiate Athletics for Men have been identified to cover the increase in the total project cost.

This project was approved by the Texas Higher Education Coordinating Board in October 1993 and the proposed cost increase will be resubmitted for consideration.

Approval of this request will amend the FY 1994-1999 Capital Improvement Plan and the FY 1994 Capital Budget for a proposed total project cost of \$2,300,000 from U. T. Austin Intercollegiate Athletics for Men balances.

3. U. T. San Antonio: Recommendation to Approve Logo (Regents' Rules and Regulations, Part Two, Chapter I, Section 9, Subsection 9.4) (Exec. Com. Letter 94-12).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs, and President Kirkpatrick that the U. T. Board of Regents approve the adoption of a logo for U. T. San Antonio. This request is in accordance with the Regents' Rules and Regulations, Part Two, Chapter I, Section 9, Subsection 9.4 relating to approval of official logos.

A graphic representation of the logo is set out on Page Ex.C - 5 as Design D and that page also shows representative variations of the logo that will be used.

BACKGROUND INFORMATION

U. T. San Antonio has selected a logo design composed of three elements. The acronym, UTSA, in bold block letters has been used by the University on various kinds of official publications and athletic uniforms for many years. The icon element of the logo is a graphic representation of U. T. San Antonio's primary campus landmark, the Sombrilla.

Upon Regental approval of the logo, the Office of General Counsel will submit the graphic representation for trademark registration.



Design A

THE UNIVERSITY OF TEXAS
AT SAN ANTONIO

UTSA

Design B

THE UNIVERSITY OF TEXAS
AT SAN ANTONIO



Design C

THE UNIVERSITY
OF TEXAS
AT SAN ANTONIO



UTSA

Design D

THE UNIVERSITY OF TEXAS AT SAN ANTONIO



UTSA

Design E

THE UNIVERSITY OF TEXAS ★ SAN ANTONIO

4. U. T. Southwestern Medical Center - Dallas - Research Building - Phase II North Campus Expansion (Project No. 303-755): Recommended Award of Construction Contract for Stage Three - Six Shell Floors Finish Out to Huber, Hunt & Nichols, Inc., Dallas, Texas (Exec. Com. Letter 94-13).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Health Affairs, and President Wildenthal that the U. T. Board of Regents award a construction contract for Stage Three - Six Shell Floors Finish Out of the Research Building - Phase II North Campus Expansion at U. T. Southwestern Medical Center - Dallas to the lowest responsible bidder, Huber, Hunt & Nichols, Inc., Dallas, Texas, for the Base Bid and Alternates 2 and 3 in the amount of \$14,350,000.

BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in February 1994, bids for Stage Three - Six Shell Floors Finish Out of the Research Building - Phase II North Campus Expansion at U. T. Southwestern Medical Center - Dallas were received on April 14, 1994, as shown on Pages Ex.C 8 - 9.

The project for expansion of the North Campus is divided into the Intercampus Connector project and three stages of construction. Award of the work for the Intercampus Connector was made by the U. T. Board of Regents in June 1992; award of the first stage for prepurchase of Thermal Energy Plant equipment was made by the U. T. Board of Regents in October 1992; and award of the second stage for General Construction of Research Building NA, Support Building NG and Expansion of the Thermal Energy Plant Building NJ was made by the U. T. Board of Regents in February 1993.

This third stage of work consists of a construction contract to partially finish out six shell floors of Research Building NA as research space. Research Building NA is the second research building constructed on the North Campus. It is a ten-level facility consisting of approximately 182,913 gross square feet of research space (6 levels); 30,333 gross square feet of research support space (1 level); and 88,933 gross square feet of parking (3 levels). Upon completion of this stage three, Research Building NA will contain approximately 26,389 gross square feet of shell space remaining to be finished out. Requests for approval for additional stages to finish out the remaining shell space will be presented to the U. T. Board of Regents at a future date.

The recommended contract award to Huber, Hunt & Nichols, Inc., Dallas, Texas, for the Base Bid and Alternates 2 and 3 in the amount of \$14,350,000 can be made within the total project cost of \$67,800,000. Huber, Hunt & Nichols, Inc., Dallas, Texas, stated in its proposal that it will have Historically Underutilized Business participation of approximately 3% from women-owned firms and 10% from minority-owned firms in the contract.

The total project cost is comprised of the following elements:

Intercampus Connector	\$ 4,950,259
First Stage of Construction - Prepurchase of Thermal Energy Plant Equipment	2,627,390
Second Stage of Construction - General Construction for Research Building NA, Support Building NG and Expansion of Thermal Energy Plant Building NJ	31,473,000
Third Stage of Construction - Six Shell Floors Finish Out	14,350,000
Fees and Administrative Expenses	4,458,357
Furniture and Equipment	2,208,144
Future Work	
Testing and Air-Balancing	205,000
Finish Out of Remaining Shell Space	5,257,148
Miscellaneous Expenses	1,097,708
Project Contingency	<u>1,172,994</u>
 Total Project Cost	 \$67,800,000

The Research Building - Phase II North Campus Expansion project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1994 Capital Budget for a total project cost of \$67,800,000 with \$20,000,000 in Permanent University Fund Bond Proceeds, \$42,300,000 in Revenue Bond Proceeds, and \$5,500,000 in Interest on Local Funds.

This project was approved by the Texas Higher Education Coordinating Board in October 1991.

STAGE THREE - SIX SHELL FLOORS FINISH OUT
RESEARCH BUILDING - PHASE II NORTH CAMPUS EXPANSION
THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS
Bids Received April 14, 1994

BIDDER	<u>Huber, Hunt & Nichols, Inc.</u> Dallas, Texas	<u>Centex Bateson Construction</u> <u>Company, Inc.</u> Dallas, Texas	<u>Visa Construction, Inc./</u> <u>Thos. S. Byrne, Inc.</u> Fort Worth, Texas
BASE BID	\$11,280,000	\$11,617,000	\$11,690,000
Alt. Bid #1 - Not Used			
Alt. Bid #2 - Add the interior finish out for Level 4	1,530,000	1,510,000	1,628,000
Alt. Bid #3 - Add the interior finish out for Level 5	<u>1,540,000</u>	<u>1,520,000</u>	<u>1,630,000</u>
Recommended Contract Award - Base Bid Plus Alternate Bid Nos. 2 and 3	\$14,350,000	\$14,647,000	\$14,948,000

STAGE THREE - SIX SHELL FLOORS FINISH OUT
RESEARCH BUILDING - PHASE II NORTH CAMPUS EXPANSION
THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER AT DALLAS
Bids Received April 14, 1994

BIDDER	<u>Constructors & Associates, Inc.</u> <u>Dallas, Texas</u>	<u>Austin Commercial, Inc.</u> <u>Dallas, Texas</u>
BASE BID	\$11,860,000	\$11,949,000
Alt. Bid #1 - Not Used		
Alt. Bid #2 - Add the interior finish out for Level 4	1,630,000	1,598,000
Alt. Bid #3 - Add the interior finish out for Level 5	<u>1,630,000</u>	<u>1,600,000</u>
Recommended Contract Award - Base Bid Plus Alternate Bid Nos. 2 and 3	\$15,120,000	\$15,147,000

5. U. T. M.D. Anderson Cancer Center - R. E. "Bob" Smith Research Building - Upgrading and Expansion of Mechanical and Utility Systems - Phase II (Project No. 703-770): Recommended Award of General Construction Contract to Way Engineering Company, Inc., Houston, Texas (Exec. Com. Letter 94-13).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Health Affairs, and President LeMaistre that the U. T. Board of Regents award a general construction contract for the R. E. "Bob" Smith Research Building - Upgrading and Expansion of Mechanical and Utility Systems - Phase II at U. T. M.D. Anderson Cancer Center to the lowest responsible bidder, Way Engineering Company, Inc., Houston, Texas, for the Base Bid and Alternates 1, 4, 6, 9, and 11 in the amount of \$3,256,530.

BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in April 1993, bids for the general construction of the R. E. "Bob" Smith Research Building - Upgrading and Expansion of Mechanical and Utility Systems - Phase II at U. T. M.D. Anderson Cancer Center were received on March 15, 1994, as shown on Pages Ex.C 12 - 13.

In June 1988, the U. T. Board of Regents approved a project for the upgrading and expansion of the mechanical systems at the U. T. M.D. Anderson Cancer Center R. E. "Bob" Smith Research Building in the amount of \$2,000,000. This project has been completed.

The project for Phase II of the R. E. "Bob" Smith Research Building - Upgrading and Expansion of Mechanical and Utility Systems - Phase II is divided into two stages. The first stage of construction for Air Handling Unit Prepurchase was approved by the U. T. Board of Regents at its December 1993 meeting. The second stage of construction for Upgrading and Expansion of Mechanical and Utility Systems - Phase II is presented for consideration as indicated on the accompanying bid tabulation.

This second stage addresses a number of life safety issues and includes the removal of several older, inefficient air handling units and the activation of one large, more efficient, air handling unit purchased in the first stage; modifications to duct systems; the implementation of energy management systems; and the addition of fire walls and temperature controls. The energy management upgrades to the air-side supply systems are expected to realize a significant savings in annual energy costs.

The recommended contract award to Way Engineering Company, Inc., Houston, Texas, for the Base Bid and Alternates 1, 4, 6, 9, and 11 in the amount of \$3,256,530 can be made within the total project cost of \$6,000,000. Way Engineering Company, Inc., Houston, Texas, stated in

its proposal that it will have Historically Underutilized Business participation of approximately 20% from women-owned firms and 10% from minority-owned firms in the contract.

The total project cost is comprised of the following elements:

First Stage of Construction - Air Handling Unit Prepurchase	\$ 893,767
Second Stage of Construction - Upgrading and Expansion of Mechanical and Utility Systems - Phase II	3,256,530
Fees and Administrative Expenses	776,901
Future Work (Testing and Air-Balancing)	111,779
Miscellaneous Expenses	66,120
Other Project Budget Items (Institutional Control)	738,903
Project Contingency	<u>156,000</u>
Total Project Cost	\$6,000,000

The R. E. "Bob" Smith Research Building - Upgrading and Expansion of Mechanical and Utility Systems - Phase II project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1994 Capital Budget for a total project cost of \$6,000,000 from Educational and General Funds.

This project was approved by the Texas Higher Education Coordinating Board in October 1993.

R. E. "BOB" SMITH RESEARCH BUILDING
 UPGRADING AND EXPANSION OF MECHANICAL AND UTILITY SYSTEMS - PHASE II
 THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER
 Bids Received March 15, 1994

<u>Bidder</u>	<u>Construction Ltd.</u> <u>Houston, Texas</u>	<u>South Coast Construction</u> <u>Services, Inc.</u> <u>Houston, Texas</u>
BASE BID	\$2,993,000	\$3,053,709
Alternate Bid No. 1: Install fire sprinklers in the Smith Research Building administrative areas	70,819	72,520
Alternate Bid No. 2: Install fire sprinklers in the Physical Plant Building	65,273	51,948
Alternate Bid No. 3: Install fire sprinklers in the Small Animal Facility	47,724	51,442
Alternate Bid No. 4: Install fire sprinklers in mechanical areas	59,285	66,489
Alternate Bid No. 5: Install a rack sprinkler system in the warehouse	65,098	31,797
Alternate Bid No. 6: Replace four existing chilled water pumps	34,326	33,841
Alternate Bid No. 7: Construct telephone HUB rooms and cable hangers	103,111	103,359
Alternate Bid No. 8: Upgrade existing Air Handling Unit No. 2 and its associated ductwork, mixing boxes and controls	102,992	95,162
Alternate Bid No. 9: Pressure test the existing ductwork	39,490	37,957
Alternate Bid No. 10: Demolish existing Air Handling Units No. 1, No. 3A, and No. 3B	19,719	16,037
Alternate Bid No. 11: Replace existing constant volume mixing boxes	<u>115,390</u>	<u>100,856</u>
Recommended Contract Award - Base Bid Plus Alternates 1, 4, 6, 9, and 11	\$3,312,310	\$3,365,372

R. E. "BOB" SMITH RESEARCH BUILDING
 UPGRADING AND EXPANSION OF MECHANICAL AND UTILITY SYSTEMS - PHASE II
 THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER
 Bids Received March 15, 1994

<u>Bidder</u>	<u>Way Engineering Company, Inc.</u> <u>Houston, Texas</u>	<u>Comex Corporation</u> <u>Deer Park, Texas</u>
BASE BID	\$2,926,404	\$2,930,000
Alternate Bid No. 1: Install fire sprinklers in the Smith Research Building administrative areas	79,712	83,000
Alternate Bid No. 2: Install fire sprinklers in the Physical Plant Building	82,061	68,000
Alternate Bid No. 3: Install fire sprinklers in the Small Animal Facility	110,559	168,000
Alternate Bid No. 4: Install fire sprinklers in mechanical areas	72,136	78,800
Alternate Bid No. 5: Install a rack sprinkler system in the warehouse	30,998	61,000
Alternate Bid No. 6: Replace four existing chilled water pumps	27,553	34,000
Alternate Bid No. 7: Construct telephone HUB rooms and cable hangers	104,744	115,800
Alternate Bid No. 8: Upgrade existing Air Handling Unit No. 2 and its associated ductwork, mixing boxes and controls	80,863	88,000
Alternate Bid No. 9: Pressure test the existing ductwork	36,849	42,000
Alternate Bid No. 10: Demolish existing Air Handling Units No. 1, No. 3A, and No. 3B	17,045	17,000
Alternate Bid No. 11: Replace existing constant volume mixing boxes	<u>113,876</u>	<u>125,000</u>
Recommended Contract Award - Base Bid Plus Alternates 1, 4, 6, 9, and 11	\$3,256,530	\$3,292,800

**Business Aff.
and Audit Com.**

BUSINESS AFFAIRS AND AUDIT COMMITTEE
Committee Chairman Loeffler

Date: June 9, 1994
Time: Following the meeting of the Executive Committee
Place: Room 470, Mesa Building, U. T. Permian Basin

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1. U. T. System: Recommendation to Approve Chancellor's Docket No. 76.--

RECOMMENDATION

It is recommended that Chancellor's Docket No. 76 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.

2. U. T. Board of Regents: Proposed Amendments to the Regents' Rules and Regulations, Part One, Chapter II, Section 6 (Executive Vice Chancellor for Business Affairs) and Section 11 (Other Code 1000 Staff and Officers of System Administration).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the Regents' Rules and Regulations, Part One, Chapter II, be amended as set forth below in congressional style:

- a. Amend Section 6 regarding the Executive Vice Chancellor for Business Affairs as follows:

Sec. 6. Executive Vice Chancellor for Business Affairs.

The Executive Vice Chancellor for Business Affairs reports to the Chancellor and is responsible for the direction of those offices and supervision of those areas of responsibility set forth in Subsection 6.2(10)[9] of this Chapter. The Executive Vice Chancellor for Business Affairs provides staff assistance to the Chancellor and the Executive Vice Chancellors in the exercise of their responsibilities. The Executive Vice Chancellor for Business Affairs has direct access to the Board of Regents of The University of Texas System and is expected to work directly with the appropriate committees of the Board in discharging the duties of the office.

6.1 Appointment and Tenure.

The Executive Vice Chancellor for Business Affairs shall be appointed by the Board after nomination by the Chancellor. The Executive Vice Chancellor for Business Affairs shall hold office without fixed term, subject to the pleasure of the Chancellor. The Chancellor's actions regarding the Executive Vice Chancellor for Business Affairs are subject to review and approval by the Board.

6.2 Duties and Responsibilities.

The primary responsibilities of the Executive Vice Chancellor for Business Affairs include:

- 6.21 The provision of staff assistance to the Chancellor and the Executive Vice Chancellors in the execution of their responsibilities.
- 6.22 Submitting recommendations to the Chancellor and to the appropriate Executive Vice Chancellor on business operations of the components of the System.
- 6.23 Reviewing and making recommendations on uniform business systems and management.
- 6.24 Submitting recommendations relating to programs for the most efficient management of personnel and resources.
- 6.25 Submitting recommendations for program development for training of personnel in nonacademic areas.
- 6.26 Reviewing and making recommendations on programs of long-range planning for physical facilities and financial resources.
- 6.27 Reviewing and making recommendations relating to police and security matters within the System.
- 6.28 Coordinating the business affairs of the System with other officers and members of the System Administration staff.
- 6.29 In consultation with the appropriate Executive Vice Chancellor, coordinating the activities of business administrative operations of the component institutions.
- 6.2(10) Managing the operations of the offices listed below through such internal administrative organization as he/she deems to be appropriate: [~~of-Facilities Planning-and-Construction,-Budget-and-Fiscal-Policy,-System Personnel,-Police,-West-Texas Lands-Management-(Surface-Interests-and-Oil,-Gas-and-Mineral Interests)-,-Management-Information-Systems-and-Special Services,-~~]

Office of the Associate Vice
Chancellor for Business
Affairs

Office of Historically
Underutilized Business
Development

Office of the Director of
Police

Office of the Assistant Vice
Chancellor and Controller

Budget Office

Office of Management

Information Systems

Office of Information

Services

Office of Business and

Administrative Services

Director of Accounting

regarding System

Administration accounts

Office of the Assistant Vice
Chancellor for Finance

Office of Facilities Plan-
ning and Construction

Office of Finance

Office of Endowment Real

Estate regarding non-

endowment and campus

real estate

System Personnel Office

Office of Employee Group

Insurance Program

Office of West Texas Lands

Management

University Lands

Accounting Office

Surface Interests

Oil, Gas & Mineral

Interests.

- 6.2(11) Supervising and coordinating the acquisition and/or disposition of all nonendowment and campus lands at the component institutions and the U. T. System.
- 6.2(12) Directing the management of the purchasing, accounting, equipment inventories, and vouchering operations for the offices of the System Administration and coordinating the building services for the System buildings.
- 6.2(13) Directing the management of the System-wide insurance programs (except the System Plan for Professional Medical Liability Self-Insurance), including approval of all policies and coverages, such programs to include:
- Fire and Extended Coverage;
 - Liability;
 - Health;
 - Life;
 - Accidental Death and Dismemberment;
 - Income Replacement; and
 - Retirement.

- 6.2(14) Implementing policy for the receipt, disbursement, and custody of funds; for terms of depository agreements with banks; and for custody of bearer securities owned by System funds that are maintained in bank safety deposit boxes and are not in custody with the State Treasurer.
- 6.2(15) Forwarding debt issues for approval by the Board of Regents following the concurrence of the Vice Chancellor for Asset Management.
- 6.2(16) Performing such other duties as may be assigned by the Chancellor.

b. Delete present Subsection 6.3 in its entirety.

NOTE: This subsection contained the detailed job descriptions of several officers reporting to the Executive Vice Chancellor for Business Affairs. These job descriptions will now be on file in the System Personnel Office as required in Item c below.

c. Amend Section 11 regarding Other Code 1000 Staff and Officers of System Administration as follows:

Sec. 11. Other Code 1000 Staff and Officers of System Administration.

Staff and officers of System Administration designated as code 1000 shall be appointed by the Chancellor, the Executive Vice Chancellors, or Vice Chancellors to whom they will report, and shall have appropriate job descriptions on file with the System Personnel Office. Persons so appointed shall not have tenure by virtue of their respective positions. They shall serve without fixed term, subject to the pleasure of the officer to whom they report. The actions of the appointing officer concerning such positions are in turn subject to review and approval by the Chancellor or the Board as required by the Regents' Rules and Regulations.

BACKGROUND INFORMATION

The proposed amendments to Section 6 of the Regents' Rules and Regulations, Part One, Chapter II, are intended to reflect a reorganization of those areas of responsibility of the Executive Vice Chancellor for Business Affairs.

The proposed amendment to Section 11 of the Regents' Rules and Regulations, Part One, Chapter II, is intended to reflect the requirement to have appropriate job descriptions on file with the System Personnel Office.

3. U. T. Board of Regents: Recommendation to Amend the Regents' Rules and Regulations, Part One, Chapter III, Section 5, Subsection 5.2, Subdivision 5.21 [Appointment of Relatives (Nepotism Rule)].--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the Regents' Rules and Regulations, Part One, Chapter III, Section 5, Subsection 5.2, Subdivision 5.21 regarding the appointment of relatives (nepotism rule) be amended as set forth below in congressional style:

- 5.21 Section 573.001 et seq., Texas Government Code [Article-5996a,--Vernon's-Civil-Statutes], does not prohibit the reappointment or continued employment of any person who shall have been continuously employed in any such office, position, employment, or duty for a period of 30 days [one-~~(1)~~-year] prior to the appointment of the member of the Board of Regents related to such person within the prohibited degree, nor does it apply to prohibit honorary or nonremunerative positions; provided that when such person is reappointed or continued in employment the member of the Board of Regents who is related to such person in the prohibited degree shall not participate in the deliberation or voting upon the reappointment, continuation of employment, change in status, compensation or dismissal of such person, if such action applies only to such person and not to a bona fide class or category of employees.

BACKGROUND INFORMATION

The proposed amendment makes correct reference to the codification of former Article 5996a of Vernon's Civil Statutes in the Texas Government Code and amends the period of continuous employment required for relatives of appointed officials such as members of the U. T. Board of Regents to be consistent with the 30-day period included in the Texas Government Code.

4. U. T. Board of Regents: Recommendation to Amend the Regents' Rules and Regulations, Part One, Chapter III, Section 33, Subsection 33.1 (Retirement and Modified Service).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the Regents' Rules and Regulations, Part One, Chapter III, Section 33, Subsection 33.1 regarding retirement and modified service be amended as set forth below in congressional style:

Sec. 33. Retirement and Modified Service.

- 33.1 No person employed by the U. T. System or any component institution shall be required to retire because of age except as permitted by law. However, a [A] licensed pilot operating an aircraft under Part 91 of the Federal Aviation Regulations may [shall-not] be employed as a pilot until [beyond] the end of the fiscal year that includes the pilot's seventieth [sixty-fifth] birthday. Upon attaining the age of sixty, the pilot must satisfactorily complete the flight physical required for his/her flight certification on a semiannual basis. Flight physicals for all U. T. System pilots will be conducted by a certified flight surgeon employed at one of the health institutions of the U. T. System. In the event there is no certified flight surgeon on staff at one of the health institutions of the U. T. System, the flight physical will be conducted, at U. T. System expense, by a certified flight surgeon designated by one of the health institutions of the U. T. System.

BACKGROUND INFORMATION

The federal Age Discrimination in Employment Act, Title 29 United States Code Annotated Section 621 et seq., prohibits mandatory retirement policies which require retirement solely on the basis of age unless permitted by law. The Federal Aviation Act requires that captains and first officers who pilot commercial air carriers be less than 60 years old. The federal courts have upheld the age 60 mandatory retirement rule as a bona fide occupational requirement. In addition, federal courts have upheld such mandatory retirement rules for pilots employed by state agencies.

The proposed amendment to the Regents' Rules and Regulations changes the mandatory retirement age for pilots to permit the U. T. System to employ certain persons until the age of 70, requiring semiannual flight physicals beyond the age of 60.

5. U. T. Board of Regents: Recommendation to Amend the Regents' Rules and Regulations, Part Two, Chapter VII, Section 2, Subsection 2.3 (Inventories), Section 3, Subsection 3.6 (Motor Vehicles), Section 7 (Telephones), and Section 10, Subsections 10.6 and 10.7 (Disposition of Abandoned and Unclaimed Personal Property).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the Regents' Rules and Regulations, Part Two, Chapter VII, Section 2, Subsection 2.3 (Inventories), Section 3, Subsection 3.6 (Motor Vehicles), Section 7 (Telephones), and Section 10 (Abandoned and Unclaimed Personal Property) be amended as set forth below in congressional style:

Sec. 2. Inventories.

. . .

- 2.3 Inventories as of August 31 include all equipment on hand as defined by the [State-Purchasing-and] General Services Commission under the State Purchasing and General Services Act. Items that are worn out or discarded shall be deleted in accordance with the regulations of the [State-Purchasing-and] General Services Commission.

. . .

Sec. 3. Motor Vehicles.

. . .

- 3.6 Each component institution shall be cognizant of and render reports on operation of motor vehicles as required by the current Appropriations Act [Bill].

. . .

- Sec. 7. Telephones.--The director of information services, the director of physical plant, [or] the chief business officer, or other person designated by the chief administrative officer shall be responsible for the installation of telephones and the administration of all telephone facilities. Personal toll calls shall not be charged to institutional telephones. Charges for telephones and toll calls shall be pursuant to approved institutional policy included in the Handbook of Operating Procedures [under-the-supervision-of-the-persons-named-above].

. . .

Sec. 10. Disposition of Abandoned and Unclaimed Personal Property.

. . .

10.6 Vehicles that are abandoned and unclaimed will be disposed of in accordance with Section 365.001 et seq. of the Texas Health and Safety Code [Article-4477-9a of the Vernon's Texas Civil Statutes].

10.7 Drugs in the possession of any component institutional police department will be disposed of in the manner prescribed by Section 483.074 of the Texas Health and Safety Code [Article-4476-147-Section-87 of] (the Texas Dangerous Drugs Act) and by Sections 481.158 and 481.159 of the Texas Health and Safety Code [Article-4476-157 Section-5-087-of-] (the Texas Controlled Substances Act).

. . .

BACKGROUND INFORMATION

The proposed amendments to Sections 2 and 3 are minor editorial corrections to make appropriate reference to the General Services Commission and the General Appropriations Act. The proposed amendment to Section 7 provides more institutional flexibility in the oversight of telephones and telephone facilities. The proposed amendments to Section 10 provide updated references to the Texas Health and Safety Code.

6. U. T. System: Recommendation to Amend the Policy Regarding Jurisdiction of Commissioned Peace Officers.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the U. T. System policy regarding jurisdiction of commissioned peace officers be amended as set out below in congressional style:

POLICY STATEMENT

- (a) Commissioned [Effective-September-17-1987,-commissioned] peace officers employed by The University of Texas System or any of its components shall confine their activities related to the performance of the duties of [as] peace officers to [activities within-the-boundaries*-of-one-of-the-campus*-of the-U.-T.-System-and-within-the-boundaries-of] property owned, leased, or otherwise under the control

of the U. T. System or one of the component institutions of the U. T. System, with the following exceptions:

- (1) The Chief of Police of each component institution within the U. T. System and the Director of Police for the U. T. System may, on a case by case basis, authorize commissioned peace officers employed by or temporarily assigned to a ~~[that]~~ component institution to function outside the "restricted primary jurisdiction"* ~~[boundaries]~~ established by this Policy as peace officers on University business or in conjunction with a University sponsored event so long as the peace ~~[police]~~ officers remain within their area of primary jurisdiction (county) as established by Section 51.203, Texas Education Code. It is provided, however, that the provisions of the Hot Pursuit Policy (Policy No. II-86-14, as amended) promulgated by the Director of Police for the U. T. System are not affected by this Policy.
 - (2) The Director of Police for the U. T. System may ~~[7-on-a-case-by-case-basis,]~~ authorize commissioned peace officers of the U. T. System ~~[or-a-component-institution]~~ to function as peace officers outside their primary jurisdiction (county) to assist another law enforcement agency in Texas, or to otherwise perform duties as a peace officer on official University business ~~[outside-the-primary-jurisdictional-area-established-by-Section-51-203,-Texas-Education-Code].~~
- (b) The Chief Administrative Officer of each component institution within the U. T. System shall be responsible for providing to the Director of Police for the U. T. System, for review and approval~~[7]~~ as to police jurisdiction, a map(s) showing ~~[existing campus-boundaries-as-defined-by-this-Policy,-and the-boundaries-(as-defined-by-this-Policy)-of]~~ all property owned, leased, or otherwise controlled by a component institution ~~[and]~~ or U. T. System which is ~~[property]~~ under the police control of a component institution. It is the continuing responsibility of the Chief Administrative Officer or other administrative official to whom this responsibility is delegated to ensure that the maps on file with the Office of the Director of Police ~~[System offices]~~ are kept current. The maps shall also ~~[have]~~ denote~~[d]~~ thereon all land areas, streets, buildings, and facilities located contiguous to property owned, leased, or otherwise controlled by the component institution ~~[within-the-boundaries]~~ that are not owned, leased, or controlled by the component institution or the U. T. System. The Executive Vice Chancellor for Business Affairs or his or her delegate ~~[Similarly,-the-Executive Director-for-Finance-and-Administration]~~ shall be responsible for fulfilling the requirements of this section for ~~[prepare-for-the-approval-of-the-Chancellor-a-map(s)-showing-the-boundaries-of]~~ property owned, leased, or otherwise controlled by the U. T. System Administration.

- (c) The Director of Police for the U. T. System shall furnish to [and] the Chief of Police for each component institution [~~within the U. T. System shall distribute~~] copies of this Policy and the [relevant] approved maps. The component institution Chiefs of Police shall distribute copies of this Policy and a map(s) delineating the component police department's restricted primary jurisdiction to the commissioned peace officers under their control.

*For the purposes of this Policy, the term "restricted primary jurisdiction" ["boundary"] is interpreted to mean [a closed perimeter that encompasses] all land, streets, buildings, and facilities or [located within the perimeter of a campus or within the perimeter of] other property owned, leased, or otherwise under the control of [controlled by] the U. T. System or one of the component institutions [irrespective of whether a particular land area, street, building, or facility within that perimeter is owned or leased by the University or the U. T. System].

[**For the purposes of this Policy, at U. T. Arlington, the term "campus" means the area encompassed by the perimeter of the land acquisition plan approved by the Texas Legislature (Acts 60th Reg. S. 1967, Ch. 73, p. 140; Acts 62nd Reg. S. 1971, Ch. 261, p. 1149; Acts 66th Reg. S. 1979, Ch. 523, p. 1107).]

BACKGROUND INFORMATION

These recommended revisions amend the U. T. System policy covering jurisdiction of commissioned peace officers adopted by the U. T. Board of Regents at the August 1987 meeting.

The proposed amendments redefine the jurisdiction to include property owned, leased, or otherwise under the control of the U. T. System or one of the component institutions and include editorial changes to adjust or clarify the responsibilities of officials delegated to handle police jurisdictional matters.

7. U. T. System: Recommended Approval of the Capital Budget for the Fiscal Year Ending August 31, 1995.--

RECOMMENDATION

The Chancellor, with the concurrence of the appropriate Executive Vice Chancellors and the chief administrative officers of the U. T. System component institutions, recommends approval of the U. T. System Capital Budget, Part A (Major Construction Projects) and Part B (Reserve Allocations for Repairs and Equipment Projects), for the fiscal year ending August 31, 1995. The proposed Capital Budget will be distributed in advance of the Board briefing scheduled for June 3, 1994.

It is further recommended that the U. T. System Administration be authorized, in consultation with the component institutions, to proceed with planning for projects contained in the Capital Budget and to bring recommendations to the U. T. Board of Regents for funding approval. As required by provisions of the Regents' Rules and Regulations, authorization to appoint project architects and engineers, approval of plans, authorization to advertise for bids, and award of bids will continue to be accomplished via a standard agenda item, at appropriate times.

In accordance with the campus planning rules of the Texas Higher Education Coordinating Board, the Chairman of the U. T. Board of Regents must certify that the need for new construction that will require formula funding is at least equal to the need to acquire additional or more modern instructional and research equipment. Since the capital budgeting process used by the U. T. System to develop the Capital Budget ensures that such a determination or prioritization is considered and endorsed by the Board on behalf of each new project, it is recommended that the Executive Secretary to the Board be authorized, on behalf of the Chairman, to issue the certification as required by the Texas Higher Education Coordinating Board for all new construction contained in the Capital Budget.

In addition to the annual reserve of \$10,000,000 included in the Capital Improvement Plan, Part B of this budget provides for the reallocation of \$1,100,000 in unused balances from prior year Permanent University Fund Bond Proceeds reserve allocations to the U. T. Medical Branch - Galveston. This proposal commits these additional dollars to the emergency repair needs at U. T. Permian Basin.

With regard to repair and equipment projects to be funded from Permanent University Fund Bond Proceeds reserves or a combination of bond proceeds and other funds, it is recommended that U. T. System component institutions be authorized to purchase approved equipment items and library materials and to contract for repair and rehabilitation projects following standard purchasing and contracting procedures within approved dollar limits. Substitute equipment purchases are to receive prior approval by the Chancellor and appropriate Executive Vice Chancellor and, where required, the U. T. Board of Regents. Transfers by U. T. System Administration of allocated funds to institutional control or to vendors will coincide with vendor payment requirements. Final approval of specific repair and rehabilitation projects will be in accordance with Board established procedures for construction projects.

FY 1995 funds not expended or obligated by contract/purchase order within six months after the close of FY 1995 are to be available for future Systemwide reallocation unless specific authorization to continue obligating the funds is given by the Executive Vice Chancellor for Business Affairs on recommendation of the President and the appropriate Executive Vice Chancellor.

BACKGROUND INFORMATION

The Capital Budget is composed of two parts. Part A sets forth the application of funds from all sources to those capital projects which involve any expenditure during the fiscal year ending August 31, 1995. This includes any projects approved by the Board of Regents since adoption of the FY 1994 Capital Improvement Plan/Capital Budget and new projects to be funded from non-PUF reserves. PUF funding commitments remain unchanged except for the U. T. Tyler Liberal Arts project which has been in the Capital Improvement Plan since 1985, but unfunded pending completion of a private fund campaign. Private funds and other institutional resources for that project are now available. Thus it is recommended that this project be budgeted with construction anticipated to begin late in FY 1995. Gift and institutional funds would be expended first with PUF bond proceeds not needed until FY 1996.

Part B appropriates Permanent University Fund Bond Proceeds from reserves provided in the six-year Capital Improvement Plan. The Capital Improvement Plan provides for an annual allocation of \$10,000,000 from Permanent University Fund Bond Proceeds reserves for equipment, library, repair and renovation projects for FY 1995. This amount coupled with the \$1,100,000 in lapsed balances provides a total of \$11,100,000 for such purposes. The recommendations in Part B of the Capital Budget were developed from prioritized lists of projects submitted by component institutions and reviewed by U. T. System Administration staff.

8. U. T. System: Recommended Approval of Non-Personnel Aspects of the Operating Budgets for the Fiscal Year Ending August 31, 1995, Including Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds, and Medical and Dental Services, Research and Development Plans and Request for the Chancellor to Make Editorial Corrections Therein.--

RECOMMENDATION

The Chancellor, with the concurrence of the appropriate Executive Vice Chancellor and chief administrative officers of the U. T. System component institutions, recommends that the non-personnel aspects of the U. T. System Operating Budgets for the fiscal year ending August 31, 1995, including Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds, and Medical and Dental Services, Research and Development Plans be approved.

It is also recommended that the Chancellor be authorized to make editorial corrections therein and that subsequent adjustments be reported to the U. T. Board of Regents through the institutional dockets.

This item requires the concurrence of the Academic Affairs and Health Affairs Committees.

BACKGROUND INFORMATION

The Chancellor will present a statement in support of the budget recommendation at the committee meeting.

See Page Ex.S - 2 related to the personnel aspects of the Operating Budgets.

9. U. T. System: Recommended Monthly Premiums for the Self-Funded Medical and Dental Plans and Health Maintenance Organizations to be Effective September 1, 1994.--

Employee monthly premium rates for the U. T. System self-funded medical and dental plans and health maintenance organizations to be effective September 1, 1994, are still being negotiated. It is anticipated that rates will be available for recommendation at the June meeting of the U. T. Board of Regents.

10. U. T. System: Recommended Appointment of Carrier for Dental Insurance and Prescription Drug Service to be Effective September 1, 1994.--

The U. T. System Administration developed a Request for Proposals for a dental insurance plan and a prescription drug service that was distributed to all qualified interested organizations on April 11, 1994. Proposals were accepted from organizations through May 2, 1994. Extensive review of the proposals received is currently in progress and a recommendation to appoint a carrier for the dental insurance plan and the drug prescription service will be made at the June meeting of the U. T. Board of Regents.

BUSINESS AFFAIRS AND AUDIT COMMITTEE

SUPPLEMENTAL MATERIAL

JUNE 9, 1994

10. U. T. System: Recommended Appointment of (a) an Administrative Agent for the Self-Insured Indemnity Dental Insurance Plan; (b) a Health Maintenance Organization (HMO) Dental Insurance Plan; and (c) an Out-Patient Prescription Drug Service to be Effective September 1, 1994.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the U. T. Board of Regents approve the appointment of the following dental insurance plans and an outpatient prescription drug service for employees of the U. T. System to be effective September 1, 1994:

- a. Delta Dental Insurance Company, Atlanta, Georgia, as administrative agent for the self-insured indemnity dental insurance plan
- b. United Dental Care of Texas, Inc., Dallas, Texas, for a health maintenance organization (HMO) dental insurance plan
- c. Caremark Prescription Service Division of Caremark Inc., Lincolnshire, Illinois, for an outpatient prescription drug service.

See related item for recommended rates for the dental insurance programs.

BACKGROUND INFORMATION

The U. T. System Administration developed Requests for Proposal (RFPs) for a dental insurance plan and an outpatient prescription drug service that were distributed to all qualified interested organizations on April 11, 1994. Proposals were accepted from organizations through May 2, 1994. After extensive review of responses to the RFPs, including participation of a panel which included dental representatives from the U. T. Health Science Centers at Houston and San Antonio and a panel including representatives from the U. T. Austin College of Pharmacy, the Employee Group Insurance Program Office recommended to the Executive Vice Chancellor for Business Affairs that the contracts be awarded to Delta Dental Insurance Company and United Dental Care of Texas, Inc. for the dental plans, and to Caremark Prescription Service Division of Caremark Inc. for the outpatient prescription drug service. The indemnity dental plan, administered by Delta Dental Insurance Company, will be available to all U. T. System component institutions. The dental health maintenance organization will be offered only in areas where a sufficient number of participating dental providers exists.

**Academic
Affairs Com.**

ACADEMIC AFFAIRS COMMITTEE
Committee Chairman Holmes

Date: June 9, 1994
Time: Following the meeting of the Business Affairs and
Audit Committee
Place: Room 470, Mesa Building, U. T. Permian Basin

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1. U. T. Board of Regents: Proposed Amendments to the Regents' Rules and Regulations, Part One, Chapter III, Section 34, Subsection 34.3 (Faculty and Staff Organizations).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the Executive Vice Chancellor for Health Affairs that the Regents' Rules and Regulations, Part One, Chapter III, Section 34, Subsection 34.3 regarding faculty and staff organizations be amended as set forth below in congressional style:

Sec. 34. Faculty and Staff Organizations.

. . .

34.3 No organization may become registered or remain registered at a component institution as a faculty or staff organization unless the membership of the organization is restricted to the faculty or staff of that component institution.

34.31 At the time of application for registration and at the beginning of each semester that an organization is registered as a faculty or staff organization, each such organization shall file with the appropriate officer at the component institution a statement [an-affidavit-executed-by-the-president,-chairman,-or-other-appropriate-official-of-the-organization-stating] that the organization does not presently have, nor during any period of registration will it have, as a member any person who is not a member of the faculty or staff of the institution.

34.32 If the chief administrative officer of the institution, or his or her designated delegate, determines that the statements required above [in-such-affidavit] are false, registration shall be denied, or if it is determined that such statements have [affidavit-has] become false during any period of registration, such registration shall be cancelled.

This item requires the concurrence of the Health Affairs Committee.

BACKGROUND INFORMATION

The proposed amendments to Section 34, Subsection 34.3 of the Regents' Rules and Regulations, Part One, Chapter III are intended to remove unnecessarily strict language concerning the filing of an affidavit by registered faculty and staff organizations. The change was suggested by the U. T. System Faculty Advisory Council and has been reviewed and approved by the chief administrative officers of the U. T. System component institutions.

2. U. T. System: Recommendation for (a) Approval to Establish a Consortium for the Study of Western Hemispheric Trade in Cooperation with The Texas A&M University System; (b) Authorization for Other U. T. Academic Component Institutions to Become Members in the Proposed Consortium; (c) Authorization to Seek Designation as the Center for the Study of Western Hemispheric Trade; and (d) Authorization to Execute Proposed Cooperative Agreement.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and Presidents Berdahl and Natalicio that:

- a. Approval be given for the U. T. System to join with The Texas A&M University System to establish a Consortium for the Study of Western Hemispheric Trade with U. T. Austin, U. T. El Paso, Texas A&M University, and Texas A&M International University to be founding members of the consortium
- b. Authorization be granted for other U. T. System academic component institutions to become members of the consortium if eligible to join subject to prior approval by the Executive Vice Chancellor for Academic Affairs
- c. Authorization be given for the consortium to seek designation as the Center for the Study of Western Hemispheric Trade under the North American Free Trade Agreement (NAFTA) Implementation Act
- d. Authorization be given for the Chancellor to execute on behalf of the U. T. System, following review by the Executive Vice Chancellor for Academic Affairs, Presidents Berdahl and Natalicio, and the Office of General Counsel, an anticipated cooperative agreement formalizing with The Texas A&M University System the framework for the consortium with the understanding that any and all specific agreements arising from the agreement are to be submitted for prior administrative review and approval as required by the Regents' Rules and Regulations.

BACKGROUND INFORMATION

Section 515 of the North American Free Trade Agreement (NAFTA) Implementation Act, passed by the 103rd U. S. Congress in the Fall of 1993, authorized establishment of a Center for the Study of Western Hemispheric Trade and authorized funding of \$10 million for Fiscal Year 1994 and "such sums as may be necessary" in the three succeeding fiscal years. Although funding authorization was passed, actual funding has not yet been appropriated. The consortium would focus initial efforts on being selected as the entity to operate the Center.

Originally introduced by then-Senator Lloyd Bentsen in 1990, the legislation was eventually included in the NAFTA implementing legislation as an amendment sponsored by Congressman J. J. "Jake" Pickle in the 103rd Congress. The amendment provided for the Center to be operated by an institution or consortium of institutions located in the State of Texas. Initial planning called for a consortium to be created by the Texas A&M and University of Texas Systems with founding institutions to include Texas A&M University, Texas A&M International University, U. T. Austin, and U. T. El Paso. Other institutions in the two systems will be considered for designation as "associated universities" in the consortium with the opportunity to play a role in the programming and research efforts of the Center and to receive funding as appropriate.

The chancellors of the two systems and the chief administrative officers of the four founding institutions would comprise the board for the consortium.

The NAFTA Implementation Act provided that the Center, among other activities, would examine issues which affect trade and other economic relations within the hemisphere, conduct studies and research projects on related subjects, conduct seminars and conferences to support and educate representatives from countries in the Western Hemisphere who seek expanded trade opportunities within the hemisphere, provide grants, fellowships, and other financial assistance to scholars and graduate students to study at the Center, and implement academic exchange programs.

The Center is expected to be an organizational entity and programmatic unit but not a physical facility or at a specific location. In addition, the extended network of academic and business community resources will not be limited to Texas but will include universities, business organizations, and research institutions from throughout the hemisphere. Funding from private sources and other types of federal grants are also anticipated with an expectation that such funds would support consortium activities beyond the period of funding under the NAFTA Implementation Act.

3. U. T. Arlington and U. T. Austin: Request for Permission for Individuals to Serve on the Board of Directors of the Texas State Commission on National and Community Service [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs that approval be given to Governor Ann Richards' appointments of Dr. Dorcas D. Bowles, Dean of the School of Social Work at U. T. Arlington, and Dr. Robert M. Berdahl, President of U. T. Austin, to the Board of Directors of the Texas State Commission on National and Community Service.

It is further recommended that the U. T. Board of Regents find that: (1) the holding of these positions by Dr. Bowles and Dr. Berdahl is of benefit to the State of Texas and (2) there is no conflict between Dr. Bowles' position at U. T. Arlington and Dr. Berdahl's position at U. T. Austin and their service on this Commission.

BACKGROUND INFORMATION

The Texas State Commission on National and Community Service was created by Executive Order AWR 94-15 and charged with encouraging community service and volunteer participation as a means of community and state problem solving, promoting and supporting voluntary citizen involvement in government and private programs throughout the state, and developing a comprehensive national and community service plan for the state. The Commission will serve as the state's liaison to the Corporation for National and Community Service and will apply for funding under the National and Community Service Trust Action. Dr. Bowles and Dr. Berdahl will serve on this Commission without additional compensation.

This recommendation is in accordance with approval requirements for positions of honor, trust, or profit provided in Chapter 574 of the Texas Government Code and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

4. U. T. Austin: Proposed Appointments to Endowed Academic Positions Effective September 1, 1994.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that the initial appointments as set forth on Page AAC - 8 be made to endowed academic positions at U. T. Austin effective September 1, 1994. Professors will vacate any currently held endowed positions on the effective date of the new appointments unless noted otherwise.

<u>Name of Proposed Appointee</u>	<u>Endowed Academic Position</u>
Dr. Laura T. Starks Professor, Department of Finance	Sarah Meadows Seay Regents Professorship in Business Administration in the College of Business Admin- istration; established April 1992
Ms. Cynthia L. Estlund Professor, School of Law	Leroy G. Denman, Jr. Regents Professorship in Real Property Law in the School of Law; established August 1985
Mr. Charles M. Silver Professor, School of Law	Cecil D. Redford Professor- ship in Law in the School of Law; established June 1993
Dr. Larry L. Jacoby Professor, Department of Psychology	David Wechsler Regents Chair in Psychology in the College of Liberal Arts; established February 1986
Dr. Henry R. Bose Professor, Department of Microbiology	Mary M. Betzner Morrow Centennial Chair in Micro- biology in the College of Natural Sciences; estab- lished December 1982

BACKGROUND INFORMATION

Dr. Starks joined the U. T. Austin faculty in 1986 and is nationally recognized for her work on financial management and markets. She has authored or coauthored numerous scholarly publications and serves as an ad hoc referee for several scholarly journals and as an associate editor of two journals. Dr. Starks is an excellent teacher and is currently the Graduate Advisor and Chairperson of the Committee for Graduate Studies in the Department of Finance. She has served with distinction on numerous university, college, and departmental committees.

Professor Estlund, a faculty member at U. T. Austin since 1989, teaches property and labor law and is the recipient of two Outstanding Faculty awards, one each from the Texas Journal of Women and the Law and the Chicano Law Students Association. She clerked for Judge Patricia Wald, United States Court of Appeals for the District of Columbia, and practiced law in Philadelphia and Washington, D. C. Professor Estlund is Faculty Advisor for the Texas Journal of Women and the Law and has served on several faculty and student committees in the School of Law.

Professor Silver, a faculty member at U. T. Austin since 1987, is nationally recognized for his work in the areas of civil procedure, litigation, remedies, and jurisprudence. He is the author or coauthor of several publications and has served as managing editor of a scholarly journal. He has received numerous awards in recognition of his scholarly work, including the Felix S. Cohen Prize for Legal Philosophy from the Yale Law School.

Dr. Jacoby's appointment as Professor in the Department of Psychology at U. T. Austin has been approved effective September 1, 1994. He is a highly regarded colleague and teacher at both undergraduate and graduate levels, is recognized for his contributions to cognitive psychology, and is considered a leading researcher in the area of human learning and memory. Dr. Jacoby has authored or coauthored numerous book chapters and articles, is active in a number of professional organizations, and serves on the editorial boards of several leading journals.

Dr. Bose, a faculty member at U. T. Austin since 1969, is nationally recognized for his research in the area of virology. He has authored or coauthored over 80 scholarly publications in his field and his research has been strongly and consistently supported by the National Institutes of Health and the Texas Advanced Research Program. Dr. Bose is an excellent teacher and is currently director of the Institute for Cellular and Molecular Biology at U. T. Austin.

5. U. T. Austin: Request for Approval to Grant a Third-Year Appointment as Visiting Professor in the School of Law for the 1994-95 Academic Year [Regents' Rules and Regulations, Part One, Chapter III, Section 1, Subsection 1.8, Subdivision 1.84(a)].--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl for approval of a third-year appointment of Mr. Pieter M. Schenkkan as Visiting Professor in the School of Law at U. T. Austin for the 1994-95 academic year.

BACKGROUND INFORMATION

Mr. Schenkkan was initially appointed as a Visiting Professor in the School of Law at U. T. Austin for the 1992-93 academic year. Faculty vacancies in the School of Law and a leave of absence granted for the only member of the faculty who has expertise in Administrative Law justifies the granting of a third-year appointment of Mr. Schenkkan as a Visiting Professor. Approval of this appointment by the U. T. Board of Regents is in accordance with Part One, Chapter III, Section 1, Subsection 1.8, Subdivision 1.84(a) of the Regents' Rules and Regulations.

6. U. T. Austin: Request for Permission for Individual to Serve as a Member of the (a) National Petroleum Council and (b) Texas Low-Level Radioactive Waste Disposal Authority [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that approval be given for Dr. William L. Fisher, Director of the Bureau of Economic Geology and Professor of Geological Sciences at U. T. Austin, to accept reappointment as a member of the (a) National Petroleum Council and (b) Board of Directors of the Texas Low-Level Radioactive Waste Disposal Authority.

It is further recommended that the U. T. Board of Regents find that: (1) the holding of these positions by Dr. Fisher is of benefit to the State of Texas and (2) there is no conflict between Dr. Fisher's position at U. T. Austin and his membership on the Council or the Authority.

BACKGROUND INFORMATION

Dr. Fisher, a recent electee to the National Academy of Engineering and holder of the Leonidas T. Barrow Centennial Chair in Mineral Resources, was first appointed in 1988 by the Secretary of Energy to serve on the National Petroleum Council. This Council was established in 1946 as a key advisory committee to the Secretary of Energy to provide advice, information, and recommendations on matters related to oil and gas and their respective industries. Dr. Fisher's reappointment by Secretary of Energy Hazel R. O'Leary will be effective immediately for a term which expires on November 23, 1995. Dr. Fisher will serve without additional compensation.

The Governor of the State of Texas has reappointed Dr. Fisher to the Board of Directors of the Texas Low-Level Radioactive Waste Disposal Authority for a term extending through February 1, 1999. Dr. Fisher has served since his original appointment in 1981. The Board of six members has responsibility for oversight of the Authority. Its membership requires one geologist, the position which is being filled by Dr. Fisher. Dr. Fisher will serve without additional compensation.

This recommendation is in accordance with approval requirements for positions of honor, trust, or profit provided in Chapter 574 of the Texas Government Code and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

7. U. T. Austin: Request for Permission for Individual to Serve as a Member of the Texas Board of Human Services [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that approval be given for Mr. Max Sherman, Dean of the Lyndon B. Johnson School of Public Affairs at U. T. Austin, to accept an appointment as a member of the Texas Board of Human Services.

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

BACKGROUND INFORMATION

Dean Sherman is a former Texas Senator, former president of West Texas State University (now West Texas A&M University), and a former special counsel to Governor Mark White. He is a graduate of Baylor University and the U. T. Austin School of Law. Dean Sherman's appointment by Governor Richards is subject to Senate confirmation and is for a term which expires on January 20, 1999. The Texas Board of Human Services serves as the governing board for the Texas Department of Human Services. Dean Sherman will serve without additional compensation other than per diem expenses allowed under the General Appropriations Act.

This recommendation is in accordance with approval requirements for positions of honor, trust, or profit provided in Chapter 574 of the Texas Government Code and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

8. U. T. Austin: Recommendation to Name Room in the F. Loren Winship Drama Building (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that the Modern Dance Studio, Room 1.172 of the F. Loren Winship Drama Building at U. T. Austin, be renamed The Woody McGriff Modern Dance Studio 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

The proposed room naming is to honor the late Mr. Heywood McGriff, Jr., who was Associate Professor in the Department of Theatre and Dance at U. T. Austin at the time of his death on May 8, 1994, in recognition of his distinguished service to the University and his accomplishments as a teacher, dancer, and choreographer.

See Item 9 on Page AMC - 12 for establishment of the Heywood "Woody" McGriff Endowed Presidential Scholarship in Dance.

9. U. T. Austin: Recommendation to Approve Changes in Parking Permit Fees Effective with the Fall Semester 1994 (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that the U. T. Board of Regents approve changes in parking permit fees at U. T. Austin effective with the Fall Semester 1994 as set out below:

	<u>1993-94 Current Fees</u>	<u>1994-95 Proposed Fees</u>
<u>Faculty/Staff Permits</u>		
Class A (unreserved)	\$ 48.00	\$ 52.00
Class D (disabled)	120.00	N/A
Class F (reserved)	120.00	130.00
Class M (motorcycle)	11.00	16.00
Class O (administrator)	180.00	195.00
<u>Special Use Permits</u>		
Class E (exercise fitness programs)	15.00	22.00
Class R (recreational sports)	15.00	N/A
<u>Student Permits</u>		
Class A (health)	15.00	22.00
Class C (students)	15.00	22.00
Class D (disabled)	15.00	N/A
Class G (graduate students)	24.00	36.00
Class M (motorcycle)	11.00	16.00
Class JR/KR/SR (university residence halls)	N/A	130.00
<u>Car pool Permits</u>		
Class A/C/F (car pool)	120.00	N/A
Class P	N/A	130.00

Annual parking permit fees are prorated if purchased for the Spring Semester and/or Summer Session(s) only.

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

BACKGROUND INFORMATION

The proposed fee increases are the first step of a two-step increase with the second step increase to be requested for 1995-96. The new fees will provide adequate income to support construction of a parking garage on the north side of the U. T. Austin campus. Such a parking garage, which is in the preliminary stages of planning and has not yet been presented to the U. T. Board of Regents, will be needed to compensate for a significant reduction in faculty, staff, and student parking spaces due to construction of the Molecular Biology Building and the Student Services Facility and expansion of the Animal Resources Center.

Changes in fee classifications include elimination of Class D permits since no parking permit fees are to be charged for permanently disabled persons or disabled veterans as defined by Articles 6675a-5e and 6675a-5e.1 of Vernon's Texas Civil Statutes. Class E and Class R permits have been combined into one Class E permit, as experience has shown that two distinct classes of permits are not necessary. A new designation of Class P has been given to car pool permits. Class JR/KR/SR permits are new for 1994-95 and will be available only to students who are residing in a campus dormitory or residence hall. Permits will be issued on a one permit per space basis and will be valid 24 hours per day, seven days per week. JR permits will be honored in lots near Jester Center; KR in lots near Kinsolving Dormitory; and SR in lots near Simkins Dormitory.

The proposed fee changes have been included in proposed amendments to the U. T. Austin Parking and Traffic Regulations for 1994-95. Those amendments have been reviewed and approved by the Office of General Counsel, the Office of Business Affairs, and the Executive Vice Chancellor for Academic Affairs and will be included in the next institutional docket for ratification by the U. T. Board of Regents. The proposed changes involving increases in existing fees require Regental approval via agenda action.

10. U. T. Austin: Recommendation to Amend the Students' Association Constitution (Regents' Rules and Regulations, Part One, Chapter VI, Section 5, Subsection 5.1, Subdivision 5.13).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that the U. T. Board of Regents amend the Students' Association Constitution at U. T. Austin pursuant to the Regents' Rules and Regulations, Part One, Chapter VI, Section 5, Subsection 5.1, Subdivision 5.13, as set forth on Page AAC - 14 in congressional style.

STUDENTS' ASSOCIATION CONSTITUTION

THE UNIVERSITY OF TEXAS AT AUSTIN

Article VII: Elections

7.4 The candidate(s) receiving the highest number of votes for the Student Representative seat(s) available shall be certified in the respective position. If the top candidates receive a tie vote, a runoff election will occur. A candidate for President or Vice President must receive a majority of the votes cast in his or her respective race to be certified. If no candidate for President or Vice President receives a majority of votes, the two candidates receiving the highest number of votes for the respective position shall have a runoff election. The candidate receiving the highest number of votes in the runoff shall be certified in the position. In the case of a tie in the runoff for President, Vice President, or Student Representative, the current and newly elected Students' Association Representatives shall vote on the two candidates. The candidate who receives a majority of the votes of the Representatives present and voting shall be certified for the position. A Representative who serves in both assemblies is entitled to two votes. In the case of a tie, the current President shall cast the deciding vote.

BACKGROUND INFORMATION

Amendments to the Students' Association Constitution were last approved by the U. T. Board of Regents at the August 1988 meeting.

The necessity for the proposed amendment grew out of circumstances in the recent March 1994 election for President of the Students' Association at U. T. Austin in which a runoff election ended in a tie between the two runoff candidates. After discussions among student affairs officials, the Election Supervisory Board of the Students' Association, and the outgoing President of the Students' Association, Vice President for Student Affairs James W. Vick amended the Students' Association Constitution as recommended by the Election Supervisory Board and agreed to by the runoff candidates in the election.

The portion of the proposed amendment which provides for a runoff election to occur had been approved in a student body election in March 1992, but the Students' Association had not forwarded that action for the required administrative and Regental approvals. The action by Vice President Vick incorporated the runoff provision and added language to resolve the tie vote which occurred in the runoff election.

Authority for the Vice President for Student Affairs to take such action is granted by the Regents' Rules and Regulations, Part One, Chapter VI, Section 5, Subsection 5.1, Subdivision 5.14, but "such action shall be in force only until the next meeting of the Board when Subdivision 5.13 . . . shall become applicable."

Subdivision 5.13 provides that "the Board shall amend or repeal any portion of the constitution and bylaws of a students' association when, in the judgment of the Board, the interests of the particular institution shall require it." If the provision for resolving a tie vote in a runoff election is to continue to have effect, it requires approval by the U. T. Board of Regents.

In addition to the action taken by Vice President Vick, the U. T. System Administration has added language that provides for a circumstance in which an election for a Student Representative might end in a tie vote and adds minor editorial changes.

The proposed amendment as stated in the Recommendation has been reviewed and approved by the Office of General Counsel.

11. U. T. Brownsville: Request for Authorization to Establish a Bachelor of Science Degree in Health Promotion and to Submit the Proposed Degree Program to the Coordinating Board for Approval (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Garcia that authorization be granted to establish a Bachelor of Science degree in Health Promotion at U. T. Brownsville and to submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action. The proposed degree program is consistent with U. T. Brownsville's approved Table of Programs and institutional plans for offering quality degree programs to meet student needs. A description of the degree program is included in the Background Information of this agenda item.

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

BACKGROUND INFORMATION

Program Description

The proposed Bachelor of Science degree program in Health Promotion is a 129-132 semester credit hour degree to be administered by the Department of Allied Health in the School of Health Sciences. The goal of the program is to prepare health professionals to develop or reinforce positive health

behaviors of individuals, groups, organizations, and communities. Graduates of the program will be prepared to teach in public schools or work in health agencies or community service agencies. The anticipated date for enrolling the first students is Fall 1995.

Need

The service area of U. T. Brownsville has a very low per capita income. The incidence of communicable and chronic degenerative diseases is above the national and state levels. Within Cameron County alone there are approximately 100 colonias, most of which lack appropriate water, sewage, electrical, and other basic services necessary for a healthy living environment. The common border with Mexico presents distinct communicable disease and environmental health problems which need to be addressed.

Diabetes mellitus, gallbladder disease, cholera, tuberculosis, alcohol-related auto accidents, spouse abuse, and anencephalic births are only a partial list of health problems that are prevalent in the region. The proposed degree in Health Promotion is needed to train teachers and health-care providers who can provide the education and leadership needed to address these serious problems.

Enrollment of 20 students is expected in the initial class and, by the fifth year, 35 new students are projected to enroll each year. These numbers are realistic estimates derived primarily from a student interest survey, an assessment of area needs, and experience of similar programs within the state.

Program Quality

The general admission policy of U. T. Brownsville will apply. The proposed Health Promotion degree program will require a 60 semester credit hour general education component, a 24 hour degree base, 18 hours in health promotion courses, and 9 hours of electives. Students also will select either an 18 hour business or psychology minor or a 21 hour sequence of education courses for a health education certification. For graduation purposes, students must meet university grade point average and other requirements.

One new Ph.D. faculty member will be hired to teach the health promotion courses and a second faculty member will be added during the fourth year of operation. Almost one-half of the upper-level curriculum will be taught from existing courses by faculty in business, kinesiology, education, nursing, or psychology. Seven appropriately credentialed current faculty are available to teach courses in these disciplines.

Cost

The first two years of the program will need financial support through the special legislative appropriation for program development. By the third year of operation, funding from formula-funded state appropriations will allow the program to be self-supporting.

Summary

U. T. Brownsville is requesting authorization to establish a Bachelor of Science degree in Health Promotion and to submit the proposed degree program to the Texas Higher Education Coordinating Board for approval. There is a significant need for this degree in the region. The proposed degree will help fill this need and to fulfill the desire by U. T. Brownsville to serve the educational needs of students and community constituents in its region.

A copy of the proposal for the Bachelor of Science degree in Health Promotion is on file in the U. T. System Office of Academic Affairs.

12. U. T. Brownsville: Request for Authorization to Establish a Bachelor of Science in Nursing Degree and to Submit the Proposed Degree Program to the Coordinating Board for Approval (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Garcia that authorization be granted to establish a Bachelor of Science in Nursing degree at U. T. Brownsville and to submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action. The proposed degree program is consistent with U. T. Brownsville's approved Table of Programs and institutional plans for offering quality degree programs to meet student needs. A description of the degree program is included in the Background Information of this agenda item.

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

BACKGROUND INFORMATION

Program Description

The proposed Bachelor of Science in Nursing (B.S.N.) degree will require 65 credit hours of upper-division academic work. It is designed for individuals who are registered nurses with either an associate degree or a diploma in nursing. The program will be administered by the Department of Nursing in the School of Health Sciences. The program is similar to a cooperative program which has been provided at U. T. Brownsville through an Area Health Education Center (AHEC) grant by the U. T. Health Science Center - San Antonio. That AHEC funded program ends in Spring 1995. The anticipated date for enrolling the first students in the proposed program is Fall 1995.

Need

The national need for nurses is evident from the United States Department of Health and Human Services publication, The Seventh 1990 Report to the President and Congress, which forecasts that by the year 2000 the nation will need 1,019,000 B.S.N. and higher degree nurses but only 591,000 will be available. The June 1993 issue of Fiscal Notes published by the Texas Comptroller's Office states approximately 7% of staff nurse positions and 10% of critical care nurse positions are vacant in Texas. Area hospitals in the Lower Rio Grande Valley report vacancy or shortage rates of 25-30%. Graduates of this program will help fill this recognized need for baccalaureate level registered nurses.

Enrollment of 24 students is expected in the initial class of nursing students followed by 27 students in the second year and 30 students in the third year. This estimate is based on a realistic assessment of institutional capacity and not on the numbers of students who would likely be interested in the program.

Program Quality

The B.S.N. degree program of 65 upper-level semester credit hours includes twelve required nursing courses and one upper-division nursing elective. Applicants for the program must be registered nurses and present an associate degree or diploma in nursing. They also must complete any deficiencies in the 60 lower-level semester credit hour university general education requirement and have a 2.5 grade point average (GPA) in required prenursing courses and at least a 2.0 GPA in all university level courses.

One nursing faculty member, who will complete her doctorate in education this year, has been hired to plan and develop the program. A second faculty member will be hired prior to August 1995. The minimum faculty qualification for teaching in the program will be a Master of Science in Nursing degree with a doctoral degree preferred. Current faculty consists of two faculty members with doctorates and two master's level instructors. Current faculty will contribute their professional expertise to the program. Additional faculty members will be recruited to staff the program and provide release time for current faculty. The program is patterned after a similar program at the U. T. Health Science Center - San Antonio which has been offered at U. T. Brownsville since January 1991. San Antonio faculty have collaborated with U. T. Brownsville faculty in the development of this proposed program.

The program will seek approval of the State Board of Nurse Examiners and accreditation by the National League of Nursing in the manner and on the time schedule prescribed by these two organizations. The present Associate Degree Nursing Program is approved by the State Board of Nurse Examiners and accredited by the National League of Nursing. The Vocational Nursing Program is also approved by the State Board of Vocational Nurse Examiners.

Cost

The first two years of the program will need financial support through U. T. Brownsville's special legislative appropriation for program development. In addition, support is expected from local health-care providers who recognize their responsibility to help alleviate the shortage of bachelor level

professional nurses. By the third year, funding from regular state appropriations and local health-care providers is expected to be sufficient to sustain the program.

Summary

U. T. Brownsville is requesting authorization to establish a Bachelor of Science in Nursing degree and to submit the proposed degree program to the Coordinating Board for approval. There is a strong need for this degree in the region. The proposed degree will help to fill this need and to fulfill the desire of U. T. Brownsville to meet the educational needs of students and community constituents in this region.

A copy of the proposal for the Bachelor of Science in Nursing degree is on file in the U. T. System Office of Academic Affairs.

13. U. T. Brownsville: Recommendation to Approve Changes in Parking Permit Fees Effective with the Fall Semester 1994 (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Garcia that the U. T. Board of Regents approve changes in parking permit fees at U. T. Brownsville effective with the Fall Semester 1994 as set out below:

1994-95
Proposed Annual Fees*

Parking Classifications

Class A - Faculty and Staff	\$60.00
Class B - Students	60.00
Class C - Disabled	No Charge**
Class D - Afternoon Students (access from 12:30-5:30 p.m. only)	6.00

Replacement Permits

Replacement Fee	1.00
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* Parking permit fees are prorated if purchased for the Fall, Spring, and Summer Session(s) individually. In addition, a part-time student may purchase a one-month permit for \$5.00.

** No parking permit fees are charged for permanently disabled persons or disabled veterans as defined by Articles 6675a-5e and 6675a-5e.1 of Vernon's Texas Civil Statutes.

Upon Regental approval, the next appropriate catalog published at U. T. Brownsville will be amended to conform to this action.

BACKGROUND INFORMATION

Initial parking permit fees and enforcement fees for U. T. Brownsville were approved at the December 1993 meeting of the U. T. Board of Regents to be effective with the Fall Semester 1994. Since that time, U. T. Brownsville has proposed that the parameters for the Class D permit for after-noon students only be changed from 1:00-4:30 p.m. access to 12:30-5:30 p.m. access. In addition, a provision has been added whereby part-time students may purchase a pro-rated permit for \$5.00 for one month.

14. U. T. El Paso: Request for Authorization to Establish a Master of Science in Nursing Degree in Community Health and to Submit the Proposed Degree Program to the Coordinating Board for Approval (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that authorization be granted to establish a Master of Science in Nursing degree in Community Health at U. T. El Paso and to submit the proposal to the Texas Higher Education Coordinating Board for review and appropriate action. The proposed degree program is consistent with U. T. El Paso's mission and its plans for offering quality degree programs to meet student and regional needs. A description of the degree program is included in the Background Information of this agenda item.

Upon approval by the Coordinating Board, the next appropriate catalog published at U. T. El Paso will be amended to reflect this action.

BACKGROUND INFORMATION

Program Description

The proposed Master of Science in Nursing degree in Community Health builds upon current course offerings in the graduate program in the College of Nursing and Health Sciences at U. T. El Paso. The proposed program would be a 37 semester credit hour degree, including 9 hours of nursing core curriculum, 13 hours of community health care, and 15 hours of electives. Students could also apply for an optional program combining the Master of Science in Nursing, Community Health clinical specialty, with an existing Family Nurse Practitioner component by taking 8 additional semester credit hours and completing a total of 360 hours in a clinical setting. Enrollment would be limited in the Family Nurse Practitioner option because of the intensive clinical practicums associated with nurse practitioner curricula and the close supervision required of students by faculty and/or preceptors.

Need

Geographically, the nearest community health master's degree program that offers a family nurse practitioner program is approximately 300 miles from El Paso at West Texas A&M University in Canyon, Texas. The program at West Texas A&M, however, has an academic emphasis on education and preparing graduates as nursing educators. The proposed program at U. T. El Paso is being developed to meet the primary health-care needs of southwest Texas and the border populations with an emphasis on management and primary care. There are currently 41 nurse practitioners working in the El Paso area and, of these, only 5 are family nurse practitioners.

Program Quality

The proposed degree program emphasizes complex community health problems and issues and allows for the mastery of a clinical specialty. The program builds on current course offerings in the graduate nursing program and requires intensive clinical practical experiences. Eight well qualified faculty members in the College of Nursing and Health Sciences will assist in teaching specific sections of both the Community Health and Family Nurse Practitioner programs. Additional faculty in the graduate program in nursing will provide course work in substantive and elective courses.

Cost

The proposed degree program will require the addition of three faculty members and minimal additional resources for supplies and materials. Funding for the first three years will be provided through grants to the College of Nursing and Health Sciences. After the first three years, redirected institutional funds and formula funding will meet the requirements for new funds.

Summary

U. T. El Paso requests authorization to establish a Master of Science in Nursing degree in Community Health with a Nurse Practitioner option. Both community health nurses and nurse practitioners are in short supply in the region. Nurse practitioners are critical to the delivery of primary care in the El Paso/Juarez metropolitan area as well as in rural areas throughout the far West Texas/New Mexico border region.

A copy of the proposal for the Master of Science in Nursing degree with a major in Community Health is on file in the U. T. System Office of Academic Affairs.

15. U. T. Pan American: Recommendation to Approve Changes in Parking Permit and Enforcement Fees Effective with the Fall Semester 1994 (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Nevarez that the U. T. Board of Regents approve changes in parking permit and enforcement fees at U. T. Pan American effective with the Fall Semester 1994 as set forth on Page AAC - 22.

	<u>1993-94 Current Fees</u>	<u>1994-95 Proposed Fees</u>
<u>Parking Classifications</u>		
Class A - Reserved Parking for Full Time Faculty and Staff	\$75.00	N/A*
Class B - Reserved Parking for Faculty and Staff, Excluding Teaching Assistants and Work/Study Student Employees	24.00	\$30.00
Class C - General Parking for Faculty, Staff and Students	12.00	16.00
Class D - General Parking with Some Restrictions for Students Residing in Residence Halls	No Charge	N/A*
Class H - Disabled Reserved Parking for Disabled Faculty, Staff and Students	No Charge	No Charge

Enforcement Fees

Citation (per violation)	10.00	10.00
Immobilizer (per violation)	20.00	20.00
Impoundment (per violation)	N/A	25.00
Unauthorized removal of immobilizer	N/A	50.00

*Discontinued

Annual parking permit fees are prorated if purchased for the Spring and Summer or Summer Session(s) only.

Upon Regental approval, the next appropriate catalog published at U. T. Pan American will be amended to conform to this action.

BACKGROUND INFORMATION

The proposed 1994-95 increases for U. T. Pan American parking and enforcement fees are necessary to meet increasing costs for parking lot maintenance and parking enforcement.

Class A and Class D permits are being discontinued. Permanently disabled persons or disabled veterans are not charged for a Class H permit in accord with Articles 6675a-5e and 6675-5e.1 of Vernon's Texas Civil Statutes. Persons who have purchased a regular permit and are temporarily disabled may receive a Class H permit at no additional charge for the duration of the temporary disability.

Proposed changes in U. T. Pan American's parking and traffic regulations to be effective with the Fall Semester 1994 are being reviewed by the Office of General Counsel and will be included in the next institutional docket.

16. U. T. Permian Basin: Recommendation to Approve Logo (Regents' Rules and Regulations, Part Two, Chapter I, Section 9, Subsection 9.4).--

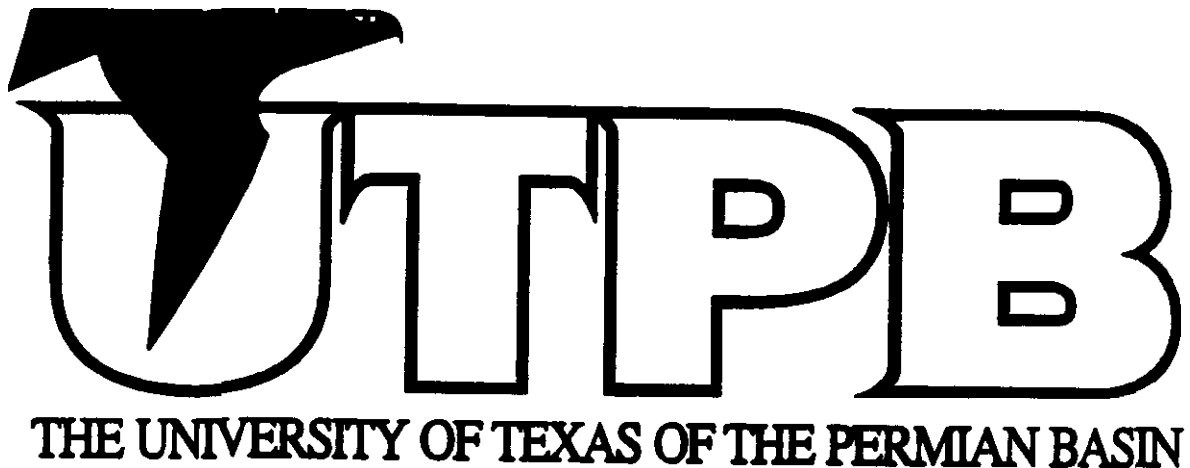
RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Sorber that the U. T. Board of Regents approve the adoption of a logo for U. T. Permian Basin as set out below. This request is in accordance with the Regents' Rules and Regulations, Part Two, Chapter I, Section 9, Subsection 9.4 relating to approval of official logos.

BACKGROUND INFORMATION

U. T. Permian Basin has selected a logo design composed of the acronym UTPB in bold reverse letters and a stylized falcon, the U. T. Permian Basin mascot, with a wing splitting the uprights of the letter "U." The colors black, white, and Pantone 166 Orange (PMS 166) will be used in various combinations within the logo for a variety of university applications. The design was selected from among more than 100 designs submitted for consideration, based on input from area professionals and the campus community.

Upon Regental approval of the logo, the Office of General Counsel will submit the graphic representation for trademark registration.



17. U. T. Permian Basin: Proposed Appointment as Distinguished Fellow in the Ellen and Bill Noel Distinguished Professorship for Energy Research Effective September 1, 1994 Through August 31, 1996.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Sorber that Mr. Loren H. Stiles, Visiting Professor in Science and Mathematics, be appointed as Distinguished Fellow in the Ellen and Bill Noel Distinguished Professorship for Energy Research at U. T. Permian Basin effective September 1, 1994 through August 31, 1996.

BACKGROUND INFORMATION

The Ellen and Bill Noel Distinguished Professorship for Energy Research was established by the U. T. Board of Regents at the February 1986 meeting. There has been no initial appointment to the Professorship. The appointment of a Distinguished Fellow in the Professorship for a two-year period is in the best interests of U. T. Permian Basin and is consistent with the intentions of the donors.

Mr. Stiles joined the U. T. Permian Basin Center for Energy and Economic Diversification/Petroleum Industry Alliance as Technical Advisor in October 1992 after his retirement as Senior Technical Advisor, Southwestern Production Division for Exxon Company, USA. He is a senior member of the Society of Professional Engineers, and his most significant work has centered on reservoir engineering and reservoir management. Mr. Stiles has written several important articles on secondary and tertiary recovery methods and was chosen as Engineer of the Year by the Permian Basin section of the Texas Society of Professional Engineers.

18. U. T. Permian Basin: Recommendation to Dissolve the Center for Energy and Economic Diversification Advisory Council and to Establish the (a) Economic Development Administration University Center Advisory Council, (b) Petroleum Industry Alliance Advisory Council, and (c) Small Business Development Center Advisory Council.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Sorber that approval be given to dissolve the Center for Energy and Economic Diversification Advisory Council and to establish the (a) Economic Development Administration University Center Advisory Council, (b) Petroleum Industry Alliance Advisory Council, and (c) Small Business Development Center Advisory Council at U. T. Permian Basin. Membership for the three

new advisory councils is recommended to be 10, 10, and 15 members respectively, pursuant to the Regents' Rules and Regulations, Part One, Chapter VII, Section 3, regarding the Advisory Councils of a Component Institution.

See related items on Page B of R - 29 regarding membership of these advisory councils.

BACKGROUND INFORMATION

The Center for Energy and Economic Diversification Advisory Council is being dissolved in order to establish advisory councils for the Economic Development Administration University Center, the Petroleum Industry Alliance, and the Small Business Development Center. The establishment of advisory councils for each of the enterprises operating at the Center for Energy and Economic Diversification would be more efficient than a single advisory council serving them all.

The specific purpose of the Economic Development Administration University Center Advisory Council will be to provide guidance and counsel for research and other programs related to the economic enhancement of West Texas.

The specific purpose of the Petroleum Industry Alliance Advisory Council will be to provide guidance and counsel for the enhancement of research and other programs dealing with the petroleum industry of the Permian Basin.

The specific purpose of the Small Business Development Center Advisory Council will be to provide guidance and counsel for the enhancement of research and other programs related to the entrepreneurial environment of West Texas.

19. U. T. Permian Basin: Recommendation to Approve an Increase in the Compulsory Student Services Fee Effective with the Fall Semester 1994 (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Sorber that the U. T. Board of Regents approve an increase in the Compulsory Student Services Fee at U. T. Permian Basin from \$10.50 per semester credit hour with a maximum fee of \$126.00 per semester or summer session to \$11.50 per semester credit hour with a maximum fee of \$138.00 per semester or summer session effective with the Fall Semester 1994.

Upon Regental approval, the next appropriate catalog published at U. T. Permian Basin will be amended to conform to this action.

BACKGROUND INFORMATION

Section 54.503 of the Texas Education Code authorizes a maximum compulsory student services fee of \$150 per semester or summer session. The proposed fee will fall within the statutory limit.

The proposed fee increase of approximately 9% has been endorsed by the Student Services Fee Advisory Committee in accordance with statutory requirements. The increase will support a club sports program as one element of the University's plan to attract more students.

20. U. T. Permian Basin: Recommendation to Approve Changes in Parking Permit Fees Effective with the Fall Semester 1994 (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Sorber that the U. T. Board of Regents approve changes in parking permit fees at U. T. Permian Basin effective with the Fall Semester 1994 as set out below:

	<u>1993-94 Current Fees</u>	<u>1994-95 Proposed Fees</u>
<u>Parking Permits and Fees</u>		
Administration	\$30.00	N/A
Underground North (Reserved-Senior Administration)	N/A	\$70.00
Underground South (Reserved-Other Administration and Eligible Faculty)	N/A	50.00
Faculty/Staff	15.00	N/A
Faculty-Reserved	N/A	35.00
Other Faculty/Staff	N/A	25.00
Students	15.00	21.00
Motorcycles, motorscooters, mopeds, and motor-assisted bicycles	15.00	21.00
Temporary (monthly)	3.00	3.00
Replacement or additional vehicle permit	5.00	5.00

Annual parking permit fees are prorated if purchased for the Spring Semester and/or Summer Session only.

Upon Regental approval, the next appropriate catalog published at U. T. Permian Basin will be amended to conform to this action.

BACKGROUND INFORMATION

U. T. Permian Basin has requested authorization to change parking permit classifications and to increase fees to build reserves for needed repairs of existing parking lots and to anticipate the need for additional parking should enrollments grow as expected. The general permit categories for administration and faculty/staff would be changed. An Underground North (reserved) classification is for senior administrative officers. Underground South (reserved) is for other administrators and eligible faculty. The former faculty/staff designation would be divided into a faculty-reserved classification and other faculty/staff classification. Fees in each category will be increased over previous permit fees.

21. U. T. Permian Basin: Recommendation for Approval to Increase the Rates for University Housing Effective with the Fall Semester 1994 (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Sorber that the U. T. Board of Regents approve changes in the rates for University housing at U. T. Permian Basin to be effective with the Fall Semester 1994 as set out below:

The University of Texas of the Permian Basin
Housing Rate Schedule for 1994-95

	<u>1993-94 Current Monthly Rates*</u>	<u>1994-95 Proposed Monthly Rates*</u>
Efficiency Units	\$150	\$165
Single Bedroom Apartment	250	275
Double Bedroom Apartment	350	385
Security Deposit	75	75**
Trailer Space Rental	75	N/A

* Includes electricity

** One-time charge

Upon Regental approval, the next appropriate catalog published at U. T. Permian Basin will be amended to reflect this action.

BACKGROUND INFORMATION

Rental rates for University housing at U. T. Permian Basin were last approved by the U. T. Board of Regents in August 1986. Since then, the trailer space rentals have been discontinued. Proceeds from the proposed 10% rate

increase will be used to cover increases in annual operating costs, including electric utility rates, and costs associated with anticipated renovations of the housing units.

22. U. T. San Antonio: Recommendation to Approve an Increase in the Maximum Compulsory Student Services Fee Effective with the Fall Semester 1994 (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Kirkpatrick that the U. T. Board of Regents approve an increase in the maximum amount collected for the Compulsory Student Services Fee at U. T. San Antonio from \$118 per semester or summer session to \$128 per semester or summer session to be effective with the Fall Semester 1994. The per credit hour amount will remain at \$12 per semester credit hour.

Upon Regental approval, the next appropriate catalog published by U. T. San Antonio will be amended to conform to this action.

BACKGROUND INFORMATION

Section 54.503 of the Texas Education Code authorizes a maximum compulsory student services fee of \$150 per semester or summer session.

The proposed increase in the maximum fee has been endorsed by the Student Services Fee Advisory Committee in accordance with statutory requirements. The net effect of the changes is to increase the cost to students enrolled in 10 credit hours or more per semester. The increase will be used to continue efforts to maintain and enhance the quality and availability of a broad range of services which are required for a growing student body.

23. U. T. San Antonio: Recommendation for Approval of a Proposed Teaming Agreement with DynCorp Viar Inc., Alexandria, Virginia, and Request for Authorization to Execute Agreement.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Kirkpatrick that the U. T. Board of Regents approve the proposed teaming agreement set out on Pages AAC 30 - 36 between U. T. San Antonio and DynCorp Viar Inc., Alexandria, Virginia.

It is further recommended that President Kirkpatrick be authorized to execute the proposed agreement with the understanding that any and all specific agreements arising from the teaming

agreement are to be submitted for prior administrative review and approval as required by the Regents' Rules and Regulations.

BACKGROUND INFORMATION

DynCorp Viar Inc. (DynCorp) is a Virginia corporation with principal offices located in Alexandria, Virginia. DynCorp will submit a proposal to the Air Force Center for Environmental Excellence (AFCEE) in response to AFCEE's request for proposals for a General Systems Engineering and Integration Services project (Project). DynCorp and U. T. San Antonio wish to cooperate in preparing and submitting the proposal to AFCEE, and the proposal will identify U. T. San Antonio as the subcontractor. The teaming agreement will have a term of thirty-six (36) months unless superseded by a contract for the Project resulting from the proposal to be submitted to AFCEE or unless terminated otherwise.

The proposed teaming agreement contains terms and conditions similar to teaming agreements previously approved by the U. T. Board of Regents and has been reviewed by the Office of General Counsel.

TEAMING AGREEMENT
DynCorp Viar Inc. and UTSA

PREAMBLE

This Teaming Agreement (hereinafter "Agreement") is entered into by and between:

Dyn Corp Viar Inc., a Virginia corporation, with an office located at 300 North Lee Street, Alexandria, Virginia 22314, and

University of Texas at San Antonio, a state institution, hereinafter called "UTSA", with an office located at The University of Texas at San Antonio, Institute for Research in Science and Engineering, San Antonio, Texas 78249-0661. DynCorp Viar and UTSA are hereinafter referred to as "the parties."

I. RECITALS

1.01 The Air Force Center for Environmental Excellence (AFCEE) is planning to issue a Request For Proposal (the "RFP") for General Systems Engineering and Integration Services (GSE & I) (the "Project.")

1.02 The parties have complementary skills and capabilities which, taken together, would allow the parties to perform the Project.

1.03 The parties wish to form a teaming arrangement and to define their respective rights, duties and obligations thereunder.

II. OBJECTIVE AND DURATION

2.01 The objective of the teaming hereunder shall be to cooperate in preparing and submitting a proposal, in attempt to obtain the award of a contract for the Project resulting from the RFP.

2.02 The parties agree that DynCorp Viar will prepare data required for any proposals, integrate the data furnished by UTSA and submit the proposal as prime contractor with UTSA identified in the proposal as the subcontractor to provide services specifically identified after RFP release, but contributing primarily to services as described in Attachment A.

2.03 The duration of this Agreement shall be from the effective date hereof, until the occurrence of the earliest of the following events (subject, however, to the provisions of paragraph 3, Attachment B hereto):

- a) Cancellation of the RFP by the Government.
- b) Award to another contractor or contractor team of contract resulting from the RFP.
- c) The award to DynCorp Viar of a contract resulting from the RFP, and the execution by the parties of a mutually acceptable subcontract with UTSA for its performance responsibilities in the Project;
- d) Mutual consent of the parties to terminate this Agreement.
- e) Lapse of 36 months from the effective date of this agreement.
- f) The indictment, suspension or debarment by the Government of either party.

III. PROPOSAL PREPARATION

3.01 DynCorp Viar shall have primary responsibility for the preparation of all technical and nontechnical aspects of the proposal including but not limited to:

- a) Marketing and promotional effort;
- b) Proposal content, assembly and production;
- c) Liaison with government customer personnel;
- d) Oral discussions and negotiations, if held.

3.02 UTSA shall contribute to the preparation of the proposal to the extent necessary to assure the inclusion of a thorough and accurate description of its responsibilities in the Project. Notwithstanding the provisions of paragraph 3.01 preceding, UTSA shall be entitled to participate in oral discussions concerning its contributions to the proposal and shall at all times be entitled to receive, upon reasonable request, documentation and information concerning oral discussions and negotiations between DynCorp Viar and the Government. Further, DynCorp Viar will in no way modify the proposal during discussions or negotiations so as to either increase the risk of performance to, or decrease potential cost or fee recovery by UTSA unless UTSA specifically approves.

3.03 The respective parties shall contribute to the proposal effort as follows:

- a) DynCorp Viar: Primary responsibility for proposal management and preparation.
- b) UTSA: Proposal (technical, business and pricing) strategy; resumes, project descriptions, and other boilerplate, technical proposal contributions in proportion to the anticipated work assigned; UTSA cost proposal preparation and submission; proposal review; reasonable post submission activities as requested by DynCorp Viar such as response to questions, oral discussions, and BAFO.

3.04 Subcontractor agrees to give consent to the Customer to disclose past performance information on the Subcontractor to the Prime when such information is a part of proposal negotiations leading to proposal clarifications, revised proposal, and/or best and final offer.

3.05 UTSA agrees to coordinate pricing factors used in its cost proposal with DynCorp Viar in order to present a best value bid to the customer.

3.06 The parties shall carry out the preparation of the proposal and the conduct of all negotiations and pricing, in accordance with all applicable laws and regulations governing the RFP and the award of contracts thereunder.

3.07 Except as may otherwise be agreed in writing by the parties, each of the parties shall bear its own expenses for its own performance of proposal and related work.

IV. FORMATION OF A PERFORMANCE ENTITY

4.01 Should DynCorp Viar be awarded the prime contract as a result of this Agreement, the parties agree to enter into good faith negotiations intending to culminate in a subcontract to be awarded to UTSA for its area of interest identified in Attachment A, subject to necessary government approvals, required flow-down clauses and negotiation of terms and conditions.

V. GENERAL PROVISIONS

5.01 No announcement, release or other disclosure of information relating to this Agreement shall be made except by specific written agreement of the parties.

5.02 In the event that a Receiver, Trustee in Bankruptcy, or other Custodian of the property or assets of a party hereto is appointed, or if either party hereto commits an act of bankruptcy or is adjudicated bankrupt or insolvent, the other party may if permissible under prevailing law, forthwith by service of notice in writing upon the other party, terminate the rights of the former party to participate further in this Agreement.

5.03 This Agreement shall not constitute, create or in any way be interpreted as a joint venture, partnership or formal business organization of any kind. Neither party may assign or transfer its interests under this Agreement without the written consent of the other party hereto except that DynCorp Viar shall have the right to assign its responsibilities under this Agreement to any division, subsidiary or affiliate thereof.

5.04 The efforts of the parties relating to the RFP shall be exclusive to this Agreement, and neither party shall pursue the RFP either independently or in concert with any additional party. In the event that the Government directs any change affecting this Agreement in any material respect, this Agreement shall be modified in accordance with such direction, and the exclusivity of effort described above shall continue to exist, except as the Government may specifically prescribe, provided, however, that in no event shall this provision be construed as a contract for the benefit of third parties.

5.05 The parties agree that they shall not, during the term of this Agreement, or during the term of any resulting contract or subcontract, or extension or modification thereof, or for a period of 90 days after, solicit to employ the personnel of any other party to this Agreement without the express written consent of that party.

5.06 Any modifications or extensions to the contract or Project awarded pursuant to this Agreement shall be deemed to be covered by this Agreement and any resulting subcontract. All other work arising outside the contract awarded pursuant to this Agreement shall be deemed to be outside the scope of this Agreement.

5.07 Attachment B hereto, entitled "Proprietary Agreement Provisions", is incorporated by reference.

5.08 This Agreement is the entire agreement among the parties and supersedes any prior oral or written agreement or understanding. Changes to this Agreement, to be effective, must be in writing and executed by the parties.

5.09 Notices shall be deemed given hereunder when received or, if mailed by prepaid certified or registered mail return receipt requested, five days after mailing. Notices shall be addressed to the signatories of this Agreement at the addresses specified in the PREAMBLE above. Either party may change its cognizant point of contact by written notice to the other.

5.10 Irrespective of the place of performance, this Agreement will be construed and interpreted according to the federal common law of government contracts as enunciated and applied by federal judicial bodies, Boards of Contract Appeals, and quasi-judicial agencies of the federal government. To the extent that the federal common law of government contracts is not dispositive, the laws of the State of Texas shall apply.

VI. EXECUTION AND EFFECTIVITY

6.01 The parties have executed this Agreement on the dates entered below. The Agreement may be executed in two or more counterparts.

6.02 This Agreement is effective as of the last date entered below.

DynCorp Viar Inc.

Date: _____

By: _____

Edward R. Saltzberg, Ph.D.
Senior Vice President

Date: _____

By: _____

ATTACHMENT A

AFCEE GSE&I TEAMING AGREEMENT: DYNCORP VIAR AND UNIVERSITY OF TEXAS AT SAN ANTONIO (UTSA)

STATEMENT OF WORK

It is intended that UTSA's primary area of contribution will be in support of tasks requiring specialized engineering expertise relative to issues of Air Force environmental program or site matters. Additionally, DynCorp Viar may call upon UTSA when indicated by workload or necessary expertise for support across any of the AFCEE GSE&I SOW areas. Dependant upon the labor rates provided by UTSA to DynCorp Viar, it is DynCorp Viar's intent that UTSA will provide approximately 1-3 manyears of the Level of Effort ordered under the contract placed with DynCorp Viar, provided the UTSA's contract performance is consistent with the subcontract agreement with DynCorp Viar and compliant with the terms of the task orders placed with UTSA.

ATTACHMENT B

PROPRIETARY DATA PROVISIONS

1. No party to this Agreement shall use, for any purpose not connected with the RFP, the Project, or this Agreement, any data, as hereafter defined ("Data") or divulge such Data to any person or entity other than appropriate Government agencies to which proposals or reports must be submitted in connection with project performance. The foregoing limitations shall not apply to the disclosure or use of any portion of such Data which:

- a) The receiving party can demonstrate by written evidence was already known to it, prior to receiving it from the other party; or
- b) Prior to the time of its disclosure hereunder to any party, has been published or otherwise made freely available to the general public; or
- c) Subsequent to its disclosure hereunder to any other party is independently thereafter rightfully made available on an unrestricted basis to the public or the receiving party by the disclosing party or by another authorized party; or
- d) Is independently developed by the receiving party.

For purposes of this Agreement, the term Data is defined to mean any technical information, program or systems concept, financial information or any other information disclosed to it by the other party in connection with the performance of this Agreement. Nothing herein shall restrict a party from disclosing any portion of such Data on a restricted basis pursuant to a judicial or other lawful Government order, but only to the extent of such order.

2. No license to the other party, under any trademark, patent or copyright, domestic or foreign, is either granted or implied by the conveying of Data to a party. None of the information which may be submitted or exchanged by the parties shall constitute any representation, warranty, assurance, guarantee or inducement by a party to the other with respect to the infringement of trademarks, patents, copyrights or other rights of third persons.

3. Notwithstanding any other portions of this Agreement, the obligations of this Attachment B shall continue for a period of ten (10) years from the effective date of this Agreement.

24. U. T. San Antonio and U. T. Health Science Center - San Antonio: Recommendation for Approval of Membership in the San Antonio International Education Consortium, San Antonio, Texas, and Request for Authorization to Execute Proposed Consortium Agreement.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellors for Academic Affairs and Health Affairs and Presidents Kirkpatrick and Howe that approval be given for U. T. San Antonio and the U. T. Health Science Center - San Antonio to become members of the San Antonio International Education Consortium, San Antonio, Texas.

It is further recommended that Presidents Kirkpatrick and Howe be authorized to execute a proposed consortium agreement set out on Pages AAC 38 - 40 with the understanding that any and all specific agreements arising from the agreement are to be submitted for prior administrative review and approval as required by the Regents' Rules and Regulations.

This item requires the concurrence of the Health Affairs Committee.

BACKGROUND INFORMATION

The proposed consortium agreement for the San Antonio International Education Consortium is designed to encourage and facilitate cooperative activities among several institutions in San Antonio, Texas. The goals of the agreement are to:

- a. Discuss and work together, when agreed it is mutually beneficial, in responding to grant applications involving international education
- b. Develop a resource data bank of San Antonio organizations and individuals involved in international activities
- c. Discuss and investigate the feasibility of cooperative foreign study programs
- d. Discuss reports and publications that would advance international interests in the San Antonio area.

Other parties to the agreement are St. Mary's University, Our Lady of the Lake University, Trinity University, Incarnate Word College, San Antonio College, and San Antonio Independent School District, all in San Antonio, Texas.

The proposed consortium agreement contains terms and conditions similar to cooperative agreements previously approved by the U. T. Board of Regents and has been reviewed by the Office of General Counsel.

SAN ANTONIO INTERNATIONAL EDUCATION CONSORTIUM AGREEMENT

THIS AGREEMENT is entered into by and between The University of Texas at San Antonio, St. Mary's University, Our Lady of the Lake University, Trinity University, Incarnate Word College, San Antonio College, San Antonio Independent School District, and The University of Texas Health Science Center at San Antonio, (referred to collectively as the "Parties").

WHEREAS, The University of Texas at San Antonio, St. Mary's University, Our Lady of the Lake University, Trinity University, Incarnate Word College, San Antonio College, San Antonio Independent School District, and The University of Texas Health Science Center at San Antonio, recognize, encourage and support continuing development of our international community;

WHEREAS, all Parties agree that it would be mutually beneficial to promote increased cooperation between those involved in offering international studies and programs.

NOW THEREFORE, the Parties agree to form a group called the San Antonio International Education Consortium (SAIEC). The Parties further agree as follows:

Purpose.

The purpose of the SAIEC would be as follows:

- to discuss and work together, when agreed it is mutually beneficial, in responding to grant applications involving international education.
- to develop a resource data bank of San Antonio organizations and individuals involved in international activities;
- to discuss and investigate the feasibility of cooperative foreign study programs; and
- to discuss reports and publications that would advance international interests in the San Antonio area.

Scope.

This Agreement is not intended, and shall not be interpreted to create legal rights and obligations between or among any of the Parties. If any such rights or obligations are to be created relative to any cooperative activity alluded to in this agreement, they must be created by specific, separate written agreements between or among the Parties involved in those agreements, each of which agreements shall recite that the intention of the parties is to create rights and obligations which shall be legally binding upon the Parties as stated therein. The San Antonio International Education Consortium referred to herein shall not

be deemed to be a legal entity, or have the power to have legal relationships with entities; rather, the Consortium is and shall be deemed to be merely an informal discussion group whose purpose is to encourage and facilitate cooperative activities among the Parties.

Representatives.

Each Party will designate a representative who will communicate with and provide information to the respective Party regarding proposed cooperative activities. It is understood that any proposed cooperative activities must be the subject of specific agreements as stated above.

Term of Agreement.

This Agreement shall be for a period of one (1) year. Any Party may terminate its participation on thirty (30) days written notice.

Addition of Consortium Members.

Consortium membership may be expanded by amendments to this basic Agreement. Application for membership shall be made in writing by any non-commercial organization. Membership may be approved by all current parties concurring in writing with such amendments being attached to this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on _____
(date).

The University of Texas at San Antonio

**The University of Texas Health Center
at San Antonio**

By: _____
Dr. Samuel A. Kirkpatrick, President
6900 North Loop 1604 West
San Antonio, Texas 78249-0601

By: _____
Dr. John Prentice Howe III, President
7703 Floyd Curl Drive
San Antonio, Texas 78284

St. Mary's University

San Antonio College

By: _____
Rev. John J. Moder, President
One Camino Santa Maria
San Antonio, Texas 78228

By: _____
Dr. Ruth Burgos-Sasscer, President
1300 San Pedro Avenue
San Antonio, Texas

Incarnate Word College

By:

Dr. Louis J. Agnese, Jr., President
4301 Broadway
San Antonio, Texas 78209

San Antonio Independent School District

By:

Superintendent
141 Lavaca Street
San Antonio, Texas 78210

Our Lady of the Lake University

By:

Sr. Elizabeth A. Sueltenfuss, President
411 S. 24th Street
San Antonio, Texas 78207

Trinity University

By:

Dr. Ronald K. Calgaard, President
715 Stadium Drive
San Antonio, Texas 78212-7200

25. U. T. Tyler: Recommendation to Establish an Arts and Performance Center Fee Effective with the Fall Semester 1994 (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Hamm that the U. T. Board of Regents approve the establishment of an Arts and Performance Center Fee at U. T. Tyler effective with the Fall Semester 1994 to be assessed at the rate of \$20.00 per student for each regular semester and \$10.00 per student for each term of the summer session for funding operations of an arts and performance center as authorized by the Texas Education Code, Section 54.534.

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

BACKGROUND INFORMATION

Authorization by the U. T. Board of Regents for beginning construction of a new Liberal Arts Complex at U. T. Tyler is anticipated. See related Item 8 on Page FPCC - 14. The Board initially authorized the project in October 1985 as part of the Capital Improvement Program and approved a private fund campaign in August 1987.

The 71st Legislature added Section 54.534 to the Texas Education Code, thereby authorizing the U. T. Board of Regents to charge a student fee for the purpose of "financing, constructing, operating, maintaining, and improving" an arts and performance center for U. T. Tyler. The amount of the fee was established at \$20.00 per student per semester and \$10.00 per student for each term of the summer session, with a provision that the fee could be increased to a maximum of \$30.00 per student per semester and \$15.00 per student per each term of the summer session upon approval by a majority vote of students participating in a general election.

The authorizing statute also provides that the proceeds from the fee are to be under the control of and be subject to the order of an Arts and Performance Complex Advisory Committee of nine members with a minimum of four students who are enrolled for at least six semester credit hours. The other five members are to be appointed by the president and are to be representative of the university community. The statute provides that the Committee is to submit an annual budget to the president for submission via the regular institutional budget for consideration and approval by the U. T. Board of Regents.

ACADEMIC AFFAIRS COMMITTEE

ADDITIONAL ITEM

JUNE 9, 1994

26. U. T. San Antonio: Request for Exception to Regents' Rules and Regulations (Part One, Chapter VIII, Section 1, Subsection 1.1) and Approval to Name a Building.--

RECOMMENDATION

The Chancellor recommends that the U. T. Board of Regents authorize an exception to the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.1, which requires that the person honored by the naming of a building "shall have been deceased for at least five years" and approve the naming of the Exhibits Building housing the U. T. Institute of Texan Cultures - San Antonio (Institute) at U. T. San Antonio in honor of John B. Connally with the designation "The John B. Connally Building."

BACKGROUND INFORMATION

In 1969, the Texas Legislature approved the transfer of the Texas State Exhibits Building and the Institute of Texan Cultures housed therein to the U. T. Board of Regents.

The proposed building naming recognizes that in large part the existence of the Institute of Texan Cultures is due to the personal vision, effort, and support of former Governor John B. Connally and the enthusiastic support of Nellie B. Connally, as the State's First Lady.

In the mid-1960's, then Governor Connally had the vision that the State's exhibit for the 1968 HemisFair could and should be much more than a short-lived fair exhibit. As indicated in the ground breaking ceremony in 1967, the Governor foresaw the HemisFair exhibit as:

...something for all of Texas and something that is unique in all this country... (to) project what Texas has been, what Texas is, and what Texas will be... not just a museum, but an Institute of Living Culture.

From those beginning ideas arose the concept and the reality of the U. T. Institute of Texan Cultures - San Antonio. Governor and Mrs. Connally not only supported the concept of the Institute but also took a personal and a practical interest in the planning and construction of the HemisFair exhibit. They provided personal artifacts for display and have continued to support the Institute during the almost three decades of its existence. Governor and Mrs. Connally were named as Emeritus members of the Institute's Development Board in 1989, and a conference room in the Exhibits Building bears both of their names.

In recognition of this dedication and foresight, it is appropriate and fitting that this building be named "The John B. Connally Building."

**Health Affairs
Committee**

HEALTH AFFAIRS COMMITTEE
Committee Chairman Ramirez

Date: June 9, 1994
Time: Following the meeting of the Academic Affairs
Committee
Place: Room 470, Mesa Building, U. T. Permian Basin

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1. U. T. Southwestern Medical Center - Dallas: Proposed Appointments to Endowed Academic Positions Effective Immediately.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that the following initial appointments to endowed academic positions at the U. T. Southwestern Medical Center - Dallas be effective immediately:

<u>Name of Proposed Appointee</u>	<u>Endowed Academic Position</u>
Eli Glatstein, M.D. Professor and Chairman, Department of Radiation Oncology	The Nancy B. and Jake L. Hamon Distinguished Chair in Therapeutic Oncology Research See Item <u>23</u> on Page <u>AMC - 20</u> for estab- lishment of this Chair.
Rodney James Rohrich, M.D. F.A.C.S., Professor and Chairman, Division of Plas- tic & Reconstructive Surgery	Crystal Charity Ball Distinguished Chair in Plastic Surgery See Item <u>20</u> on Page <u>AMC - 18</u> for estab- lishment of this Chair.

BACKGROUND INFORMATION

Dr. Glatstein was appointed Chairman of the Department of Radiation Oncology at U. T. Southwestern Medical Center - Dallas in 1992. Prior to his arrival in Dallas, he was on the faculty at Stanford University, Stanford, California, and had served in several prestigious positions at the National Cancer Institute, Bethesda, Maryland.

Dr. Rohrich joined the faculty at U. T. Southwestern Medical Center - Dallas in 1986 and was appointed Chairman of the Division of Plastic & Reconstructive Surgery in 1991. He was named Honorary Senior Registrar in Plastic Surgery at Oxford University, Oxford, England (1983), and Research Fellow in Microsurgery at Harvard Medical School, Boston, Massachusetts (1985-86).

2. U. T. Southwestern Medical Center - Dallas: Recommendation to Approve Changes in Parking Permit Fees Effective September 1, 1994 (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that the U. T. Board of Regents approve changes in annual parking permit fees at the U. T. Southwestern Medical Center - Dallas effective September 1, 1994, as set out below:

	<u>Current</u>	<u>Proposed</u>
<u>Parking Permit Fee</u>		
Faculty	\$180 - \$700	\$200 - \$800
Volunteer Faculty	5	5
Classified Employees	45 - 90	50 - 100
Students	35	40

Annual parking permit fees are prorated if purchased for less than one year.

No parking permit fees are charged for permanently disabled persons or disabled veterans as defined by Articles 6675a-5e and 6675a-5e.1 of Vernon's Texas Civil Statutes.

Upon Regental approval, the next appropriate catalog published at the U. T. Southwestern Medical Center - Dallas will be amended to conform to this action.

BACKGROUND INFORMATION

The U. T. Southwestern Medical Center - Dallas parking permit fees were last increased in February 1993. The range in fees for faculty and classified employees reflects the difference between garage parking and more remote open lot parking. A modest increase is also included for students. It is anticipated that these fee increases will facilitate the building of additional parking facilities.

3. U. T. Medical Branch - Galveston: Proposed Appointment to The Titus Harris, M.D. Endowed Professorship in Psychiatry Effective September 1, 1994.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that Robert M.A. Hirschfeld, M.D., Professor and Chairman, Department of Psychiatry and Behavioral Sciences, be appointed as initial holder of The Titus Harris, M.D. Endowed Professorship in Psychiatry at the U. T. Medical Branch - Galveston effective September 1, 1994.

See Item 29 on Page AMC - 24 for establishment of this Professorship.

BACKGROUND INFORMATION

Dr. Hirschfeld has been Chairman of the Department of Psychiatry and Behavioral Sciences at the U. T. Medical Branch - Galveston since 1990. He is a nationally prominent psychiatrist in the field of depression and anxiety disorders and has provided outstanding leadership to the department.

4. U. T. Health Science Center - San Antonio: Request for Permission for Individual to Serve on the Statewide Health Coordinating Council [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that approval be given for Ms. Linda C. Lopez, Assistant Professor of Nursing at the U. T. Health Science Center - San Antonio, to serve on the Statewide Health Coordinating Council.

It is further recommended that the U. T. Board of Regents find that: (1) the holding of this position by Ms. Lopez is of benefit to the State of Texas and (2) there is no conflict between her position at the U. T. Health Science Center - San Antonio and service on this Council.

BACKGROUND INFORMATION

Governor Richards has appointed Ms. Lopez to serve on the Statewide Health Coordinating Council pursuant to House Bill 1510, 73rd Texas Legislature, for a term to expire on August 31, 1995. The Council is charged with preparation and review of a proposed state health plan to identify major statewide health concerns and the availability and use of resources, including those resources associated with state-supported institutions of higher education, for the correction of deficiencies in the health delivery system. The Council will provide direction for the Legislature and executive decision-making processes to implement the strategies proposed by the plan. Ms. Lopez will receive no compensation for her service in this capacity.

This recommendation is in accordance with approval requirements for positions of honor, trust, or profit provided in Chapter 574, Texas Government Code, and the Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11).

5. U. T. Health Science Center - San Antonio (U. T. Allied Health Sciences School - San Antonio): Recommendation for Approval to Offer a Bachelor of Science Degree in Dental Hygiene within the Department of Dental Hygiene and to Submit the Proposal to the Coordinating Board for Approval (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that approval be granted to broaden the scope of the Dental Hygiene program in the U. T. Allied Health Sciences School - San Antonio at the U. T. Health Science Center - San Antonio to offer a Bachelor of Science Degree in Dental Hygiene.

The proposed program is consistent with the U. T. Health Science Center - San Antonio Strategic Plan and Role and Scope statement.

Upon approval by the U. T. Board of Regents, the proposal will be submitted to the Texas Higher Education Coordinating Board for approval. Following Coordinating Board approval, the next appropriate catalog published at the U. T. Health Science Center - San Antonio will be amended to reflect this action.

BACKGROUND INFORMATION

The U. T. Allied Health Sciences School - San Antonio is currently authorized to award a Certificate in Dental Hygiene. Forty-eight students are accepted each year into this two-year program. If approved, the Bachelor of Science in Dental Hygiene degree will be added in the Fall of 1995, enrolling twelve new students. The Certificate Program will continue as it currently functions; however, the number of entering students will be reduced from 48 to 32. This reduction will allow some faculty in the Department of Dental Hygiene to be reassigned to teach baccalaureate level courses rather than provide clinical coverage for the certificate students. The proposed baccalaureate degree program will provide an opportunity for licensed dental hygienists who have a certificate or associate degree to earn a Bachelor of Science degree within the discipline of Dental Hygiene.

A survey of the existing Dental Hygiene programs in Texas was conducted to determine the need for qualified dental hygiene clinical faculty. A second survey was sent to practicing hygienists in South Texas to ascertain the interest in and demand for advanced education programs in dental hygiene. Results of both of these surveys indicate that a Bachelor's degree program is warranted in order to meet the state's need for qualified educators. The proposed program is responsive to the need to expand educational opportunities for dental hygienists beyond that of entry-level into the profession and will provide additional career options for graduates, particularly for dental hygienists in South Texas.

The Bachelor of Science degree program in Dental Hygiene will offer students a curriculum encompassing the Arts, Humanities, Basic and Behavioral Sciences, and advanced Professional Dental Hygiene curriculum. Students will enter the program having completed a minimum of 50 semester hours in a Certificate/Associate Dental Hygiene program. The undergraduate course work will include prescribed courses in English, History, Government, Mathematics, and Biology comprising 51 semester hours of General Education requirements, which can be taken at community colleges or other universities. Dental Hygiene core courses will be taken by all baccalaureate students. Dental Hygiene major courses can be selected from Dental Hygiene electives, Dental Science electives, and Basic Science electives. Graduates will be prepared to assume beginning teaching roles in community college or university settings, work for public health departments or other health-care facilities, assume careers in the business fields for oral health-care companies, and other similar job opportunities.

Admission to this baccalaureate degree program will require graduation with a minimum 2.8 GPA from an accredited Dental Hygiene program, successful completion of the Dental Hygiene National Board Examination, and current licensure as a dental hygienist in any state in the United States or Canada.

Since the proposed Bachelor of Science in Dental Hygiene degree program will be implemented by reducing the number of students admitted into the Certificate Program, no additional faculty or facilities will be needed and no additional state funds will be required. No change in the organizational structure of the Dental Hygiene Department will be necessary.

A copy of the proposal is on file in the Office of Health Affairs.

6. U. T. Health Science Center - San Antonio (U. T. Allied Health Sciences School - San Antonio): Recommendation for Approval to Offer a Master of Science Degree in Dental Hygiene within the Department of Dental Hygiene and to Submit the Proposal to the Coordinating Board for Approval (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that approval be granted to change the scope of the Dental Hygiene program in the U. T. Allied Health Sciences School - San Antonio at the U. T. Health Science Center - San Antonio to offer a Master of Science Degree in Dental Hygiene.

The proposed program is consistent with the U. T. Health Science Center - San Antonio Strategic Plan and Role and Scope statement.

Upon approval by the U. T. Board of Regents, the proposal will be submitted to the Texas Higher Education Coordinating Board for approval. Following Coordinating Board approval, the next appropriate catalog published at the U. T. Health Science Center - San Antonio will be amended to reflect this action.

BACKGROUND INFORMATION

The U. T. Allied Health Sciences School - San Antonio is currently authorized to award a Certificate in Dental Hygiene. The pending proposal is to offer a Master of Science Degree in Dental Hygiene through The University of Texas Graduate School of Biomedical Sciences at San Antonio. The program is designed for licensed dental hygienists, who have already achieved a Bachelor's degree, to become professional academicians with advanced clinical skills, basic science knowledge in support of teaching and research, experience in contemporary educational methodologies and practice, and the background and ability to conduct scientific research. The resources, faculty, and facilities available within the U. T. Allied Health Sciences School - San Antonio, the U. T. Dental School - San Antonio, and the U. T. G.S.B.S. - San Antonio place the U. T. Health Science Center - San Antonio in a unique position to provide a complete career ladder for dental hygienists in the State of Texas.

A survey of the existing dental hygiene programs in Texas was conducted to determine the need for qualified clinical faculty, and a second survey was sent to practicing hygienists in South Texas to ascertain the interest in and the demand for a M.S. degree in Dental Hygiene. Results of both of these surveys indicate that a M.S. degree is warranted to meet the state's need for qualified educators and for career enhancement for licensed dental hygienists. No master's degree programs for dental hygienists are available in Texas. Currently there are only eight such programs in the United States, with the closest one being offered in Kansas City at the University of Missouri. The need for quality trained educators/academicians in dental hygiene has increased significantly. Current recruitment of educators must focus on out-of-state applicants since all full-time faculty are required to have a master's degree in most programs throughout the country.

If approved, the M.S. degree program will be added in the Fall of 1996, enrolling four new students. The reduction in Certificate Program students from 48 to 32 will allow some faculty to be reassigned to teach M.S. level courses. Faculty with the U. T. Dental School - San Antonio and the U. T. G.S.B.S. - San Antonio will also be teaching and supervising research and thesis projects for the Master's level students.

The Master of Science in Dental Hygiene degree will be awarded upon the satisfactory completion of a minimum of 36 semester hours of graduate level courses. This includes the successful completion of the thesis and fulfillment of all other requirements outlined by the Committee on Graduate Studies of the U. T. Allied Health Sciences School - San Antonio and the U. T. G.S.B.S. - San Antonio. The core curriculum consists of four new dental hygiene courses, one existing biostatistics course, and two existing oral surgery courses. For a major, students must elect eight hours from twelve new dental hygiene courses and eight hours from existing dental school or basic science courses, plus another course from either dental hygiene or science electives.

Since the proposed M.S. Degree in Dental Hygiene will be implemented by reducing the number of students admitted in the Certificate Program and will be a cooperative effort by the faculty of the Department of Dental Hygiene, the U. T. Dental School - San Antonio, and the U. T. G.S.B.S. - San Antonio, no additional faculty or facilities will be needed. No change in the organizational structure of the Dental Hygiene Department will be necessary and no additional state funds will be required to support the program.

A copy of the proposal is on file in the Office of Health Affairs.

7. U. T. Health Science Center - San Antonio (U. T. Allied Health Sciences School - San Antonio): Recommendation for Approval to Offer a Bachelor of Science Degree in Dental Laboratory Sciences within the Department of Dental Laboratory Technology and to Submit the Proposal to the Coordinating Board for Approval (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that approval be granted to change the scope of the Dental Laboratory Technology program in the U. T. Allied Health Sciences School - San Antonio at the U. T. Health Science Center - San Antonio to offer a Bachelor of Science Degree in Dental Laboratory Sciences.

The proposed program is consistent with the U. T. Health Science Center - San Antonio Strategic Plan and Role and Scope statement.

Upon approval by the U. T. Board of Regents, the proposal will be submitted to the Texas Higher Education Coordinating Board for approval. Following Coordinating Board approval, the next appropriate catalog published at the U. T. Health Science Center - San Antonio will be amended to reflect this action.

BACKGROUND INFORMATION

The U. T. Allied Health Sciences School - San Antonio is currently authorized to award a Certificate in Dental Laboratory Technology. The pending program proposal requests authorization to offer a Bachelor of Science Degree in Dental Laboratory Sciences. The Certificate Program, currently the only fully accredited two-year civilian program in Dental Laboratory Technology in the state, will be continued and completion of that program will be a prerequisite for candidates for the B.S. Degree. This higher level education and training program is proposed in order to fulfill the need for dental laboratory educators, managers, and technicians qualified to fill the growing gap between dental technology and clinical dentistry.

Technological advances involved in providing adequate, affordable dental and maxillofacial prosthetic appliances are escalating, demanding advanced skills, training, and knowledge. Leaders at the state and national levels have expressed a critical need for dental technician education at the baccalaureate level. The National Association of Dental Laboratories passed a resolution at its meeting in 1990 supporting the development of programs in dental laboratory technology and/or management, provided they are conducted by institutions of higher learning which offer dental technology programs accredited by the Commission on Dental Accreditation.

If approved, the program will begin in the Fall of 1996 with the enrollment of 12 students and with the anticipation that 24 students will be enrolled in the B.S. program each year by 2000. The Department of Dental Laboratory Technology will continue to enroll approximately 24 students each year in the Certificate program. Admission to the B.S. Degree program in Dental Laboratory Sciences will require graduation from an accredited two-year dental laboratory program with a 2.5 GPA and completion of a minimum of 35 semester hours of General Education requirements with an overall GPA of 2.5 or better.

Students will enter the program having completed a minimum of 50 semester hours in a Certificate/Associate Dental Laboratory Technology Program. The course work will include prescribed courses in English, History, Government, Mathematics, and Biology comprising 51 semester hours of General Education Requirements. Additional prerequisites will include 15 semester hours of Business, Accounting, Economics, and Marketing. The General Education requirements and the Business requirements can be taken at any accredited community college or university. The program will then consist of four semesters of courses in advanced laboratory skills, maxillofacial prostheses, education/training, dental laboratory management skills, research principles, problem solving/critical thinking, professional communication, and an advanced senior practicum. A total of 149 hours will be required for completion of the program.

Since the proposed B.S. in Dental Laboratory Sciences will be implemented by reducing the number of students admitted into the Certificate Program, no additional faculty or facilities will be needed. No change in the organizational structure of the Dental Laboratory Technology Department and no additional state funds will be required to support the program.

A copy of the proposal is on file in the Office of Health Affairs.

8. U. T. M.D. Anderson Cancer Center: Proposed Appointment to the Blanche Bender Professorship in Cancer Research Effective Immediately.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that Richard J. Babaian, M.D., Professor of Urology, be appointed as initial holder of the Blanche Bender Professorship in Cancer Research at the U. T. M.D. Anderson Cancer Center effective immediately.

BACKGROUND INFORMATION

Dr. Babaian has been a member of the faculty at the U. T. M.D. Anderson Cancer Center since 1984. He has enjoyed a productive and prestigious career as a clinical investigator and is nationally and internationally recognized for his contributions to the early detection and intervention of prostate cancer.

The Blanche Bender Professorship in Cancer Research was established by the U. T. Board of Regents at the February 1993 meeting.

**Fac. Plan. &
Const. Com.**

FACILITIES PLANNING AND CONSTRUCTION COMMITTEE
Committee Chairman Temple

Date: June 9, 1994
Time: Following the meeting of the Health Affairs
Committee
Place: Room 470, Mesa Building, U. T. Permian Basin

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6. U. T. Pan American - Engineering Building (Project No. 901-809) and Thermal Energy Plant Expansion (Project No. 901-821): Request for Approval to Decrease Total Project Cost for the Engineering Building and Approval to Increase Total Project Cost for Thermal Energy Plant Expansion	10

7. U. T. San Antonio - Academic Building
(Project No. 401-756): Request for
Approval of Final Plans and Specifications;
Authorization to Advertise for Bids and for
the Executive Committee to Award Contracts;
Additional Appropriation Therefor; and
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Parity Debt, Receipt of Certificate, and
Finding of Fact with Regard to Financial
Capacity

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8. U. T. Tyler - Liberal Arts Complex (Project
No. 802-719): Request for Approval to
Increase Scope and Total Project Cost;
Request for Approval of Preliminary Plans;
Authorization to Prepare Final Plans and
Specifications; Submission of the Project
to the Coordinating Board; and Appropria-
tion Therefor

14

1. U. T. System Administration - Parking Structure (Project No. 101-816): Request for Approval to Increase Total Project Cost.--

RECOMMENDATION

The Chancellor recommends that the U. T. Board of Regents approve an increase in the total project cost for the U. T. System Administration - Parking Structure from \$800,000 to \$1,179,282 with previous project funding of \$700,000 in Revenue Financing System Bond Proceeds and \$100,000 in Building Rental Income, and additional project funding of \$278,282 in Interest on Service and Revolving Funds and \$101,000 in Unexpended Plant Funds.

BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in October 1993, final plans, specifications, and a detailed cost estimate for the U. T. System Administration - Parking Structure are being prepared by the Project Engineer, D. Y. Davis Associates, Inc., Houston, Texas.

The Project Engineer recently completed a detailed cost estimate prior to completing final plans and specifications. The estimate indicates a cost increase of approximately \$278,282 due to additional foundation requirements, a constricted site, and the addition of security items. In addition, the demolition for the existing drive-in bank has been included in the base bid in the amount of \$101,000 and will be funded by the previous lessee of the property, Texas Commerce Bank.

This project will amend the FY 1994-1999 Capital Improvement Plan and the FY 1994 Capital Budget. Total project funding is \$1,179,282 with previous funding of \$700,000 in Revenue Financing System Bond Proceeds and \$100,000 in Building Rental Income, and additional project funding of \$278,282 in Interest on Service and Revolving Funds and \$101,000 in Unexpended Plant Funds.

This project was approved by the Texas Higher Education Coordinating Board in January 1994, for a total project cost of \$800,000, and submitted May 16, 1994, for Special Approval to increase the total project cost from \$800,000 to \$1,179,282.

2. U. T. Austin - Campus Master Plan; Request for Project Authorization; Appointment of Project Architect; and Appropriation Therefor.--

RECOMMENDATION

In September 1993, President Berdahl established a committee to formulate a framework for the commissioning of a campus master plan for U. T. Austin. Working closely with the Office

of Facilities Planning and Construction, the committee developed a Request for Qualifications and solicited proposals from qualified firms. The evaluation process continues and recommendations for consideration by the U. T. Board of Regents will be provided prior to the June meeting.

This item requires the concurrence of the Academic Affairs Committee.

3. U. T. El Paso - Classroom and Faculty Office Building (Project No. 201-806); Request for Approval of Preliminary Plans; Authorization to Prepare Final Plans and Specifications; Submission of the Project to the Coordinating Board; and Appropriation Therefor.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that the U. T. Board of Regents:

- a. Approve preliminary plans and specifications for the Classroom and Faculty Office Building at U. T. El Paso at an estimated total project cost of \$15,000,000
- b. Authorize preparation of final plans and specifications
- c. Authorize submission of the project to the Texas Higher Education Coordinating Board
- d. Appropriate an additional \$300,000 from Tuition Revenue Bond Proceeds issued under the Revenue Financing System for fees and administrative expenses through completion of final plans. Previous appropriations have been \$300,000 from Tuition Revenue Bond Proceeds.

BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents at the August 1993 meeting, preliminary plans, specifications, and a cost estimate for the Classroom and Faculty Office Building at U. T. El Paso have been prepared by the Project Architect, Alvidrez Associates Inc., El Paso, Texas.

This project will provide general purpose classroom and faculty office space in a facility of approximately 125,000 gross square feet at a central campus location. The facility will contain primarily large auditorium areas. Major emphasis will be placed on design for state-of-the-art multimedia and computerized instructional technologies in the classrooms.

The project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1994 Capital Budget to be funded by \$15,000,000 from Tuition Revenue Bond Proceeds.

4. U. T. El Paso - Liberal Arts/Science Renovation Projects - Liberal Arts Building Renovation: Request for Project Authorization; Appointment of Project Architect to Prepare Preliminary Plans; and Appropriation Therefor.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that the U. T. Board of Regents:

- a. Authorize a project for the Liberal Arts/Science Renovation Projects - Liberal Arts Building Renovation at U. T. El Paso at an estimated total project cost of \$2,511,000 to be funded from Tuition Revenue Bond Proceeds
- b. Appoint a Project Architect from the list set forth on Page FPCC - 6 to prepare preliminary plans and a cost estimate to be presented to the U. T. Board of Regents for consideration at a future meeting
- c. Appropriate \$70,000 from Tuition Revenue Bond Proceeds issued under the Revenue Financing System for fees and administrative expenses through completion of preliminary plans.

BACKGROUND INFORMATION

The 73rd Session of the Texas Legislature authorized the financing of the Liberal Arts/Science Renovation Projects at U. T. El Paso through Tuition Revenue Bond Proceeds in the amount of \$8,000,000 as a part of the South Texas/Border Initiative. The \$8,000,000 will be divided among several campus buildings housing Liberal Arts and Science programs. The Liberal Arts Building was built in 1961 and has had 33 years of heavy use as the largest classroom facility on the campus. This building has the highest daily volume of student traffic of any academic building on campus. The building structure has not had any significant alterations or improvements since it was constructed until phased remodeling was initiated three years ago. The scope of this proposed remodeling project will consist primarily of modifying the building to meet current code requirements, upgrading the HVAC system, replacing the interior finishes, and replacing the existing windows and store fronts.

The project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1994 Capital Budget to be funded by Tuition Revenue Bond Proceeds.

List of Firms for Consideration

<u>Project Architect</u>	<u>Representative Projects</u>
Carl Daniel Architects El Paso, Texas	El Paso Health Care System: Oregon Medical Building; Rim Medical Building Recreational Services, Ltd.: Painted Dunes Golf Clubhouse Vista Hills Medical Center: 34 Bed Addition; Surgery Addition
Anderson/Thacker/Associates, Inc., El Paso, Texas	U. T. El Paso: Physical Plant Facilities City of El Paso: Westside Branch Library; Ysleta Neighborhood Health Clinic El Paso Independent School District: Northeast Area Offices; Central Area Offices
Prestridge Smith Architects, Inc., El Paso, Texas	El Paso Independent School District: El Paso High School Auditorium Renovations; Guillen Administration Resource Center; Mt. Franklin High School Sandia Laboratories: Sandia Laboratories Credit Union The Salvation Army: Social Services Center

5. U. T. El Paso - Liberal Arts/Science Renovation Projects - Old Main Building Renovation (Project No. 201-819): Request for Approval to Increase Total Project Cost; Request for Approval of Final Plans and Specifications; Authorization to Advertise for Bids and for the Executive Committee to Award Contracts; Additional Appropriation Therefor; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that the U. T. Board of Regents:

- a. Approve an increase in the authorized total project cost for the Liberal Arts/Science Renovation Projects - Old Main Building Renovation at U. T. El Paso from \$1,689,000 to \$1,989,000
- b. Approve final plans and specifications for the Liberal Arts/Science Renovation Projects - Old Main Building Renovation at U. T. El Paso within the authorized total project cost of \$1,989,000
- c. Authorize the Office of Facilities Planning and Construction to advertise for bids upon completion of final review and the Executive Committee to award all contracts associated with this project within the authorized total project cost
- d. Appropriate an additional \$1,889,000 from Tuition Revenue Bond Proceeds issued under the Revenue Financing System, along with \$100,000 previously appropriated from the same source for total project funding of \$1,989,000.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Natalicio that, in compliance with Section 5 of the Master Resolution Establishing The University of Texas System Revenue Financing System, approved by the U. T. Board of Regents in April 1990, amended February 14, 1991, and upon delivery of the Certificate of an Authorized Representative as set out on Page FPCC - 9, the U. T. Board of Regents resolve that:

- a. Parity Debt shall be issued to pay the project's cost including any project costs paid prior to the issuance of such Parity Debt

- b. Sufficient funds will be available to meet the financial obligations of the U. T. System including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System
- c. U. T. component institutions, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their Direct Obligations as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the amount of \$1,989,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in April 1994, final plans, specifications, and a cost estimate for Liberal Arts/Science Renovation Projects - Old Main Building Renovation have been prepared by the Project Architect, Fouts Gomez Architects, El Paso, Texas.

Old Main was the first building constructed on the campus and is a registered Texas Historic Landmark. Final cost estimates for this renovation project have increased due to requirements of the Texas Historical Commission, compliance with the Americans with Disabilities Act, and the need to abate asbestos and lead paint. The construction cost of this 22,645 gross square foot renovation project is approximately \$1,523,000 providing a unit price of \$67.26 per square foot.

The project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1994 Capital Budget. Total project funding is \$1,989,000 from Tuition Revenue Bond Proceeds.

This project will be submitted for review by the Texas Higher Education Coordinating Board in July 1994.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Executive Vice Chancellor for Business Affairs of The University of Texas System, a U. T. System Representative under the Master Resolution Establishing The University of Texas System Revenue Financing System originally adopted by the Board on April 12, 1990 (the "Master Resolution"), do hereby execute this certificate for the benefit of the Board of Regents pursuant to Section 5(a) (ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" pursuant to the Master Resolution to finance the cost of the construction of Liberal Arts/Science Renovation Projects - Old Main Building Renovation at U. T. El Paso, and do certify that to the best of my knowledge the Board of Regents is in compliance with all covenants contained in the Master Resolution, First Supplemental Resolution Establishing an Interim Financing Program, and the Second Supplemental Resolution, and is not in default of any of the terms, provisions and conditions in said Master Resolution, First Supplemental Resolution and Second Supplemental Resolution as amended.

EXECUTED this 11th day of May, 1994



Executive Vice Chancellor for Business Affairs

6. U. T. Pan American - Engineering Building (Project No. 901-809) and Thermal Energy Plant Expansion (Project No. 901-821): Request for Approval to Decrease Total Project Cost for the Engineering Building and Approval to Increase Total Project Cost for Thermal Energy Plant Expansion.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Nevarez that the U. T. Board of Regents:

- a. Approve a decrease of \$746,000 from the authorized total project cost for the U. T. Pan American - Engineering Building from \$23,800,000 to \$23,054,000 with total project funding in the amount of \$23,054,000 in Tuition Revenue Bond Proceeds
- b. Approve an increase in the authorized total project cost for the U. T. Pan American - Thermal Energy Plant Expansion from \$3,054,000 to \$3,800,000 with project funding of \$154,000 in Higher Education Assistance Funds (HEAF), \$2,946,000 in Tuition Revenue Bond Proceeds, and \$700,000 in Unexpended Plant Funds.

BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in October 1993, final plans, specifications, and a cost estimate for the U. T. Pan American - Thermal Energy Plant Expansion are currently being prepared by the Project Engineer, Schuchart & Associates, San Antonio, Texas.

The Project Engineer recently completed a detailed study and preliminary cost estimate to finalize the project scope. The U. T. Pan American Administration and the Office of Facilities Planning and Construction concur with the Project Engineer's recommendation to replace two 20-year old chillers and an existing cooling tower. This will necessitate decreasing the Engineering Building total project budget from \$23,800,000 to \$23,054,000 and increasing the Thermal Energy Plant Expansion total project budget by an equal amount from \$3,054,000 to \$3,800,000.

The project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1994 Capital Budget.

These projects will be submitted for review by the Texas Higher Education Coordinating Board in July 1994.

7. U. T. San Antonio - Academic Building (Project No. 401-756): Request for Approval of Final Plans and Specifications; Authorization to Advertise for Bids and for the Executive Committee to Award Contracts; Additional Appropriation Therefor; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Kirkpatrick that the U. T. Board of Regents:

- a. Approve the final plans and specifications for the Academic Building at U. T. San Antonio within the authorized total project cost of \$27,000,000
- b. Authorize the Office of Facilities Planning and Construction to advertise for bids upon completion of final review and the Executive Committee to award all contracts associated with this project within the authorized total project cost
- c. Appropriate an additional \$26,000,000 from Tuition Revenue Bond Proceeds issued under the Revenue Financing System. Previous appropriations have been \$500,000 from Permanent University Fund Bond Proceeds and \$500,000 from Tuition Revenue Bond Proceeds for total project funding of \$27,000,000.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Kirkpatrick that, in compliance with Section 5 of the Master Resolution Establishing The University of Texas System Revenue Financing System, approved by the U. T. Board of Regents in April 1990, amended February 14, 1991, and upon delivery of the Certificate of an Authorized Representative as set out on Page FPCC - 13, the U. T. Board of Regents resolve that:

- a. Parity Debt shall be issued to pay the project's cost including any project costs paid prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System

- c. U. T. component institutions, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their Direct Obligations as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the amount of \$26,500,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the U. S. Treasury Regulations.

BACKGROUND INFORMATION

At the meeting of the U. T. Board of Regents in April 1993, preliminary plans and specifications were approved for the Academic Building at U. T. San Antonio at an estimated total project cost of \$28,475,000. At that time, an appropriation of \$500,000 was made from U. T. San Antonio Unexpended Plant Funds to be reimbursed from Tuition Revenue Bond Proceeds when issued. During the 73rd Session of the Texas Legislature, this project was one of three U. T. San Antonio construction projects to be authorized for funding from Tuition Revenue Bond Proceeds. On August 12, 1993, the U. T. Board of Regents approved the FY 1994-1999 Capital Improvement Plan and the FY 1994 Capital Budget with a revised total project cost of \$27,000,000 to be funded with \$26,500,000 from Tuition Revenue Bond Proceeds and \$500,000 from Permanent University Fund Bond Proceeds.

In accordance with authorization of the U. T. Board of Regents in April 1993, final plans, specifications, and a cost estimate for the Academic Building at U. T. San Antonio have been prepared by the Project Architect, Ford, Powell & Carson, Architects & Planners, Inc., San Antonio, Texas.

This new building is approximately 204,790 gross square feet. The net assignable educational and general space at U. T. San Antonio is currently only 53.6% of the Coordinating Board space planning standard. When completed, this building will add thirty-four classrooms, auditoria/lecture halls, instructional theater/studios, and seminar and case study rooms having a combined seating capacity for more than 2,260 students. Thus the building represents an increase of 37% in the campus student seating capacity. The building is also designed to accommodate the faculty and administrative offices of the College of Business. Construction cost, including site preparation and contingencies, is approximately \$20,000,000 providing a unit price of \$97.66 per square foot.

This project is included in the FY 1994-1999 Capital Improvement Plan and the FY 1994 Capital Budget. Total project funding is \$500,000 from Permanent University Fund Bond Proceeds and \$26,500,000 from Tuition Revenue Bond Proceeds.

This project was reviewed by the Texas Higher Education Coordinating Board in January 1994.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Executive Vice Chancellor for Business Affairs of The University of Texas System, a U. T. System Representative under the Master Resolution Establishing The University of Texas System Revenue Financing System originally adopted by the Board on April 12, 1990 (the "Master Resolution"), do hereby execute this certificate for the benefit of the Board of Regents pursuant to Section 5(a) (ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" pursuant to the Master Resolution to finance the cost of the construction of the Academic Building at U. T. San Antonio, and do certify that to the best of my knowledge the Board of Regents is in compliance with all covenants contained in the Master Resolution, First Supplemental Resolution Establishing an Interim Financing Program, and the Second Supplemental Resolution, and is not in default of any of the terms, provisions and conditions in said Master Resolution, First Supplemental Resolution and Second Supplemental Resolution as amended.

EXECUTED this 11th day of May, 1994



Executive Vice Chancellor for Business Affairs

8. U. T. Tyler - Liberal Arts Complex (Project No. 802-719): Request for Approval to Increase Scope and Total Project Cost; Request for Approval of Preliminary Plans; Authorization to Prepare Final Plans and Specifications; Submission of the Project to the Coordinating Board; and Appropriation Therefor.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Hamm that the U. T. Board of Regents:

- a. Approve an increase in the scope of the project to include renewal, expansion, and connections of the thermal energy plant to support the Liberal Arts Complex and an increase in the authorized total project cost for the Liberal Arts Complex at U. T. Tyler from \$18,200,000 to \$19,950,000
- b. Approve preliminary plans and specifications for the Liberal Arts Complex at U. T. Tyler within the revised estimated total project cost
- c. Authorize the Project Architect to prepare final plans and specifications to be presented to the U. T. Board of Regents for consideration at a future meeting
- d. Authorize submission of the project to the Texas Higher Education Coordinating Board
- e. Appropriate an additional \$525,000 from General Fee Balances for fees and administrative expenses through completion of final plans. Previous appropriations have been \$250,000 from Gifts and Grants and \$200,000 from Permanent University Fund Bond Proceeds.

BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents at the June 1990 meeting, preliminary plans, specifications, and a cost estimate for the Liberal Arts Complex at U. T. Tyler have been prepared by the Project Architect, C/A Architects, Inc., Longview and Houston, Texas (now named C/A Alliance - Architects).

The project is a new facility of approximately 125,000 gross square feet designed to meet critical needs for assembly space, multipurpose institutional use, and specialized academic programs in theater, music, and art. The increase in the total project cost will renew and expand the thermal energy plant and distribution systems to support this project. The expanded scope also will improve campus-wide energy efficiency by accelerating and consolidating several thermal energy renewal and replacement projects previously scheduled over the next four years.

The project, first included in the Capital Improvement Plan in 1985 with approval of the private fund campaign, is included in the FY 1994 Capital Budget to be funded by \$5,000,000 from Gifts and Grants, \$1,930,318 from General Fee Balances, \$1,019,682 from Permanent University Fund Bond Proceeds Reserves, and \$12,000,000 from Permanent University Fund Bond Proceeds for \$19,950,000 in total project funding.

With the allocation of \$12,000,000 from Permanent University Fund Bond Proceeds for this project, the U. T. System remains in compliance with the requirements of the Available University Fund Spending Policy based upon the most recent forecast of income and expenditures. In compliance with the policy, set forth on Pages FPCC 16 - 17 are the forecast and a list of all projects currently delayed due to the freeze on Permanent University Fund bond funding from the 1993 Capital Improvement Plan. The freeze became effective in December 1992. In addition, projects approved during the freeze, subject to a Memorandum of Understanding regarding reimbursement of debt service, are included.

See Item 25 on Page AAC - 41 related to establishment of an Arts and Performance Center Fee at U. T. Tyler.

5/23/94 9:40 AM

AVAILABLE UNIVERSITY FUND OPERATING STATEMENT
ACTUAL FY93, BUDGETED FY94 AND FY95, AND FORECASTED DATA
(MILLIONS)

	Budget FYE 94	Budget FYE 95	FYE 96	FYE 97	FYE 98	FYE 99	FYE 00
Investment Income	238.2	237.3	234.4	235.2	238.4	236.4	239.6
Surface & Other Income	4.2	3.9	3.6	3.5	3.5	3.4	3.4
Earnings - 50 Leagues Land	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Exp. of Revenue Bearing Property	-10.8	-10.6	-11.3	-11.7	-12.2	-12.7	-13.0
Net Divisible Income	231.4	230.4	226.6	226.9	229.6	227.0	229.9
UT Share (2/3)	154.3	153.6	151.1	151.2	153.1	151.3	153.4
AUF Interest Income	3.0	3.1	4.2	3.7	3.4	3.4	3.4
Earnings - 50 Leagues Land	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Income Available to UT	157.4	156.8	155.4	155.0	156.6	154.9	156.9
Debt Service (PUF)	-66.4	-67.4	-58.6	-58.4	-64.1	-65.0	-68.9
Transfer to Prairie View	-6.0	-1.3	0.0	0.0	0.0	0.0	0.0
Debt Service (Bldg Rev)	-3.8	-3.8	-3.8	-3.8	-3.7	-3.4	-3.4
System Adm. Expenses	-9.8	-9.8	-10.1	-10.4	-10.7	-11.0	-11.2
CHPC & Telecommunications	-2.9	-1.9	-0.9	-0.9	-0.9	-0.9	-0.9
Additional non-divisible expenditures	-3.6	-3.9	-3.9	-3.9	-4.0	-4.1	-4.2
UT Austin	-78.0	-75.0	-75.0	-75.0	-75.0	-75.0	-75.0
Other Transfers and Changes	1.5	1.0	1.6	1.4	4.1	4.8	6.8
Net Surplus/(Deficit)	-11.7	-5.3	4.8	4.1	2.2	0.3	0.1
Ending AUF Fund Balance - Reserve	41.5	36.4	41.2	45.3	47.5	47.8	47.9
UT Austin Share	50%	48%	48%	48%	48%	48%	48%
Unused Constitutional Debt Limit	266.1	264.5	283.3	304.1	355.7	373.9	424.4
PUF Debt Service Coverage	2.37:1	2.33:1	2.65:1	2.65:1	2.44:1	2.38:1	2.28:1
Includes MOU Project and UT Austin Law Advocacy Center reimbursements ("Other Transfers and Changes") beginning in FY95							
U.T. Tyler Liberal Arts Complex PUF Expenditures		1.0	5.4	6.5			

PUF Bond Delayed Projects

<u>Component</u>	<u>Project</u>	<u>PUF Suspended</u>
U.T. Dallas	Renovate Founders Bldg.	1,567,000
U.T. Dallas	Berkner/Founders Annex Reno.	1,500,000
U.T. Dallas	Retrofit Multipurpose Bldg.	1,500,000
U.T. Health Science Center at Houston	Ambulatory Care Center	5,000,000

Projects Approved Under A Memorandum of Understanding

Series A Projects

<u>Component</u>	<u>Project</u>	<u>PUF Allocation</u>
U.T. Arlington	Ransom Hall Renovation	1,000,000
U.T. Austin	Molecular Biology Building	13,000,000
U.T. Southwestern Medical Center at Dallas	North Campus Phase II	20,000,000
U.T. Health Center at Tyler	Ambulatory Care Center	<u>5,000,000</u>
Total Series A Projects		39,000,000

Series B Projects

<u>Component</u>	<u>Project</u>	<u>PUF Allocation</u>
U.T. Southwestern Medical Center at Dallas	North Campus Phase III	20,000,000
U.T. Health Science Center at Houston	Institute of Molecular Medicine	<u>15,000,000</u>
Total Series B Projects		35,000,000

**Asset
Management Com.**

ASSET MANAGEMENT COMMITTEE
Committee Chairman Cruikshank

Date: June 9, 1994
Time: Following the meeting of the Facilities Planning
and Construction Committee
Place: Room 470, Mesa Building, U. T. Permian Basin

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AMC

I. Permanent University Fund

Investment Matter

Report on Clearance of Monies to the
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and April 1994 and Report on Oil and
Gas Development as of April 30, 1994

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U. T. AUSTIN

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1. Recommendation to Amend Authorization Regarding Use of the Income from the Quasi-Endowment for Investment Excellence and Approve the Office of Asset Management Employee Performance Compensation Plan
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I. PERMANENT UNIVERSITY FUND

INVESTMENT MATTER

Report on Clearance of Monies to the Permanent University Fund for March and April 1994 and Report on Oil and Gas Development as of April 30, 1994.--The following reports with respect to (a) certain monies cleared to the Permanent University Fund for March and April 1994 and (b) Oil and Gas Development as of April 30, 1994, are submitted by the Executive Vice Chancellor for Business Affairs:

	March 1994	April 1994	Cumulative Through April of this Fiscal Year (1993-1994)	Cumulative Through April of Preceding Fiscal Year (1992-1993)	Percent Change
Permanent University Fund					
Royalty					
Oil	\$ 2,562,842.47	\$ 2,507,345.16	\$ 23,555,762.19	\$ 32,773,101.40	-28.12%
Gas	1,694,775.72	1,321,092.66	11,603,012.82	11,682,763.19	-0.68%
Sulphur	0.00	0.00	0.00	0.00	--
Water	60,915.81	63,680.44	607,392.63	498,135.85	21.93%
Brine	5,218.27	5,032.04	50,340.21	43,722.63	15.14%
Trace Minerals	0.00	0.00	0.00	0.00	--
Rental					
Oil and Gas Lease	24,827.55	66,582.99	275,227.66	394,815.72	-30.29%
Other	900.00	2,200.00	1,248.31	(1,994.99)	162.57%
Sale of Sand, Gravel, Etc.	0.00	0.00	0.00	0.00	--
Total University Lands Receipts Before Bonuses	4,349,479.82	3,965,933.29	36,092,983.82	45,390,543.80	-20.48%
Bonuses					
Oil and Gas Lease Sales	0.00	0.00	3,480,202.48	69,887.70	--
Amendments and Extensions to Mineral Leases	1,260.57	1,260.57	43,364.72	10.00	--
Total University Lands Receipts	4,350,740.39	3,967,193.86	39,616,551.02	45,460,441.50	-12.85%
Gain or (Loss) on Sale of Securities	7,902,541.28	1,561,502.35	67,680,406.04	172,812,211.23	-60.84%
TOTAL CLEARANCES	\$12,253,281.67	\$5,528,696.21	\$107,296,957.06	\$218,272,652.73	-50.84%

Oil and Gas Development - April 30, 1994
Acreage Under Lease - 753,160

Number of Producing Acres - 522,260

Number of Active Leases - 2,531

II. TRUST AND SPECIAL FUNDS

Gifts, Bequests and Estates

1. U. T. Arlington: Recommendation to Accept Grant to Establish the Jenkins and Virginia Garrett Chair in Southwestern Studies and the History of Cartography.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Amacher that a \$600,000 grant, of which \$150,000 has been received and \$450,000 is payable by January 1, 1997, from the Sid W. Richardson Foundation, Fort Worth, Texas, be accepted to establish the Jenkins and Virginia Garrett Chair in Southwestern Studies and the History of Cartography at U. T. Arlington.

Income earned from the endowment will be used to support the Chair.

BACKGROUND INFORMATION

The Sid W. Richardson Foundation, Fort Worth, Texas, was founded in 1947 by the late Mr. Sid W. Richardson. The Foundation supports programs involved with arts, humanities, civic and public affairs, education, health, and social services.

Mr. and Mrs. Jenkins (Virginia) Garrett are longtime supporters of the U. T. System and U. T. Arlington. Mr. Garrett, an attorney with the law firm of Harris, Finley & Bogle, Fort Worth, Texas, received his B.A. and his LL.B. from U. T. Austin in 1937. He is a member of The Chancellor's Council and a former member of the U. T. Board of Regents.

2. U. T. Austin: Recommendation to Accept Bequest from the Estate of Isora Cooke, Hempstead, Texas, to Establish the Isora and Thomas Cooke Endowed Human Ecology Scholarship in the College of Natural Sciences.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a residual bequest, consisting of cash, real estate, and mineral interests valued at \$238,400, from the Estate of Isora Cooke, Hempstead, Texas, be accepted to establish the Isora and Thomas Cooke Endowed Human Ecology Scholarship in the Department of Human Ecology, College of Natural Sciences, at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support to graduate students in the Department of Human Ecology.

Mrs. Cooke's Will provided that the bequest was to be used to establish the "'Isora and Thomas Cooke Endowed Home Economics Scholarship' for the College of Natural Sciences, Department of Home Economics at UT Austin, or its successor." The U. T. System Office of General Counsel has advised that the proposed name for this endowment, which reflects the current name for the former Department of Home Economics, is permissible as consistent with Mrs. Cooke's intent.

BACKGROUND INFORMATION

Mrs. Isora Cooke, Hempstead, Texas, received her M.S. in Home Economics in 1940 from U. T. Austin. This endowment is being funded in memory of Mrs. Cooke and her son, Thomas.

3. U. T. Austin: Deacon Crain Endowed Scholarship in the College of Fine Arts - Recommendation to Accept Additional Gift, Pledge, and Transfer of Funds and Redesignate as the W. H. "Deacon" Crain Endowed Presidential Scholarship in Theatre.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$9,000 gift and a \$6,000 pledge, payable by August 31, 1995, from Dr. William H. "Deacon" Crain, Austin, Texas, and a \$7,500 transfer of President's discretionary funds for a total of \$22,500 be accepted for addition to the Deacon Crain Endowed Scholarship in the Department of Theatre and Dance, College of Fine Arts, at U. T. Austin for a total endowment of \$32,500 and that the Scholarship be redesignated as the W. H. "Deacon" Crain Endowed Presidential Scholarship in Theatre.

BACKGROUND INFORMATION

The Deacon Crain Travel Fund was established at the April 1971 meeting of the U. T. Board of Regents with a \$10,000 gift from Dr. William H. "Deacon" Crain, Austin, Texas. At the October 1984 meeting, the U. T. Board of Regents redesignated the endowment as the Deacon Crain Endowed Scholarship. Dr. Crain received his B.A. in History in 1940, his M.A. in History in 1943, his M.F.A. in Theatre and Dance in 1949, and his Ph.D. in 1965 from U. T. Austin. He is the Senior Curator of the Hoblitzelle Theatre Arts Library in the Harry Ransom Humanities Research Center at U. T. Austin.

4. U. T. Austin: Recommendation to Accept Gift to Establish the W. H. "Deacon" Crain Theatre Production Endowment in the College of Fine Arts (NO PUBLICITY).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$50,000 gift from Mrs. Eileen Crain Sullivan, Austin, Texas, be accepted to establish the W. H. "Deacon" Crain Theatre Production Endowment in the Department of Theatre and Dance, College of Fine Arts, at U. T. Austin.

Income earned from the endowment will be used to provide funds for a selected theatrical production within the annual production season of the Department of Theatre and Dance.

BACKGROUND INFORMATION

Mrs. Eileen Crain Sullivan, Austin, Texas, is funding this endowment in honor of her brother, Dr. W. H. "Deacon" Crain, Austin, Texas. This new endowment is being created on the occasion of Dr. Crain's announced retirement as Senior Curator of the Hoblitzelle Theatre Arts Library at the Harry Ransom Humanities Research Center at U. T. Austin. Dr. Crain and Mrs. Sullivan are members of The Chancellor's Council, the Littlefield Society, and The President's Associates. Dr. Crain received his B.A. in History in 1940, his M.A. in History in 1943, his M.F.A. in Theatre and Dance in 1949, and his Ph.D. in Playwriting in 1965 from U. T. Austin.

NO PUBLICITY

5. U. T. Austin: Recommendation to Accept Gifts to Establish the Alvin and Helene Eicoff Endowed Professorship in Direct Broadcast Marketing and the Alvin and Helene Eicoff Endowed Presidential Scholarship Fund in the College of Business Administration and the Graduate School of Business and Eligibility for Matching Funds Under The Brackenridge Matching Program #2.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that gifts, comprised of Walgreen Company, Telecommunications, Class A, and Gillette Company common stock, from Mr. and Mrs. Alvin Eicoff, Chicago, Illinois, for a total of \$251,537.50 be accepted to establish two endowments at U. T. Austin as follows:

1. Of the total, \$100,000 of the gift is to be used to establish the Alvin and Helene Eicoff Endowed Professorship in Direct Broadcast Marketing in the College of Business Administration and the Graduate School of Business at U. T. Austin.

Ninety percent of the income earned from the endowment will be used to support the Professorship. The remaining ten percent of income earned will be reinvested in the corpus of the endowment.

2. The remaining \$151,537.50 of the gift is to be used to establish the Alvin and Helene Eicoff Endowed Presidential Scholarship Fund in the College of Business Administration and the Graduate School of Business at U. T. Austin.

It is further recommended that matching funds in the amount of \$37,500 be reserved under The Brackenridge Matching Program #2 to be allocated proportionately on \$75,000 of the gift, as received, to increase the endowment to a total of \$189,037.50.

Income earned from the endowment will be used to support undergraduate and graduate students who have a career interest in emerging interactive technologies and direct marketing.

BACKGROUND INFORMATION

Mr. Alvin Eicoff is Chairman of A. Eicoff & Company, Chicago, Illinois, and received his B.B.A. from U. T. Austin in 1943.

6. U. T. Austin: Recommendation to Accept Grant to Establish the Filmscript Acquisitions Endowment for the Harry Ransom Humanities Research Center.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$150,000 grant, of which \$50,000 has been received and the remaining \$100,000 will be paid by August 31, 1996, from The Louis B. Mayer Foundation, New York, New York, be accepted to establish the Filmscript Acquisitions Endowment for the Harry Ransom Humanities Research Center at U. T. Austin.

Income earned from the endowment will be used to acquire manuscripts and other archival materials of film writers of special interest.

BACKGROUND INFORMATION

The Louis B. Mayer Foundation, New York, New York, has been a major supporter of higher education at U. T. Austin, providing previous support to the Harry Ransom Humanities Research Center.

7. U. T. Austin: John Calvin Leary Memorial Scholarship Fund - Recommendation to Rescind Endowment.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that the Regental action of December 1993 regarding the establishment of the John Calvin Leary Memorial Scholarship Fund at U. T. Austin be rescinded.

BACKGROUND INFORMATION

At the December 1993 meeting, the U. T. Board of Regents, at the request of U. T. Austin, accepted a bequest of a remainder interest in an undivided one-half interest in two tracts of land in Crosby County, Texas, more fully described as 640 acres, being Survey No. 2, Block A, Cert. 1781 and 313 acres, being the West one-half of Survey No. 7, Abstract 5, Cert. 1512 from the Estate of Olivia Jeanette Leary Gibbs, Alvarado, Texas, to establish the John Calvin Leary Memorial Scholarship Fund at U. T. Austin. This property will not be transferred to the U. T. Board of Regents for the benefit of U. T. Austin until the death of the holder of the life estate, and therefore it is premature to establish an endowment with the bequest at this time. Thus the December 1993 Board action related to the establishment of the endowment is to be rescinded. Upon the death of the holder of the life estate, a request will be made to establish the endowment.

8. U. T. Austin: Recommendation to Accept Gifts and Pledges to Establish the Mary Margaret Blair Lindsay Endowed Scholarship in the College of Fine Arts.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that \$10,000 in gifts and \$1,085 in pledges, payable by August 31, 1995, from various donors for a total of \$11,085 be accepted to establish the Mary Margaret Blair Lindsay Endowed Scholarship in the Department of Theatre and Dance, College of Fine Arts, at U. T. Austin.

Income earned from the endowment will be used for scholarships for the benefit and development of students in the Department of Theatre and Dance.

BACKGROUND INFORMATION

This endowment is being funded in memory of Mrs. Mary Margaret Blair Lindsay by her family and friends. Mrs. Lindsay, former executive assistant to Department of Drama Chairman, Dr. F. Loren Winship, was employed by U. T. Austin from 1953 to 1983. She received her B.A. in Arts and Sciences from U. T. Austin in 1958.

9. U. T. Austin: Recommendation to Accept Gifts to Establish the Heywood "Woody" McGriff Endowed Presidential Scholarship in Dance in the College of Fine Arts.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$25,000 gift from Mr. Pierre Apraxine, New York, New York, a \$25,000 gift from The Howard Gilman Foundation, New York, New York, and \$5,850 in gifts from various donors for a total of \$55,850 be accepted to establish the Heywood "Woody" McGriff Endowed Presidential Scholarship in Dance in the Department of Theatre and Dance, College of Fine Arts, at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support for dance students of high standards, unusual promise, and exceptional talent in the Department of Theatre and Dance.

BACKGROUND INFORMATION

Mr. Pierre Apraxine, New York, New York, The Howard Gilman Foundation, New York, New York, and various other donors are funding this endowment in memory of Professor Heywood McGriff, Jr. in recognition of his distinguished service to U. T. Austin and his accomplishments as a teacher, dancer, and choreographer. Mr. McGriff was an Associate Professor in the Department of Theatre and Dance at U. T. Austin and a past Fellow of the Virginia L. Murchison Regents Professorship in Fine Arts.

Additional gifts expected in Mr. McGriff's memory will be added to this Scholarship until a total of \$100,000 is received. At the time received gifts exceed \$100,000, a request will be made to establish a second endowment in Mr. McGriff's memory.

See Item 8 on Page AAC - 11 related to renaming the Modern Dance Studio, Room 1.172 of the F. Loren Winship Drama Building, in honor of Professor McGriff.

10. U. T. Austin: The Michener 1990 Charitable Trust - Recommendation to Approve Distribution of Income.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that the U. T. Board of Regents, as Trustees of The Michener 1990 Charitable Trust at U. T. Austin, approve annual income distributions for 1993-94 as follows:

- | | | |
|----|-----------------------|-----------------------------------|
| a. | University of Miami | \$12,000 |
| b. | University of Iowa | \$60,000 and 67% income remainder |
| c. | University of Houston | \$24,000 and 33% income remainder |

BACKGROUND INFORMATION

At the August 1990 meeting, the U. T. Board of Regents accepted a gift and pledge from Mr. and Mrs. James A. Michener to establish The Michener 1990 Charitable Trust at U. T. Austin and accepted appointment as Trustees of the Trust. The Trust provides that all income of the Trust is to be paid out, at least annually, to one or more institutions of higher education which conduct established writing programs. The donative instrument provides that recommendations as to potential institutional recipients be made through U. T. Austin's Texas Center for Writers by the President of U. T. Austin. U. T. Austin and other U. T. System components are not eligible to receive Trust income during the term of the Trust, but upon the termination of the trust (ten years after the death of the second to die of Mr. and Mrs. James A. Michener), the entire corpus is to be distributed to the U. T. Board of Regents for the benefit of U. T. Austin.

11. U. T. Austin: Recommendation to Accept Transfer of Funds to Establish the Parents' Association Endowed Scholarship.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a \$10,000 transfer of previously reported gifts made to The University of Texas Parents' Association, Austin, Texas, be accepted to establish a quasi-endowment at U. T. Austin to be named the Parents' Association Endowed Scholarship.

Income earned from the endowment will be used to award scholarships based on academic merit to undergraduate students of any academic major.

BACKGROUND INFORMATION

The Executive Committee of The University of Texas Parents' Association voted to fund this endowment with \$10,000 of unrestricted gifts received from various members. It is anticipated that continued fund raising will provide for additions to the endowment corpus.

12. U. T. Austin: Psychology Endowment in the College of Liberal Arts - Recommendation to Accept Additional Gifts and Pledges and Redesignate as the Wayne H. Holtzman Regents Chair in Psychology and Eligibility for Matching Funds Under The Regents' Endowment Program.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that \$383,010 in gifts and \$107,100 in pledges, payable by August 31, 1995, from various donors for a total of \$490,110 be accepted for addition to the Psychology Endowment in the Department of Psychology, College of Liberal Arts, at U. T. Austin for a total endowment of \$500,110 and that the endowment be redesignated as the Wayne H. Holtzman Regents Chair in Psychology.

It is further recommended that \$150,000 in matching funds be allocated under The Regents' Endowment Program and used to increase the endowment to a total of \$650,110.

This recommendation is being made in accordance with the donors' request to honor Dr. Wayne H. Holtzman, the Hogg Professor of Psychology and Education and former President of the Hogg Foundation for Mental Health.

BACKGROUND INFORMATION

The Psychology Endowment was established at the October 1989 meeting of the U. T. Board of Regents with a \$10,000 grant from the Trustees of the Ella F. Fondren Trust for the benefit of W. Bryan Trammell, Houston, Texas. The Department of Psychology's goal at that time was to fund a professorship. In the interim, income from the endowment was to be used for faculty and student support within the Department. The 1989 goal has now been surpassed with sufficient gifts and pledges having been received to fund a chair.

Primary among the donors for the more recent gifts are The Brown Foundation, Inc., Houston, Texas, the Sid W. Richardson Foundation, Fort Worth, Texas, The Meadows Foundation, Dallas, Texas, the William E. Scott Foundation, Fort Worth, Texas, Dr. Nassar I. Al-Rashid, Riyadh, Saudi Arabia, and the original contributor, The Ella F. Fondren Trust for the benefit of W. Bryan Trammell, Houston, Texas.

13. U. T. Austin: Recommendation to Accept Distribution from the William R. Svec Trust, Los Alamitos, California, for Current Purposes.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that a distribution from the William R. Svec Trust, Los Alamitos, California, comprised of 577 books and 21 serials on Argentine and Uruguayan history and culture, which made up the entire library of Dr. William R. Svec, be accepted for the benefit of the Nettie Lee Benson Latin American Collection of the General Libraries at U. T. Austin.

BACKGROUND INFORMATION

The William R. Svec Trust, Los Alamitos, California, terminated at the death of Dr. Svec in 1991. In November 1992, library materials held in trust were received by the General Libraries at U. T. Austin for the benefit of the Nettie Lee Benson Latin American Collection. Dr. Svec received his Ph.D. in Latin American Studies from U. T. Austin in 1966.

14. U. T. Austin: Recommendation to Accept Gifts to Establish the Paul C. Trickett, M.D., Endowed Presidential Scholarship for Pre-Medical/Pre-Dental Student Athletes in the College of Natural Sciences.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Berdahl that \$25,000 in gifts from various donors be accepted to establish the Paul C. Trickett, M.D., Endowed Presidential Scholarship for Pre-Medical/Pre-Dental Student Athletes in the College of Natural Sciences at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support to pre-medical/pre-dental student athletes. The Scholarship will be administered by the College of Natural Sciences with recipients being recommended by the Department of Intercollegiate Athletics for Men.

BACKGROUND INFORMATION

Through a fund raising effort led by Mr. Earl C. Campbell, Austin, Texas, former student athletes and friends are funding this endowment in memory of Paul C. Trickett, M.D., Austin, Texas. Dr. Trickett served U. T. Austin for more than 20 years as Director of the Student Health Center and as Director of Sports Medicine, prior to his retirement in 1991.

15. U. T. El Paso: Recommendation to Accept Gifts to Establish the Manuel Acosta Memorial Art Scholarship.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that gifts totalling \$10,000 from the El Paso Natural Gas Company, El Paso, Texas, be accepted to establish the Manuel Acosta Memorial Art Scholarship at U. T. El Paso.

Income earned from the endowment will be used to provide scholarship support to students majoring in art.

BACKGROUND INFORMATION

This endowment is being funded in memory of Mr. Manuel Acosta, El Paso, Texas, who attended U. T. El Paso and who was a local artist of international renown at the time of his death in 1989. El Paso Natural Gas Company, El Paso, Texas, a philanthropic and community oriented company, has chosen to honor Mr. Acosta for his many contributions to the art world, El Paso, and humanity.

16. U. T. El Paso: Recommendation to Accept Gifts to Establish the MacIntosh Murchison Rogers Endowed Fund for Student Enhancement.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that gifts totalling \$15,000 from various donors be accepted to establish the MacIntosh Murchison Rogers Endowed Fund for Student Enhancement at U. T. El Paso.

Income earned from the endowment will be used to support costs associated with the participation of business or engineering students in national or international competition, presentation, or other professional development opportunities for which they will have qualified by virtue of outstanding performance or ability.

BACKGROUND INFORMATION

This endowment is being funded in memory of Mr. MacIntosh Murchison Rogers by his family and friends. His parents, Mr. and Mrs. Jonathan Rogers, El Paso, Texas, are well known in the El Paso community. Both Mr. and Mrs. Rogers are long-time members of U. T. El Paso's President's Associates and The Chancellor's Council of which Mr. Rogers is currently a Vice Chair of the Executive Committee.

17. U. T. El Paso: Recommendation to Accept Gifts to Establish the UTEP Partners Staff Scholarship Endowment Fund.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that gifts totalling \$17,277 from various donors be accepted to establish the UTEP Partners Staff Scholarship Endowment Fund at U. T. El Paso.

Income earned from the endowment will be used to support scholarships for U. T. El Paso staff.

BACKGROUND INFORMATION

In 1993, Dr. Diana Natalicio issued a \$5,000 challenge and invited faculty and professional staff members to join her in creating an endowed scholarship fund for the benefit of U. T. El Paso support staff. The fine support received from the faculty and professional staff will afford the recipients an opportunity to further their education and abilities, both personally and professionally.

18. U. T. Pan American: Recommendation to Accept Gifts to Establish the Wal-Mart Endowed Scholarship Fund.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Nevarez that \$100,000 in gifts from the Wal-Mart Foundation, Bentonville, Arkansas, be accepted to establish the Wal-Mart Endowed Scholarship Fund at U. T. Pan American.

Income earned from the endowment will be used to provide scholarships to full-time students.

BACKGROUND INFORMATION

The gifts from the Wal-Mart Foundation, Bentonville, Arkansas, to fund this endowment are the direct result of the relationship the late Mr. Sam Walton, Bentonville, Arkansas, had with Mr. T. Edward Mercer, U. T. Pan American's Vice President for Institutional Advancement, and with members of the U. T. Pan American Foundation board of trustees.

19. U. T. Southwestern Medical Center - Dallas: Children's Cancer Fund Distinguished Professorship in Pediatric Oncology and Hematology - Recommendation to Redesignate as the Children's Cancer Fund Chair in Pediatric Oncology and Hematology and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that the Children's Cancer Fund Distinguished Professorship in Pediatric Oncology and Hematology at the U. T. Southwestern Medical Center - Dallas be redesignated as the Children's Cancer Fund Chair in Pediatric Oncology and Hematology for a total endowment of \$534,327.06.

It is further recommended that the actual income that will be earned on \$384,327.06 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

At the June 1992 meeting, the U. T. Board of Regents established the Pediatric Oncology Fund with a \$100,000 gift and a \$50,000 pledge from the Children's Cancer Fund of Dallas, Inc., Dallas, Texas. At the February 1993 meeting of the U. T. Board of Regents, \$150,000 of funds were allocated from the Private Fund Development Campaign, and the endowment was redesignated as the Children's Cancer Fund Distinguished Professorship in Pediatric Oncology and Hematology.

20. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Gift and Allocate Funds from the Private Fund Development Campaign to Establish the Crystal Charity Ball Distinguished Chair in Plastic Surgery and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that a \$500,000 gift from the Crystal Charity Ball, Dallas, Texas, be accepted to establish the Crystal Charity Ball Distinguished Chair in Plastic Surgery at the U. T. Southwestern Medical Center - Dallas.

It is further recommended that \$500,000 be allocated from the \$12,500,000 challenge fund established with MSRDP funds at the U. T. Southwestern Medical Center - Dallas as part of the Private Fund Development Campaign and used to increase the endowment to a total of \$1,000,000.

Income earned from the endowment will be used to support the Chair.

Additionally, it is recommended that the actual income that 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

The Crystal Charity Ball, Dallas, Texas, raises funds for children's charities through an annual ball. The recipients of funds raised at the 1993 Ball included the U. T. Southwestern Medical Center - Dallas.

See Item 1 on Page HAC - 3 related to a proposed appointment to this Chair.

21. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Pledge and Allocate Funds from the Private Fund Development Campaign to Establish The Rolf and Ute Haberecht Dean's Endowment of The University of Texas Southwestern Graduate School of Biomedical Sciences, in honor of Olga and Max Haberecht and Anna and Hans Schwarz.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that a \$250,000 pledge, payable by January 31, 1997, from Dr. and Mrs. Rolf R. (Ute S.) Haberecht, Dallas, Texas, be accepted to establish an endowment at the U. T. Southwestern Medical Center - Dallas to be named The Rolf and Ute Haberecht Dean's Endowment of The University of Texas Southwestern Graduate School of Biomedical Sciences, in honor of Olga and Max Haberecht and Anna and Hans Schwarz.

It is further recommended that \$250,000 be allocated from the \$25,000,000 challenge fund established by an anonymous donor as part of the Private Fund Development Campaign and used to increase the endowment to a total of \$500,000.

Income earned from the endowment will be used to support academic activities in the U. T. Southwestern G.S.B.S. - Dallas, under the direction of the Dean of the School, with 35% of the income to be used for speculative research based on student and faculty ideas.

BACKGROUND INFORMATION

Dr. Rolf Haberecht and his wife, Ute, Dallas, Texas, have been active for many years in support of education and research. Dr. Haberecht has served on the Board of the Zale Lipshy University Hospital at the U. T. Southwestern Medical Center - Dallas. He is Chairman and Chief Executive Officer of RRH & Associates, Dallas, Texas.

22. U. T. Southwestern Medical Center - Dallas: Recommendation to Establish The Nancy B. and Jake L. Hamon Center for Therapeutic Oncology Research (NO PUBLICITY).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that The Nancy B. and Jake L. Hamon Center for Therapeutic Oncology Research be established at the U. T. Southwestern Medical Center - Dallas. Funds for the endowment will be held and administered by the Southwestern Medical Foundation (an external foundation), Dallas, Texas.

Income earned from the endowment will be used to support the activities of the Center.

BACKGROUND INFORMATION

This endowment is being funded with a \$4,000,000 gift and a \$2,500,000 pledge, payable by December 31, 1994, from Mrs. Nancy Hamon, Dallas, Texas, a leading philanthropist and Dallas civic leader.

NO PUBLICITY

23. U. T. Southwestern Medical Center - Dallas: Recommendation to Establish The Nancy B. and Jake L. Hamon Distinguished Chair in Therapeutic Oncology Research (NO PUBLICITY).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that The Nancy B. and Jake L. Hamon Distinguished Chair in Therapeutic Oncology Research be established at the U. T. Southwestern Medical Center - Dallas. Funds for the endowment will be held and administered by the Southwestern Medical Foundation (an external foundation), Dallas, Texas.

Income earned from the endowment will be used to support the Chair.

BACKGROUND INFORMATION

This endowment is being funded with a \$1,000,000 gift from Mrs. Nancy Hamon, Dallas, Texas, a leading philanthropist and Dallas civic leader.

See Item 1 on Page HAC - 3 related to a proposed appointment to this Chair.

NO PUBLICITY

24. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Gift and Pledge and Allocate Funds from the Private Fund Development Campaign to Establish The Occidental Chemical Chair in Cancer Research and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that a \$50,000 gift and a \$200,000 pledge, payable by January 31, 1997, from Occidental Chemical Corporation, Dallas, Texas, for a total of \$250,000 be accepted to establish The Occidental Chemical Chair in Cancer Research at the U. T. Southwestern Medical Center - Dallas.

It is further recommended that \$250,000 be allocated from the \$25,000,000 challenge fund established by an anonymous donor as part of the Private Fund Development Campaign and used to increase the endowment to a total of \$500,000.

Income earned from the endowment will be used to support the Chair.

It is further recommended that the actual income that will be earned on the \$50,000 gift and \$200,000 pledge, as received, and the \$250,000 in challenge funds 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 Occidental Chemical Corporation, Dallas, Texas, has been a major contributor to the U. T. Southwestern Medical Center - Dallas for many years. Its President and Chief Executive Officer, Mr. Roger Hirl, Dallas, Texas, chaired this year's Southwestern Ball, which raised funds for neuroscience research at the U. T. Southwestern Medical Center - Dallas. Its Executive Vice President - Administration, Mr. Charles F. Hazzard, Dallas, Texas, serves on the Board of the Zale Lipshy University Hospital at the U. T. Southwestern Medical Center - Dallas.

25. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Pledge and Allocate Funds from the Private Fund Development Campaign to Establish the Carolyn P. and Frank M. Ryburn, Jr. Distinguished Chair in Basic Research in Heart Disease and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that a \$500,000 pledge, payable by December 31, 1998, from the Harry S. Moss Heart Trust, Dallas, Texas, be accepted to establish the Carolyn P. and Frank M. Ryburn, Jr. Distinguished Chair in Basic Research in Heart Disease at the U. T. Southwestern Medical Center - Dallas.

It is further recommended that \$500,000 be allocated from the \$25,000,000 challenge fund established by an anonymous donor as part of the Private Fund Development Campaign and used to increase the endowment to a total of \$1,000,000.

Income earned from the endowment will be used to support the Distinguished Chair.

It is further recommended that the actual income that will be earned on the \$500,000 pledge, as received, and the \$500,000 in challenge funds 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 Harry S. Moss Heart Trust, Dallas, Texas, has been a major supporter of cardiac research at the U. T. Southwestern Medical Center - Dallas through an annual grant. In honor of its co-trustee, Mr. Frank M. Ryburn, Jr., Dallas, Texas, and in memory of his wife, Mrs. Carolyn P. Ryburn, the Harry S. Moss Heart Trust is making this additional contribution to fund this endowment.

26. U. T. Southwestern Medical Center - Dallas: The Pauline Gill Sullivan Distinguished Chair in Neuroscience Research - Recommendation to Redesignate as the Gill Distinguished Chair in Neuroscience Research.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that The Pauline Gill Sullivan Distinguished Chair in Neuroscience Research at the U. T. Southwestern Medical Center - Dallas be redesignated as the Gill Distinguished Chair in Neuroscience Research.

This recommendation is in accordance with the wishes of the donor and the original honoree.

BACKGROUND INFORMATION

The Pauline Gill Sullivan Distinguished Chair in Neuroscience Research was established at the February 1994 meeting of the U. T. Board of Regents with a \$250,000 gift and a \$250,000 pledge from the Pauline Allen Gill Foundation, Dallas, Texas, and a \$500,000 allocation of funds from the Private Fund Development Campaign at the U. T. Southwestern Medical Center - Dallas.

27. U. T. Southwestern Medical Center - Dallas and U. T. Medical Branch - Galveston: Recommendation to Accept Bequests from the Estate of Fred William Shelton, Sherman, Texas, to Establish the Fred W. Shelton Resident and Fellowship Research and Education Fund and for Current Purposes.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and Presidents Wildenthal and James that bequests from the Estate of Fred William Shelton, Sherman, Texas, be accepted for the benefit of the U. T. Southwestern Medical Center - Dallas and the U. T. Medical Branch - Galveston, respectively.

A bequest of \$30,000 will be used for current purposes to support residents and resident research projects in the Department of Otolaryngology at the U. T. Southwestern Medical Center - Dallas.

A bequest of \$30,000 will be used to establish a quasi-endowment at the U. T. Medical Branch - Galveston to be named the Fred W. Shelton Resident and Fellowship Research and Education Fund.

Income earned from the endowment will be used to support activities for residents and research fellowships in the Department of Otolaryngology.

BACKGROUND INFORMATION

Fred William Shelton, M.D., a physician in Sherman, Texas, was very dedicated to continuing education and was committed to furthering the education of future otolaryngologists, as is evidenced by these bequests. Dr. Shelton began his residency in otolaryngology at the U. T. Medical Branch - Galveston in 1941, and during his tenure on the faculty there, he was instrumental in strengthening the otolaryngology residency program. Prior to his death in November 1992 at the age of 77, Dr. Shelton continued to participate regularly in meetings and conferences, particularly at the U. T. Southwestern Medical Center - Dallas.

28. U. T. Medical Branch - Galveston: Recommendation to Accept Bequest from the Estate of Evelyn S. Cowles, Littleton, Colorado.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that a \$12,000 bequest from the Estate of Evelyn S. Cowles, Littleton, Colorado, be accepted pursuant to a settlement agreement dated December 30, 1993, to be used for unrestricted purposes at the U. T. Medical Branch - Galveston.

BACKGROUND INFORMATION

The bequest made by Mrs. Evelyn S. Cowles, Littleton, Colorado, was made in recognition of the care Mrs. Cowles' husband, A. B. Cowles, received while being treated for cancer at the U. T. Medical Branch - Galveston.

29. U. T. Medical Branch - Galveston: Recommendation to Accept Gifts to Establish The Titus Harris, M.D. Endowed Professorship in Psychiatry.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that \$140,440 in gifts from various donors be accepted to establish The Titus Harris, M.D. Endowed Professorship in Psychiatry at the U. T. Medical Branch - Galveston.

Income earned from the endowment will be reinvested in the corpus of the endowment until the \$500,000 funding level for an endowed chair is reached.

BACKGROUND INFORMATION

This endowment is being funded in memory of Titus Harris, M.D. by members of his family, members of the Titus Harris Society, and friends of the U. T. Medical Branch - Galveston. Dr. Harris received his M.D. in 1919 from the U. T. Medical Branch - Galveston. He was the first Chairman of the Department of Neurology and Psychiatry at the U. T. Medical Branch - Galveston and continued in that capacity until his retirement in 1963. In 1960, his former residents and colleagues demonstrated their esteem for him by the formation of the Titus Harris Society. The Titus Harris Society plans to continue solicitation of funds in order to elevate the endowment to a chair.

See Item 3 on Page HAC - 4 related to a proposed appointment to this Professorship.

30. U. T. Health Science Center - San Antonio: Recommendation to Accept Gift to Establish the Geriatrics & Gerontology Endowment in Aging Research and Education.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that a \$10,000 gift from Mr. Ben F. Foster, Jr., San Antonio, Texas, be accepted to establish the Geriatrics & Gerontology Endowment in Aging Research and Education at the U. T. Health Science Center - San Antonio.

Income earned from the endowment will be used to further the mission and support the activities of the Aging Research and Education Center at the U. T. Health Science Center - San Antonio.

BACKGROUND INFORMATION

Mr. Ben F. Foster, Jr., San Antonio, Texas, President of the law firm of Foster, Heller and Kilgore, is Chairman of the Aging Research and Education Community Advisory Committee at the U. T. Health Science Center - San Antonio and a member of that institution's Development Board.

31. U. T. Health Science Center - San Antonio: Malcolm Jones Professorship in Radiology - Recommendation to Accept Transfer of Funds and Redesignate as the Malcolm Jones Distinguished Professorship in Radiology.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that a \$150,000 transfer of MSRDP funds be accepted for addition to the Malcolm Jones Professorship in Radiology at the U. T. Health Science Center - San Antonio for a total endowment of \$259,925 and that the Professorship be redesignated as the Malcolm Jones Distinguished Professorship in Radiology.

BACKGROUND INFORMATION

The Malcolm Jones Professorship in Radiology was established at the April 1990 meeting of the U. T. Board of Regents with a \$100,000 transfer of MSRDP funds.

32. U. T. Health Science Center - San Antonio: Recommendation to Accept Pledge and Transfer of Funds to Establish the Stewart R. Reuter, M.D. Professorship in Radiology and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that a \$120,000 pledge, payable by August 31, 1995, from Julio C. Palmaz, M.D., San Antonio, Texas, and a \$60,000 transfer of MSRDP funds for a total of \$180,000 be accepted to establish the Stewart R. Reuter, M.D. Professorship in Radiology at the U. T. Health Science Center - San Antonio.

Income earned from the endowment will be reinvested into the corpus of the endowment until the Professorship is fully funded.

It is further recommended that the actual income that will be earned on the \$120,000 pledge, 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

Julio C. Palmaz, M.D., San Antonio, Texas, is funding this endowment in honor of his colleague, Stewart R. Reuter, M.D., San Antonio, Texas. Both Drs. Palmaz and Reuter are Professors in the Department of Radiology at the U. T. Health Science Center - San Antonio.

33. U. T. Health Science Center - San Antonio: Recommendation to Accept Gift and Pledge to Establish the Warm Springs and Dr. Arthur Grant Distinguished Professorship in Rehabilitation Medicine and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that a \$50,000 gift and a \$200,000 pledge, payable by December 31, 1998, from Warm Springs Rehabilitation Foundation, Inc., Gonzales, Texas, for a total of \$250,000 be accepted to establish the Warm Springs and Dr. Arthur Grant Distinguished Professorship in Rehabilitation Medicine at the U. T. Health Science Center - San Antonio.

Income earned from the endowment will be used to support the Distinguished Professorship.

It is further recommended that the actual income that will be earned on the \$250,000 gift and pledge, 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 Warm Springs Rehabilitation Foundation, Inc., Gonzales, Texas, is funding this endowment in honor of Arthur Grant, M.D., San Antonio, Texas, for his 20 years of service as a member of the Board of Directors and Executive Committee of Warm Springs Rehabilitation Hospital, Gonzales, Texas. Prior to his retirement in 1989, Dr. Grant served for 22 years as Professor and Chairman, Department of Physical Medicine and Rehabilitation at the U. T. Health Science Center - San Antonio.

34. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Remainder Interest in the Randall F. Bevens Testamentary Trust, Muncie, Indiana.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that a \$50,000 remainder interest in the Randall F. Bevens Testamentary Trust, Muncie, Indiana, be accepted for the benefit of the U. T. M.D. Anderson Cancer Center to be used for cancer research.

BACKGROUND INFORMATION

Mr. Randall F. Bevens, Muncie, Indiana, was a former patient at the U. T. M.D. Anderson Cancer Center.

III. INTELLECTUAL PROPERTY MATTERS

1. U. T. M.D. Anderson Cancer Center: Recommendation to Approve Patent and Technology License and Stockholder Agreements with Intron Therapeutics, Inc., Austin, Texas, and Request for Approval to Accept Stock.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that the U. T. Board of Regents:

- a. Approve the Patent and Technology License Agreement and the Stockholder Agreement set out on Pages AMC 29 - 86 between the U. T. M.D. Anderson Cancer Center and Intron Therapeutics, Inc., Austin, Texas
- b. Approve the acceptance by U. T. M.D. Anderson Cancer Center of stock in Intron Therapeutics, Inc.
- c. Approve the acceptance by faculty member Jack A. Roth, M.D., at the U. T. M.D. Anderson Cancer Center of stock in Intron Therapeutics, Inc.

BACKGROUND INFORMATION

Intron Therapeutics, Inc. (Intron) is a Texas Corporation with principal offices in Austin, Texas. Intron develops and commercializes diagnostic kits and therapies for human cancers. Under the Patent and Technology License Agreement (License Agreement), Intron is granted a royalty-bearing, exclusive, worldwide license to make, have made, use or sell diagnostic and therapeutic products and procedures incorporating gene therapy technologies developed by Dr. Roth of the U. T. M.D. Anderson Cancer Center. Intron will pay U. T. M.D. Anderson Cancer Center royalties equal to four percent (4%) of net sales plus one-half of royalties received by Intron from sublicensees. In addition, Intron will issue to the U. T. M.D. Anderson Cancer Center and Dr. Roth one hundred thousand (100,000) shares each of the common stock of Intron so that the U. T. M.D. Anderson Cancer Center and Dr. Roth will each own ten percent (10%) of the total shares issued to date. The Stockholder Agreement places certain restrictions on the disposition of the shares and sets forth U. T. M.D. Anderson Cancer Center's rights as a shareholder. Dr. Roth will serve as Chairman of the Scientific Advisory Board of Intron.

The proposed agreements are the type contemplated by Section 51.912, Texas Education Code, and corresponding provisions of the U. T. System Intellectual Property Policy. Pursuant to the Regents' Rules and Regulations, Part Two, Chapter XII, Section 6, the U. T. Board of Regents' approval is necessary for the U. T. M.D. Anderson Cancer Center and Dr. Roth's equity ownership in Intron concurrent with approval of the proposed License Agreement and Stockholder Agreement.

PATENT AND TECHNOLOGY LICENSE AGREEMENT

THIS AGREEMENT ("AGREEMENT") is made by and between the BOARD OF REGENTS ("BOARD") of THE UNIVERSITY OF TEXAS SYSTEM ("SYSTEM"), an agency of the State of Texas, whose address is 201 West 7th Street, Austin, Texas 78701, THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER ("MDA"), a component Institution of the SYSTEM and INTRON THERAPEUTICS, INC., a Texas corporation having a principal place of business located at 301 Congress, Suite 2025, Austin, Texas 78701 ("LICENSEE").

RECITALS

- A. BOARD owns certain PATENT RIGHTS and TECHNOLOGY RIGHTS related to LICENSED SUBJECT MATTER, which were developed at MDA, a component institution of the SYSTEM.
- B. BOARD desires to have the LICENSED SUBJECT MATTER developed and used for the benefit of LICENSEE, the inventor, BOARD, and the public as outlined in the Intellectual Property Policy promulgated by the BOARD.
- C. The LICENSED SUBJECT MATTER was the subject of an Option Agreement between MDA and the Texas Biomedical Development Partners ("TBDP"), dated December 15, 1992, a copy of which is attached hereto as Exhibit 1 for approval by BOARD, granting TBDP the option to negotiate a license from BOARD to the LICENSED SUBJECT MATTER in consideration for an option fee and commitment of research support.
- D. The TBDP exercised its option under the Option Agreement in a timely manner by virtue of the letter dated June 17, 1993, a copy of which is attached hereto as Exhibit 2 for approval by BOARD, and further assigned the TBDP's rights and obligations under the Option Agreement (Exhibit 1) to LICENSEE, thereby granting permission to BOARD to execute this License Agreement with LICENSEE.
- E. The LICENSED SUBJECT MATTER was also the subject of Sponsored Research Agreements between MDA and the TBDP, entitled "Development of Therapeutic Treatment and Prevention of Lung Cancer" (SR93-04) and "Clinical Protocol for Modification of Oncogene and Tumor Suppressor Gene Expression in Non-Small Cell Lung Cancer" (CS93-27), respectively, and a copy of each is attached hereto as Exhibits 3 and 4.
- F. The agreements of Exhibits 3 and 4 have been assigned by TBDP to LICENSEE by virtue of a letter dated November 26, 1993, a copy of which is attached hereto as Exhibit 5 for approval by BOARD.

- G. LICENSEE is a company which was formed to develop and commercially exploit the inventions of LICENSED SUBJECT MATTER, and LICENSEE, therefore, wishes to obtain a license from BOARD to practice LICENSED SUBJECT MATTER.
- H. Copies of executed Stockholder Agreements between LICENSEE and Board and Jack Roth, M.D., an employee of MDA, which provides for, among other things, the circumstances and methods under which BOARD and Dr. Roth shall be able to divest themselves of stock in LICENSEE acquired under said Stockholder Agreements, is attached hereto as Exhibit 6 for approval by BOARD.

NOW, THEREFORE, in consideration of the mutual covenants and premises herein contained, the parties hereto agree as follows:

I. EFFECTIVE DATE

- 1.1 This AGREEMENT shall be effective as of _____ ("EFFECTIVE DATE"), subject to approval by BOARD.

II. DEFINITIONS

As used in this AGREEMENT, the following terms shall have the meanings indicated:

- 2.1 LICENSED FIELD shall mean all fields of use of the LICENSED SUBJECT MATTER.
- 2.2 LICENSED SUBJECT MATTER shall mean inventions and discoveries covered by PATENT RIGHTS or TECHNOLOGY RIGHTS within LICENSED FIELD.
- 2.3 PATENT RIGHTS shall mean BOARD'S rights in information or discoveries covered by patents and/or patent applications, whether domestic or foreign, and all divisionals, continuations, continuations-in-part, reissues, reexaminations or extensions thereof, and any letters patent that issue thereon, as listed on Attachment A hereto and incorporated herein and which relate to the manufacture, use or sale of LICENSED SUBJECT MATTER.
- 2.4 TECHNOLOGY RIGHTS shall mean BOARD'S rights in any technical information, know-how, process, procedure, composition, device, method, formula, protocol, technique, software, design, drawing or data relating to LICENSED FIELD which is not covered by PATENT RIGHTS but which is necessary for practicing the invention at any time covered by PATENT RIGHTS.

- 2.5 LICENSED PRODUCT(S) shall mean any product SOLD by LICENSEE, or each and any Sublicensee, comprising LICENSED SUBJECT MATTER pursuant to this AGREEMENT.
- 2.6 LICENSED TERRITORY shall mean the entire world.
- 2.7 SALE or SOLD shall mean the transfer or disposition of a LICENSED PRODUCT for value to a party other than LICENSEE or a AFFILIATE.
- 2.8 NET SALES shall mean the gross revenues received by LICENSEE, or any third party as provided for in Article 4.3 hereof, from the SALE of LICENSED PRODUCTS less sales and/or use taxes actually paid, import and/or export duties actually paid, outbound transportation prepaid or allowed, and amounts allowed or credited due to returns (not to exceed the original billing or invoice amount).
- 2.9 AFFILIATE shall mean any business entity more than 50% owned by LICENSEE, any business entity which owns more than 50% of LICENSEE, or any business entity that is more than 50% owned by a business entity that owns more than 50% of LICENSEE.

III. WARRANTY: SUPERIOR-RIGHTS

- 3.1 Except for the rights, if any, of the Government of the United States as set forth hereinbelow, BOARD represents and warrants its belief that it is the owner of the entire right, title, and interest in and to LICENSED SUBJECT MATTER, and that it has the sole right to grant licenses thereunder, and that it has not knowingly granted licenses thereunder to any other entity that would restrict rights granted hereunder except as stated herein.
- 3.2 LICENSEE understands that the LICENSED SUBJECT MATTER may have been developed under a funding agreement with the Government of the United States of America and, if so, that the Government may have certain rights relative thereto. This AGREEMENT is explicitly made subject to the Government's rights under any such agreement and any applicable law or regulation, including P.L. 96-517 as amended by P.L. 98-620. To the extent that there is a conflict between any such agreement, applicable law or regulation and this AGREEMENT, the terms of such Government agreement, applicable law or regulation shall prevail.
- 3.3 BOARD, by this AGREEMENT, makes no representation as to the patentability, validity, and/or breadth of the inventions contained in the PATENT RIGHTS. BOARD, by this AGREEMENT, makes no representation as to whether there are

any patents now held, or which will be held, by others or by BOARD in the LICENSED FIELD, nor does BOARD make any representation that the inventions contained in PATENT RIGHTS do not infringe any other patents now held or that will be held by others or by BOARD.

IV. LICENSE

- 4.1** BOARD hereby grants to LICENSEE a royalty-bearing, exclusive license to manufacture, have manufactured, use and/or sell LICENSED PRODUCT within LICENSED TERRITORY for use within LICENSED FIELD and, subject to Paragraph 5.8 herein, shall extend to BOARD's undivided interest in any LICENSED SUBJECT MATTER developed during the term of this AGREEMENT and jointly owned by BOARD and LICENSEE. This grant shall be subject to Paragraph 3.2, hereinabove, the payment by LICENSEE to BOARD of all consideration as provided in this AGREEMENT, including the timely payment of all amounts due during the term of this Agreement under any sponsored research agreement covering the Licensed Subject Matter between MDA and LICENSEE (including but not limited to the Sponsored Research Agreements attached hereto as Exhibits 3 and 4 hereto), reimbursement of MDA's patent expenses, and achievement of adequate capitalization as provided for in Paragraph 4.4 herein below, and shall be further subject to rights retained by BOARD and MDA to:
- (a)** Publish the general scientific findings from research related to LICENSED SUBJECT MATTER; and
 - (b)** Use any information contained in LICENSED SUBJECT MATTER for research, teaching, patient care, and other educationally-related purposes.
- 4.2** LICENSEE shall have the right to extend the license granted herein to any AFFILIATE provided that such AFFILIATE consents in writing, with copy to BOARD, to be bound by this AGREEMENT to the same extent as LICENSEE.
- 4.3** LICENSEE shall have the right to grant sublicenses and enter into marketing, distribution, and franchise agreements with third parties consistent with this AGREEMENT provided that each sublicense and other third party contract shall obligate the third party to comply with its obligations relevant to this AGREEMENT, including payment of royalties. LICENSEE shall enforce the provisions of all such agreements with third parties to the extent such provisions are beneficial or protective of BOARD, particularly if requested to do so by BOARD. LICENSEE further agrees to deliver to BOARD a true and correct copy of each third party agreement entered into by LICENSEE, and any modification or termination thereof, within thirty (30) days after execution, modification, or termination. Upon termination of this AGREEMENT for any reason, BOARD may, in its sole discretion, require that any and all existing third party agreements entered into by

LICENSEE be assigned to BOARD, and all such agreements shall be so assigned. BOARD, however, is under no obligation to accept assignment of any sublicense or otherwise assure any sublicensee of continued rights under this AGREEMENT in the event of termination of this AGREEMENT.

- 4.4 This AGREEMENT may be terminated by BOARD pursuant to Article 13 if, within ninety (90) days of successful completion of the Phase I clinical trial as set forth in Exhibit 4 hereto and any amendments thereto, LICENSEE has failed to achieve capital sufficient to conduct a Phase II Clinical Trial at MDA under a Company, Institutional or Physician IND. This deadline may be extended by BOARD, in its sole discretion, if BOARD is satisfied, in its sole judgment, that LICENSEE is making good faith progress to achieve the required capitalization.

V. PAYMENTS AND REPORTS

- 5.1 In consideration of rights granted by BOARD to LICENSEE under this AGREEMENT, LICENSEE agrees to pay MDA the following:
- (a) For NET SALES of LICENSED PRODUCTS made by Licensee which are not made pursuant to a sublicense, marketing, distribution or franchise agreement between LICENSEE and the purchaser of LICENSED PRODUCTS: A running royalty of four percent (4%) on said NET SALES of LICENSED PRODUCTS.
 - (b) For NET SALES of LICENSED PRODUCTS made by LICENSEE which are made pursuant to a sublicense, marketing, distribution or franchise agreement between LICENSEE and the purchaser of LICENSED PRODUCTS: The greater amount of a running royalty of four percent (4%) on NET SALES of LICENSED PRODUCTS made by LICENSEE, or one-half of the running royalty, up to a maximum of four percent (4%) on NET SALES made by said purchaser pursuant to said sublicense, marketing, distribution or franchise agreement and paid to LICENSEE by said purchaser.
 - (c) For NET SALES of LICENSED PRODUCTS made by a third party pursuant to a sublicense, marketing, distribution or franchise agreement which does not involve NET SALES of LICENSED PRODUCTS by LICENSEE to said third party: One-half of the running royalty on NET SALES paid to LICENSEE by said third party, provided however, that BOARD's one-half (1/2) of said running royalty shall not exceed four percent (4%) of said third party's NET SALES of LICENSED PRODUCTS.

- (d) For any advance payment received by LICENSEE from a third party pursuant to a sublicense, marketing, distribution, or franchise agreement as provided for in Article 4.3 hereof and which is creditable against future royalties to be received by LICENSEE: Four percent (4%) of said advance payment.
- (e) LICENSEE will not be obligated to pay MDA any portion of any advanced payment received by LICENSEE from a third party that is not creditable against future running royalties to be received by LICENSEE.
- (f) If LICENSEE desires to fund sponsored research, and particularly where LICENSEE receives R&D money in lieu of or in addition to royalty revenues pursuant to a Sublicense, LICENSEE shall notify MDA in writing of all opportunities to conduct such sponsored research (including clinical trials if applicable), shall solicit research and/or clinical proposals from MDA for such purpose, and shall give good faith consideration to funding such proposals at MDA.
- (g) Upon execution hereof by BOARD, LICENSEE shall issue to each of BOARD and Jack Roth, M.D. ("Roth") shares of LICENSEE's authorized but unissued common stock in a number which will result in ownership by each of them of ten percent (10%) of the total number of issued and outstanding shares of capital stock of LICENSEE. One-half of the shares initially issued to each of BOARD and Roth shall not be subject to dilution through further stock issues, stock dividends, stock splits, issuance of warrants, rights, or options, or in any other manner, until the earliest of the following occurs, if ever: (1) the day immediately preceding issuance or sale of an initial public offering of securities by LICENSEE; or (2) registration of LICENSEE's common stock (or part thereof) with the United States Securities Exchange Commission. Further, if at any time prior to an initial public offering or registration of the Company's securities, (i) more than 80% of the equity securities of the Company are issued or transferred to shareholders other than Texas Biomedical Development Partners (or its present partners), Roth, or BOARD ; or (ii) substantially all of the Company's rights under the License Agreement are sublicensed by the Company, then the Company shall issue additional equity securities in order to bring each of BOARD's and Roth's equity security holdings up to twelve and one-half percent (12.5%) of all issued and outstanding equity securities of the Company. The shares issued to Roth will be subject to restrictions upon transfer contained in the Shareholder Agreement referred to in the Recitals hereto. LICENSEE warrants and represents to BOARD and Roth that the common stock being issued to each of them is the only type or class of equity security authorized by LICENSEE's articles of incorporation and by-laws.

- 5.2 During the Term of this AGREEMENT and for one (1) year thereafter, LICENSEE shall keep complete and accurate records of its SALES and NET SALES of LICENSED PRODUCTS and other income subject to royalties hereunder and all revenues received from all sublicensees to enable the royalties payable hereunder to be determined. LICENSEE shall permit BOARD or its representatives, at BOARD'S expense, to periodically examine its books, ledgers, and records during regular business hours for the purpose of and to the extent necessary to verify any report required under this AGREEMENT. In the event that the amounts due to BOARD are determined to have been underpaid, LICENSEE shall pay the cost of such examination, and accrued interest at the highest allowable rate.
- 5.3 Within thirty (30) days after March 31, June 30, September 30, and December 31, LICENSEE shall deliver to BOARD and MDA a true and accurate report, giving such particulars of the business conducted, if any, by LICENSEE, including all revenues received from all sublicensees, during the preceding three (3) calendar months under this AGREEMENT as are pertinent to an account for payments hereunder. Such report shall include at least (a) the quantities of LICENSED SUBJECT MATTER that it has produced; (b) the total SALES, (c) the calculation of royalties thereon; and (d) the total royalties so computed and due BOARD. Simultaneously with the delivery of each such report, LICENSEE shall pay to BOARD the amount, if any, due for the period of such report. If no payments are due, it shall be so reported.
- 5.4 Upon the request of BOARD or MDA but not more often than once per calendar year, LICENSEE shall deliver to BOARD and MDA a written report as to LICENSEE'S efforts and accomplishments during the preceding year in commercializing LICENSED SUBJECT MATTER in various parts of the LICENSED TERRITORY and its commercialization plans for the upcoming year.
- 5.5 All amounts payable hereunder by LICENSEE shall be payable in United States funds without deductions for taxes, assessments, fees, or charges of any kind. Checks shall be made payable to The University of Texas M. D. Anderson Cancer Center.
- 5.6 LICENSEE shall reimburse MDA for all of its out-of-pocket expenses thus far incurred in filing, prosecuting, enforcing and maintaining PATENT RIGHTS exclusively licensed hereunder and which were not already reimbursed by TBDP pursuant to the Option Agreement in Exhibit I hereto, and shall pay all such future expenses so long as and in such countries as its license remains exclusive. MDA will invoice LICENSEE on a quarterly basis beginning October 1, 1994, with such invoices being due and payable within thirty (30) days thereafter.

- 5.7 In order to insure MDA the full royalty payments contemplated hereunder, LICENSEE agrees that in the event any LICENSED PRODUCT shall be sold to a AFFILIATE or Sublicensee or to a corporation, firm, or association with which LICENSEE shall have any agreement, understanding or arrangement with respect to consideration (such as, among other things, an option to purchase stock or actual stock ownership, or an arrangement involving division of profits or special rebates or allowances), the royalties to be paid hereunder for such LICENSED PRODUCTS shall be based upon the greater of: 1) the net selling price at which the purchaser of LICENSED PRODUCTS resells such product to the end user, 2) the net service revenue received from using the LICENSED PRODUCT in providing a service, 3) the fair market value of the LICENSED PRODUCT or 4) the net selling price of LICENSED PRODUCTS paid by the purchaser.
- 5.8 No payments due or royalty rates under this AGREEMENT shall be reduced as the result of co-ownership of LICENSED SUBJECT MATTER by BOARD and LICENSEE.
- 5.9 In the event LICENSEE is required to pay royalties to a third party to fully exploit the LICENSED SUBJECT MATTER, the royalties owed to MDA by LICENSEE under this AGREEMENT may, at LICENSEE's option, be reduced by the amount paid to such third party, provided, however, that in no case shall MDA receive less than one-half (1/2) the royalties that would otherwise have been received by MDA under this AGREEMENT.

VI. PATENTS AND INVENTIONS

- 6.1 If after consultation with LICENSEE it is agreed by BOARD and LICENSEE that a new patent application should be filed for LICENSED SUBJECT MATTER, BOARD will prepare and file appropriate patent applications, and LICENSEE will pay the cost of searching, preparing, filing, prosecuting and maintaining same. BOARD shall provide LICENSEE with a copy of the new patent application for which LICENSEE has paid the cost of filing, as well as copies of any documents received or filed during prosecution thereof. If LICENSEE notifies BOARD that it does not intend to pay the cost of an application, or if LICENSEE does not respond or make an effort to agree with BOARD on the disposition of rights to the subject invention, then BOARD may file such application at its own expense and LICENSEE shall have no rights to the invention. In such event, and only to the extent necessary to commercialize the subject matter of the new patent application, the license granted under this AGREEMENT may be reduced to non-exclusive so that any third party licensee of the new patent application shall be able to fully exploit the subject invention of the new patent application without infringing the LICENSED SUBJECT MATTER of this AGREEMENT, provided, however, that MDA shall share with LICENSEE royalties received under any such license agreement according to the following schedule: for inventions subject to

the license option provisions of Exhibits 3 & 4 (SRA), MDA and LICENSEE shall each receive an equal share of royalties; for all other inventions subject to this Paragraph 6.1, MDA shall receive seventy percent (70%) of the royalties and LICENSEE shall receive thirty percent (30%).

VII. INFRINGEMENT BY THIRD PARTIES

- 7.1 LICENSEE shall have the obligation of enforcing at its expense any patent exclusively licensed hereunder against infringement by third parties and shall be entitled to retain recovery from such enforcement. LICENSEE shall pay MDA a royalty on any monetary recovery to the extent that such monetary recovery by LICENSEE is held to be damages or a reasonable royalty in lieu thereof. In the event that LICENSEE does not file suit against a substantial infringer of such patents within six (6) months of knowledge thereof, then BOARD shall have the right to enforce any patent licensed hereunder on behalf of itself and LICENSEE (MDA retaining all recoveries from such enforcement) and/or reduce the license granted hereunder to non-exclusive.
- 7.2 In any suit or dispute involving an infringer, the parties shall cooperate fully, and upon the request and at the expense of the party bringing suit, the other party shall make available to the party bringing suit at reasonable times and under appropriate conditions all relevant personnel, records, papers, information, samples, specimens, and the like which are in its possession.

VIII. PATENT MARKING

- 8.1 LICENSEE agrees that all packaging containing individual LICENSED PRODUCT(S), and documentation therefor, sold by LICENSEE, SUBSIDIARIES, and Sublicensees of LICENSEE will be marked permanently and legibly with the number of the applicable patent(s) licensed hereunder in accordance with each country's patent laws, including Title 35, United States Code.

IX. INDEMNIFICATION

- 9.1 LICENSEE shall hold harmless and indemnify BOARD, SYSTEM, MDA, its Regents, officers, employees, students, and agents from and against any claims, demand, or causes of action whatsoever, including without limitation those arising on account of any injury or death of persons or damage to property caused by, or arising out of, or resulting from, the exercise or practice of the license granted hereunder by LICENSEE or its officers, employees, agents or representatives.

- 9.2 BOARD shall, to the extent authorized under the Constitution and the laws of the State of Texas, hold LICENSEE harmless from liability resulting from the negligent acts or omissions of BOARD or MDA, their agents or employees pertaining to the activities to be carried out pursuant to the obligations of this AGREEMENT; provided, however, that BOARD shall not hold LICENSEE harmless from claims arising out of the negligence of LICENSEE, its officers, agents or any person or entity not subject to BOARD's or MDA's supervision or control.

X. USE OF BOARD AND COMPONENTS NAME

- 10.1 (A) In accordance with BOARD policy, LICENSEE shall not use the name of UNIVERSITY, SYSTEM or BOARD, except as described in 10.1 (B), below.
- (B)(i) LICENSEE may use the name of MDA, BOARD, or SYSTEM only when indicating, as a factual matter, that MDA, BOARD, or SYSTEM is a licensor of LICENSEE under this AGREEMENT and only in connection with either or both of the following:
- (a) communications associated with LICENSEE's financing activities; and
 - (b) communications (other than promotions and advertisements) directed to describing or responding to inquiries concerning the business, technology, products, services and associated activities of LICENSEE.
- (ii) LICENSEE may otherwise use the name of MDA, BOARD, or SYSTEM when and as required by applicable law, rules and regulations, or upon MDA's written consent, which shall not be unreasonably withheld or delayed.

XI. CONFIDENTIAL INFORMATION

- 11.1 BOARD and LICENSEE each agree that all information contained in documents marked "confidential" which are forwarded to one by the other shall be received in strict confidence, used only for the purposes of this AGREEMENT, and not disclosed by the recipient party (except as required by law or court order), its agents or employees without the prior written consent of the other party, unless such information (a) was in the public domain at the time of disclosure, (b) later became part of the public domain through no act or omission of the recipient party, its employees, agents, successors or assigns, (c) was lawfully disclosed to the recipient party by a third party having the right to disclose it, (d) was already known by the recipient party at the time of disclosure, (e) was independently

developed or (f) is required to be submitted to a government agency pursuant to any preexisting obligation.

- 11.2 Each party's obligation of confidence hereunder shall be fulfilled by using at least the same degree of care with the other party's confidential information as it uses to protect its own confidential information. This obligation shall exist while this AGREEMENT is in force and for a period of three (3) years thereafter.

XII. ASSIGNMENT

- 12.1 This AGREEMENT may not be assigned by LICENSEE without the prior written consent of BOARD.

XIII. TERM, TERMINATION, AND DEFAULT

- 13.1 The term of this AGREEMENT shall extend from the Effective Date set forth hereinabove to the full end of the term or terms for which PATENT RIGHTS have not expired and if only TECHNOLOGY RIGHTS are licensed and no PATENT RIGHTS are applicable, for a term of fifteen (15) years.

- 13.2 This AGREEMENT will earlier terminate:

- (a) Upon the expiration of thirty (30) days written notice from BOARD if LICENSEE shall become bankrupt or insolvent and/or if the business of LICENSEE shall be placed in hand of a receiver, assignee, or trustee, whether by voluntary act of LICENSEE or otherwise;
- (b) (i) upon thirty (30) days written notice from BOARD if LICENSEE shall breach or default on the payment obligations of Article V, or use of name obligations of Article X; or (ii) upon ninety (90) days written notice if LICENSEE shall breach or default any other obligation under this AGREEMENT; provided, however, LICENSEE may avoid such termination if before the end of the applicable period LICENSEE notifies BOARD that such breach has been cured and states the manner of such cure.
- (c) Under the provisions of Paragraph 13.3, below, if invoked, pursuant to Paragraph 13.2(b)(ii), above.

- 13.3 BOARD shall have the right at any time after two (2) years from the date of this AGREEMENT to terminate the exclusivity of the license granted herein in any national political jurisdiction within LICENSED TERRITORY if LICENSEE, within ninety (90) days after written notice from BOARD as to such intended termination of exclusivity, fails to provide written evidence that it has commercialized or is actively attempting to commercialize an invention hereunder within such

jurisdiction. BOARD agrees to negotiate in good faith with LICENSEE for adjusting terms under such a non-exclusive arrangement. BOARD shall have the right at any time after three (3) years from the date of this AGREEMENT to terminate the license completely in any national political jurisdiction if LICENSEE, within ninety days after written notice from BOARD of such intended termination, fails to provide written evidence that it has commercialized or is actively attempting to commercialize an invention licensed hereunder within such jurisdiction. Evidence provided by LICENSEE that it has an ongoing and active research, development, manufacturing, marketing or licensing program as appropriate, directed toward production and sale of products based on the invention disclosed and claimed in PATENTS or incorporating TECHNOLOGY within such jurisdiction shall be deemed satisfactory evidence.

- 13.4 Upon termination of this AGREEMENT for any cause, nothing herein shall be construed to release either party of any obligation matured prior to the effective date of such termination. LICENSEE may, after the effective date of such termination, sell all LICENSED PRODUCT and parts thereof that it may have on hand at the date of termination, provided that it pays earned royalty thereon as provided in this AGREEMENT.
- 13.5 Upon and effective as of the date of termination of this AGREEMENT, LICENSEE grants to BOARD a non-exclusive license with the right to sublicense others with respect to improvements made by LICENSEE in the LICENSED SUBJECT MATTER.
- 13.6 BOARD's right to sublicense others hereunder shall be solely for purposes of permitting others to develop and commercialize the entire technology package.

XIV. GENERAL

- 14.1 This AGREEMENT constitutes the entire and only AGREEMENT between the parties for LICENSED SUBJECT MATTER and all other prior negotiations, representations, agreements and understandings are superseded hereby. No agreements altering or supplementing the terms hereof may be made except by means of a written document signed by the duly authorized representatives of the parties.

14.2 Any notice required by this AGREEMENT shall be given by prepaid, first class, certified mail, return receipt requested, and addressed in the case of BOARD to:

BOARD OF REGENTS
The University of Texas System
201 West Seventh Street
Austin, Texas 78701
ATTENTION: System Intellectual Property Office

with copy to:

The University of Texas
M.D. Anderson Cancer Center
Office of Technology Development
1020 Holcombe Boulevard, Suite 1405
Houston, Texas 77030
ATTENTION: William J. Doty

or in the case of LICENSEE to: Intron Therapeutics, Inc.
301 Congress, Suite 2025
Austin, Tx 78701
ATTENTION: Mr. David Nance

or such other address as may be given from time to time under the terms of this notice provision.

14.3 LICENSEE shall comply with all applicable federal, state and local laws and regulations in connection with its activities pursuant to this AGREEMENT.

14.4 This AGREEMENT shall be construed and enforced in accordance with the laws of the United States of America and of the State of Texas.

14.5 Failure of BOARD to enforce a right under this AGREEMENT shall not act as a waiver of that right or the ability to later assert that right relative to the particular situation involved.

14.6 Headings included herein are for convenience only and shall not be used to construe this AGREEMENT.


14.7 If any provision of this AGREEMENT shall be found by a court to be void, invalid or unenforceable, the same shall be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of this AGREEMENT.

IN WITNESS WHEREOF, parties hereto have caused their duly authorized representatives to execute this AGREEMENT.

THE UNIVERSITY OF TEXAS
M.D. ANDERSON CANCER CENTER

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

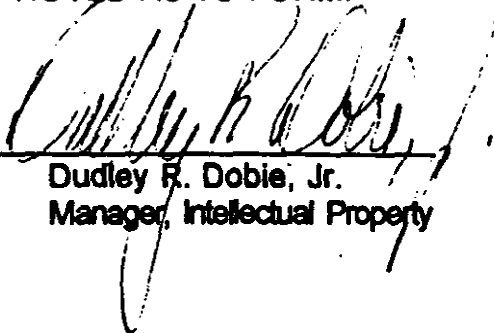
By _____
David J. Bachrach
Executive Vice President
for Administration and Finance

By  _____
Thomas G. Ricks
Vice Chancellor for
Asset Management

APPROVED AS TO CONTENT:

APPROVED AS TO FORM:

By _____
William J. Doty
Director, Technology Development

By  _____
Dudley R. Dobie, Jr.
Manager, Intellectual Property

INTRON THERAPEUTICS, INC.

By _____
David Nance
President

k:\common\intron.inl 4/15/94 vjd

THE UNIVERSITY OF TEXAS
MD ANDERSON
CANCER CENTER

Office of the
Director for Technology
Development

OPTION AGREEMENT

December 15, 1992

Mr. David Nance
Managing Partner
Texas Biomedical Development Partners
301 Congress Avenue, 14th Floor
Austin, Texas 78701

RE: "Methods and Compositions for Retroviral Vector Mediated Transduction" (Patent Serial No. 960,513), Jack A. Roth, M.D., et al.

Dear Mr. Nance:

In accordance with our recent conversation, I am pleased to inform you that The University of Texas M.D. Anderson Cancer Center (MDA) hereby extends an option to Texas Biomedical Development Partners (TBDP) to negotiate a license to the above captioned technology.

This option comprises a promise by MDA not to offer the above-cited technology to others during a prescribed period of time and a promise to negotiate in good faith for the grant of a license. It does not in any way constitute a license in itself. This option is personal to and not assignable by TBDP.

If accepted by your signature below, this option will become active as of December 10, 1992 and will expire on the latter of June 10, 1994 or within 90 days after completion of the Sponsored Research contemplated herein. If the notice by TBDP to exercise their option to negotiate a license has not been received by MDA by June 30, 1994, or 90 days after the completion of the referenced sponsored research, then MDA will thereafter be free to seek other prospective licensees for this technology with no further consideration due TBDP.

TEXAS MEDICAL CENTER
1515 HOLCOMBE BOULEVARD • HOUSTON, TEXAS 77030 • (713) 792-2121

Mr. David Nance
December 15, 1992
Page 2

Should MDA receive written notification from TBDP exercising said option on or before June 30, 1994, or 90 days subsequent to the completion of the referenced sponsored research, the parties agree to negotiate a license to the captioned matter in good faith, consistent with the attached form of agreement (Attachment A hereto) and consistent with the following terms:

- TBDP will reimburse MDA's patent and other out-of-pocket costs.
- TBDP will pay MDA a running royalty of four percent (4%) on net sales of licensed products, or one-half (1/2) of any running royalty received by TBDP as consideration from any sublicensee, whichever amount is less.
- TBDP will pay MDA that portion equal to MDA's portion of the running royalty of any advance royalty or fee received by TBDP from a sublicensee which is creditable against future running royalties by the sublicensee.
- TBDP will not be obligated to pay MDA any portion of any advance payment received by TBDP from a sublicensee which is not creditable against future running royalties by the sublicensee.
- TBDP will convey individually to Dr. Jack A. Roth ten percent (10%) of the capital stock of the new company established by TBDP to complete the development and commercialization of the captioned matter. Dr. Roth's share of capital stock in the new company shall not be diluted up to Initial Public Offering (IPO). However, in the event that the new company, for example, merges with or is acquired by another entity, or transfers or sublicenses materially all of its rights under the contemplated license agreement prior to IPO, then TBDP will convey to Dr. Roth twenty-five percent (25%) of the capital stock of the new company previously established to develop the captioned matter. Additionally, if TBDP wishes, at some future date, to syndicate the development and commercialization of the captioned matter and must give up equity in the new company, then Dr. Roth's pre-IPO equity position shall be diluted on a prorata basis with all other capital stockholders. However, Dr. Roth's share of the capital stock in the new company shall not be diluted below ten percent (10%) up to IPO.
- TBDP will commit to the development and commercialization of the captioned matter and will grant MDA a first right of refusal to conduct the research required for said development and commercialization.

Should TBDP exercise its option in the time and manner provided herein and should TBDP and MDA fail to reach agreement on license terms by July 31, 1994, then MDA will thereafter be free to seek other prospective licensees with no further consideration due TBDP, except MDA agrees to use reasonable efforts to secure reimbursement of TBDP's direct costs hereunder from said licensee.

Mr. David Nance
December 15, 1992
Page 3

It is agreed between the parties that the consideration for this option is a \$50,000 option fee, plus a commitment of up to \$515,000 for Phase I Clinical Trials and \$300,000 for basic research (subject to internal approval by MDA, approval by TBDP, and a definitive Sponsored Research Agreement mutually agreed to and executed by the parties) on the captioned matter. The \$50,000 option fee, payable upon execution of this Option Agreement by TBDP, will be applied by MDA as a credit against any future payments for reimbursement of patent expenses due under a license agreement subsequently entered into pursuant hereto. The option fee is only refundable to TBDP in the event that MDA elects not to perform the referenced research and thereby terminates this Option Agreement. MDA agrees to notify TBDP of MDA's intention, if any, to terminate this Option Agreement within a reasonable period of time.

If the provisions of this Option Agreement are satisfactory to you, then please indicate your acceptance of these terms by signing and returning the enclosed copy of this letter.

Very truly yours,

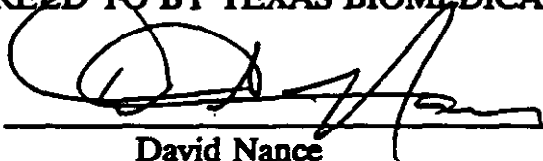
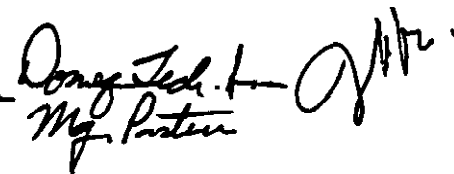


William J. Doty
Director, Technology Development

WJD:ipm

cc: Jack A. Roth, M.D.
Tapas Mukhopadhyay, Ph.D.
Michael A. Tainsky, Ph.D.

AGREED TO BY TEXAS BIOMEDICAL DEVELOPMENT PARTNERS

By:  
David Nance
Managing Partner

Date: 12-17-92

RECEIVED

JUN 18 1993

Technology
Development

TEXAS BIOMEDICAL DEVELOPMENT PARTNERS

June 17, 1993

Mr. William J. Doty
Director
Technology Development
The University of Texas
M.D. Anderson Cancer Center
1515 Holcombe Boulevard
Houston, TX 77030
FAX (713) 794-1356

RE: Option Agreement for "HIV VACCINE/THERAPEUTIC", Ralph B. Arlinghaus, Ph.D., et al. dated August 10, 1992, and Option Agreement for "Methods and Compositions for Retroviral Vector Mediated Transduction", Jack A. Roth, M.D., et al., dated December 15, 1992.

Dear Bill:

This is to inform you that Texas Biomedical Development Partners (TBDP) wishes to exercise the above referenced options and to immediately begin preparation of a License Agreements as contemplated in the Option Agreements.

Further, TBDP wishes to assign its rights and responsibilities under the respective Option Agreements and under the prospective License Agreements to new corporations established to commercialize the technologies optioned and/or supported by Sponsored Research Agreements with TBDP.

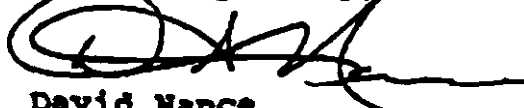
Respecting the technologies and research associated with the laboratory of Dr. Arlinghaus, the new company is CyToVac Corporation, a Delaware Corporation.

Respecting the technologies and research associated with the laboratory of Dr. Roth, the new company is Intron Therapeutics, Inc., a Delaware Corporation.

If you have any questions please do not hesitate to call.

I look forward to working with you to document and expedite the License Agreements.

Yours very truly,



David Nance
Managing Partner

SR 93-04

SPONSORED RESEARCH AGREEMENT

Agreement, made this 11th day of February, 1993, by and between THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER (hereinafter referred to as "CANCER CENTER"), a component institution of The University of Texas System (hereinafter referred to as "SYSTEM"), located in Houston, Texas, and Texas Biomedical Development Partners (hereinafter referred to as "SPONSOR"), located in Austin, Texas.

WITNESSETH:

WHEREAS, CANCER CENTER has research facilities and situations which would allow investigation and study of the "Development of Therapeutic Treatment and Prevention of Lung Cancer" as described in Exhibit I hereinafter referred to as ("Research"), a copy of which is attached hereto and incorporated herein by reference; and

WHEREAS, both SPONSOR and CANCER CENTER consider it necessary and desirable to perform the Research;

NOW, THEREFORE, the parties agree as follows:

1. Evaluation. SPONSOR agrees to engage the services of CANCER CENTER as an independent contractor to perform the Research. The Research will be under the supervision of Jack A Roth, M.D. (Principal Investigator) at CANCER CENTER, with the assistance of appropriate associates and colleagues at CANCER CENTER as may be required.
2. Research. CANCER CENTER agrees as an independent contractor to conduct the Research. Such Research was originally approved by CANCER CENTER in accordance with CANCER CENTER policy and may be subsequently amended only in accordance with CANCER CENTER policy and the written agreement of CANCER CENTER and SPONSOR as provided for in Article 15 herein below.
3. Invention and Patents.
 - a. For all purposes herein, "Invention" shall mean any discovery, concept or idea whether or not patentable or copyrightable, which (i) arises out of work performed pursuant to the obligations of this Agreement; (ii) is conceived and reduced to practice during the term of the Agreement as defined in Article 13 hereinbelow; and (iii) includes but is not limited to processes, methods, software, formulae, techniques, compositions of matter, devices, and improvements thereof and know-how relating thereto. Inventions made solely by the Principal Investigator and/or other CANCER CENTER personnel as identified in Article 1 hereinabove or agents of CANCER CENTER shall be the sole property of CANCER CENTER.

b. In the event that an Invention is made, CANCER CENTER agrees to include such Invention in the Option Agreement of December 17, 1992 (attached hereto as Exhibit II) previously entered into by CANCER CENTER and SPONSOR and give notice of such Invention to SPONSOR within thirty (30) days of the identification of such Invention.

4. Confidentiality. In the course of work performed pursuant to the Research under this Agreement, should either party provide confidential information to the other party, the recipient party shall, until three (3) years after the termination of this Agreement, maintain the confidentiality of that information as it maintains the confidentiality of its own confidential information, and shall not disclose such confidential information to any other party, nor shall the recipient party disclose the disclosing party's confidential information to the recipient's employees other than those employees having a "need-to-know". Confidential information shall be clearly marked as such. If disclosed orally, the party making the disclosure shall be responsible for clearly informing the recipient party of the confidentiality of the information disclosed. Notwithstanding the other provisions of this paragraph, nothing disclosed hereunder shall be construed as confidential information which:

- a. is or becomes available to the public (except by a breach of this Agreement by a party hereto);
- b. is rightfully received from another party not under obligation of confidentiality to the disclosing party;
- c. is not known by the recipient party, or is independently developed by the recipient party by persons without access to the confidential information;
- d. is approved for release by the party designating the information as confidential;
- e. is not identified as confidential at the time of disclosure;
- f. is not in writing or physical form at time of disclosure or reduced to a written or physical form and identified as confidential within thirty (30) days of disclosure; or
- g. is required to be disclosed under the laws of the United States of America or the State of Texas or other governmental bodies, provided that the parties shall first exhaust all reasonable measures available to protect the confidentiality of such information upon disclosure.

5. Publication Rights. Notwithstanding the provisions of Article 4 of this Agreement, CANCER CENTER may publish scientific papers relating to the collaborative research performed under this Agreement. In the event that CANCER CENTER wishes to publish, CANCER CENTER shall notify SPONSOR of its desire to publish at least thirty (30) days in advance of publication and shall furnish to SPONSOR a written description of the subject matter of the publication in order to permit SPONSOR to review and comment thereon.
6. Publicity. CANCER CENTER acknowledges SPONSOR's intention to distribute periodically informational releases and announcements to the news media regarding the progress of research hereunder. SPONSOR shall not release such materials containing the name of CANCER CENTER or any of its employees without prior written approval by an authorized representative of CANCER CENTER, and said approval shall not be unreasonably withheld. Should CANCER CENTER reject the news release, CANCER CENTER and SPONSOR agree to discuss the reasons for CANCER CENTER's rejection, and every effort shall be made to develop an appropriate informational news release within the bounds of accepted academic practices. SPONSOR reserves the same right in the event that CANCER CENTER desires to distribute a news release concerning the research program. Nothing herein shall be construed as prohibiting CANCER CENTER or SPONSOR from reporting on this study to a governmental agency.
7. Responsibility. The parties each agree to assume individual responsibility for the actions and omissions of their respective employees, agents and assigns in conjunction with this evaluation.
8. Independent Contractor. SPONSOR will not have the right to direct or control the activities of CANCER CENTER in performing the services provided herein, and CANCER CENTER shall perform services hereunder only as an independent contractor, and nothing herein contained shall be construed to be inconsistent with this relationship or status. Under no circumstances shall CANCER CENTER be considered to be an employee or agent of SPONSOR. This Agreement shall not constitute, create or in any way be interpreted as a joint venture, partnership or formal business organization of any kind.
9. Title to Equipment. CANCER CENTER shall retain title to all equipment purchased and/or fabricated by it with funds provided by SPONSOR under this Agreement.
10. Survivorship. The provisions of Article 3, 4, 5, 6, and 12 shall survive any expiration or termination of this Agreement.

11. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other party; provided, however, that SPONSOR may assign this Agreement to any purchaser or transferee of all or substantially all of SPONSOR's business upon prior written notice to CANCER CENTER.
12. Indemnification. CANCER CENTER shall, to the extent authorized under the Constitution and the laws of the State of Texas, hold SPONSOR harmless from liability resulting from the negligent acts or omissions of CANCER CENTER, its agents or employees pertaining to the activities to be carried out pursuant to the obligations of this Agreement; provided, however, that CANCER CENTER shall not hold SPONSOR harmless from claims arising out of the negligence of SPONSOR, its officers, agents or any person or entity not subject to CANCER CENTER's supervision or control.
- SPONSOR shall indemnify and hold harmless SYSTEM, CANCER CENTER, their regents, officers, agents and employees from any liability or loss resulting from judgments or claims against them arising out of the activities to be carried out pursuant to the obligations of this Agreement or the use by SPONSOR of the results of the Research, provided, however, that the following is excluded from SPONSOR's obligation to indemnify and hold harmless:
- a. the negligent failure of CANCER CENTER to comply with any applicable governmental requirements; or
 - b. the negligence or willful malfeasance by a regent, officer, agent or employee of CANCER CENTER or SYSTEM.
13. Award. SPONSOR agrees to pay CANCER CENTER a fee of Three Hundred Thousand and No/100 Dollars (\$300,000.00) for expenses and other related costs incurred in conjunction with the Research. This fee, as shown by approximate category of expense in Exhibit I, which is attached hereto and is incorporated herein by reference, for information only, shall be payable in Four (4) equal installments of Seventy-Five Thousand and No/100 Dollars (\$75,000.00) each by SPONSOR to CANCER CENTER. The first such installment shall be due within thirty (30) days of the date of execution of this Agreement. The subsequent installments shall be due and payable as follows: (a) three (3) months after execution, (b) six (6) months after execution and (c) nine (9) months after execution.
14. Basic Term. This Agreement shall become effective as of the date first hereinabove written and unless earlier terminated as hereinafter provided, shall continue in force for a period of Eighteen (18) months after the same.

15. Default and Termination. In the event that either party to this Agreement shall be in default of any of its material obligations hereunder and shall fail to remedy such default within thirty (30) days after receipt of written notice thereof, the party not in default shall have the option of terminating this Agreement by giving written notice thereof, notwithstanding anything to the contrary contained in this Agreement. Termination of this Agreement shall not affect the rights and obligations of the parties which accrued prior to the effective date of termination. SPONSOR shall pay CANCER CENTER for all reasonable expenses incurred or committed to be expended as of the effective termination date, subject to the maximum amount as specified in Article 13.
16. Entire Agreement. The parties acknowledge that this Agreement and the attached Exhibits hereto represent the sole and entire Agreement between the parties hereto pertaining to the Research and that such supersedes all prior Agreements, understandings, negotiations and discussions between the parties regarding same, whether oral or written. There are no warranties, representations or other Agreements between the parties in connection with the subject matter hereof except as specifically set forth herein. No supplement, amendment, alteration, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the parties hereto.
17. Reform of Agreement. If any provision of this Agreement is, becomes or is deemed invalid, illegal or unenforceable in any United States jurisdiction, such provision shall be deemed amended to conform to applicable laws so as to be valid and enforceable; or if it cannot be so amended without materially altering the intention of the parties, it shall be stricken, and the remainder of this Agreement shall remain in full force and effect.
18. Notices. Any notices, statements, payments, or reports required by this Agreement shall be considered given if sent by United States Certified Mail, postage prepaid and addressed as follows:

If to CANCER CENTER:

Michael J. Best
Chief Financial Officer
The University of Texas M.D. Anderson Cancer Center
1515 Holcombe Blvd.
Houston, Texas 77030

If to SPONSOR:

David Nance
Managing Partner
Texas Biomedical Development Partners
100 Congress Avenue, Suite 200
Austin, Texas 78701

19. Captions. The captions in this Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement.

20. Governing Law. This Agreement shall be governed and interpreted in accordance with the substantive laws of the State of Texas and with applicable laws of the United States of America.

IN WITNESS WHEREOF, CANCER CENTER and SPONSOR entered into this Agreement effective as of the date first hereinabove written and have executed three (3) originals each of which are of equal dignity.

TEXAS BIOMEDICAL DEVELOPMENT PARTNERS

BY: David Nance
David Nance
Managing Partner

THE UNIVERSITY OF TEXAS
M.D. ANDERSON CANCER CENTER

BY: Michael J. Best
Michael J. Best
Chief Financial Officer

I have read this agreement and understand my obligations hereunder:

BY: Jack A. Roth
Jack A. Roth, M.D.
Principal Investigator

CONTENT APPROVED:

BY: Donna S. Gilberg
Donna S. Gilberg, CPA
Manager, Sponsored
Agreements

BY: Charles M. Balch
Charles M. Balch, M.D.
Head, Division of Surgery

FORM APPROVED:

BY: Matthew E. Burr
Matthew E. Burr, J.D.
Legal Services Officer

Development of Therapeutic Treatment and Prevention of Lung Cancer

The purpose of the research support component of the Texas Biomedical Development Partners Sponsored Research Agreement is to provide support for projects directly related to developing technology for the use of gene therapy for the prevention and treatment of cancer. The funds will provide support for professional staff, technicians, supplies, and equipment. The following projects are included:

- 1) Development of novel vectors for gene transduction. New vector systems will be studied for delivering gene constructs to cancer cells. Current projects include adenoviruses and adeno-associated viral vectors. Promoters, modifications of the viral genome, and orientation of constructs will be studied.
- 2) Identification of targets for gene therapy. Genes which control the phenotype of the cancer cell will be studied. These will be evaluated as potential targets for genetic modification. Identification of gene products interacting with known oncogenes and tumor suppressor genes will be studied.
- 3) Determination of the role of oncogenes and tumor suppressor genes in cancer development. The presence of gene mutations in human tumors will be studied to determine their frequency and time of appearance. These studies will be important in determining the timing of gene therapy.
- 4) Development of clinically relevant animal models. Orthotopic growth of human cancer cells in immuno-incompetent mice will provide relevant models for evaluating new gene delivery systems.
- 5) Studies on techniques to modify oncogene and tumor suppressor gene expression. New technology will be developed to more effectively eliminate expression of activated oncogene products and to replace inactivated tumor suppressor genes with functioning tumor suppressor gene constructs.

Budget for one year:

Supplies	\$56,400
Staff researcher	\$33,000
Technicians (1)	\$20,000
Visiting scientists or postdoctoral fellows	\$25,000
Sub-total	\$134,400
Indirect	\$33,600
Equipment	\$132,000
Total	\$300,000

CS 93-27

SPONSORED RESEARCH AGREEMENT FOR CLINICAL STUDY

Agreement, made this 11th day of February, 1993, by and between THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER (hereinafter referred to as "CANCER CENTER"), a component institution of The University of Texas System (hereinafter referred to as "SYSTEM"), located in Houston, Texas, and Texas Biomedical Development Partners (hereinafter referred to as "SPONSOR"), located in Austin, Texas.

WITNESSETH:

WHEREAS, CANCER CENTER has research facilities and situations which would allow clinical investigation and study of the "Clinical Protocol for Modification of Oncogene and Tumor Suppressor Gene Expression in Non-Small Cell Lung Cancer (NSCLC)" as described in Exhibit I hereinafter referred to as ("Research"), a copy of which is attached hereto and incorporated herein by reference; and

WHEREAS, both SPONSOR and CANCER CENTER consider it necessary and desirable to perform the Research;

NOW, THEREFORE, the parties agree as follows:

1. Evaluation. SPONSOR agrees to engage the services of CANCER CENTER as an independent contractor to perform the Research. The Research will be under the supervision of Jack A Roth, M.D. (Principal Investigator) at CANCER CENTER, with the assistance of appropriate associates and colleagues at CANCER CENTER as may be required.
2. Research. CANCER CENTER agrees as an independent contractor to conduct the Research. Such Research was originally approved by CANCER CENTER in accordance with CANCER CENTER policy and may be subsequently amended only in accordance with CANCER CENTER policy and the written agreement of CANCER CENTER and SPONSOR as provided for in Article 15 herein below.
3. Invention and Patents.
 - a. For all purposes herein, "Invention" shall mean any discovery, concept or idea whether or not patentable or copyrightable, which (i) arises out of work performed pursuant to the obligations of this Agreement; (ii) is conceived and reduced to practice during the term of the Agreement as defined in Article 13 hereinbelow; and (iii) includes but is not limited to processes, methods, software, formulae, techniques, compositions of matter, devices, and improvements thereof and know-how relating thereto. Inventions made solely by the Principal Investigator and/or other CANCER CENTER personnel as

identified in Article 1 hereinabove or agents of CANCER CENTER shall be the sole property of CANCER CENTER.

- b. In the event that an Invention is made, CANCER CENTER agrees to include such Invention in the Option Agreement of December 17, 1992 (attached hereto as Exhibit III) previously entered into by CANCER CENTER and SPONSOR and give notice of such Invention to SPONSOR within thirty (30) days of the identification of such Invention.

4. Confidentiality. In the course of work performed pursuant to the Research under this Agreement, should either party provide confidential information to the other party, the recipient party shall, until three (3) years after the termination of this Agreement, maintain the confidentiality of that information as it maintains the confidentiality of its own confidential information, and shall not disclose such confidential information to any other party, nor shall the recipient party disclose the disclosing party's confidential information to the recipient's employees other than those employees having a "need-to-know". Confidential information shall be clearly marked as such. If disclosed orally, the party making the disclosure shall be responsible for clearly informing the recipient party of the confidentiality of the information disclosed. Notwithstanding the other provisions of this paragraph, nothing disclosed hereunder shall be construed as confidential information which:

- a. is or becomes available to the public (except by a breach of this Agreement by a party hereto);
- b. is rightfully received from another party not under obligation of confidentiality to the disclosing party;
- c. is not known by the recipient party, or is independently developed by the recipient party by persons without access to the confidential information;
- d. is approved for release by the party designating the information as confidential;
- e. is not identified as confidential at the time of disclosure;
- f. is not in writing or physical form at time of disclosure or reduced to a written or physical form and identified as confidential within thirty (30) days of disclosure; or
- g. is required to be disclosed under the laws of the United States of America or the State of Texas or other governmental bodies, provided that the parties shall first exhaust all reasonable measures available to

protect the confidentiality of such information upon disclosure.

5. Publication Rights. Notwithstanding the provisions of Article 4 of this Agreement, CANCER CENTER may publish scientific papers relating to the collaborative research performed under this Agreement. In the event that CANCER CENTER wishes to publish, CANCER CENTER shall notify SPONSOR of its desire to publish at least thirty (30) days in advance of publication and shall furnish to SPONSOR a written description of the subject matter of the publication in order to permit SPONSOR to review and comment thereon.
6. Publicity. CANCER CENTER acknowledges SPONSOR's intention to distribute periodically informational releases and announcements to the news media regarding the progress of research hereunder. SPONSOR shall not release such materials containing the name of CANCER CENTER or any of its employees without prior written approval by an authorized representative of CANCER CENTER, and said approval shall not be unreasonably withheld. Should CANCER CENTER reject the news release, CANCER CENTER and SPONSOR agree to discuss the reasons for CANCER CENTER's rejection, and every effort shall be made to develop an appropriate informational news release within the bounds of accepted academic practices. SPONSOR reserves the same right in the event that CANCER CENTER desires to distribute a news release concerning the research program. Nothing herein shall be construed as prohibiting CANCER CENTER or SPONSOR from reporting on this study to a governmental agency.
7. Responsibility. The parties each agree to assume individual responsibility for the actions and omissions of their respective employees, agents and assigns in conjunction with this evaluation.
8. Independent Contractor. SPONSOR will not have the right to direct or control the activities of CANCER CENTER in performing the services provided herein, and CANCER CENTER shall perform services hereunder only as an independent contractor, and nothing herein contained shall be construed to be inconsistent with this relationship or status. Under no circumstances shall CANCER CENTER be considered to be an employee or agent of SPONSOR. This Agreement shall not constitute, create or in any way be interpreted as a joint venture, partnership or formal business organization of any kind.
9. Title to Equipment. CANCER CENTER shall retain title to all equipment purchased and/or fabricated by it with funds provided by SPONSOR under this Agreement.

10. Survivorship. The provisions of Article 3, 4, 5, 6, and 12 shall survive any expiration or termination of this Agreement.
11. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other party; provided, however, that SPONSOR may assign this Agreement to any purchaser or transferee of all or substantially all of SPONSOR's business upon prior written notice to CANCER CENTER.
12. Indemnification. CANCER CENTER shall, to the extent authorized under the Constitution and the laws of the State of Texas, hold SPONSOR harmless from liability resulting from the negligent acts or omissions of CANCER CENTER, its agents or employees pertaining to the activities to be carried out pursuant to the obligations of this Agreement; provided, however, that CANCER CENTER shall not hold SPONSOR harmless from claims arising out of the negligence of SPONSOR, its officers, agents or any person or entity not subject to CANCER CENTER's supervision or control.
- SPONSOR shall indemnify and hold harmless SYSTEM, CANCER CENTER, their regents, officers, agents and employees from any liability or loss resulting from judgments or claims against them arising out of the activities to be carried out pursuant to the obligations of this Agreement or the use by SPONSOR of the results of the Research, provided, however, that the following is excluded from SPONSOR's obligation to indemnify and hold harmless:
- a. the negligent failure of CANCER CENTER to comply with any applicable governmental requirements; or
 - b. the negligence or willful malfeasance by a regent, officer, agent or employee of CANCER CENTER or SYSTEM.
13. Award. SPONSOR agrees to pay CANCER CENTER a fee of Five Hundred Fifteen Thousand and No/100 Dollars (\$515,000.00) for expenses and other related costs incurred in conjunction with the Research. This fee, as shown by approximate category of expense in Exhibit II, which is attached hereto and is incorporated herein by reference, for information only, shall be payable in Four (4) equal installments of One Hundred Twenty-Eight Thousand Seven Hundred Fifty and No/100 Dollars (\$128,750.00) each by SPONSOR to CANCER CENTER. The first such installment shall be due within thirty (30) days of the date of execution of this Agreement. The subsequent installments shall be due and payable as follows: (a) three (3) months after execution, (b) six (6) months after execution and (c) nine (9) months after execution.
14. Basic Term. This Agreement shall become effective as of the date first hereinabove written and unless earlier terminated

as hereinafter provided, shall continue in force for a period of Eighteen (18) months after the same.

15. Default and Termination. In the event that either party to this Agreement shall be in default of any of its material obligations hereunder and shall fail to remedy such default within thirty (30) days after receipt of written notice thereof, the party not in default shall have the option of terminating this Agreement by giving written notice thereof, notwithstanding anything to the contrary contained in this Agreement. Termination of this Agreement shall not affect the rights and obligations of the parties which accrued prior to the effective date of termination. SPONSOR shall pay CANCER CENTER for all reasonable expenses incurred or committed to be expended as of the effective termination date, subject to the maximum amount as specified in Article 13.
16. Entire Agreement. The parties acknowledge that this Agreement and the attached Exhibits hereto represent the sole and entire Agreement between the parties hereto pertaining to the Research and that such supersedes all prior Agreements, understandings, negotiations and discussions between the parties regarding same, whether oral or written. There are no warranties, representations or other Agreements between the parties in connection with the subject matter hereof except as specifically set forth herein. No supplement, amendment, alteration, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the parties hereto.
17. Reform of Agreement. If any provision of this Agreement is, becomes or is deemed invalid, illegal or unenforceable in any United States jurisdiction, such provision shall be deemed amended to conform to applicable laws so as to be valid and enforceable; or if it cannot be so amended without materially altering the intention of the parties, it shall be stricken, and the remainder of this Agreement shall remain in full force and effect.
18. Notices. Any notices, statements, payments, or reports required by this Agreement shall be considered given if sent by United States Certified Mail, postage prepaid and addressed as follows:

If to CANCER CENTER:

Michael J. Best
Chief Financial Officer
The University of Texas M.D. Anderson Cancer Center
1515 Holcombe Blvd.
Houston, Texas 77030

If to SPONSOR:

David Nance
Managing Partner
Texas Biomedical Development Partners
100 Congress Avenue, Suite 200
Austin, Texas 78701


- 19. Captions. The captions in this Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement.
- 20. Governing Law. This Agreement shall be governed and interpreted in accordance with the substantive laws of the State of Texas and with applicable laws of the United States of America.

IN WITNESS WHEREOF, CANCER CENTER and SPONSOR entered into this Agreement effective as of the date first hereinabove written and have executed three (3) originals each of which are of equal dignity.

TEXAS BIOMEDICAL DEVELOPMENT PARTNERS


THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER


BY: 
David Nance
Managing Partner


BY: 
Michael J. Best
Chief Financial Officer

I have read this agreement and understand my obligations hereunder:


CONTENT APPROVED:

BY: 
Jack A. Roth, M.D.
Principal Investigator

BY: 
Donna S. Gilberg, CPA
Manager, Sponsored Agreements

BY: 
Charles M. Balch, M.D.
Head, Division of Surgery

FORM APPROVED:

BY: 
Matthew E. Burr, J.D.
Legal Services Officer

TEXAS BIOMEDICAL DEVELOPMENT PARTNERS

EXHIBIT 5

November 26, 1993

Mr. Michael J. Best
Chief Financial Officer
The University of Texas
M.D. Anderson Cancer Center
1515 Holcombe Boulevard
Houston, TX 77030

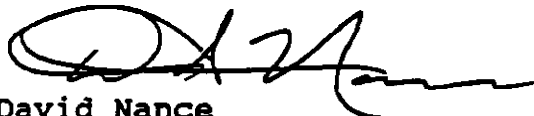
RE: Sponsored Research Agreement (SR93-04), "Development of Therapeutic Treatment and Prevention of Lung Cancer", and Sponsored Research Agreement (CS93-27), "Clinical Protocol for Modification of Oncogene and Tumor Suppressor Gene Expression in Non-Small Cell Lung Cancer (NSCLC)".

Dear Mr. Best:

Pursuant to Article 11 of the above referenced sponsored research agreements, Texas Biomedical Development Partners herewith provides notification that it has assigned substantially all of its business respecting the subject sponsored research agreements to Intron Therapeutics, Inc.

Please contact me if you have any questions.

Sincerely,



David Nance
Managing Partner

cc: Jack A. Roth, M.D.
William J. Doty
Donna S. Gilberg, CPA

301 CONGRESS AVENUE · SUITE 2025 · AUSTIN, TEXAS 78701
TELEPHONE (512) 320-4169 TELEFAX (512) 320-4166

STOCKHOLDER AGREEMENT

This Stockholder Agreement (this "Agreement") dated , 1994, is entered into by and between INTRON THERAPEUTICS, INC. (the "Company") and JACK A. ROTH, M.D. ("Stockholder").

WHEREAS, the Company desires to issue certain shares of common stock, \$.01 par value, of the Company (the "Common Stock") to the Stockholder; and

WHEREAS, the Stockholder desires to acquire certain shares of Common Stock from the Company; and

WHEREAS, the Stockholder and the Company desire that the Stockholder grant to the Company, and under certain circumstances to certain holders of the Company's Preferred Stock or other securities issued by the Company to investors (the "Initial Investors"), options to repurchase certain shares of Common Stock purchased by the Stockholder on the terms and conditions set forth;

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained herein, the parties agree as follows:

1. Issuance of Shares.

1.1 Purchase and Sale of Shares. Subject to the terms and conditions of this Agreement and in consideration of the execution of the Patent and Technology License Agreement ("License Agreement") between the Company and the Board of Regents of the University of Texas System (the "Board") dated the date hereof relating to certain patent applications and technology owned by Board and invented in whole or in part by the Stockholder, the Company agrees to issue to the Stockholder one hundred thousand (100,000) shares of its Common Stock (the "Shares").

1.2 Closing. Closing hereunder (the "Closing") is conditioned upon and shall occur within fifteen days after approval of the aforementioned Patent and Technology License Agreement by the Board of Regents of The University of Texas System, or at such other date and time as the parties may agree. At the Closing the Company shall deliver to Stockholder a certificate or certificates representing the number of Shares as set forth in Section 1.1 hereof, in the name of the Stockholder.

2. Representations and Warranties. To induce the Company to deliver the Shares to the Stockholder, the Stockholder represents and warrants to the Company:

- (a) The Stockholder is acquiring the Shares for his own account as principal, for investment purposes only, and

not with a view to, or for, resale or distribution, and no other person or entity has a direct or indirect beneficial interest in the Shares;

- (b) The Stockholder has not offered any of the Shares for resale and has no present intention of dividing his interest with others or of reselling or otherwise disposing of any of the Shares;
- (c) Any information the Stockholder has furnished to the Company with respect to the Stockholder's status as a sophisticated or accredited investor, his business experience or financial position is correct;
- (d) The financial capacity of the Stockholder is such that the investment in the Shares is not material to his total financial capacity; the Stockholder has the financial ability to bear the economic risk of his investment, has adequate means for providing for his current needs and personal contingencies and has no need for liquidity with respect to his investment in the Shares;
- (e) The Stockholder considers himself to be a sophisticated investor and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the prospective investment in the Shares;
- (f) The Stockholder has been furnished with all information concerning the Shares and the Company that it desires;
- (g) The Stockholder has been given the opportunity to ask questions of, and receive answers from, the Company with respect to the Shares, concerning the terms and conditions of the offering and other matters pertaining to this investment, and has been given the opportunity to obtain such additional information necessary to verify the accuracy of the information provided to him by the Company in order for him to evaluate the merits and risks of investment in the Shares to the extent that the Company possessed such information or could acquire it without unreasonable effort or expense; and
- (h) The Stockholder is not relying on the Company with respect to any economic considerations of the Stockholder related to this investment. In regard to the economic considerations related to this investment, the Stockholder has relied on the advice of, or has consulted with, only his own advisors.

The Stockholder further represents, warrants and agrees that it will not sell or otherwise transfer the Shares without

registration under the Securities Act of 1933, as amended (the "Act"), or an exemption therefrom, and fully understands and agrees that it must bear the economic risk of his purchase for an indefinite period of time because, among other reasons, the Shares have not been registered under the Act or under the securities laws of any state and, therefore, cannot be resold, pledged, assigned or otherwise disposed of unless they are subsequently registered under the Act and under the Applicable securities laws of such states or an exemption from such registration is available. It also understands that the Company is under no obligation to register the Shares on its behalf or to assist him in complying with any exemption from registration under the Act. It further understands that any certificate evidencing the Shares will bear a legend restricting the transfer thereof consistent with the foregoing and that a notation may be made in the records of the Company restricting the transfer of any Shares in a manner consistent with the foregoing.

3. Stockholder Awareness. The Stockholder acknowledges that it is aware that:

- (a) No federal or state agency has passed upon the Shares or made any finding or determination as to the fairness of this investment;
- (b) There are substantial risks of loss of investment incident to an investment in the Shares and such an investment is highly speculative;
- (c) The Company is only recently organized, has not conducted any substantial business to date and does not have any substantial working capital or financial resources. The business in which the Company proposes to engage is highly competitive and success in the Company's business may depend on, among other things, the Company's ability to obtain financing, to complete product development, to attract qualified employees and to obtain patent protection and governmental approvals, market acceptance of products and numerous other factors over which the Company does not have control.

4. Restrictions on Transfer: Right of First Refusal.

4.1 Company's Purchase Option. Stockholder shall not sell, transfer, pledge, hypothecate or otherwise dispose of any Shares which are transferred hereunder without first complying with the terms of this Section 4.

4.2 Right of First Refusal. Before any of the Shares registered in the name of Stockholder may be sold or transferred (including transfer by operation of law), except as permitted in Section 5, such Shares shall be offered to the Company and to

Domecq Technology Investments, Inc. and E.J. Financial Enterprises, Inc., the "Initial Investors", in accordance with the terms set out herein.

- (a) Stockholder shall deliver a notice ("Notice") to the Company and to the Initial Investors stating (i) his bona fide intention to sell or transfer such Shares, (ii) the number of such shares to be sold or transferred, (iii) the price for which it proposes to sell or transfer such Shares, (iv) the name of the proposed purchaser or transferee; and (v) a true and correct copy of a written contract for purchase of such shares signed by the proposed purchaser.
- (b) Within ninety (90) days after receipt of the Notice, the company and/or the Initial Investors may elect to purchase some or all of the Shares to which the Notice refers, at the price per share specified in the Notice. The closing for such purchase by the Company and/or the Initial Investors shall occur, unless otherwise agreed by the Company, the Investors electing to purchase Shares, and the Stockholder, no later than thirty (30) days after the election by the Company and/or the Initial Investors to purchase same. In the event that the number of Shares which the Company and the Initial Investors desire to purchase exceeds the number of Shares proposed for sale by Stockholder in the Notice, then in such instance the Company shall have full preference to acquire such Shares to the exclusion of the Initial Investors, and, to the extent that there are Shares still available for purchase by the Initial Investors, the Initial Investors desiring to purchase Shares shall be entitled to purchase the remaining amount thereof on a pro rata basis based upon the number of shares of Common Stock and Preferred Stock, or securities convertible into shares of Common Stock and Preferred Stock, then held by each of them so electing to purchase bears to the total number of shares of Common Stock and Preferred Stock, or securities convertible into shares of Common Stock and Preferred Stock, held by all Initial Investors desiring to acquire Shares, on a fully diluted as if converted to Common Stock basis.
- (c) If all of the Shares to which the Notice refers are not purchased by the Company and the Initial Investors, as provided in Section 4.2 (ii) hereof, Stockholder may sell such Shares which the Company and the Initial Investors elected not to purchase to any person or persons named in the Notice at the price specified in the Notice or at a higher price, provided that such sale or transfer is consummated within 120 days of the date of said Notice to the Company and the Initial Investors, and provided,

further, that any such sale is in accordance with all the terms and conditions hereof.

- (d) Upon the closing of a firm commitment public offering pursuant to an effective registration statement filed by the Company under the Securities Act of 1933, as amended (the "Act"), covering the offering and sale of shares of Common Stock for the account of the Company in which the aggregate gross proceeds received by the Company equal or exceed ten million dollars (\$10,000,000) and in which the public offering price per share equals or exceeds \$5.00 per share, the ninety (90) day period specified in Section 4.2(ii) above shall be reduced to a thirty (30) day period; and the requirements to identify the name of the proposed purchaser and the proposed price together with a copy of the sale contract shall be inapplicable if the Stockholder proposed to sell the Shares in an over-the-counter sale or on a national or regional exchange transaction. In such instance, any such sale to the Company and/or the Initial Investors shall be at the average closing price of the Company's Common Stock on the date of notice of election to purchase such shares by the Company and/or the Initial Investors, or if that date is not a business day then the last date the exchange was open before such notice. The average closing price is defined as the last closing price on the exchange where the Common Stock is listed for trading or if there was no closing price on such date then the average of the bid and ask prices on that date.

4.3 Standoff Agreement. Stockholder agrees, in connection with each of the Company's public offerings of his equity securities, and upon request of the Company or the underwriters managing such offering, not to sell, make any short sale of, loan, grant any option for the purchase of or otherwise dispose of any of the Shares (other than those included in the registration, if any) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time from the effective date of such registration as may be requested by the Company or such underwriters. Further, Stockholder agrees that at any time when the Company is negotiating or has in effect with another party a license or sublicense agreement, marketing or distribution agreement, an agreement for sale or issue of company equity or debt instruments, or any other agreement relating to the Company's intellectual property, products or financing, Stockholder will not offer to or negotiate with such third party concerning Stockholder's personal services, knowledge or expertise, or any other technology, information, or product, or any Company stock, owned, possessed, or claimed by Stockholder, without the Company's prior written consent.

4.4 Other Restrictions on Transfer. The Company shall not be required (i) to transfer on its books any of the Shares which shall have been sold or transferred in violation of any of the provisions set forth in this Agreement, or (ii) to treat as owner of such Shares or to accord the right to vote as such owner or to pay dividends to any transferee to whom such Shares shall have been so transferred.

5. Exempt Transactions. The prohibition in Section 4 against the sale of the Shares shall not apply to the exchange of Shares pursuant to a plan of merger, consolidation, recapitalization, reorganization, or sale of the Company, in which the Company is the surviving entity, but any stock or securities received in exchange therefor shall also become subject to this Agreement.

6. Assignment. The Company may assign this Agreement or any of its rights and obligations hereunder. The Stockholder may not assign this Agreement or any of his rights and obligations hereunder. All covenants and agreements of, and benefits for, the Initial Investors contained in this Agreement shall inure to the benefit of their respective successors and assigns and be binding on the Company and its successors and on the Stockholder and his successors and assigns. All such covenants and agreements are fully assignable by the Initial Investors, provided, however, that any assignment of any of its rights under this Agreement by any Initial Investor (other than to partners of such Initial Investor or successors of such Initial Investor or such partners by operation of law) shall be made only in connection with the sale or other transfer of all or any portion of the Preferred Stock, Common Stock, convertible notes, warrants, options or other securities of the Company which are exchangeable or convertible into shares of Common Stock or preferred Stock of the Company held by such Initial Investor and such assignee or transferee shall execute this Agreement.

7. Stock Adjustments.

7.1 If, from time to time during the term of this Agreement (i) there is any stock dividend or liquidating dividend of cash or property, stock split or other change in the character or amount of any of the outstanding common stock of the Company, or (ii) there is any transaction involving the consolidation, merger or sale of all, or substantially all, of the assets of the Company, then, in such event, any and all new, substituted or additional securities or other property to which the Stockholder is entitled by reason of his ownership of the Shares shall be immediately subject to right of first refusal provided to the Company and the Initial Investors as described in Section 4 hereof and all Shares acquired by Stockholder hereunder shall be treated on the same basis as all other outstanding shares of Common Stock of the Company so that Stockholder's Shares shall not be diluted by any such event any differently than any other holder of Common Stock of the Company.

7.2 One-half of the shares initially subject to this agreement (this one-half being 50,000 shares) shall not be subject to dilution by any transaction of the type described in paragraph 7.1 or otherwise until the earliest of the following occurs, if ever: (1) the day immediately preceding issuance or sale of an initial public offering of securities by the Company; or (2) registration of the Company's common stock (or part thereof) with the United States Securities Exchange Commission. Further, if at any time prior to an initial public offering or registration of the Company's securities, (i) more than 80% of the equity securities of the Company are issued or transferred to shareholders other than Texas Biomedical Development Partners (or its present partners), Stockholder, or University of Texas M.D. Anderson Cancer Center; or (ii) substantially all of the Company's rights under the License Agreement are sublicensed by the Company, then the Company shall issue additional equity securities in order to bring Stockholders's equity security holdings up to twelve and one-half percent (12.5%) of all issued and outstanding equity securities of the Company.

8. Legends. All certificates representing any of the Shares subject to the provisions of this Agreement shall have endorsed thereon a legend substantially as follows:

"ANY DISPOSITION, GRANT OR OTHER TRANSFER OF ANY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO CERTAIN RESTRICTIONS, AND THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A RIGHT OF FIRST REFUSAL, CONTAINED IN A CERTAIN AGREEMENT BY THE RECORD HOLDER HEREOF AND THE CORPORATION, A COPY OF WHICH WILL BE MAILED TO ANY HOLDER OF THIS CERTIFICATE WITHOUT CHARGE AFTER RECEIPT BY THE CORPORATION OF A WRITTEN REQUEST THEREFOR."

Such certificates may have such other legends as are necessary, in the opinion of the Company's legal counsel, to effectuate the provisions of this Agreement.

Upon presentation to the Company or any authorized transfer agent, the certificates representing the Shares or any appropriate portion thereof shall be exchanged for certificates not bearing such legend if the certificates are presented after the termination of this Agreement.

9. Rights as a Stockholder: Voting Agreement. Subject to the provisions of Section 4 above, the Stockholder shall, during the term of this Agreement, exercise all rights and privileges of a stockholder of the Company with respect to the Shares, including the rights to vote such Shares at any stockholder meeting. Notwithstanding anything herein to the contrary, Stockholder hereby agrees that it will, for a ninety-day period following the issuance of the Shares or until the closing of financing by the Company in an amount at least equal to \$10,000,000, whichever comes later,

vote such Shares, at any stockholder meeting, in person, by proxy, by written consent, or otherwise, for the directors nominated for election to the Board of Directors of the Company by David G. Nance or his designee, and no others, and, in any other matter coming before the stockholders of the Company, in accordance with the directive of David G. Nance or his designee.

In order to secure the obligation to vote in accordance with the provisions hereof, the Stockholder hereby appoints David G. Nance as his true and lawful proxy and attorney, with full power of substitution, to vote all of his Shares for the matters specified hereinabove. The irrevocable proxy granted by the Stockholder may be exercised at any time Stockholder fails to comply with the terms of this Section 9. The proxy and power granted by the Stockholder pursuant to this section are coupled with an interest and are given to secure the duties of the Stockholder pursuant hereto. Such proxy will be irrevocable and will survive the death, incompetency, and disability of Stockholder, provided that it shall terminate upon the expiration of ninety days following the issuance of the Shares, or upon closing of financing by the Company of at least \$10,000,000, whichever comes later.

Stockholder hereby consents to the placement of an appropriate legend evidencing the voting restrictions provided for in this Agreement, on the certificates representing the Shares and any certificates issued in replacement or exchange therefor, and Stockholder will take all actions reasonably requested by the Company to effect such placement.

10. Technical Know-How and Expertise. Stockholder understands and agrees that the Company is making substantial capital expenditures for the acquisition, development and commercialization of the technology licensed under the Patent and Technology License Agreement referred to above; and that Stockholders' technical know-how, expertise and assistance is important to the Company. A portion of the consideration given by the Company under the Patent and Technology License Agreement and under this Agreement is given in exchange for Stockholder's agreement to assist the Company in developing and commercializing the technology, including improving upon the technology and possibly obtaining additional patents, as well as extensions and continuations of the patent already applied for or obtained. Stockholder agrees to provide his technical knowledge and expertise relevant to the licensed subject matter to the Company, to serve as Chairman of the Company's Board of Scientific Advisors, if the Company appoints such a board, and to act in good faith as a fiduciary and use his best efforts to promote successful development and commercialization of the licensed subject matter by the Company for as long as any patent is in effect with respect to the licensed subject matter, or for ten (10) years from the date hereof, whichever is later.

11. Confidentiality. Stockholder understands and agrees that in connection with development and commercialization of the technology, the Company will from time to time provide the Stockholder with confidential information, including, but not limited to, scientific and technical information regarding the licensed technology, new discoveries and improvements upon the licensed technology, procedures, methods, protocols, software, devices, specifications, data, know-how, patents, process descriptions, experimental techniques, designs of products and things, product samples, trade secrets, business plans, financial data, and other confidential information (all of which is hereinafter referred to as the "Confidential Information"). Stockholder agrees to maintain the confidentiality of all Confidential Information and that Stockholder will not disclose any Confidential Information to any third party nor use it other than as prescribed in written agreements between Stockholder and the Company, except as the Company may otherwise authorize in writing, and under the terms and conditions of such written authorization. Stockholder agrees to safeguard all documents containing Confidential Information. Stockholder may make copies of such documents only to the extent necessary for performance of his obligations as prescribed in written agreements between the Company and Stockholder. Stockholder shall prevent access to all such documents be third parties. On completion of its obligations to the Company, Stockholder agrees to return to the Company all such documents containing Confidential Information. However, should Stockholder desire to retain such documents and receives the Company's written approval therefor, Stockholder shall continue to treat the retained documents in accordance with the terms of this Agreement.

The Company and the Stockholder agree that, the above definitions notwithstanding, the following shall not constitute "Confidential Information":

- (a) Information which, after disclosure or acquisition hereunder, lawfully enters the public domain, except where such entry is the result of Stockholder's breach of this Agreement.
- (b) Information, other than that obtained from third parties, which, prior to disclosure or acquisition hereunder, was already lawfully in stockholder's possession either without limitation on disclosure to others or which subsequently becomes free of such limitation.
- (c) Information obtained by Stockholder from a third party who is lawfully in possession of such information and not subject to a contractual or fiduciary relationship with Stockholder or any of his affiliates with respect to such information. Stockholder may use and disclose such

information in accordance with the terms under which it was provided by such third party.

- (d) Information which Stockholder can establish by direct evidence was independently developed by Stockholder.
- (e) Information shall not be deemed to be within the foregoing categories merely because such information is embraced by more general information lawfully in the public domain or in Stockholder's possession. In addition, any combination of features shall not be deemed to be within the foregoing categories merely because individual features lawfully are in the public domain or in Stockholder's possession.

12. Non-Competition Agreement. As described above, Stockholder's technical expertise, knowledge and experience are important to the development and commercialization of the technology and of material value to the Company. Similarly, Stockholder's agreement to refrain from competing or assisting others in competition with the Company's development and commercialization of the licensed technology is of material value to the Company. Therefore, Stockholder covenants and agrees that until the later of expiration of all patents obtained in connection with the subject matter described in the Patent and Technology License Agreement, or ten years from the effective date hereof, Stockholder will not, anywhere in the world, engage in any activity which directly or indirectly is competitive with the Company's development and commercialization of the licensed subject matter, or assist others in competition with the Company's development and commercialization of the licensed subject matter. Stockholder agrees that a material portion of the consideration given by the Company under this Agreement is given in consideration of this covenant against competition.

13. Termination. Except as may be otherwise provided herein, this Agreement shall terminate on the 91st calendar day immediately succeeding the third anniversary of the public offering referenced in Section 4.2, or ten (10) years from the date hereof, whichever first occurs. Without limitation, it is expressly understood that the covenants of paragraphs 10, 11 and 12 shall survive termination of the remaining provisions of this Agreement.

14. Miscellaneous.

14.1 Notice. For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Company:

Intron Therapeutics, Inc.
C/O Mr. David G. Nance
301 Congress Avenue, Suite 2025
Austin, Texas 78701

With a copy to:

Mr. Rodney Varner
Wilson & Varner, L.L.P.
Attorneys at Law
301 Congress Avenue, Suite 2025
Austin, Texas 78701

If to the Stockholder, at the address identified on the signature page hereof, and if to an Initial Investor, at the address identified on the records of the Company hereto, or to such other address as either party or an Initial Investor may furnish to the other in writing in accordance herewith, except that notices of change on address shall be effective only upon receipt.

14.2 Applicable Law. The substantive laws of the State of Texas, excluding any law, rule or principle which might refer to the substantive law of another jurisdiction, will govern the interpretation, validity and effect of this Agreement without regard to the place of execution or the place for performance thereof. This Agreement is to be at least partially performed in Travis County, Texas, and, as such, the Company and the Stockholder agree that personal jurisdiction and venue shall proper with the state or federal courts situated in Travis County, Texas, to hear such disputes arising under this agreement.

14.3 No Waiver. No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

14.4 Severability. If a court of competent jurisdiction determines that any provision of this Agreement, including any appendices attached hereto, is invalid or unenforceable, then the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect. Further, such provision shall be reformed and construed to the extent permitted by law so that it may be valid, legal and enforceable to the maximum extent possible.

14.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original,

but all of which together will constitute one and the same Agreement.

14.6 Headings. This section headings have been inserted for purposes of convenience and shall not be used for interpretive purposes.

14.7 Successors: Third Party Beneficiary. This Agreement shall inure to the benefit of the successors and assigns of the Company and the Initial Investors and be binding upon the Stockholder and his successors and assigns. The Stockholder agrees that any and all Initial Investors in the Company shall be treated as third party beneficiaries of this Agreement without the necessity of execution of this Agreement, and shall be entitled to all of the rights rendered to them herein.

14.8 Entire Agreement. This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, and representations, warranties and agreements between the parties with respect to the subject matter hereof. Each party to this Agreement acknowledges that no representation, inducement, promise or agreement, oral or written, with regard to the subject matter hereof, has been made by either party, or by anyone acting on behalf of either party, which is not embodied herein, and that no agreement, statement or promise relating to the subject matter hereof which is not contained in this Agreement or in such other agreements shall be valid and binding.

14.9 Amendments. No amendment or modification to this Agreement will be effective unless it is in writing and signed by the Company, the Stockholder and, if such amendment alters or amends any of the rights of the Initial Investors, then by the Initial Investors.

14.10 Indemnity. To the extent permitted by the Constitution and law of the State of Texas, the Stockholder agrees to indemnify and hold harmless the Company and any person, if any, who controls the Company or such successors within the meaning of Section 15 of the Act against any and all loss, claim, damage and expense whatsoever (including, but not limited to, any and all expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon any false representation or warranty or breach or failure by the Stockholder to comply with any covenant or agreement made by the Stockholder herein or in any other document furnished by the Stockholder in connection with this transaction.

14.11 Injunctive Relief. In view of the inadequacy of money damages, and in view of the fact that the stock of the Company cannot be readily purchased or sold in the general market, if the

Stockholder or any other person shall fail to comply with any provisions of this Agreement, the Company shall be entitled, to the extent permissible by law, to injunctive relief in the case of the violation, or attempted or threatened violation, by Stockholder or other person, of any such provision, or to a decree compelling specific performance by the Stockholder or other person, of any such provision, or to any other remedies legally available.

14.12 Void Transfers. If any Stock shall be sold or transferred otherwise than in accordance with the terms and conditions of this Agreement, such sale shall be void. Any such attempted sale or other transfer shall create a right in the Company to purchase the Stock which is the subject of such purported transfer at the applicable purchase price specified herein. Such right shall constitute an "adverse claim" within the meaning of such term as used within the meaning of the Uniform Commercial Code of any State. In addition to and without prejudice to, any and all other rights or remedies which may be available to the Company, the Stockholder agrees that the Company may, but shall have no obligation to, hold and refuse to transfer any Stock, or any certificate thereof, tendered to it for transfer if the transfer violates the provisions of the Agreement.

14.13 Tax Representations. The Stockholder acknowledges that the Company has made no warranties or other representations to Stockholder with respect to the income tax consequences of the transactions contemplated by this Agreement and Stockholder is in no manner relying on the Company or its representatives for an account of such tax consequences.

14.14 Further Assurances. The parties agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the day and year first above written.

INTRON THERAPEUTICS, INC.

By _____
Title _____

Jack A. Roth, M.D.

Address:

ATTACHMENT A

Patent and technology rights for U.S. and Foreign Patent Application entitled:

- **"Methods and Compositions for the Selective Inhibition of Gene Expression"**
Inventors: Jack A. Roth, M.D. et. al.
 - **Australia Serial No. 15704/92, filed March 6, 1992; Canada Serial No. 2108144, filed March 6, 1992; European Serial No. 92908663.5, filed March 6, 1992, (MDA Ref: UTSC:171); and**
 - **"Methods and Compositions for Retroviral Vector Mediated Transduction" Continuation-in-part U.S. Serial No. 960513, filed October 13, 1992, (MDA Ref: UTSC:295); and**
 - **"Methods and Compositions for the Selective Inhibition of Gene Expression" Continuation U.S. Serial No. 987235, filed December 7, 1992, (MDA Ref: UTSC:328); and**
 - **"Recombinant p53 Adenovirus Methods and Compositions" Continuation-in-part U.S. Serial No. 145826, October 29, 1993, (MDA Ref: UTSC:350); and**
 - **"An Adenoviral Supravector System" Continuation-in-part patent has not been filed yet (MDA Ref: UTSC:382)**

STOCKHOLDER AGREEMENT

This Stockholder Agreement (this "Agreement") dated _____, 1994, is entered into by and between INTRON THERAPEUTICS, INC. (the "Company") and THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER ("Stockholder").

WHEREAS, the Company desires to issue certain shares of common stock, \$.01 par value, of the Company (the "Common Stock") to the Stockholder; and

WHEREAS, the Stockholder desires to acquire certain shares of Common Stock from the Company; and

WHEREAS, the Stockholder and the Company desire that the Stockholder grant to the Company, and under certain circumstances to holders of the Company's Preferred Stock or other securities issued by the Company to investors (the "Initial Investors"), options to repurchase certain shares of Common Stock purchased by the Stockholder on the terms and conditions set forth;

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained herein, the parties agree as follows:

1. Issuance of Shares.

1.1 Purchase and Sale of Shares. Subject to the terms and conditions of this Agreement and in consideration of the execution of the Patent and Technology License Agreement (the "License Agreement") between the Company and Stockholder dated the date hereof relating to certain patent applications and technology owned by Stockholder and invented by Jack A. Roth, M.D., the Company agrees to issue to the Stockholder one hundred thousand (100,000) shares of Common Stock (the "Shares").

1.2 Closing. Closing hereunder (the "Closing") is conditioned upon and shall occur within fifteen days after approval of the aforementioned Patent and Technology License Agreement by the Board of Regents of The University of Texas System, or at such other date and time as the parties may agree. At the Closing, the Company shall deliver to Stockholder a certificate or certificates representing the number of Shares as set forth in Section 1.1 hereof, in the name of the Stockholder.

2. Representations and Warranties. To induce the Company to deliver the Shares to the Stockholder, the Stockholder represents and warrants to the Company:

- (a) The Stockholder is acquiring the Shares for its own account as principal, for investment purposes only, and not with a view to, or for, resale or distribution, and no other person or entity has a direct or indirect beneficial interest in the Shares;
- (b) The Stockholder has not offered any of the Shares for resale and has no present intention of dividing its interest with others or of reselling or otherwise disposing of any of the Shares;
- (c) Any information the Stockholder has furnished to the Company with respect to the Stockholder's status as a sophisticated or accredited investor, its business experience or financial position is correct;
- (d) The financial capacity of the Stockholder is such that the investment in the Shares is not material to its total financial capacity; the Stockholder has the financial ability to bear the economic risk of its investment, has adequate means for providing for its current needs and personal contingencies and has no need for liquidity with respect to its investment in the Shares;
- (e) The Stockholder considers itself to be a sophisticated investor and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the prospective investment in the Shares;
- (f) The Stockholder has been furnished with all information concerning the Shares and the Company that it desires;
- (g) The Stockholder has been given the opportunity to ask questions of, and receive answers from, the Company with respect to the Shares, concerning the terms and conditions of the offering and other matters pertaining to this investment, and has been given the opportunity to obtain such additional information necessary to verify the accuracy of the information provided to him by the Company in order for him to evaluate the merits and risks of investment in the Shares to the extent that the Company possessed such information or could acquire it without unreasonable effort or expense; and

- (h) The Stockholder is not relying on the Company with respect to any economic considerations of the Stockholder related to this investment. In regard to the economic considerations related to this investment, the Stockholder has relied on the advice of, or has consulted with, only its own advisors.

The Stockholder further represents, warrants and agrees that it will not sell or otherwise transfer the Shares without registration under the Securities Act of 1933, as amended (the "Act"), or an exemption therefrom, and fully understands and agrees that it must bear the economic risk of its purchase for an indefinite period of time because, among other reasons, the Shares have not been registered under the Act or under the securities laws of any state and, therefore, cannot be resold, pledged, assigned or otherwise disposed of unless they are subsequently registered under the Act and under the Applicable securities laws of such states or an exemption from such registration is available. It also understands that the Company is under no obligation to register the Shares on its behalf or to assist him in complying with any exemption from registration under the Act. It further understands that any certificate evidencing the Shares will bear a legend restricting the transfer thereof consistent with the foregoing and that a notation may be made in the records of the Company restricting the transfer of any Shares in a manner consistent with the foregoing.

3. Stockholder Awareness. The Stockholder acknowledges that it is aware that:

- (a) No federal or state agency has passed upon the Shares or made any finding or determination as to the fairness of this investment;
- (b) There are substantial risks of loss of investment incident to an investment in the Shares and such an investment is highly speculative;
- (c) The Company is only recently organized, has not conducted any substantial business to date and does not have any substantial working capital or financial resources. The business in which the Company proposes to engage is highly competitive and success in the Company's business may depend on, among other things, the Company's ability to obtain financing, to complete product development, to attract qualified employees and to obtain patent protection and governmental approvals, market acceptance of products and numerous other factors over which the Company does not have control.

4. Restrictions on Transfer: Right of First Refusal.

4.1 Company's Purchase Option. Stockholder shall not sell, transfer, pledge, hypothecate or otherwise dispose of any Shares which are transferred hereunder without first complying with the terms of this Section 4.

4.2 Right of First Refusal. Before any of the Shares registered in the name of Stockholder may be sold or transferred (including transfer by operation of law), except as permitted in Section 5, such Shares shall be offered to the Company and to Domecq Technology Investments, Inc. and E. J. Financial Enterprises, Inc., the "Initial Investors", in accordance with the terms set out herein.

- (a) Stockholder shall deliver a notice ("Notice") to the Company and to the Initial Investors stating (i) its bona fide intention to sell or transfer such Shares, (ii) the number of such shares to be sold or transferred, (iii) the price for which it proposes to sell or transfer such Shares, and (iv) the name of the proposed purchaser or transferee; and (v) a true and correct copy of a written contract for purchase of such shares signed by the proposed purchaser.
- (b) Within ninety (90) days after receipt of the Notice, the Company and/or the Initial Investors may elect to purchase some or all of the Shares to which the Notice refers, at the price per share specified in the Notice. The closing for such purchase by the Company and/or the Initial Investors shall occur, unless otherwise agreed by the Company, the Investors electing to purchase Shares, and the Stockholder, no later than thirty (30) days after the election by the Company and/or the Initial Investors to purchase same. In the event that the number of Shares which the Company and the Initial Investors desire to purchase exceeds the number of Shares proposed for sale by Stockholder in the Notice, then in such instance the Company shall have full preference to acquire such Shares to the exclusion of the Initial Investors, and, to the extent that there are Shares still available for purchase by the Initial Investors, the Initial Investors desiring to purchase Shares shall be entitled to purchase the remaining amount thereof on a pro rata basis based upon the number of shares of Common Stock and Preferred Stock, or securities convertible into shares of Common Stock and Preferred Stock, then held by each of them so electing to purchase bears to the total number of

shares of Common Stock and Preferred Stock, or securities convertible into shares of Common Stock and Preferred Stock, held by all Initial Investors desiring to acquire Shares, on a fully diluted as if converted to Common Stock basis.

- (c) If all of the Shares to which the Notice refers are not purchased by the Company and the Initial Investors, as provided in Section 4.2 (ii) hereof, Stockholder may sell such Shares which the Company and the Initial Investors elected not to purchase to any person or persons named in the Notice at the price specified in the Notice or at a higher price, provided that such sale or transfer is consummated within 120 days of the date of said Notice to the Company and the Initial Investors, and provided, further, that any such sale is in accordance with all the terms and conditions hereof.
- (d) Upon the closing of a firm commitment public offering pursuant to an effective registration statement filed by the Company under the Securities Act of 1933, as amended (the "Act"), covering the offering and sale of shares of Common Stock for the account of the Company in which the aggregate gross proceeds received by the Company equal or exceed ten million dollars (\$10,000,000) and in which the public offering price per share equals or excess \$5.00 per share, the ninety (90) day period specified in Section 4.2 (ii) above shall be reduced to a thirty (30) day period; and the requirements to identify the name of the proposed purchaser and the proposed price together with a copy of the sale contract shall be inapplicable if the Stockholder proposed to sell the Shares in an over-the-counter sale or on a national or regional exchange transaction. In such instance, any such sale to the Company and/or the Initial Investors shall be at the average closing price of the Company's Common Stock on the date of notice of election to purchase such shares by the Company and/or the Initial Investors, or if that date is not a business day then the last date the exchange was open before such notice. The average closing price is defined as the last closing price on the exchange where the Common Stock is listed for trading or if there was no closing price on such date then the average of the bid and ask prices on that date.

4.3 Standoff Agreement. Stockholder agrees, in connection with each of the Company's public offerings of its equity securities, and upon request of the Company or the underwriters managing such offering, not to sell, make any short sale of, loan, grant any option for the purchase of or otherwise dispose of any of the Shares (other than those included in the registration, if any) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time from the effective date of such registration as may be requested by the Company or such underwriters.

4.4 Other Restrictions on Transfer. The Company shall not be required (i) to transfer on its books any of the Shares which shall have been sold or transferred in violation of any of the provisions set forth in this Agreement, or (ii) to treat as owner of such Shares or to accord the right to vote as such owner or to pay dividends to any transferee to whom such Shares shall have been so transferred.

5. Exempt Transactions. The prohibition in Section 4 against the sale of the Shares shall not apply to the exchange of Shares pursuant to a plan of merger, consolidation, recapitalization, reorganization, or sale of the Company, in which the Company is the surviving entity, but any stock or securities received in exchange therefor shall also become subject to this Agreement.

6. Assignment. The Company may assign this Agreement or any of its rights and obligations hereunder. The Stockholder may not assign this Agreement or any of its rights and obligations hereunder. All covenants and agreements of, and benefits for, the Initial Investors contained in this Agreement shall inure to the benefit of their respective successors and assigns and be binding on the Company and its successors and on the Stockholder and its successors and assigns. All such covenants and agreements are fully assignable by the Initial Investors, provided, however, that any assignment of any of its rights under this Agreement by any Initial Investor (other than to partners of such Initial Investor or successors of such Initial Investor or such partners by operation of law) shall be made only in connection with the sale or other transfer of all or any portion of the Preferred Stock, Common Stock, convertible notes, warrants, options or other securities of the Company which are exchangeable or convertible into shares of Common Stock or preferred Stock of the Company held by such Initial Investor and such assignee or transferee shall execute this Agreement.

7. Stock Adjustments.

7.1 If, from time to time during the term of this Agreement (i) there is any stock dividend or liquidating dividend of cash or property, stock split or other change in the character or amount of any of the outstanding common stock of the Company, or (ii) there is any transaction involving the consolidation, merger or sale of all, or substantially all, of the assets of the Company, then, in such event, any and all new, substituted or additional securities or other property to which the Stockholder is entitled by reason of its ownership of the Shares shall be immediately subject to right of first refusal provided to the Company and the Initial Investors as described in Section 4 hereof and all Shares acquired by Stockholder hereunder shall be treated on the same basis as all other outstanding shares of Common Stock of the Company so that Stockholder's Shares shall not be diluted by any such event any differently than any other holder of Common Stock of the Company.

7.2 One-half of the shares initially subject to this agreement (this one-half being 50,000 shares) shall not be subject to dilution by any transaction of the type described in paragraph 7.1 or otherwise until the earliest of the following occurs, if ever: (1) the day immediately preceding issuance or sale of an initial public offering of securities by the Company; or (2) registration of the Company's common stock (or part thereof) with the United States Securities Exchange Commission. Further, if at any time prior to an initial public offering or registration of the Company's securities, (i) more than 80% of the equity securities of the Company are issued or transferred to shareholders other than Texas Biomedical Development Partners (or its present partners) Stockholder or Jack A. Roth, M.D., or (ii) substantially all of the Company's rights under the License Agreement are sublicensed by the Company, then the Company shall issue additional equity securities in order to bring Shareholder's equity security holdings up to twelve and one-half percent (12.5%) of all issued and outstanding equity securities of the Company.

8. Legends. All certificates representing any of the Shares subject to the provisions of this Agreement shall have endorsed thereon a legend substantially as follows:

"ANY DISPOSITION, GRANT OR OTHER TRANSFER OF ANY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO CERTAIN RESTRICTIONS, AND THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A RIGHT OF FIRST REFUSAL, CONTAINED IN A CERTAIN AGREEMENT BY THE RECORD HOLDER HEREOF AND THE CORPORATION, A COPY OF WHICH WILL BE MAILED TO

ANY HOLDER OF THIS CERTIFICATE WITHOUT CHARGE AFTER RECEIPT BY THE CORPORATION OF A WRITTEN REQUEST THEREFOR."

Such certificates may have such other legends as are necessary, in the opinion of the Company's legal counsel, to effectuate the provisions of this Agreement.

Upon presentation to the Company or any authorized transfer agent, the certificates representing the Shares or any appropriate portion thereof shall be exchanged for certificates not bearing such legend if the certificates are presented after the termination of this Agreement.

9. Rights as a Stockholder: Voting Agreement. Subject to the provisions of Section 4 above, the Stockholder shall, during the term of this Agreement, exercise all rights and privileges of a stockholder of the Company with respect to the Shares, including the rights to vote such Shares at any stockholder meeting. Notwithstanding anything herein to the contrary, Stockholder hereby agrees that it will, for a ninety-day period following the issuance of the Shares or until the closing of financing by the Company in an amount at least equal to \$10,000,000, whichever comes later, vote such Shares, at any stockholder meeting, in person, by proxy, by written consent, or otherwise, for the directors nominated for election to the Board of Directors of the Company by David G. Nance or his designee, and no others, and, in any other matter coming before the stockholders of the Company, in accordance with the directive of David G. Nance or his designee.

In order to secure the obligation to vote in accordance with the provisions hereof, the Stockholder hereby appoints David G. Nance as its true and lawful proxy and attorney, with full power of substitution, to vote all of its Shares for the matters specified hereinabove. The irrevocable proxy granted by the Stockholder may be exercised at any time Stockholder fails to comply with the terms of this Section 9. The proxy and power granted by the Stockholder pursuant to this section are coupled with an interest and are given to secure the duties of the Stockholder pursuant hereto. Such proxy will be irrevocable and will survive the death, incompetency, and disability of Stockholder, provided that it shall terminate upon the expiration of ninety days following the issuance of the Shares, or upon closing of financing by the Company of at least \$10,000,000, whichever comes later.

Stockholder hereby consents to the placement of an appropriate legend evidencing the voting restrictions provided for in this Agreement, on the certificates representing the Shares and any certificates issued in replacement or exchange

therefor, and Stockholder will take all actions reasonably requested by the Company to effect such placement.

10. Termination. This Agreement shall terminate on the 91st calendar day immediately succeeding the third anniversary of the initial public offering referenced in Section 4.2, or ten years from the date hereof, whichever first occurs.

11. Miscellaneous.

11.1 Notice. For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Company:

Intron Therapeutics, Inc.
C/O Mr. David G. Nance
301 Congress Avenue, Suite 2025
Austin, Texas 78701

With a copy to:

Mr. Rodney Varner
Attorney
301 Congress Avenue, Suite 2025
Austin, Texas 78701

If to the Stockholder, at the address identified on the signature page hereof, and if to an Initial Investor, at the address identified on the records of the Company hereto, or to such other address as either party or an Initial Investor may furnish to the other in writing in accordance herewith, except that notices of change on address shall be effective only upon receipt.

11.2 Applicable Law. The substantive laws of the State of Texas, excluding any law, rule or principle which might refer to the substantive law of another jurisdiction, will govern the interpretation, validity and effect of this Agreement without regard to the place of execution or the place for performance thereof. This Agreement is to be at least partially performed in Travis County, Texas, and, as such, the Company and the Stockholder agree that personal jurisdiction and venue shall proper with the state or federal courts situated in Travis County, Texas, to hear such disputes arising under this agreement.

11.3 No Waiver. No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

11.4 Severability. If a court of competent jurisdiction determines that any provision of this Agreement, including any appendices attached hereto, is invalid or unenforceable, then the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect. Further, such provision shall be reformed and construed to the extent permitted by law so that it may be valid, legal and enforceable to the maximum extent possible.

11.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

11.6 Headings. This section headings have been inserted for purposes of convenience and shall not be used for interpretive purposes.

11.7 Successors: Third Party Beneficiary. This Agreement shall inure to the benefit of the successors and assigns of the Company and the Initial Investors and be binding upon the Stockholder and its successors and assigns. The Stockholder agrees that any and all Initial Investors in the Company shall be treated as third party beneficiaries of this Agreement without the necessity of execution of this Agreement, and shall be entitled to all of the rights rendered to them herein.

11.8 Entire Agreement. This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, and representations, warranties and agreements between the parties with respect to the subject matter hereof. Each party to this Agreement acknowledges that no representation, inducement, promise or agreement, oral or written, with regard to the subject matter hereof, has been made by either party, or by anyone acting on behalf of either party, which is not embodied herein, and that no agreement, statement or promise relating to the subject matter hereof which is not contained in this Agreement or in such other agreements shall be valid and binding.

11.9 Amendments. No amendment or modification to this Agreement will be effective unless it is in writing and signed by the Company, the Stockholder and, if such amendment alters or amends any of the rights of the Initial Investors, by Initial Investors.

11.10 Indemnity. To the extent permitted by the Constitution and laws of the State of Texas, the Stockholder agrees to indemnify and hold harmless the Company and any person, if any, who controls the Company or such successors within the meaning of Section 15 of the Act against any and all loss, claim, damage and expense whatsoever (including, but not limited to, any and all expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon any false representation or warranty or breach or failure by the Stockholder to comply with any covenant or agreement made by the Stockholder herein or in any other document furnished by the Stockholder in connection with this transaction.

11.11 Injunctive Relief. In view of the inadequacy of money damages, and in view of the fact that the stock of the Company cannot be readily purchased or sold in the general market, if the Stockholder or any other person shall fail to comply with any provisions of this Agreement, the Company shall be entitled, to the extent permissible by law, to injunctive relief in the case of the violation, or attempted or threatened violation, by Stockholder or other person, of any such provision, or to a decree compelling specific performance by the Stockholder or other person, of any such provision, or to any other remedies legally available.

11.12 Void Transfers. If any Stock shall be sold or transferred otherwise than in accordance with the terms and conditions of this Agreement, such sale shall be void. Any such attempted sale or other transfer shall create a right in the Company to purchase the Stock which is the subject of such purported transfer at the applicable purchase price specified herein. Such right shall constitute an "adverse claim" within the meaning of such term as used within the meaning of the Uniform Commercial Code of any State. In addition to and without prejudice to, any and all other rights or remedies which may be available to the Company, the Stockholder agrees that the Company may, but shall have no obligation to, hold and refuse to transfer any Stock, or any certificate thereof, tendered to it for transfer if the transfer violates the provisions of the Agreement.

11.13 Tax Representations. The Stockholder acknowledges that the Company has made no warranties or other representations to Stockholder with respect to the income tax

consequences of the transactions contemplated by this Agreement and Stockholder is in no manner relying on the Company or its representatives for an account of such tax consequences.

11.14 Further Assurances. The parties agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the day and year first above written.

INTRON THERAPEUTICS, INC.

By: _____
Title: _____

THE UNIVERSITY OF TEXAS
M.D. ANDERSON CANCER CENTER

By: _____
Title: _____

Address: _____

BOARD OF REGENTS OF THE UNIVERSITY
OF TEXAS SYSTEM

By:  _____
Thomas G. Ricks
Vice Chancellor for Asset Management

2. U. T. M.D. Anderson Cancer Center: Recommendation to Approve Patent and Technology License, Stockholder, and Sponsored Research Agreements with RGene Therapeutics, Inc., The Woodlands, Texas; Ratify Assignment and Assumption Agreement Between Argus Pharmaceuticals, Inc. and RGene Therapeutics, Inc.; Request for Approval to Accept Stock; and Request for Individual to Serve on the Board of Directors.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that the U. T. Board of Regents:

- a. Approve the Patent and Technology License Agreement, Stockholder Agreement, and Sponsored Research Agreement between the U. T. M.D. Anderson Cancer Center and RGene Therapeutics, Inc., The Woodlands, Texas, as set out on Pages AMC 89 - 151
- b. Ratify the Assignment and Assumption Agreement between Argus Pharmaceuticals, Inc. and RGene Therapeutics, Inc. as set out on Pages AMC 152 - 153
- c. Approve the acceptance by U. T. M.D. Anderson Cancer Center of stock in RGene Therapeutics, Inc.
- d. Approve the acceptance by Mien-Chie Hung, M.D., Ph.D., at the U. T. M.D. Anderson Cancer Center of stock in RGene Therapeutics, Inc.
- e. Approve the acceptance by Gabriel Lopez-Berestein, M.D., Ph.D., at the U. T. M.D. Anderson Cancer Center of stock and service as a director on RGene Therapeutics, Inc.'s board of directors.

BACKGROUND INFORMATION

RGene Therapeutics, Inc. (RGene) is a Delaware corporation with principal offices in The Woodlands, Texas. RGene was formed and funded by The Woodlands Venture Partners, Essex Venture Partners, Triad Ventures, and Argus Pharmaceuticals, Inc. (Argus). Under the Patent and Technology License Agreement (License Agreement), RGene is granted a royalty-bearing, exclusive, worldwide license to make, have made, use or sell products and procedures incorporating methods and compositions for the suppression of Her-2/Neu mediated transformation developed by Dr. Hung, et al., and liposomal antisense methyl phosphonate oligonucleotides and methods for their preparation and use developed by Dr. Lopez-Berestein of the U. T. M.D. Anderson Cancer Center. RGene will pay the U. T. M.D. Anderson Cancer Center royalties equal to four percent (4%) of net sales, thirty percent (30%) of royalties received by RGene from sublicensees, and other royalty considerations. Pursuant to the Sponsored Research Agreement, RGene will provide \$250,000 per year in research funding for two years to support Dr. Lopez-Berestein's research projects.

RGene will issue shares of its common stock as follows: 642,307 shares to the U. T. M.D. Anderson Cancer Center; 571,154 shares to Dr. Hung; and 321,154 shares to Dr. Lopez-Berestein. The Stockholder Agreement places certain restrictions on the disposition of the shares and sets forth the U. T. M.D. Anderson Cancer Center's rights as a shareholder. Dr. Hung will serve as Chief Scientific Advisor to RGene, and Dr. Lopez-Berestein will serve on RGene's board of directors.

Pursuant to an Exclusive License Agreement dated July 1, 1988, the U. T. Board of Regents licensed Argus to commercialize certain inventions developed at the U. T. M.D. Anderson Cancer Center. By virtue of the Assignment and Assumption Agreement between Argus and RGene, Argus has transferred to RGene the right and obligation to develop and market a portion of such inventions, and ratification and approval by the U. T. Board of Regents is necessary for the Assignment and Assumption Agreement to become effective.

The proposed agreements are the type contemplated by Section 51.912, Texas Education Code, and corresponding provisions of the U. T. System Intellectual Property Policy. Pursuant to the Regents' Rules and Regulations, Part Two, Chapter XII, Section 6, U. T. Board of Regents' approval is necessary for U. T. M.D. Anderson Cancer Center's, Dr. Hung's, and Dr. Lopez-Berestein's equity ownership in RGene, and Dr. Lopez-Berestein's service as a director of RGene, concurrent with approval of the proposed License, Stockholder, Sponsored Research, and Assignment and Assumption Agreements.

PATENT AND TECHNOLOGY LICENSE AGREEMENT

THIS AGREEMENT ("AGREEMENT") is made by and between the BOARD OF REGENTS ("BOARD") of THE UNIVERSITY OF TEXAS SYSTEM ("SYSTEM"), an agency of the State of Texas, whose address is 201 West 7th Street, Austin, Texas 78701, THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER ("MDA"), a component Institution of the SYSTEM and RGENE THERAPEUTICS, INC., a corporation having a principal place of business located at The Woodlands, Texas ("LICENSEE").

RECITALS

- A. BOARD owns certain PATENT RIGHTS and TECHNOLOGY RIGHTS related to LICENSED SUBJECT MATTER, which were developed at MDA, a component institution of SYSTEM.
- B. BOARD desires to have the LICENSED SUBJECT MATTER developed and used for the benefit of LICENSEE, the inventor, BOARD, and the public as outlined in the Intellectual Property Policy promulgated by the BOARD.
- C. The LICENSED SUBJECT MATTER is the subject of SPONSORED RESEARCH AGREEMENTS between MDA and LICENSEE, copies of which are attached hereto as Exhibits 1A and 1B for approval by BOARD, although certain LICENSED SUBJECT MATTER was developed with funding from, and is subject to the rights of, the Federal Government.
- D. LICENSEE is a company which was formed to develop and commercially exploit the inventions of LICENSED SUBJECT MATTER, and LICENSEE, therefore, wishes to obtain a license from BOARD to practice LICENSED SUBJECT MATTER.
- E. A copy of an executed Stock Purchase Agreement between LICENSEE and Gabriel Lopez-Berestein, M.D., an employee of MDA, which provides for, among other things, the circumstances and methods under which Gabriel Lopez-Berestein, M.D. shall be able to divest himself of stock in LICENSEE acquired under said Stock Purchase Agreement, is attached hereto as Exhibit 2 for approval by BOARD.
- F. A copy of an executed Stock Purchase Agreement between LICENSEE and Mien-Chie Hung, Ph.D., an employee of MDA, which provides for, among other things, the circumstances and methods under which Mien-Chie Hung, Ph.D. shall be able to divest himself of stock in LICENSEE acquired under said Stock Purchase Agreement, is attached hereto as Exhibit 3 for approval by BOARD.

- G. A copy of an executed Stockholder Agreement between LICENSEE and BOARD is attached hereto as Exhibit 4 for approval by BOARD.

NOW, THEREFORE, in consideration of the mutual covenants and premises herein contained, the parties hereto agree as follows:

1. EFFECTIVE DATE

- 1.1 This AGREEMENT shall be effective as of March 1, 1994 subject to approval by BOARD ("EFFECTIVE DATE").

2. DEFINITIONS

As used in this AGREEMENT, the following terms shall have the meanings indicated:

- 2.1 **IMPROVEMENTS** shall mean any inventions and discoveries which are within the scope of either pending patent applications or issued patents included within **PATENT RIGHTS** and which are developed in the laboratories of either Mien Chie Hung, Ph.D. or Gabriel Lopez-Berestein, M.D. at MDA.
- 2.2 **LICENSED FIELD** shall mean all compositions and fields of use of the **LICENSED SUBJECT MATTER**.
- 2.3 **LICENSED PRODUCT** shall mean any product **SOLD** by **LICENSEE** or its sublicensees comprising **LICENSED SUBJECT MATTER** pursuant to this **AGREEMENT**.
- 2.4 **LICENSED SUBJECT MATTER** shall mean inventions and discoveries covered by **PATENT RIGHTS, TECHNOLOGY RIGHTS, LICENSEE SPONSORED TECHNOLOGY** and/or **IMPROVEMENTS**.
- 2.5 **LICENSED TERRITORY** shall mean the entire world.
- 2.6 **LICENSEE SPONSORED TECHNOLOGY** shall have the meaning given to it under either of the **SPONSORED RESEARCH AGREEMENTS**, or any extension thereof.
- 2.7 **NET SALES** shall mean the gross revenues received by **LICENSEE** from the **SALE** of **LICENSED PRODUCTS** less sales and/or use taxes actually paid, import and/or export duties actually paid, outbound transportation prepaid or allowed, and amounts allowed or credited due to returns (not to exceed the original billing or invoice amount).

- 2.8 **PATENT RIGHTS** shall mean **BOARD'S** rights in information or discoveries covered by patents and/or patent applications, whether domestic or foreign, and all divisionals, continuations, continuations-in-part, reissues, reexaminations or extensions thereof, and any letters patent that issue thereon, for the inventions listed on Attachment A hereto and incorporated herein and for any inventions comprising **LICENSEE SPONSORED TECHNOLOGY** and/or **IMPROVEMENTS**, from time to time.
- 2.9 **SALE** or **SOLD** shall mean the transfer or disposition of a **LICENSED PRODUCT** for value to a party other than **LICENSEE** or an **AFFILIATE**.
- 2.10 **SPONSORED RESEARCH AGREEMENT** shall mean each of the **SPONSORED RESEARCH AGREEMENTS** of even date herewith between **LICENSEE** and **MDA**, copies of which are attached as Exhibit 1A and Exhibit 1B hereto.
- 2.11 **AFFILIATE** shall mean any business entity more than 50% owned by **LICENSEE**, any business entity which owns more than 50% of **LICENSEE**, or any business entity that is more than 50% owned by a business entity that owns more than 50% of **LICENSEE**.
- 2.12 **TECHNOLOGY RIGHTS** shall mean **BOARD'S** rights in any technical information, know-how, process, procedure, composition, device, method, formula, protocol, technique, software, design, drawing or data relating to **LICENSED SUBJECT MATTER**, which is not covered by **PATENT RIGHTS** but which is necessary for practicing the invention at any time claimed in **PATENT RIGHTS**.

3. WARRANTY: SUPERIOR-RIGHTS

- 3.1 Except for the rights, if any, of the Government of the United States as set forth hereinbelow, **BOARD** represents and warrants that it is the owner of the entire right, title, and interest in and to **LICENSED SUBJECT MATTER**, and that it has the sole right to grant licenses thereunder, and that it has not granted licenses thereunder to any other entity that would restrict rights granted hereunder except as stated herein.
- 3.2 **LICENSEE** understands that the **LICENSED SUBJECT MATTER** may have been developed under a funding agreement with the Government of the United States of America and, if so, that the Government may have certain rights relative thereto. This **AGREEMENT** is explicitly made subject to the Government's rights under any such agreement and any applicable law or regulation, including P.L. 96-517 as amended by P.L. 98-620. To the extent that there is a conflict between any such agreement, applicable law or regulation and this **AGREEMENT**, the terms of such Government agreement, applicable law or regulation shall prevail.

3.3 LICENSEE understands that BOARD can make no representations or guarantees as to the patentability or breadth of the inventions contained in the PATENT RIGHTS. LICENSEE also understands that BOARD can make no representations or guarantees as to whether or not there are any patents now held, or which will be held, by others or by BOARD in the LICENSED FIELD or whether or not the inventions contained in PATENT RIGHTS may infringe any other patents now held or that will be held by others or by BOARD.

4. LICENSE

4.1 BOARD hereby grants to LICENSEE a royalty-bearing, exclusive license under LICENSED SUBJECT MATTER to manufacture, have manufactured, use and/or sell LICENSED PRODUCT within LICENSED TERRITORY for use within LICENSED FIELD and shall extend to BOARD's undivided interest in any LICENSED SUBJECT MATTER developed during the term of this AGREEMENT and jointly owned by BOARD and LICENSEE. This grant shall also extend to LICENSEE SPONSORED TECHNOLOGY and IMPROVEMENTS. The grant shall be subject to Paragraph 3.2, hereinabove, the payment by LICENSEE to BOARD of all consideration as provided in this AGREEMENT (including the timely payment of all amounts due under the SPONSORED RESEARCH AGREEMENT as well as reimbursement of MDA's patent expenses), and shall be further subject to rights retained by BOARD and MDA to:

- (a) Publish the general scientific findings from research related to LICENSED SUBJECT MATTER, provided that LICENSEE shall be provided written notice of any such proposed publication at least sixty (60) days in advance thereof in order to determine whether BOARD should file a patent application with respect to such scientific findings, and no such publication shall occur until BOARD has adequately protected the patentability of such findings.
- (b) Use any information contained in LICENSED SUBJECT MATTER for research, teaching, un-reimbursed experimental patient care, and other educationally-related purposes.

4.2 LICENSEE shall have the right to extend the license granted herein to any AFFILIATE provided that such AFFILIATE consents to be bound by this AGREEMENT to the same extent as LICENSEE.

4.3 LICENSEE shall have the right to grant sublicenses consistent with this AGREEMENT provided that LICENSEE shall be responsible for the operations of its sublicensees relevant to this AGREEMENT as if such operations were carried out by LICENSEE. LICENSEE further agrees to deliver to BOARD a true and correct copy of each sublicense granted by LICENSEE, and any modification or

termination thereof, within thirty (30) days after execution, modification, or termination. Upon termination of this AGREEMENT, any and all existing sublicenses granted by LICENSEE may, at BOARD's sole discretion, be assigned to BOARD.

- 4.4 BOARD shall have the right at any time after (i) three (3) years from the date of this Agreement or (ii) termination of both of the SPONSORED RESEARCH AGREEMENTS, whichever is later, to terminate the exclusivity of the license granted herein in any national political jurisdiction in which patent protection for the LICENSED SUBJECT MATTER is either being sought or is in effect within LICENSED TERRITORY if LICENSEE, within ninety (90) days after written notice from BOARD as to such intended termination, fails to provide written evidence that it has commercialized or is actively attempting to commercialize an invention hereunder. Evidence provided by LICENSEE that it has an ongoing and active research, development, manufacturing, marketing or licensing program as appropriate, directed toward production and sale of products based on the invention disclosed and claimed in PATENTS or incorporating TECHNOLOGY within such jurisdiction shall be deemed satisfactory evidence. BOARD agrees to negotiate in good faith with LICENSEE for adjusting terms under such a non-exclusive arrangement.
- 4.5 The parties hereto agree to annually update the schedule of patents and patent applications listed on Attachment A.

5. PAYMENTS AND REPORTS

- 5.1 In consideration of rights granted by BOARD to LICENSEE under this AGREEMENT, LICENSEE agrees to pay MDA the following:
- (a) A running royalty equal to four percent (4%) of NET SALES for LICENSED PRODUCTS SOLD by LICENSEE;
 - (b) Thirty percent (30%) of all royalties received by LICENSEE for SALES by a sublicensee, but in no event more than four percent (4%) of NET SALES for LICENSED PRODUCT SOLD by such sublicensee, received by LICENSEE from a sublicensee from SALES of LICENSED PRODUCT by such sublicensee;
 - (c) Ten percent (10%) royalty on all cash considerations received by LICENSEE from a sublicensee as a result of a sublicense for Licensed Products in the form of licensing fees, marketing fees, milestone payments, bonus payments and the like, but excluding payments for equity and sponsored research; and

- (d) Five percent (5%) royalty on all cash consideration received by LICENSEE from a sublicensee as a result of a sublicense for Licensed Products for sponsored research if, and only if, the SPONSORED RESEARCH AGREEMENT for such Licensed Products is not in existence at the time any such payment is received.
- 5.2 During the Term of this AGREEMENT and for one (1) year thereafter, LICENSEE shall keep complete and accurate records of its and its sublicensees' SALES and NET SALES of LICENSED PRODUCTS to enable the royalties and other amounts payable hereunder to be determined. LICENSEE shall permit BOARD or its representatives, at BOARD'S expense, to periodically examine its books, ledgers, and records during regular business hours for the purpose of and to the extent necessary to verify any report required under this AGREEMENT. In the event that the amounts due to BOARD are determined to have been underpaid by ten percent (10%) or more, LICENSEE shall pay the cost of such examination, and accrued interest at twelve percent (12%), or at the highest rate allowed by law, if lower, on which the amount which was deficient.
- 5.3 Within thirty (30) days after March 31, June 30, September 30, and December 31, LICENSEE shall deliver to BOARD and MDA a true and accurate report, giving such particulars of the business conducted by LICENSEE and its sublicensee, if any exist, during the preceding three (3) calendar months under this AGREEMENT as are pertinent to an account for payments hereunder. Such report shall include at least (a) the quantities of LICENSED SUBJECT MATTER that it has produced; (b) the total SALES, (c) the calculation of royalties thereon; and (d) the total royalties so computed and due BOARD. Simultaneously with the delivery of each such report, LICENSEE shall pay to BOARD the amount, if any, due for the period of such report. If no payments are due, it shall be so reported.
- 5.4 Upon the request of BOARD or MDA but not more often than once per calendar year, LICENSEE shall deliver to BOARD and MDA a written report as to LICENSEE'S efforts and accomplishments during the preceding year in commercializing LICENSED SUBJECT MATTER in the LICENSED TERRITORY and its commercialization plans for the upcoming year.
- 5.5 All amounts payable hereunder by LICENSEE shall be payable in United States funds without deductions for taxes, assessments, fees, or charges of any kind. Checks shall be made payable to The University of Texas M. D. Anderson Cancer Center.
- 5.6 LICENSEE shall reimburse BOARD for all its out-of-pocket expenses thus far incurred in filing, prosecuting, enforcing and maintaining PATENT RIGHTS exclusively licensed hereunder, and shall pay all such future expenses so long as and in such countries as its license remains exclusive. LICENSEE shall reimburse

all of BOARD's expenses thus far incurred upon execution of this AGREEMENT. To the extent such expenses are greater than \$10,000, the excess over \$10,000 shall be reimbursed within ninety (90) days after the EFFECTIVE DATE. Thereafter, MDA will invoice LICENSEE on a quarterly basis beginning July 1, 1994, with such invoices being due and payable within thirty (30) days thereafter.

- 5.7 No payments due or royalty rates under this AGREEMENT shall be reduced as the result of co-ownership of LICENSED SUBJECT MATTER by BOARD and LICENSEE.
- 5.8 Notwithstanding the above, MDA shall have the right, exercisable until such time as LICENSEE has completed a public offering of its equity securities under the Securities Act of 1933, as amended, pursuant to an effective registration statement filed with the Securities and Exchange Commission, to acquire shares of Common Stock of the LICENSEE in lieu of the payments due MDA under Section 5.1(c) above, in an amount determined by dividing the amount of payments otherwise due MDA under Section 5.1(c) by the sale price of the LICENSEE's equity securities stock determined by the Board of Directors of the LICENSEE in the most recent financing completed by LICENSEE prior to the date any such payments under Section 5.1(c) accrued.

In the event that any payment under Section 5.1(c) shall be due and so long as MDA's right under this Section 5.8 shall exist, LICENSEE shall provide written notice to MDA of the amount of the payment due to MDA under Section 5.1(c) and the price of its most recent sale of preferred stock, together with the number of shares of Common Stock available to MDA hereunder. MDA shall have a period of thirty (30) days from the date of such notice to exercise its right hereunder, and shall provide written notice to LICENSEE prior to the expiration of such time period of its desire to exercise its rights hereunder. If MDA fails to provide such notice in such time period, or fails to exercise its rights hereunder, MDA shall receive such amounts owed under Section 5.1(c) in U.S. dollars, provided that such financing occurred within 12 months of the date such payments accrued. In the event that such financing occurred more than 12 months before the date such payments accrued, then in such event the fair market value of the LICENSEE's equity securities, as determined in the good faith opinion of the Board of Directors of the LICENSEE, shall be used instead of such sale price, provided however, that if LICENSOR disagrees with such determination, LICENSOR shall be able to appoint an independent third party knowledgeable and experienced in such matters, reasonably acceptable to LICENSEE, to make its own determination of such fair market value, at the sole expense of LICENSOR, which determination shall govern and control for the purposes hereof.

- 5.9 LICENSEE agrees that it will not, during the term of this AGREEMENT, enter into a license agreement with another institution which license agreement licenses to the LICENSEE on an exclusive basis technology and/or patent rights on terms which are more favorable to such institution on an aggregate basis than the terms contained in this Agreement, taking into account all of the financial terms contained in any such license agreement, including but not limited to terms relating to the payment of royalties, sublicensee royalties, equity issued by LICENSEE to MDA or any such other institution as consideration for the license, milestone payments, annual license fees, minimum royalties and all other similar terms.

6. PATENTS AND INVENTIONS

- 6.1 LICENSEE shall reimburse BOARD for all reasonable future third party expenses incurred by BOARD in searching, filing, prosecuting and maintaining patent applications and patents relating to Patent Rights. If after consultation with LICENSEE it is agreed by BOARD and LICENSEE that a new patent application should be filed for LICENSED SUBJECT MATTER, BOARD will prepare and file appropriate patent applications, and LICENSEE will pay the reasonable third party cost of searching, preparing, filing, prosecuting and maintaining same. If LICENSEE notifies BOARD that it does not intend to pay the third party cost of an application, or if LICENSEE does not respond or make an effort to agree with BOARD on the disposition of rights of the subject invention, then BOARD may file such application at its own expense and LICENSEE shall have no rights to such invention other than TECHNOLOGY RIGHTS. BOARD shall provide LICENSEE with a copy of the application for which LICENSEE has paid the cost of filing, as well as copies of any documents received or filed during prosecution thereof.
- 6.2 The parties acknowledge that research in laboratories at MDA which are under the direct supervision of Mien Chie Hung, Ph.D. or Gabriel Lopez-Berestein, M.D. may result in discoveries and inventions which are in the field of the molecular biology of oncogenes and/or growth factors and lipid based gene, nucleic acid and/or oligonucleotide delivery technologies, are related to the LICENSED SUBJECT MATTER but not included therein, and did not result from the Sponsored Research Agreements attached hereto as Exhibit 1a and 1b (RELATED TECHNOLOGY). MDA hereby grants to the LICENSEE the right of first review with respect to the RELATED TECHNOLOGY (excluding, however, any RELATED TECHNOLOGY as to which any other commercial organization has rights therein) under the following terms:
- (a) MDA shall notify the LICENSEE in writing of the RELATED TECHNOLOGY and provide the LICENSEE with sufficient detail to evaluate the RELATED TECHNOLOGY.

- (b) The LICENSEE shall have ninety (90) days after such notification to evaluate the RELATED TECHNOLOGY and notify MDA in writing that the LICENSEE desires to license the RELATED TECHNOLOGY.
- (c) Upon notification by the LICENSEE of its desire to acquire rights in the RELATED TECHNOLOGY, the LICENSEE and MDA shall negotiate in good faith for a period not to exceed ninety (90) days, unless extended by mutual written agreement of MDA and the LICENSEE, in an effort to arrive at terms and conditions satisfactory to MDA and LICENSEE for the license by the LICENSEE of the RELATED TECHNOLOGY.
- (d) If MDA and the LICENSEE do not reach such agreement within said ninety (90) day period, MDA shall be free to deal with such RELATED TECHNOLOGY as it in its discretion may decide, and shall have no further obligations to the LICENSEE with respect to such RELATED TECHNOLOGY; provided that any subsequent license to a third party by MDA of such RELATED TECHNOLOGY shall be on terms no less favorable to MDA than were last offered by MDA to the LICENSEE in writing.

7. INFRINGEMENT BY THIRD PARTIES

- 7.1 LICENSEE shall have the obligation of enforcing at its expense any patent exclusively licensed hereunder against infringement by third parties and shall be entitled to retain recovery from such enforcement. LICENSEE shall pay MDA a royalty equal to the amount set out in Section 5.1(a) on any monetary recovery to the extent that such monetary recovery by LICENSEE is in excess of the cost thereof and to the extent held to be damages or a reasonable royalty in lieu thereof. In the event that LICENSEE does not file suit against a substantial infringer of such patents within six (6) months of knowledge thereof, then BOARD shall have the right to enforce any patent licensed hereunder on behalf of itself and LICENSEE (MDA retaining all recoveries from such enforcement).
- 7.2 In any suit or dispute involving an infringer, the parties shall cooperate fully, and upon the request and at the expense of the party bringing suit, the other party shall make available to the party bringing suit at reasonable times and under appropriate conditions all relevant personnel, records, papers, information, samples, specimens, and the like which are in its possession.
- 7.3 In the event of any infringement or likely infringement by any of the LICENSED SUBJECT MATTER or LICENSEE SPONSORED TECHNOLOGY of any third party's intellectual property (collectively, INFRINGING RIGHTS), BOARD, SYSTEM and MDA shall, together with LICENSEE, cooperate in good faith and on a mutual and reasonable basis, with each party responsible for its respective expenses:

- (a) To negotiate and settle any dispute with any such third party concerning the INFRINGING RIGHTS, and otherwise resolve any such infringement and secure LICENSEE's continued rights to the INFRINGING RIGHTS; and
- (b) To make a reasonable and equitable adjustment, if any, to the royalties paid or otherwise due under this AGREEMENT in respect of licenses or other rights obtained by LICENSEE from third parties under such INFRINGING RIGHTS in order for LICENSEE to continue to exercise rights granted under this AGREEMENT.

8. PATENT MARKING

- 8.1 LICENSEE agrees that all packaging containing individual LICENSED PRODUCT(S), and documentation therefor, sold by LICENSEE, SUBSIDIARIES, and sublicensees of LICENSEE will be marked permanently and legibly with the number of the applicable patent(s) licensed hereunder in accordance with each country's patent laws, including Title 35, United States Code.

9. INDEMNIFICATION

- 9.1 LICENSEE shall hold harmless and indemnify BOARD, SYSTEM, MDA, its Regents, officers, employees, students, and agents from and against those damages finally awarded a third party in respect of any claims, demand, or causes of action whatsoever, including without limitation those arising on account of any injury or death of persons or damage to property caused by, or arising out of, or resulting from, the exercise or practice of the license granted hereunder by LICENSEE or its officers, employees, agents or representatives, except to the extent such claim, demand or cause of action arose from the negligence, recklessness or willful misconduct of BOARD, SYSTEM, MDA, its Regents, officers, employees and agents, for which BOARD, SYSTEM, MDA, to the extent authorized under the constitution and laws of the State of Texas, shall similarly hold harmless and indemnify LICENSEE, its officers, employees, agents or representatives.
- 9.2 In no event shall any party to this AGREEMENT be liable for indirect, consequential or similar damages, even if advised of the possibility of such liability.

10. USE OF BOARD AND COMPONENT'S NAME

- 10.1 LICENSEE shall not use the name of MDA, SYSTEM or BOARD without express written consent. Notwithstanding the above, LICENSEE may use the name of MDA, BOARD or SYSTEM when indicating, as a factual matter, that MDA is a licensor of LICENSEE under this AGREEMENT and only in connection with either or both of the following:

- (a) Communications associated with LICENSEE's financing activities; and
- (b) Communications (other than promotions and advertisements) directed to describing or responding to inquiries concerning the business, technology, products, services and associated activities of LICENSEE.

LICENSEE may otherwise use the name of MDA, BOARD OR SYSTEM when and as required by applicable law, rules and regulations or upon MDA's consent, which shall not be unreasonable withheld or delayed.

11. CONFIDENTIAL INFORMATION

- 11.1 BOARD and LICENSEE each agree that all information contained in documents marked "confidential" which are forwarded to one by the other shall be received in strict confidence, used only for the purposes of this AGREEMENT, and not disclosed by the recipient party (except as required by law or court order), its agents or employees without the prior written consent of the other party, unless such information (a) was in the public domain at the time of disclosure, (b) later became part of the public domain through no act or omission of the recipient party, its employees, agents, successors or assigns, (c) was lawfully disclosed to the recipient party by a third party having the right to disclose it, (d) was already known by the recipient party at the time of disclosure, (e) was independently developed or (f) is required to be submitted to a government agency pursuant to any preexisting obligation.
- 11.2 Each party's obligation of confidence hereunder shall be fulfilled by using at least the same degree of care with the other party's confidential information as it uses to protect its own confidential information. This obligation shall exist while this AGREEMENT is in force and for a period of three (3) years thereafter.

12. ASSIGNMENT

- 12.1 Except in connection with sale of LICENSEE's business, this AGREEMENT may not be assigned by LICENSEE without the prior written consent of BOARD, which shall not be unreasonably withheld.

13. TERMS AND TERMINATION

- 13.1 The term of this AGREEMENT shall extend from the EFFECTIVE DATE set forth hereinabove to the full end of the term or terms for which PATENT RIGHTS have not expired and if only TECHNOLOGY RIGHTS are licensed and no PATENT RIGHTS are applicable, for a term of fifteen (15) years.

- 13.2 BOARD shall have the right at any time after (i) five (5) years from the date of this AGREEMENT or (ii) termination of both of the SPONSORED RESEARCH AGREEMENTs, whichever is later, to terminate the license in any national political jurisdiction if LICENSEE, within ninety days after written notice from BOARD of such intended termination, fails to provide written evidence that it has commercialized or is actively attempting to commercialize an invention licensed hereunder within such jurisdiction. Evidence provided by LICENSEE that it has an ongoing and active research, development, manufacturing, marketing or licensing program as appropriate, directed toward production and sale of products based on the invention disclosed and claimed in PATENTS or incorporating TECHNOLOGY within such jurisdiction shall be deemed satisfactory evidence.
- 13.3 This AGREEMENT will earlier terminate in its entirety:
- (a) automatically if LICENSEE shall become bankrupt or insolvent and/or if the business of LICENSEE shall be placed in hand of a receiver, assignee, or trustee, whether by voluntary act of LICENSEE or otherwise;
 - (b) (i) upon thirty (30) days written notice from BOARD if LICENSEE shall breach or default on the payment obligations of Article V, or use of name obligations of Article X; or (ii) () upon ninety (90) days written notice if LICENSEE shall breach or default on any other obligation under this AGREEMENT; provided, however, LICENSEE may avoid such termination if before the end of such period LICENSEE notifies BOARD that such breach has been cured and states the manner of such cure;
- 13.4 Upon termination of this AGREEMENT for any cause, nothing herein shall be construed to release either party of any obligation matured prior to the effective date of such termination. LICENSEE may, after the effective date of such termination, sell all LICENSED PRODUCT that it may have on hand at the date of termination, provided that it pays earned royalty thereon as provided in this AGREEMENT.
- 13.5 Upon and effective as of the date of termination of this AGREEMENT pursuant to Paragraph 13.2 and 13.3 above, LICENSEE agrees to grant to BOARD a royalty bearing license with the right to sublicense others with respect to improvements made solely by LICENSEE in the LICENSED SUBJECT MATTER on terms to be negotiated.

14. GENERAL

- 14.1 This AGREEMENT and the SPONSORED RESEARCH AGREEMENTs constitute the entire and only AGREEMENT between the parties for LICENSED SUBJECT MATTER and all other prior negotiations, representations, agreements and understandings are superseded hereby. No agreements altering or supplementing the terms hereof may be made except by means of a written document signed by the duly authorized representatives of the parties.
- 14.2 Any notice required by this AGREEMENT shall be given by prepaid, first class, certified mail, return receipt requested, addressed in the case of BOARD to:

BOARD OF REGENTS
The University of Texas System
201 West Seventh Street
Austin, Texas 78701
ATTENTION: Office of General Counsel

with copy to:

The University of Texas
M.D. Anderson Cancer Center
Office of Technology Development
1020 Holcombe Boulevard, Suite 1405
Houston, Texas 77030
ATTENTION: William J. Doty

or in the case of LICENSEE to: Rgene Therapeutics, Inc.
2170 Buckthorne Place, Suite 170
The Woodlands, Texas 77350
ATTENTION: Martin P. Sutter

or such other address as may be given from time to time under the terms of this notice provision.

- 14.3 LICENSEE shall comply with all applicable federal, state and local laws and regulations in connection with its activities pursuant to this AGREEMENT.
- 14.4 This AGREEMENT shall be construed and enforced in accordance with the laws of the United States of America and of the State of Texas.
- 14.5 Failure of a party to enforce a right under this AGREEMENT shall not act as a waiver of that right or the ability to later assert that right relative to the particular situation involved.

- 14.6 Headings included herein are for convenience only and shall not be used to construe this AGREEMENT.
- 14.7 If any provision of this AGREEMENT shall be found by a court to be void, invalid or unenforceable, the same shall be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of this AGREEMENT.
- 14.8 This AGREEMENT may be executed in two counterparts, each of which shall be deemed an original but all of which, taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, parties hereto have caused their duly authorized representatives to execute this AGREEMENT.

THE UNIVERSITY OF TEXAS
M.D. ANDERSON CANCER CENTER

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

By _____
David J. Bachrach
Executive Vice President
for Administration and Finance

By _____
Thomas G. Ricks
Vice Chancellor for
Asset Management

APPROVED AS TO CONTENT:



APPROVED AS TO FORM:

By William J. Doty
Director, Technology Development

By _____
Dudley R. Dobie, Jr.
Manager, Intellectual Property

GENE THERAPEUTICS, INC.

By Martin P. Sutter
Chairman of the Board

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ATTACHMENT A

Patent and technology rights for U.S. Patent Application entitled:

- o **Methods and Compositions for the Suppression of Neu Mediated Transformation**
Inventors: Mien-Chie Hung, Ph.D. and Di-hua Yu, M.D. Ph.D.; and
 - U.S. Serial No. 621,465, filed December 4, 1990, (MDA Ref: UTSC:203); and
 - Continuation-in-part Serial No. 070,410, filed June 4, 1993, (MDA Ref: UTSC:256); and
 - Continuation-in-part, Serial No. 162,406, filed December 3, 1993, (MDA Ref: UTSC:364)

**RGENE THERAPEUTICS, INC.
GABRIEL LOPEZ-BERESTEIN**

Stock Purchase Agreement

This Stock Purchase Agreement (this "Agreement") dated February 14, 1994 is entered into by and between RGene Therapeutics, Inc., a Delaware corporation (the "Company") and Gabriel Lopez-Berestein (the "Buyer").

WITNESSETH:

WHEREAS, the Company desires to sell certain shares of common stock, \$.001 par value, of the Company (the "Common Stock") to the Buyer; and

WHEREAS, the Buyer desires to purchase certain shares of Common Stock from the Company; and

WHEREAS, the Buyer and the Company desire that the Buyer grant to the Company, and under certain circumstances to holders of the Company's Preferred Stock or other securities issued by the Company to investors (the "Investors"), options to repurchase certain shares of Common Stock purchased by the Buyer on the terms and conditions set forth;

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained herein, the parties agree as follows:

1. **Purchase and Sale of Shares.**

1.1 **Purchase and Sale of Shares.** Subject to the terms and conditions of this Agreement and in consideration of the payment of the Purchase Price (as defined below) by the Buyer to the Company at the Closing (as defined below), the Company agrees to sell to the Buyer, and the Buyer agrees to purchase from the Company, 321,154 shares of Common Stock (the "Shares").

1.2 **Purchase Price.** The Purchase Price payable to the Company shall be \$.001 per Share, payable in cash at the Closing.

1.3 **Closing.** The closing for the sale of the Shares to the Buyer shall occur on or before February 15, 1994, or at such other date and time as the parties may agree (the "Closing"). Concurrent with the payment by Buyer of the Purchase Price, or within a reasonable time thereafter, the Company shall deliver to Buyer a certificate or certificates representing the number of Shares as set forth in Section 1.1 hereof, in the name of the Buyer.

2. Representations and Warranties. To induce the Company to deliver the Shares to the Buyer, the Buyer represents and warrants to the Company:

(a) The Buyer is acquiring the Shares for his own account as principal, for investment purposes only, and not with a view to, or for, resale or distribution, and no other person has a direct or indirect beneficial interest in the Shares;

(b) The Buyer has not offered any of the Shares for resale and has no present intention of dividing his interest with others or of reselling or otherwise disposing of any of the Shares;

(c) Any information the Buyer has furnished to the Company with respect to the Buyer's status as a sophisticated or accredited investor, his business experience or financial position is correct;

(d) The financial capacity of the Buyer is such that the investment in the Shares is not material to his total financial capacity; the Buyer has the financial ability to bear the economic risk of his investment, has adequate means for providing for his current needs and personal contingencies and has no need for liquidity with respect to his investment in the Shares;

(e) The Buyer considers himself to be a sophisticated investor and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the prospective investment in the Shares;

(f) The Buyer has been furnished with all information concerning the Shares and the Company that he desires;

(g) The Buyer has been given the opportunity to ask questions of, and receive answers from, the Company with respect to the Shares, concerning the terms and conditions of the offering and other matters pertaining to this investment, and has been given the opportunity to obtain such additional information necessary to verify the accuracy of the information provided to him by the Company in order for him to evaluate the merits and risks of investment in the Shares to the extent that the Company possessed such information or could acquire it without unreasonable effort or expense; and

(h) The Buyer is not relying on the Company with respect to any economic considerations of the Buyer related to this investment. In regard to the economic considerations related to this investment, the Buyer has relied on the advice of, or has consulted with, only his own advisors.

The Buyer further represents, warrants and agrees that he will not sell or otherwise transfer the Shares without registration under the Securities Act of 1933, as amended (the "Act"), or an exemption therefrom, and fully understands and agrees that

he must bear the economic risk of his purchase for an indefinite period of time because, among other reasons, the Shares have not been registered under the Act or under the securities laws of any state and, therefore, cannot be resold, pledged, assigned or otherwise disposed of unless they are subsequently registered under the Act and under the applicable securities laws of such states or an exemption from such registration is available. He also understands that the Company is under no obligation to register the Shares on his behalf or to assist him in complying with any exemption from registration under the Act. He further understands that any certificate evidencing the Shares will bear a legend restricting the transfer thereof consistent with the foregoing and that a notation may be made in the records of the Company restricting the transfer of any Shares in a manner consistent with the foregoing.

3. Buyer Awareness. The Buyer acknowledges that he is aware that:

(a) No federal or state agency has passed upon the Shares or made any finding or determination as to the fairness of this investment;

(b) There are substantial risks of loss of investment incident to an investment in the Shares and such an investment is highly speculative;

(c) The Company is only recently organized, has not conducted any substantial business to date and does not have any substantial working capital or financial resources. The business in which the Company proposes to engage is highly competitive and success in the Company's business may depend on, among other things, the Company's ability to obtain financing, to complete product development, to attract qualified employees and to obtain patent protection and governmental approvals, market acceptance of products and numerous other factors over which the Company does not have control.

4. Restrictions on Transfer: Right of First Refusal.

4.1 Company's Purchase Option. Buyer shall not sell, transfer, pledge, hypothecate or otherwise dispose of any Shares which are purchased hereunder without first complying with the terms of this Section 4.

4.2 Right of First Refusal. Before any of the Shares registered in the name of Buyer may be sold or transferred (including transfer by operation of law), except as permitted in Section 5, such Shares shall first be offered to the Company and to the Investors, in accordance with the terms set out herein, *provided, however*, that until the Company has completed a public offering of its equity securities pursuant to an effective registration statement filed with the Securities and Exchange Commission, no transfer of Shares may be made under any circumstances.

(i) Buyer shall deliver a notice ("Notice") to the Company and to the Investors stating (A) his bona fide intention to sell or transfer such Shares, (B) the number of such Shares

to be sold or transferred, (C) the price for which he proposes to sell or transfer such Shares, and (D) the name of the proposed purchaser or transferee.

(ii) Within thirty (30) days after receipt of the Notice, the Company and/or the Investors may elect to purchase some or all of the Shares to which the Notice refers, at the price per share specified in the Notice. The closing for such purchase by the Company and/or the Investors shall occur, unless otherwise agreed by the Company, the Investors electing to purchase Shares, and the Buyer, no later than 30 days after the election by the Company and/or the Investors to purchase same. In the event that the number of Shares which the Company and the Investors desire to purchase exceeds the number of Shares proposed for sale by Buyer in the Notice, then in such instance the Company shall have full preference to acquire such Shares to the exclusion of the Investors, and, to the extent that there are Shares still available for purchase by the Investors, the Investors desiring to purchase Shares shall be entitled to purchase the remaining amount thereof on a pro rata basis based upon the number of shares of Common Stock and Preferred Stock, or securities convertible into shares of Common Stock and Preferred Stock, then held by each of them so electing to purchase bears to the total number of shares of Common Stock and Preferred Stock, or securities convertible into shares of Common Stock and Preferred Stock, held by all Investors desiring to acquire Shares, on a fully diluted as if converted to Common Stock basis.

(iii) If all of the Shares to which the Notice refers are not purchased by the Company and the Investors, as provided in Section 4.2 (ii) hereof, Buyer may sell such Shares which the Company and the Investors elected not to purchase to any person or persons named in the Notice at the price specified in the Notice or at a higher price, provided that such sale or transfer is consummated within 120 days of the date of said Notice to the Company and the Investors, and provided, further, that any such sale is in accordance with all the terms and conditions hereof.

(iv) Upon the closing of a firm commitment public offering pursuant to an effective registration statement filed by the Company under the Securities Act of 1933, as amended (the "Act"), covering the offering and sale of shares of Common Stock for the account of the Company in which the aggregate gross proceeds received by the Company equal or exceed \$7,500,000 and in which the public offering price per share equals or exceeds \$5.00 per share, the thirty (30) day period specified in Section 4.2(ii) above shall be reduced to a ten (10) day period; and the requirement to identify the name of the proposed purchaser and the proposed price shall be inapplicable if the Buyer proposed to sell the Shares in an over-the-counter sale or on a national or regional exchange transaction. In such instance, any such sale to the Company and/or the Investors shall be at the average closing price of the Company's Common Stock on the date of notice of election to purchase such shares by the Company and/or the Investors. The average closing price is defined as the last closing price regular way on the exchange where the Common Stock is listed for trading or the average of the bid and ask prices if applicable.

4.3 Standoff Agreement. Buyer agrees, in connection with each of the Company's public offerings of its equity securities, and upon request of the Company or the underwriters managing such offering, not to sell, make any short sale of, loan, grant any option for the purchase of or otherwise dispose of any of the Shares (other than those included in the registration, if any) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time from the effective date of such registration as may be requested by the Company or such underwriters; provided, that the officers and directors of the Company who own stock of the Company also agree to such restrictions.

4.4 Other Restrictions on Transfer. The Company shall not be required (i) to transfer on its books any of the Shares which shall have been sold or transferred in violation of any of the provisions set forth in this Agreement, or (ii) to treat as owner of such Shares or to accord the right to vote as such owner or to pay dividends to any transferee to whom such Shares shall have been so transferred.

5. Exempt Transactions.

5.1 Certain Transactions. The prohibition in Section 4 against the sale of the Shares shall not apply to the exchange of Shares pursuant to a plan or merger, consolidation, recapitalization, reorganization, or sale of the Company, in which the Company is the surviving entity, but any stock or securities received in exchange therefor shall also become subject to this Agreement.

5.2 Permitted Transfers. The prohibition in Section 4 against the sale of Shares shall not apply to a transfer by Buyer of all or part of his Shares during his lifetime or on death by will or by intestacy to or for the benefit of himself, his spouse, his ancestors or his lineal descendants, provided that any such transferee or transferees shall receive and hold the Shares subject to the terms of this Agreement, and there shall be no further transfer of such Shares except in accordance with the terms of this Agreement.

6. Assignment. The Company may assign this Agreement or any of its rights and obligations hereunder. The Buyer may not assign this Agreement or any of his rights and obligations hereunder. All covenants and agreements of, and benefits for, the Investors contained in this Agreement shall inure to the benefit of their respective successors and assigns and be binding on the Company and its successors and on the Buyer and his heirs, executors, administrators and successors. All such covenants and agreements are fully assignable by the Investors, *provided, however,* that any assignment of any of its rights under this Agreement by any Investor (other than to partners of such Investor or successors of such Investor or such partners by operation of law) shall be made only in connection with the sale or other transfer of all or any portion of the Preferred Stock, Common Stock, convertible notes, warrants, options or other securities of the Company which are exchangeable or convertible into shares of Common Stock or Preferred Stock of the Company held by such Investor and such assignee or transferee shall execute this Agreement.

7. **Adjustments.** If, from time to time during the term of this Agreement (i) there is any stock dividend or liquidating dividend of cash or property, stock split or other change in the character or amount of any of the outstanding securities of the Company, or (ii) there is any transaction involving the consolidation, merger or sale of all, or substantially all, of the assets of the Company, then, in such event, (x) any and all new, substituted or additional securities or other property to which the Buyer is entitled by reason of his ownership of the Shares shall be immediately subject to right of first refusal provided to the Company and the Investors as described in Section 4 hereof and (y) all Shares purchased by Buyer hereunder shall be treated on the same basis as all other outstanding shares of Common Stock of the Company so that Buyer's Shares shall not be diluted by any such event any differently than any other holder of Common Stock of the Company.

8. **Legends.** All certificates representing any of the Shares subject to the provisions of this Agreement shall have endorsed thereon a legend substantially as follows:

"ANY DISPOSITION, GRANT OR OTHER TRANSFER OF ANY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO CERTAIN RESTRICTIONS, AND THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A RIGHT OF FIRST REFUSAL, CONTAINED IN A CERTAIN AGREEMENT BY THE RECORDHOLDER HEREOF AND THE CORPORATION, A COPY OF WHICH WILL BE MAILED TO ANY HOLDER OF THIS CERTIFICATE WITHOUT CHARGE AFTER RECEIPT BY THE CORPORATION OF A WRITTEN REQUEST THEREFOR."

Upon presentation to the Company or any authorized transfer agent, the certificates representing the Shares or any appropriate portion thereof shall be exchanged for certificates not bearing such legend if the certificates are presented after the termination of this Agreement.

9. **Rights as a Stockholder: Voting Agreement.** Subject to the provisions of Section 4 above, the Buyer shall, during the term of this Agreement, exercise all rights and privileges of a stockholder of the Company with respect to the Shares, including the right to vote such Shares at any stockholder meeting. Notwithstanding anything herein to the contrary, Buyer hereby agrees that he will, for a ninety-day period following the issuance of the Shares or until the closing of the first round financing by the Company in an amount at least equal to \$2,000,000, whichever comes first, vote such Shares, at any stockholder meeting, in person, by proxy, by written consent, or otherwise, for the directors nominated for election to the Board of Directors of the Company by The Woodlands Venture Fund and no others, and, in any other matter coming before the stockholders of the Company, in accordance with the directive of The Woodlands Venture Fund.

In order to secure the obligation to vote in accordance with the provisions hereof, the Buyer hereby appoints Martin P. Sutter as his true and lawful proxy and attorney, with full power of substitution, to vote all of his Shares for the matters specified hereinabove. The irrevocable proxy granted by the Buyer may be exercised at any time Buyer fails to comply with the terms of this Section 9. The proxy and power granted by the Buyer pursuant to this section are coupled with an interest and are given to secure the duties of the Buyer pursuant hereto. Such proxy will be irrevocable and will survive the death, incompetency, and disability of Buyer, provided that it shall terminate upon the expiration of twelve months following the issuance of the Shares.

Buyer hereby consents to the placement of an appropriate legend evidencing the voting restrictions provided for in this Agreement, on the certificates representing the Shares and any certificates issued in replacement or exchange therefor, and Buyer will take all actions reasonably requested by the Company to effect such placement.

10. Termination. Except as may be otherwise provided herein, this Agreement shall terminate on the 91st calendar day immediately succeeding the third anniversary of the public offering referenced in Section 4.2.

11. Miscellaneous.

11.1 Notice. For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Company:

RGene Therapeutics, Inc.
% The Woodlands Venture Fund
2170 Buckthorne Place, Suite 170
The Woodlands, Texas 77380
Attention: Martin P. Sutter

If to the Buyer, at the address identified on the signature page hereof, and if to an Investor, at the address identified on the records of the Company hereto, or to such other address as either party or an Investor may furnish to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

11.2 Applicable Law. The substantive laws of the State of Texas, excluding any law, rule or principle which might refer to the substantive law of another jurisdiction, will govern the interpretation, validity and effect of this Agreement without regard to the place of execution or the place for performance thereof. This Agreement is to be at least partially negotiated, executed and performed in Harris County, Texas, and, as such, the Company and

the Buyer agree that personal jurisdiction and venue shall be proper with the state or federal courts situated in Harris County, Texas, to hear such disputes arising under this Agreement.

11.3 No Waiver. No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

11.4 Severability. If a court of competent jurisdiction determined that any provision of this Agreement, including any appendices attached hereto, is invalid or unenforceable, then the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect. Further, such provision shall be reformed and construed to the extent permitted by law so that it may be valid, legal and enforceable to the maximum extent possible.

11.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

11.6 Headings. The section headings have been inserted for purposes of convenience and shall not be used for interpretive purposes.

11.7 Successors; Third Party Beneficiary. This Agreement shall inure to the benefit of the successors and assigns of the Company and the Investors and be binding upon the Buyer and his heirs, executors, administrators and successors. The Buyer agrees that any and all Investors in the Company shall be treated as third party beneficiaries of this Agreement without the necessity of execution of this Agreement, and shall be entitled to all of the rights rendered to them herein.

11.8 Entire Agreement. This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the subject matter hereof. Each party to this Agreement acknowledges that no representation, inducement, promise or agreement, oral or written, with regard to the subject matter hereof, has been made by either party, or by anyone acting on behalf of either party, which is not embodied herein, and that no agreement, statement or promise relating to the subject matter hereof which is not contained in this Agreement or in such other agreements shall be valid and binding.

11.9 Amendments. No amendment or modification to this Agreement will be effective unless it is in writing and signed by the Company, the Buyer and, if such amendment alters or amends any of the rights of the Investors, by Investors holding a majority of the outstanding shares of capital stock of the Company held by such Investors, if any.

11.10 Indemnity. The Buyer agrees to indemnify and hold harmless the Company and any person, if any, who controls the Company or such successor within the meaning of Section 15 of the Act against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon any false representation or warranty or breach or failure by the Buyer to comply with any covenant or agreement made by the Buyer herein or in any other document furnished by the Buyer in connection with this transaction.

11.11 Injunctive Relief. In view of the inadequacy of money damages, and in view of the fact that the stock of the Company cannot be readily purchased or sold in the general market, if the Buyer or any other person shall fail to comply with any provision of this Agreement, the Company shall be entitled, to the extent permissible by law, to injunctive relief in the case of the violation, or attempted or threatened violation, by Buyer or other person of any such provision, or to a decree compelling specific performance by the Buyer or other person, of any such provision, or to any other remedies legally available.

11.12 Spouses. The spouse of the Buyer, if any, hereby represents and acknowledges that he or she is fully aware of, understands, and fully consents and agrees to the provisions of this Agreement and its binding effect upon any community property interest he or she may now or hereafter own. Said spouse agrees that the termination of their marital relationship with the Buyer for any reason or his or her death shall not have the effect of removing any stock of the Company otherwise subject to this Agreement from its coverage. Said spouse's awareness, understanding, consent and agreement is evidenced by the execution of this Agreement. All stock described in this Agreement shall include the community property interest of the spouse of Buyer.

11.13 Void Transfers. If any Stock shall be sold or transferred otherwise than in accordance with the terms and conditions of this Agreement, such sale shall be void. Any such attempted sale or other transfer shall create a right in the Company to purchase the Stock which is the subject of such purported transfer at the applicable purchase price specified herein. Such right shall constitute an "adverse claim" within the meaning of such term as used within the meaning of the Uniform Commercial Code of any State. In addition to, and without prejudice to, any and all other rights or remedies which may be available to the Company, the Buyer agrees that the Company may, but shall have no obligation to, hold and refuse to transfer any Stock, or any certificate therefor, tendered to it for transfer if the transfer violates the provisions of the Agreement.

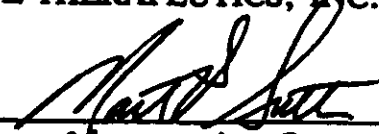
11.14 Tax Representations. The Buyer acknowledges that the Company has made no warranties or other representations to Buyer with respect to the income tax consequences of the transactions contemplated by this Agreement and Buyer is in no manner relying on the Company or its representatives for an account of such tax consequences.

11.15 Further Assurances. The parties agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

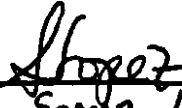
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the day and year first above written.

Company


RGENE THERAPEUTICS, INC.

By: 
Name: MARTIN P. SUTTER
Title: CHAIRMAN

Buyer's Spouse

Signed: 
Print Name: SANTA LOPEZ
Address: _____

Buyer

Signed: 
Print Name: G. LOPEZ-BERSTEIN
Address: _____

**RGENE THERAPEUTICS, INC.
MIEN CHIE HUNG, PH.D.**

Stock Purchase Agreement

This Stock Purchase Agreement (this "Agreement") dated February 14, 1994 is entered into by and between RGene Therapeutics, Inc., a Delaware corporation (the "Company") and Mien Chie Hung, Ph.D. (the "Buyer").

WITNESSETH:

WHEREAS, the Company desires to sell certain shares of common stock, \$.001 par value, of the Company (the "Common Stock") to the Buyer; and

WHEREAS, the Buyer desires to purchase certain shares of Common Stock from the Company; and

WHEREAS, the Buyer and the Company desire that the Buyer grant to the Company options to repurchase certain shares of Common Stock purchased by the Buyer on the terms and conditions set forth;

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained herein, the parties agree as follows:

1. Purchase and Sale of Shares.

1.1 Purchase and Sale of Shares. Subject to the terms and conditions of this Agreement and in consideration of the payment of the Purchase Price (as defined below) by the Buyer to the Company at the Closing (as defined below), the Company agrees to sell to the Buyer, and the Buyer agrees to purchase from the Company, 571,154 shares of Common Stock (the "Shares").

1.2 Purchase Price. The Purchase Price payable to the Company shall be \$.001 per Share, payable as follows: the Company shall deduct the Purchase Price from the first month's consulting fee owed to Buyer under that certain Consulting Agreement between the Buyer and the Company dated the date hereof (the "Consulting Agreement").

1.3 Closing. The closing for the sale of the Shares to the Buyer shall occur on or before February 15, 1994, or at such other date and time as the parties may agree (the "Closing"). Concurrent with the payment by Buyer of the Purchase Price, or within a reasonable time thereafter, the Company shall deliver to Buyer a certificate or certificates representing the number of Shares as set forth in Section 1.1 hereof, in the name of the Buyer.

2. Repurchase Option.

(a) A total of 250,000 of the Shares purchased by Buyer pursuant to this Agreement (hereinafter, the "Option Shares") shall be subject to the option ("Repurchase Option") set forth in this Section 2. In the event the Buyer shall cease to be engaged by the Company (including a parent or subsidiary of the Company) as a Consultant for any reason, voluntarily or involuntarily, the Company shall have the right, at any time within 90 days after the date Buyer ceases to be so engaged, to exercise the Repurchase Option, which consists of the right to purchase from the Buyer at a purchase price of \$.001 per share (the "Unvested Option Price"), up to but not exceeding the number of Option Shares specified in Section 2(b)(i) below, upon the terms hereinafter set forth.

(b)(i) If the Buyer's engagement by the Company under the Consulting Agreement is terminated at any time prior to the second anniversary thereof, the Company may exercise the Repurchase Option at the Unvested Option Price as to all or any number of the Option Shares less the number of Option Shares equal to 1/24th of the balance of the Option Shares (rounded down to the nearest whole Option Share) for each and every full calendar month that the Buyer was engaged by the Company as a consultant pursuant to the Consulting Agreement.

(ii) The Repurchase Option provided in this Section 2 is assignable by the Company in whole or in part to the holders of the Company's Preferred Stock or other securities issued by the Company to investors (herein the "Investors"). If the Company should decide not to exercise the Repurchase Option or not to exercise the Repurchase Option for all Option Shares, it shall give the Investors (or the Investor if at the time there is only one Investor) the right to purchase all of the Option Shares or all of the remaining Option Shares, as the case may be, then subject to the Repurchase Option or such lesser portion thereof as may be selected by the Investors. Within 30 days after the Section 2(b) Event, the Company shall notify each Investor in writing thereof and the number of Option Shares remaining subject to the Repurchase Option. If within 30 days after the Company gives its aforesaid notice, one or more of the Investors do not notify the Company that they desire to purchase all of such Option Shares, the Repurchase Option shall expire. If the Investors oversubscribe for such Option Shares, each Investor who notifies the Company that it desires to purchase Option Shares shall have a right to purchase a pro rata portion of such Option Shares based on the percentage of Common Stock and Preferred Stock then owned by it or which may be acquired upon exercise of any outstanding convertible notes, warrants, options or other securities, on a fully diluted as if converted to Common Stock basis, bears to the number of shares of Common Stock and Preferred Stock then owned by all Investors who notify the Company of their desire to purchase any of such Option Shares or which may be acquired upon exercise of any outstanding convertible notes, warrants, options or other securities, on a fully diluted as if converted to Common Stock basis. The Company shall promptly advise each Investor of the amount of such Option Shares it is entitled to purchase as a result of such allocation.

(c) The Repurchase Option shall be exercised by written notice or notices signed by an officer of the Company or the purchasing Investors, as the case may be, and delivered or mailed as provided in Section 12.1 hereof. The Unvested Option Price shall be payable, at the option of the Company or the purchasing Investors, as the case may be, in cancellation of all or a portion of any outstanding indebtedness of the Company or the purchasing Investors, as the case may be, to the Buyer or in cash (by check) or both. The provisions of this Section 2(c) shall survive any termination of this Agreement.

(d) Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a parent or subsidiary of the Company, to terminate the Buyer's engagement, for any reason, with or without cause.

(e) The Buyer shall not sell, assign or otherwise transfer any of the Option Shares or any interest therein, or grant or otherwise allow to exist any lien, claim or other encumbrance on or with respect to any of the Option Shares then subject to the Repurchase Option.

3. Representations and Warranties. To induce the Company to deliver the Shares to the Buyer, the Buyer represents and warrants to the Company:

(a) The Buyer is acquiring the Shares for his own account as principal, for investment purposes only, and not with a view to, or for, resale or distribution, and no other person has a direct or indirect beneficial interest in the Shares;

(b) The Buyer has not offered any of the Shares for resale and has no present intention of dividing his interest with others or of reselling or otherwise disposing of any of the Shares;

(c) Any information the Buyer has furnished to the Company with respect to the Buyer's status as a sophisticated or accredited investor, his business experience or financial position is correct;

(d) The financial capacity of the Buyer is such that the investment in the Shares is not material to his total financial capacity; the Buyer has the financial ability to bear the economic risk of his investment, has adequate means for providing for his current needs and personal contingencies and has no need for liquidity with respect to his investment in the Shares;

(e) The Buyer considers himself to be a sophisticated investor and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the prospective investment in the Shares;

(f) The Buyer has been furnished with all information concerning the Shares and the Company that he desires;

(g) The Buyer has been given the opportunity to ask questions of, and receive answers from, the Company with respect to the Shares, concerning the terms and conditions of the offering and other matters pertaining to this investment, and has been given the opportunity to obtain such additional information necessary to verify the accuracy of the information provided to him by the Company in order for him to evaluate the merits and risks of investment in the Shares to the extent that the Company possessed such information or could acquire it without unreasonable effort or expense; and

(h) The Buyer is not relying on the Company with respect to any economic considerations of the Buyer related to this investment. In regard to the economic considerations related to this investment, the Buyer has relied on the advice of, or has consulted with, only his own advisors.

The Buyer further represents, warrants and agrees that he will not sell or otherwise transfer the Shares without registration under the Securities Act of 1933, as amended (the "Act"), or an exemption therefrom, and fully understands and agrees that he must bear the economic risk of his purchase for an indefinite period of time because, among other reasons, the Shares have not been registered under the Act or under the securities laws of any state and, therefore, cannot be resold, pledged, assigned or otherwise disposed of unless they are subsequently registered under the Act and under the applicable securities laws of such states or an exemption from such registration is available. He also understands that the Company is under no obligation to register the Shares on his behalf or to assist him in complying with any exemption from registration under the Act. He further understands that any certificate evidencing the Shares will bear a legend restricting the transfer thereof consistent with the foregoing and that a notation may be made in the records of the Company restricting the transfer of any Shares in a manner consistent with the foregoing.

4. Buyer Awareness. The Buyer acknowledges that he is aware that:

(a) No federal or state agency has passed upon the Shares or made any finding or determination as to the fairness of this investment;

(b) There are substantial risks of loss of investment incident to an investment in the Shares and such an investment is highly speculative;

(c) The Company is only recently organized, has not conducted any substantial business to date and does not have any substantial working capital or financial resources. The business in which the Company proposes to engage is highly competitive and success in the Company's business may depend on, among other things, the Company's ability to obtain financing, to complete product development, to attract qualified employees and to obtain patent protection and governmental approvals, market acceptance of products and numerous other factors over which the Company does not have control.

5. Restrictions on Transfer: Right of First Refusal.

5.1 Company's Purchase Option. Buyer shall not sell, transfer, pledge, hypothecate or otherwise dispose of any Shares which are purchased hereunder without first complying with the terms of this Section 5.

5.2 Right of First Refusal. Before any of the Shares registered in the name of Buyer that are not subject to the Repurchase Option may be sold or transferred (including transfer by operation of law), except as permitted in Section 6, such Shares shall first be offered to the Company and to the Investors, in accordance with the terms set out herein, *provided, however*, that until the Company has completed a public offering of its equity securities pursuant to an effective registration statement filed with the Securities and Exchange Commission, no transfer of the Shares may be made under any circumstances.

(i) Buyer shall deliver a notice ("Notice") to the Company and to the Investors stating (A) his bona fide intention to sell or transfer such Shares, (B) the number of such Shares to be sold or transferred, (C) the price for which he proposes to sell or transfer such Shares, and (D) the name of the proposed purchaser or transferee.

(ii) Within thirty (30) days after receipt of the Notice, the Company and/or the Investors may elect to purchase some or all of the Shares to which the Notice refers, at the price per share specified in the Notice. The closing for such purchase by the Company and/or the Investors shall occur, unless otherwise agreed by the Company, the Investors electing to purchase Shares, and the Buyer, no later than 30 days after the election by the Company and/or the Investors to purchase same. In the event that the number of Shares which the Company and the Investors desire to purchase exceeds the number of Shares proposed for sale by Buyer in the Notice, then in such instance the Company shall have full preference to acquire such Shares to the exclusion of the Investors, and, to the extent that there are Shares still available for purchase by the Investors, the Investors desiring to purchase Shares shall be entitled to purchase the remaining amount thereof on a pro rata basis based upon the number of shares of Common Stock and Preferred Stock, or securities convertible into shares of Common Stock and Preferred Stock, then held by each of them so electing to purchase bears to the total number of shares of Common Stock and Preferred Stock, or securities convertible into shares of Common Stock and Preferred Stock, held by all Investors desiring to acquire Shares, on a fully diluted as if converted to Common Stock basis.

(iii) If all of the Shares to which the Notice refers are not purchased by the Company and the Investors, as provided in Section 5.2 (ii) hereof, Buyer may sell such Shares which the Company and the Investors elected not to purchase to any person or persons named in the Notice at the price specified in the Notice or at a higher price, provided that such sale or transfer is consummated within 120 days of the date of said Notice to the Company and the Investors, and provided, further, that any such sale is in accordance with all the terms and conditions hereof.

(iv) Upon the closing of a firm commitment public offering pursuant to an effective registration statement filed by the Company under the Securities Act of 1933, as amended (the "Act"), covering the offering and sale of shares of Common Stock for the account of the Company in which the aggregate gross proceeds received by the Company equal or exceed \$7,500,000 and in which the public offering price per share equals or exceeds \$5.00 per share, the thirty (30) day period specified in Section 5.2(ii) above shall be reduced to a ten (10) day period; and the requirement to identify the name of the proposed purchaser and the proposed price shall be inapplicable if the Buyer proposed to sell the Shares in an over-the-counter sale or on a national or regional exchange transaction. In such instance, any such sale to the Company and/or the Investors shall be at the average closing price of the Company's Common Stock on the date of notice of election to purchase such shares by the Company and/or the Investors. The average closing price is defined as the last closing price regular way on the exchange where the Common Stock is listed for trading or the average of the bid and ask prices if applicable.

5.3 Standoff Agreement. Buyer agrees, in connection with each of the Company's public offerings of its equity securities, and upon request of the Company or the underwriters managing such offering, not to sell, make any short sale of, loan, grant any option for the purchase of or otherwise dispose of any of the Shares (other than those included in the registration, if any) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time from the effective date of such registration as may be requested by the Company or such underwriters; provided, that the officers and directors of the Company who own stock of the Company also agree to such restrictions.

5.4 Other Restrictions on Transfer. The Company shall not be required (i) to transfer on its books any of the Shares which shall have been sold or transferred in violation of any of the provisions set forth in this Agreement, or (ii) to treat as owner of such Shares or to accord the right to vote as such owner or to pay dividends to any transferee to whom such Shares shall have been so transferred.

6. Exempt Transactions.

6.1 Certain Transactions. The prohibition in Section 5 against the sale of the Shares shall not apply to the exchange of Shares pursuant to a plan or merger, consolidation, recapitalization, reorganization, or sale of the Company, in which the Company is the surviving entity, but any stock or securities received in exchange therefor shall also become subject to this Agreement.

6.2 Permitted Transfers. The prohibition in Section 5 against the sale of Shares shall not apply to a transfer by Buyer of all or part of his Shares during his lifetime or on death by will or by intestacy to or for the benefit of himself, his spouse, his ancestors or his lineal descendants, provided that any such transferee or transferees shall receive and hold the Shares subject to the terms of this Agreement, and there shall be no further transfer of such Shares except in accordance with the terms of this Agreement.

7. **Assignment.** The Company may assign this Agreement or any of its rights and obligations hereunder. The Buyer may not assign this Agreement or any of his rights and obligations hereunder. All covenants and agreements of, and benefits for, the Investors contained in this Agreement shall inure to the benefit of their respective successors and assigns and be binding on the Company and its successors and on the Buyer and his heirs, executors, administrators and successors. All such covenants and agreements are fully assignable by the Investors, *provided, however*, that any assignment of any of its rights under this Agreement by any Investor (other than to partners of such Investor or successors of such Investor or such partners by operation of law) shall be made only in connection with the sale or other transfer of all or any portion of the Preferred Stock, Common Stock, convertible notes, warrants, options or other securities of the Company which are exchangeable or convertible into shares of Common Stock or Preferred Stock of the Company held by such Investor and such assignee or transferee shall execute this Agreement.

8. **Adjustments.** If, from time to time during the term of this Agreement (i) there is any stock dividend or liquidating dividend of cash or property, stock split or other change in the character or amount of any of the outstanding securities of the Company, or (ii) there is any transaction involving the consolidation, merger or sale of all, or substantially all, of the assets of the Company, then, in such event, (x) any and all new, substituted or additional securities or other property to which the Buyer is entitled by reason of his ownership of the Shares shall be immediately subject to right of first refusal provided to the Company and the Investors as described in Section 5 hereof and to the Repurchase Option and be included in the term "Option Shares" for all purposes of the Repurchase Option with the same force and effect as the Option Shares subject to the Repurchase Option under the terms of Section 2 hereof and (y) all Shares purchased by Buyer hereunder shall be treated on the same basis as all other outstanding shares of Common Stock of the Company so that Buyer's Shares shall not be diluted by any such event any differently than any other holder of Common Stock of the Company. While the total Unvested Option Price shall remain the same after each such event, the Unvested Option Price per Option Share upon exercise of the Repurchase Option shall be appropriately adjusted.

9. **Legends.** All certificates representing any of the Shares subject to the provisions of this Agreement shall have endorsed thereon a legend substantially as follows:

***ANY DISPOSITION, GRANT OR OTHER TRANSFER OF ANY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO CERTAIN RESTRICTIONS, AND THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A RIGHT OF REPURCHASE AND RIGHT OF FIRST REFUSAL, CONTAINED IN A CERTAIN AGREEMENT BY THE RECORDHOLDER HEREOF AND THE CORPORATION, A COPY OF WHICH WILL BE MAILED TO ANY HOLDER OF THIS CERTIFICATE WITHOUT CHARGE AFTER RECEIPT**

**BY THE CORPORATION OF A WRITTEN REQUEST
THEREFOR."**

Upon presentation to the Company or any authorized transfer agent, the certificates representing the Shares or any appropriate portion thereof shall be exchanged for certificates not bearing such legend if the certificates are presented after the termination of this Agreement.

10. Rights as a Stockholder: Voting Agreement. Subject to the provisions of Sections 2 and 5 above, the Buyer shall, during the term of this Agreement, exercise all rights and privileges of a stockholder of the Company with respect to the Shares, including the right to vote such Shares at any stockholder meeting. Notwithstanding anything herein to the contrary, Buyer hereby agrees that he will, for a ninety-day period following the issuance of the Shares or until the closing of the first round financing by the Company in an amount at least equal to \$2,000,000, whichever comes first, vote such Shares, at any stockholder meeting, in person, by proxy, by written consent, or otherwise, for the directors nominated for election to the Board of Directors of the Company by The Woodlands Venture Fund and no others, and, in any other matter coming before the stockholders of the Company, in accordance with the directive of The Woodlands Venture Fund.

In order to secure the obligation to vote in accordance with the provisions hereof, the Buyer hereby appoints Martin P. Sutter as his true and lawful proxy and attorney, with full power of substitution, to vote all of his Shares for the matters specified hereinabove. The irrevocable proxy granted by the Buyer may be exercised at any time Buyer fails to comply with the terms of this Section 10. The proxy and power granted by the Buyer pursuant to this section are coupled with an interest and are given to secure the duties of the Buyer pursuant hereto. Such proxy will be irrevocable and will survive the death, incompetency, and disability of Buyer, provided that it shall terminate upon the expiration of twelve months following the issuance of the Shares.

Buyer hereby consents to the placement of an appropriate legend evidencing the voting restrictions provided for in this Agreement, on the certificates representing the Shares and any certificates issued in replacement or exchange therefor, and Buyer will take all actions reasonably requested by the Company to effect such placement.

11. Termination. Except as may be otherwise provided herein, this Agreement shall terminate on the 91st calendar day immediately succeeding the third anniversary of the public offering referenced in Section 5.2.

12. Miscellaneous.

12.1 Notice. For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly

given when personally delivered or when mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Company:

RGene Therapeutics, Inc.
% The Woodlands Venture Fund
2170 Buckthorne Place, Suite 170
The Woodlands, Texas 77380
Attention: Martin P. Sutter

If to the Buyer, at the address identified on the signature page hereof, and if to an Investor, at the address identified on the records of the Company hereto, or to such other address as either party or an Investor may furnish to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

12.2 Applicable Law. The substantive laws of the State of Texas, excluding any law, rule or principle which might refer to the substantive law of another jurisdiction, will govern the interpretation, validity and effect of this Agreement without regard to the place of execution or the place for performance thereof. This Agreement is to be at least partially negotiated, executed and performed in Harris County, Texas, and, as such, the Company and the Buyer agree that personal jurisdiction and venue shall be proper with the state or federal courts situated in Harris County, Texas, to hear such disputes arising under this Agreement.

12.3 No Waiver. No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

12.4 Severability. If a court of competent jurisdiction determined that any provision of this Agreement, including any appendices attached hereto, is invalid or unenforceable, then the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect. Further, such provision shall be reformed and construed to the extent permitted by law so that it may be valid, legal and enforceable to the maximum extent possible.

12.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

12.6 Headings. The section headings have been inserted for purposes of convenience and shall not be used for interpretive purposes.

12.7 Successors: Third Party Beneficiary. This Agreement shall inure to the benefit of the successors and assigns of the Company and the Investors and be binding upon the Buyer and his heirs, executors, administrators and successors. The Buyer agrees that any and all Investors in the Company shall be treated as third party beneficiaries of this Agreement without the necessity of execution of this Agreement, and shall be entitled to all of the rights accorded to them herein.

12.8 Entire Agreement. This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the subject matter hereof. Each party to this Agreement acknowledges that no representation, inducement, promise or agreement, oral or written, with regard to the subject matter hereof, has been made by either party, or by anyone acting on behalf of either party, which is not embodied herein, and that no agreement, statement or promise relating to the subject matter hereof which is not contained in this Agreement or in such other agreements shall be valid and binding.

12.9 Amendments. No amendment or modification to this Agreement will be effective unless it is in writing and signed by the Company, the Buyer and, if such amendment alters or amends any of the rights of the Investors, by Investors holding a majority of the outstanding shares of capital stock of the Company held by such Investors, if any.

12.10 Indemnity. The Buyer agrees to indemnify and hold harmless the Company and any person, if any, who controls the Company or such successor within the meaning of Section 15 of the Act against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon any false representation or warranty or breach or failure by the Buyer to comply with any covenant or agreement made by the Buyer herein or in any other document furnished by the Buyer in connection with this transaction.

12.11 Injunctive Relief. In view of the inadequacy of money damages, and in view of the fact that the stock of the Company cannot be readily purchased or sold in the general market, if the Buyer or any other person shall fail to comply with any provision of this Agreement, the Company shall be entitled, to the extent permissible by law, to injunctive relief in the case of the violation, or attempted or threatened violation, by Buyer or other person of any such provision, or to a decree compelling specific performance by the Buyer or other person, of any such provision, or to any other remedies legally available.

12.12 Spouses. The spouse of the Buyer, if any, hereby represents and acknowledges that he or she is fully aware of, understands, and fully consents and agrees to the provisions of this Agreement and its binding effect upon any community property interest he or she may now or hereafter own. Said spouse agrees that the termination of their marital relationship with the Buyer for any reason or his or her death shall not have the effect of removing any stock of the Company otherwise subject to this Agreement from its coverage.

Said spouse's awareness, understanding, consent and agreement is evidenced by the execution of this Agreement. All stock described in this Agreement shall include the community property interest of the spouse of Buyer.

12.13 Void Transfers. If any Stock shall be sold or transferred otherwise than in accordance with the terms and conditions of this Agreement, such sale shall be void. Any such attempted sale or other transfer shall create a right in the Company to purchase the Stock which is the subject of such purported transfer at the applicable purchase price specified herein. Such right shall constitute an "adverse claim" within the meaning of such term as used within the meaning of the Uniform Commercial Code of any State. In addition to, and without prejudice to, any and all other rights or remedies which may be available to the Company, the Buyer agrees that the Company may, but shall have no obligation to, hold and refuse to transfer any Stock, or any certificate therefor, tendered to it for transfer if the transfer violates the provisions of the Agreement.


12.14 Tax Representations. The Buyer acknowledges that the Company has made no warranties or other representations to Buyer with respect to the income tax consequences of the transactions contemplated by this Agreement and Buyer is in no manner relying on the Company or its representatives for an account of such tax consequences.

12.15 Further Assurances. The parties agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

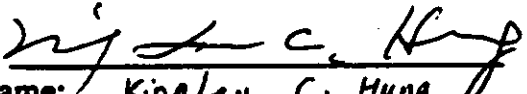
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the day and year first above written.

Company

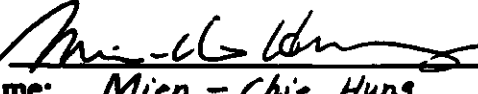
RGENE THERAPEUTICS, INC.

By: 
Name: MARTIN D. SUTTER
Title: CAJALAN

Buyer's Spouse

Signed: 
Print Name: King Lan C. Hung
Address: 5762 Birdwood Rd.
Houston, Texas 77096
USA

Buyer

Signed: 
Print Name: Mien-Chie Hung
Address: 5762 Birdwood Rd.
Houston, Texas 77096

RGENE THERAPEUTICS, INC.

Stockholder Agreement

This Stockholder Agreement (this "Agreement") dated March __, 1994 is entered into by and between RGene Therapeutics, Inc., a Delaware corporation (the "Company") and Board of Regents of the University of Texas System, an agency of the State of Texas ("Stockholder").

WITNESSETH:

WHEREAS, the Company desires to issue certain shares of common stock, \$.001 par value, of the Company (the "Common Stock") to the Stockholder; and

WHEREAS, the Stockholder desires to acquire certain shares of Common Stock from the Company; and

WHEREAS, the Stockholder and the Company desire that the Stockholder grant to the Company, and under certain circumstances to holders of the Company's Preferred Stock or other securities issued by the Company to investors (the "Investors"), options to repurchase certain shares of Common Stock purchased by the Stockholder on the terms and conditions set forth;

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained herein, the parties agree as follows:

1. Issuance of Shares.

1.1 **Purchase and Sale of Shares.** Subject to the terms and conditions of this Agreement and in consideration of the execution of the Patent and Technology License Agreement between the Company and the Stockholder dated the date hereof relating to certain patent applications and technology owned by Stockholder and invented by Dr. Mien Chie Hung, the Company agrees to issue to the Stockholder 642,307 shares of Common Stock (the "Shares").

1.2 **Closing.** The closing for the issuance of the Shares to the Stockholder shall occur on or before March __, 1994, or at such other date and time as the parties may agree (the "Closing"). At the Closing, or within a reasonable time thereafter, the Company shall deliver to Stockholder a certificate or certificates representing the number of Shares as set forth in Section 1.1 hereof, in the name of the Stockholder.

2. Representations and Warranties. To induce the Company to deliver the Shares to the Stockholder, the Stockholder represents and warrants to the Company:

(a) The Stockholder is acquiring the Shares for its own account as principal, for investment purposes only, and not with a view to, or for, resale or distribution, and no other person or entity has a direct or indirect beneficial interest in the Shares;

(b) The Stockholder has not offered any of the Shares for resale and has no present intention of dividing its interest with others or of reselling or otherwise disposing of any of the Shares;

(c) Any information the Stockholder has furnished to the Company with respect to the Stockholder's status as a sophisticated or accredited investor, its business experience or financial position is correct;

(d) The financial capacity of the Stockholder is such that the investment in the Shares is not material to its total financial capacity; the Stockholder has the financial ability to bear the economic risk of its investment, has adequate means for providing for its current needs and personal contingencies and has no need for liquidity with respect to its investment in the Shares;

(e) The Stockholder considers itself to be a sophisticated investor and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the prospective investment in the Shares;

(f) The Stockholder has been furnished with all information concerning the Shares and the Company that it desires;

(g) The Stockholder has been given the opportunity to ask questions of, and receive answers from, the Company with respect to the Shares, concerning the terms and conditions of the offering and other matters pertaining to this investment, and has been given the opportunity to obtain such additional information necessary to verify the accuracy of the information provided to him by the Company in order for him to evaluate the merits and risks of investment in the Shares to the extent that the Company possessed such information or could acquire it without unreasonable effort or expense; and

(h) The Stockholder is not relying on the Company with respect to any economic considerations of the Stockholder related to this investment. In regard to the economic considerations related to this investment, the Stockholder has relied on the advice of, or has consulted with, only its own advisors.

The Stockholder further represents, warrants and agrees that it will not sell or otherwise transfer the Shares without registration under the Securities Act of 1933, as amended (the "Act"), or an exemption therefrom, and fully understands and agrees that

it must bear the economic risk of its purchase for an indefinite period of time because, among other reasons, the Shares have not been registered under the Act or under the securities laws of any state and, therefore, cannot be resold, pledged, assigned or otherwise disposed of unless they are subsequently registered under the Act and under the applicable securities laws of such states or an exemption from such registration is available. It also understands that the Company is under no obligation to register the Shares on its behalf or to assist him in complying with any exemption from registration under the Act. It further understands that any certificate evidencing the Shares will bear a legend restricting the transfer thereof consistent with the foregoing and that a notation may be made in the records of the Company restricting the transfer of any Shares in a manner consistent with the foregoing.

3. Stockholder Awareness. The Stockholder acknowledges that it is aware that:

(a) No federal or state agency has passed upon the Shares or made any finding or determination as to the fairness of this investment;

(b) There are substantial risks of loss of investment incident to an investment in the Shares and such an investment is highly speculative;

(c) The Company is only recently organized, has not conducted any substantial business to date and does not have any substantial working capital or financial resources. The business in which the Company proposes to engage is highly competitive and success in the Company's business may depend on, among other things, the Company's ability to obtain financing, to complete product development, to attract qualified employees and to obtain patent protection and governmental approvals, market acceptance of products and numerous other factors over which the Company does not have control.

4. Restrictions on Transfer: Right of First Refusal.

4.1 Company's Purchase Option. Stockholder shall not sell, transfer, pledge, hypothecate or otherwise dispose of any Shares which are purchased hereunder without first complying with the terms of this Section 4.

4.2 Right of First Refusal. Before any of the Shares registered in the name of Stockholder may be sold or transferred (including transfer by operation of law), except as permitted in Section 5, such Shares shall first be offered to the Company and to the Investors, in accordance with the terms set out herein.

(i) Stockholder shall deliver a notice ("Notice") to the Company and to the Investors stating (A) its bona fide intention to sell or transfer such Shares, (B) the number of such Shares to be sold or transferred, (C) the price for which it proposes to sell or transfer such Shares, and (D) the name of the proposed purchaser or transferee.

(ii) Within thirty (30) days after receipt of the Notice, the Company and/or the Investors may elect to purchase some or all of the Shares to which the Notice refers, at the price per share specified in the Notice. The closing for such purchase by the Company and/or the Investors shall occur, unless otherwise agreed by the Company, the Investors electing to purchase Shares, and the Stockholder, no later than 30 days after the election by the Company and/or the Investors to purchase same. In the event that the number of Shares which the Company and the Investors desire to purchase exceeds the number of Shares proposed for sale by Stockholder in the Notice, then in such instance the Company shall have full preference to acquire such Shares to the exclusion of the Investors, and, to the extent that there are Shares still available for purchase by the Investors, the Investors desiring to purchase Shares shall be entitled to purchase the remaining amount thereof on a pro rata basis based upon the number of shares of Common Stock and Preferred Stock, or securities convertible into shares of Common Stock and Preferred Stock, then held by each of them so electing to purchase bears to the total number of shares of Common Stock and Preferred Stock, or securities convertible into shares of Common Stock and Preferred Stock, held by all Investors desiring to acquire Shares, on a fully diluted as if converted to Common Stock basis.

(iii) If all of the Shares to which the Notice refers are not purchased by the Company and the Investors, as provided in Section 4.2 (ii) hereof, Stockholder may sell such Shares which the Company and the Investors elected not to purchase to any person or persons named in the Notice at the price specified in the Notice or at a higher price, provided that such sale or transfer is consummated within 120 days of the date of said Notice to the Company and the Investors, and provided, further, that any such sale is in accordance with all the terms and conditions hereof.

(iv) Upon the closing of a firm commitment public offering pursuant to an effective registration statement filed by the Company under the Securities Act of 1933, as amended (the "Act"), covering the offering and sale of shares of Common Stock for the account of the Company in which the aggregate gross proceeds received by the Company equal or exceed \$7,500,000 and in which the public offering price per share equals or exceeds \$5.00 per share, the thirty (30) day period specified in Section 4.2(ii) above shall be reduced to a ten (10) day period; and the requirement to identify the name of the proposed purchaser and the proposed price shall be inapplicable if the Stockholder proposed to sell the Shares in an over-the-counter sale or on a national or regional exchange transaction. In such instance, any such sale to the Company and/or the Investors shall be at the average closing price of the Company's Common Stock on the date of notice of election to purchase such shares by the Company and/or the Investors. The average closing price is defined as the last closing price regular way on the exchange where the Common Stock is listed for trading or the average of the bid and ask prices if applicable.

4.3 Standoff Agreement. Stockholder agrees, in connection with each of the Company's public offerings of its equity securities, and upon request of the Company or the underwriters managing such offering, not to sell, make any short sale of, loan, grant any option for the purchase of or otherwise dispose of any of the Shares (other than those included in the

registration, if any) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time from the effective date of such registration as may be requested by the Company or such underwriters; provided, that the officers and directors of the Company who own stock of the Company also agree to such restrictions.

4.4 Other Restrictions on Transfer. The Company shall not be required (i) to transfer on its books any of the Shares which shall have been sold or transferred in violation of any of the provisions set forth in this Agreement, or (ii) to treat as owner of such Shares or to accord the right to vote as such owner or to pay dividends to any transferee to whom such Shares shall have been so transferred.

5. Exempt Transactions.

The prohibition in Section 4 against the sale of the Shares shall not apply to the exchange of Shares pursuant to a plan or merger, consolidation, recapitalization, reorganization, or sale of the Stockholder in which the Stockholder is the surviving entity, but any stock or securities received in exchange therefor shall also become subject to this Agreement.

6. Assignment. The Company may assign this Agreement or any of its rights and obligations hereunder. The Stockholder may not assign this Agreement or any of its rights and obligations hereunder. All covenants and agreements of, and benefits for, the Investors contained in this Agreement shall inure to the benefit of their respective successors and assigns and be binding on the Company and its successors and on the Stockholder and its successors and assigns. All such covenants and agreements are fully assignable by the Investors, *provided, however*, that any assignment of any of its rights under this Agreement by any Investor (other than to partners of such Investor or successors of such Investor or such partners by operation of law) shall be made only in connection with the sale or other transfer of all or any portion of the Preferred Stock, Common Stock, convertible notes, warrants, options or other securities of the Company which are exchangeable or convertible into shares of Common Stock or Preferred Stock of the Company held by such Investor and such assignee or transferee shall execute this Agreement.

7. Adjustments. If, from time to time during the term of this Agreement (i) there is any stock dividend or liquidating dividend of cash or property, stock split or other change in the character or amount of any of the outstanding securities of the Company, or (ii) there is any transaction involving the consolidation, merger or sale of all, or substantially all, of the assets of the Company, then, in such event, (x) any and all new, substituted or additional securities or other property to which the Stockholder is entitled by reason of its ownership of the Shares shall be immediately subject to right of first refusal provided to the Company and the Investors as described in Section 4 hereof and (y) all Shares purchased by Stockholder hereunder shall be treated on the same basis as all other outstanding shares of Common Stock of the Company so that Stockholder's Shares shall not be diluted by any such event any differently than any other holder of Common Stock of the Company.

8. Legends. All certificates representing any of the Shares subject to the provisions of this Agreement shall have endorsed thereon a legend substantially as follows:

"ANY DISPOSITION, GRANT OR OTHER TRANSFER OF ANY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO CERTAIN RESTRICTIONS, AND THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A RIGHT OF FIRST REFUSAL, CONTAINED IN A CERTAIN AGREEMENT BY THE RECORDHOLDER HEREOF AND THE CORPORATION, A COPY OF WHICH WILL BE MAILED TO ANY HOLDER OF THIS CERTIFICATE WITHOUT CHARGE AFTER RECEIPT BY THE CORPORATION OF A WRITTEN REQUEST THEREFOR."

Upon presentation to the Company or any authorized transfer agent, the certificates representing the Shares or any appropriate portion thereof shall be exchanged for certificates not bearing such legend if the certificates are presented after the termination of this Agreement.

9. Rights as a Stockholder: Voting Agreement. (a) Subject to the provisions of Section 4 above, the Stockholder shall, during the term of this Agreement, exercise all rights and privileges of a stockholder of the Company with respect to the Shares, including the right to vote such Shares at any stockholder meeting. Notwithstanding anything herein to the contrary, Stockholder hereby agrees that it will, for a ninety-day period following the issuance of the Shares or until the closing of the first round financing by the Company in an amount at least equal to \$2,000,000, whichever comes first, vote such Shares, at any stockholder meeting, in person, by proxy, by written consent, or otherwise, for the directors nominated for election to the Board of Directors of the Company by The Woodlands Venture Fund and no others, and, in any other matter coming before the stockholders of the Company, in accordance with the directive of The Woodlands Venture Fund.

In order to secure the obligation to vote in accordance with the provisions hereof, the Stockholder hereby appoints Martin P. Sutter as its true and lawful proxy and attorney, with full power of substitution, to vote all of its Shares for the matters specified hereinabove. The irrevocable proxy granted by the Stockholder may be exercised at any time Stockholder fails to comply with the terms of this Section 9. The proxy and power granted by the Stockholder pursuant to this section are coupled with an interest and are given to secure the duties of the Stockholder pursuant hereto. Such proxy will be irrevocable and will survive the death, incompetency, and disability of Stockholder, provided that it shall terminate upon the expiration of ninety days following the issuance of the Shares or until the above-referenced closing, if earlier.

Stockholder hereby consents to the placement of an appropriate legend evidencing the voting restrictions provided for in this Agreement, on the certificates representing the Shares and any certificates issued in replacement or exchange therefor, and Stockholder will take all actions reasonably requested by the Company to effect such placement.

10. **Termination.** Except as may be otherwise provided herein, this Agreement shall terminate on the 91st calendar day immediately succeeding the third anniversary of the public offering referenced in Section 4.2.

11. **Miscellaneous.**

11.1 **Notice.** For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Company:

RGene Therapeutics, Inc.
% The Woodlands Venture Fund
2170 Buckthorne Place, Suite 170
The Woodlands, Texas 77380
Attention: Martin P. Sutter

If to the Stockholder, at the address identified on the signature page hereof, and if to an Investor, at the address identified on the records of the Company hereto, or to such other address as either party or an Investor may furnish to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

11.2 **Applicable Law.** The substantive laws of the State of Texas, excluding any law, rule or principle which might refer to the substantive law of another jurisdiction, will govern the interpretation, validity and effect of this Agreement without regard to the place of execution or the place for performance thereof. This Agreement is to be at least partially negotiated, executed and performed in Harris County, Texas, and, as such, the Company and the Stockholder agree that personal jurisdiction and venue shall be proper with the state or federal courts situated in Harris County, Texas, to hear such disputes arising under this Agreement.

11.3 **No Waiver.** No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

11.4 Severability. If a court of competent jurisdiction determined that any provision of this Agreement, including any appendices attached hereto, is invalid or unenforceable, then the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect. Further, such provision shall be reformed and construed to the extent permitted by law so that it may be valid, legal and enforceable to the maximum extent possible.

11.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

11.6 Headings. The section headings have been inserted for purposes of convenience and shall not be used for interpretive purposes.

11.7 Successors; Third Party Beneficiary. This Agreement shall inure to the benefit of the successors and assigns of the Company and the Investors and be binding upon the Stockholder and its successors and assigns. The Stockholder agrees that any and all Investors in the Company shall be treated as third party beneficiaries of this Agreement without the necessity of execution of this Agreement, and shall be entitled to all of the rights rendered to them herein.

11.8 Entire Agreement. This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the subject matter hereof. Each party to this Agreement acknowledges that no representation, inducement, promise or agreement, oral or written, with regard to the subject matter hereof, has been made by either party, or by anyone acting on behalf of either party, which is not embodied herein, and that no agreement, statement or promise relating to the subject matter hereof which is not contained in this Agreement or in such other agreements shall be valid and binding.

11.9 Amendments. No amendment or modification to this Agreement will be effective unless it is in writing and signed by the Company, the Stockholder and, if such amendment alters or amends any of the rights of the Investors, by Investors holding a majority of the outstanding shares of capital stock of the Company held by such Investors, if any.

11.10 Indemnity. The Stockholder agrees to indemnify and hold harmless the Company and any person, if any, who controls the Company or such successor within the meaning of Section 15 of the Act against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon any false representation or warranty or breach or failure by the Stockholder to comply with any covenant or agreement made by the

Stockholder herein or in any other document furnished by the Stockholder in connection with this transaction.

11.11 Injunctive Relief. In view of the inadequacy of money damages, and in view of the fact that the stock of the Company cannot be readily purchased or sold in the general market, if the Stockholder or any other person shall fail to comply with any provision of this Agreement, the Company shall be entitled, to the extent permissible by law, to injunctive relief in the case of the violation, or attempted or threatened violation, by Stockholder or other person of any such provision, or to a decree compelling specific performance by the Stockholder or other person, of any such provision, or to any other remedies legally available.

11.12 Void Transfers. If any Stock shall be sold or transferred otherwise than in accordance with the terms and conditions of this Agreement, such sale shall be void. Any such attempted sale or other transfer shall create a right in the Company to purchase the Stock which is the subject of such purported transfer at the applicable purchase price specified herein. Such right shall constitute an "adverse claim" within the meaning of such term as used within the meaning of the Uniform Commercial Code of any State. In addition to, and without prejudice to, any and all other rights or remedies which may be available to the Company, the Stockholder agrees that the Company may, but shall have no obligation to, hold and refuse to transfer any Stock, or any certificate therefor, tendered to it for transfer if the transfer violates the provisions of the Agreement.

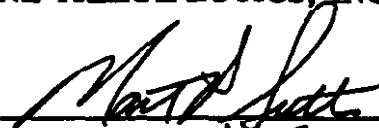
11.13 Tax Representations. The Stockholder acknowledges that the Company has made no warranties or other representations to Stockholder with respect to the income tax consequences of the transactions contemplated by this Agreement and Stockholder is in no manner relying on the Company or its representatives for an account of such tax consequences.

11.14 Further Assurances. The parties agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the day and year first above written.

Company

RGENE THERAPEUTICS, INC.

By: 
Name: MARTIN P. SUTTER
Title: CHAIRMAN

Stockholder

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

By: _____
Name: _____
Title: _____



SPONSORED RESEARCH AGREEMENT

Agreement, made this _____ day of _____, 1994, by and between The University of Texas M.D. Anderson Cancer Center (hereinafter referred to as "Cancer Center"), a component institution of The University of Texas System (hereinafter referred to as "System"), located in Houston, Texas, and RGene Therapeutics, Inc., (hereinafter referred to as "Sponsor"), located in The Woodlands, Texas.

WITNESSETH:

WHEREAS, Sponsor is the manufacturer or licensee of the lipid based gene and oligonucleotide delivery technologies which have potential utilization in patient care and treatment; and

WHEREAS, Cancer Center has research facilities and situations which would allow investigation and study of "Targeting and Delivery of Oligonucleotides to Leukemic Cells" as described in Exhibit I (hereinafter referred to as "Research"), a copy of which is attached hereto and incorporated herein by reference; and

WHEREAS, both Sponsor and Cancer Center consider it necessary and desirable to perform the Research;

NOW, THEREFORE, the parties agree as follows:

1. Evaluation. Sponsor agrees to engage the services of Cancer Center as an independent contractor to perform the Research. The Research will be under the supervision of Gabriel Lopez-Berestein, M.D. (Principal Investigator) at Cancer Center, with the assistance of appropriate associates and colleagues at Cancer Center as may be required.

2. Research. Cancer Center agrees as an independent contractor to conduct the Research. Such Research was originally approved by Cancer Center in accordance with Cancer Center policy and may be subsequently amended only in accordance with Cancer Center policy and the written agreement of Cancer Center and Sponsor as provided for in Article 16 herein below. Cancer Center shall provide written report to Sponsor as requested, summarizing results of the Research, and all such reports, test data, information, etc. shall be the property of Sponsor.

3. Invention and Patents.

a. For all purposes herein, "Invention" shall mean any discovery, concept or idea whether or not patentable or copyrightable, which (i) arises out of work performed pursuant to the obligations of this Agreement; (ii) is conceived and reduced to practice during the term of the Agreement as defined in Article 14 hereinbelow and within the six (6) month period thereafter; and (iii) includes but is not limited to processes, methods, software,

formulae, techniques, compositions of matter, devices, and improvements thereof and know-how relating thereto. Inventions made solely by the Principal Investigator and/or other Cancer Center personnel as identified in Article 1 hereinabove or agents of Cancer Center shall be the sole property of Cancer Center. Inventions made jointly by employees or agents of Cancer Center and Sponsor shall be jointly owned by Cancer Center and Sponsor. Inventions made solely by employees or agents of Sponsor shall be the sole property of Sponsor.

b. In the event that an Invention is made, either solely by employees or agents of Cancer Center or jointly by employees or agents of Cancer Center and Sponsor, Cancer Center and Sponsor agree to give notice of such Invention to each other within thirty (30) days of the identification of such Invention. Within thirty (30) days of notice of Invention, Cancer Center and Sponsor will thereupon exert their best reasonable efforts in cooperation with each other to investigate, evaluate and determine to the mutual satisfaction of both parties, the disposition of rights to the Invention, including whether, by whom, and where any patent applications are to be filed, subject to the terms of this Article 3.

c. If, after consultation with Sponsor, it is agreed by the parties that a patent application should be filed, Cancer Center will prepare and file appropriate United States and foreign patent applications on Inventions made under this Agreement and owned by Cancer Center, in whole or in part, and Sponsor will pay the cost of preparing, filing and maintenance thereof. If Sponsor notifies Cancer Center that it does not intend to pay the costs of an application, or if Sponsor does not respond or make an effort to agree with Cancer Center on the disposition of rights to the Invention, then Cancer Center may file such application at its own expense, and Sponsor shall have no rights to such Invention. Cancer Center will provide Sponsor a copy of the application filed for which Sponsor has paid the cost of filing, as well as copies of any documents received or filed during prosecution thereof. Sponsor agrees to maintain any such application in confidence until it is published by Cancer Center or by the respective patent office.

d. Any Invention made hereunder which is in the field of the molecular biology of oncogenes and/or growth factors and/or nucleic acid, lipid based gene, and/or oligonucleotide delivery technology and which results from the research described in this Agreement ("Licensee Sponsored Technology") shall be automatically licensed to Sponsor pursuant to the terms of the Patent and Technology License Agreement dated March 1, 1994 between Cancer Center, the Board of Regents of The University of Texas System and Sponsor (the "Patent and Technology License Agreement"), a copy of which is attached hereto and incorporated herein as Exhibit II, without any further action. This shall apply with like result to any Invention which constitutes an Improvement (as defined in the Patent and Technology License Agreement).

e. Any Invention made hereunder which is outside of the field identified in Article 3(d) shall be subject to an option to Sponsor to negotiate and acquire an exclusive, worldwide, royalty-bearing license to commercialize such Invention (as well as patent applications, patents and copyrights thereon), provided that Sponsor shall pay all costs and expenses associated with patent and copyright filing, prosecution, issuance, and maintenance relating thereto. Sponsor shall have ninety (90) days from the date of notice of Invention from Cancer Center pursuant to Article 3(b) hereinabove, to give written notice to Cancer Center exercising said option. In the event that Sponsor elects to exercise its option to negotiate and acquire such a license in the time and manner provided hereinabove, the parties agree to enter into good faith negotiations regarding the terms and conditions of said license and further agree to negotiate license fee rates and other payments which are fair and reasonable to both parties.

f. In the event that parties fail to reach an agreement regarding the terms and conditions of said license, within ninety (90) days after Sponsor's notification to Cancer Center of Sponsor's exercise of said option pursuant to Articles 3 (e) hereinabove, Cancer Center shall have the right to enter into license agreements concerning the same Inventions with third parties on terms no less favorable to Cancer Center than were last offered in writing by Sponsor.

4. Confidentiality. Because Cancer Center and Sponsor will be cooperating with each other in this Research, and because each may reveal to the other in the course of this Research certain confidential information, Cancer Center and Sponsor agree to hold any confidential information which (a) is obtained during the course of and as a result of this work and (b) is related thereto and (c) is marked as "CONFIDENTIAL" in confidence, and each party will not disclose same to any third party without the express written consent of the other party to this Agreement. This requirement shall remain in force during the term of this Agreement and for a period of three (3) years following completion of work under this Agreement. Nothing in this paragraph shall in any way restrict the rights of either Cancer Center or Sponsor to use, disclose or otherwise deal with any information which:

a. Can be demonstrated to have been in public domain as of the effective date of this Agreement or comes into the public domain through the term of this Agreement through no act of the recipient; or

b. Can be demonstrated to have been known to the recipient prior to the execution of this Agreement; or

c. Can be demonstrated to have been rightfully received by the recipient after disclosure under this Agreement from a third party who did not require the recipient to hold it in confidence or limit its use and who did not acquire it,

directly or indirectly, under obligation of confidentiality to the disclosing party; or

d. Shall be required for disclosure to Federal regulatory agencies pursuant to approval for use; or

e. Is independently invented by researchers of the recipient, which in the case of Cancer Center includes System, who have not had access to the information provided to the recipient hereunder.

Except as permitted under the Patent and Technology License Agreement, nothing herein is intended to give Sponsor the right to use for any purpose pre-existing confidential information of Cancer Center. Notwithstanding the confidentiality obligations of this Agreement, nothing herein shall prevent Cancer Center and any other component of System from using any information generated hereunder for ordinary research and educational purposes of a university.

5. Publication Rights. Notwithstanding the provisions of Article 4 of this Agreement, Cancer Center may publish scientific papers relating to the collaborative research performed under this Agreement. In the event that Cancer Center wishes to publish, Cancer Center shall notify Sponsor of its desire to publish at least thirty (30) days in advance of publication and shall furnish to Sponsor a written description of the subject matter of the publication in order to permit Sponsor to review and comment thereon. Sponsor shall notify Cancer Center in writing within thirty (30) days of receipt of such draft whether such draft contains information deemed to be confidential under the provisions of Article 4, or information that if published within thirty (30) days would have an adverse effect on a patent application in which Sponsor owns full or part interest, or intends to obtain an interest from Cancer Center pursuant to this Agreement. In the latter case Sponsor has the right to request a delay and Cancer Center agrees to delay said publication for a period not exceeding ninety (90) days. In any such notification, Sponsor shall indicate with specificity to what manner and degree Cancer Center may disclose said information. Cancer Center shall have the final authority to determine the scope and content of any publication, provided that such authority shall be exercised with reasonable regard for the commercial interests of Sponsor.

6. Publicity. Cancer Center acknowledges Sponsor's intention to distribute periodically informational releases and announcements to the news media regarding the progress of research hereunder. Sponsor shall not release such materials containing the name of Cancer Center or any of its employees without prior written approval by an authorized representative of Cancer Center, and said approval shall not be unreasonably withheld. Should Cancer Center reject the news release, Cancer Center and Sponsor agree to discuss the reasons for Cancer Center's rejection, and every effort shall be made to develop an appropriate informational news release within the bounds of accepted academic practices. Sponsor reserves the same right in the event that Cancer Center desires to distribute a

news release concerning the research program. Nothing herein shall be construed as prohibiting Cancer Center or Sponsor from reporting on this study to a governmental agency or as prohibiting Sponsor from using the name of Cancer Center or its employees, but only when indicating, as a factual matter, that Sponsor is sponsoring research at Cancer Center under this Agreement and only in connection with either or both of the following: (a) communications associated with Sponsor's financing activities; and (b) communications (other than promotions and advertisements) directed to describing or responding to inquiries concerning the business, technology products, services and associated activities of Sponsor. Sponsor may otherwise use the name of Cancer Center when and as required by applicable law, rules and regulations, or upon Cancer Center's consent, which shall not be unreasonably withheld or delayed.

7. Responsibility. The parties each agree to assume individual responsibility for the actions and omissions of their respective employees, agents and assigns in conjunction with this evaluation.

8. Independent Contractor. Sponsor will not have the right to direct or control the activities of Cancer Center in performing the services provided herein, and Cancer Center shall perform services hereunder only as an independent contractor, and nothing herein contained shall be construed to be inconsistent with this relationship or status. Under no circumstances shall Cancer Center be considered to be an employee or agent of Sponsor. This Agreement shall not constitute, create or in any way be interpreted as a joint venture, partnership or formal business organization of any kind.

9. Title to Equipment. Cancer Center shall retain title to all equipment purchased and/or fabricated by it with funds provided by Sponsor under this Agreement.

10. Survivorship. The provisions of Article 3, 4, 5, 6, and 12 shall survive any expiration or termination of this Agreement.

11. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other party; provided, however, that Sponsor may assign this Agreement to any purchaser or transferee of all or substantially all of Sponsor's business upon prior written notice to Cancer Center.

12. Indemnification. Cancer Center shall, to the extent authorized under the Constitution and the laws of the State of Texas, indemnify and hold Sponsor and its officers, directors, employees, agents and stockholders harmless from any and all liability resulting from the negligent acts or omissions of Cancer Center, its agents or employees pertaining to the activities to be carried out pursuant to the obligations of this Agreement; provided, however, that Cancer Center shall not hold Sponsor harmless from claims arising out of the negligence of Sponsor, its

officers, agents or any person or entity not subject to Cancer Center's supervision or control.

Sponsor shall indemnify and hold harmless System, Cancer Center, their regents, officers, agents and employees from any liability or loss resulting from judgments or claims against them arising out of the activities to be carried out pursuant to the obligations of this Agreement or the use by Sponsor of the results of the Research, provided, however, that the following is excluded from Sponsor's obligation to indemnify and hold harmless:

a. the negligent failure of Cancer Center to comply with any applicable governmental requirements; or

b. the negligence or willful malfeasance by a regent, officer, agent or employee of Cancer Center or System.

13. Award. Sponsor agrees to pay Cancer Center a fee of Five Hundred One Thousand Nine Hundred Seventy-Six and No/100 Dollars (\$501,976.00) for expenses and other related costs incurred in conjunction with the Research. This fee, as shown by approximate category of expense in the attached Exhibit I which is attached hereto and is incorporated herein by reference, for information only, shall be payable in equal installments of Sixty-Two Thousand Seven Hundred Forty-Seven and No/100 Dollars (\$62,747.00) each by Sponsor to Cancer Center. The first such installment shall be due within thirty (30) days of the date of execution of this Agreement. The subsequent installments shall be due and payable on a quarterly basis.

14. Basic Term. This Agreement shall become effective as of the date first hereinabove written and unless earlier terminated as hereinafter provided, shall continue in force for a period of two (2) years after the same, except as otherwise provided herein.

15. Default and Termination. In the event that either party to this Agreement shall be in default of any of its material obligations hereunder and shall fail to remedy such default within thirty (30) days after receipt of written notice thereof, the party not in default shall have the option of terminating this Agreement by giving written notice thereof, notwithstanding anything to the contrary contained in this Agreement. Termination of this Agreement shall not affect the rights and obligations of the parties which accrued prior to the effective date of termination. Sponsor shall pay Cancer Center for all reasonable expenses incurred or committed to be expended as of the effective termination date, subject to the maximum amount as specified in Article 13.

16. Entire Agreement. The parties acknowledge that this Agreement and Exhibit I and Exhibit II (the Patent and Technology License Agreement) attached hereto represent the sole and entire Agreement between the parties hereto pertaining to the Research and that such supersedes all prior Agreements, understandings,

negotiations and discussions between the parties regarding same, whether oral or written. There are no warranties, representations or other Agreements between the parties in connection with the subject matter hereof except as specifically set forth herein. No supplement, amendment, alteration, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the parties hereto.

17. Reform of Agreement. If any provision of this Agreement is, becomes or is deemed invalid, illegal or unenforceable in any United States jurisdiction, such provision shall be deemed amended to conform to applicable laws so as to be valid and enforceable; or if it cannot be so amended without materially altering the intention of the parties, it shall be stricken, and the remainder of this Agreement shall remain in full force and effect.

18. Notices. Any notices, statements or reports required by this Agreement shall be considered given if sent by United States Certified Mail, postage prepaid and addressed as follows:

If to Cancer Center:

Michael J. Best
Chief Financial Officer
The University of Texas M.D. Anderson Cancer Center
1515 Holcombe Blvd.
Houston, Texas 77030

If to Sponsor:

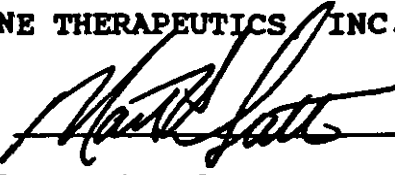
Martin P. Sutter
President
RGene Therapeutics, Inc.
2170 Buckthorne Place, Suite 170
The Woodlands, Texas 77380

19. Captions. The captions in this Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement.

20. Governing Law. This Agreement shall be governed and interpreted in accordance with the substantive laws of the State of Texas and with applicable laws of the United States of America.

IN WITNESS WHEREOF, Cancer Center and Sponsor entered into this Agreement effective as of the date first hereinabove written and have executed two (2) originals each of which are of equal dignity.

RGENE THERAPEUTICS INC.

BY: 
TITLE: CHAIRMAN

I have read this agreement and understand my obligations hereunder:

BY: _____
Gabriel Lopez-Berestein, M.D.
Principal Investigator

BY: _____
Martin N. Raber, M.D.
Acting Head, Div. of Medicine

Make Payment To:
The University of Texas
M.D. Anderson Cancer Center
Atten: Manager, Sponsored Programs
P. O. Box 297402
Houston, TX 77297
Tax I.D. 74 6001118 A1

THE UNIVERSITY OF TEXAS
M.D. ANDERSON CANCER CENTER

BY: _____
Michael J. Best
Chief Financial Officer

CONTENT APPROVED:

BY: _____
Donna S. Gilberg, CPA
Manager, Sponsored
Programs

FORM APPROVED:

BY: 
Matthew E. Burr, J.D.
Legal Services Officer

SPONSORED RESEARCH AGREEMENT

Agreement, made this _____ day of _____, 1994, by and between The University of Texas M.D. Anderson Cancer Center (hereinafter referred to as "Cancer Center"), a component institution of The University of Texas System (hereinafter referred to as "System"), located in Houston, Texas, and RGene Therapeutics, Inc., (hereinafter referred to as "Sponsor"), located in The Woodlands, Texas.

WITNESSETH:

WHEREAS, Sponsor is the manufacturer or licensee of the HER-2/neu gene which has potential utilization in patient care and treatment; and

WHEREAS, Cancer Center has research facilities and situations which would allow investigation and study of "HER-2/neu Targeting Cancer Therapy" as described in Exhibit I (hereinafter referred to as "Research"), copy of which is attached hereto and incorporated herein by reference; and

WHEREAS, both Sponsor and Cancer Center consider it necessary and desirable to perform the Research;

NOW, THEREFORE, the parties agree as follows:

1. Evaluation. Sponsor agrees to engage the services of Cancer Center as an independent contractor to perform the Research. The Research will be under the supervision of Mien-Chie Hung, Ph.D. (Principal Investigator) at Cancer Center, with the assistance of appropriate associates and colleagues at Cancer Center as may be required.

2. Research. Cancer Center agrees as an independent contractor to conduct the Research. Such Research was originally approved by Cancer Center in accordance with Cancer Center policy and may be subsequently amended only in accordance with Cancer Center policy and the written agreement of Cancer Center and Sponsor as provided for in Article 16 herein below. Cancer Center shall provide written report to Sponsor as requested, summarizing results of the Research, and all such reports, test data, information, etc. shall be the property of Sponsor.

3. Invention and Patents.

a. For all purposes herein, "Invention" shall mean any discovery, concept or idea whether or not patentable or copyrightable, which (i) arises out of work performed pursuant to the obligations of this Agreement; (ii) is conceived and reduced to practice during the term of the Agreement as defined in Article 14 hereinbelow and within the six (6) month period thereafter; and (iii) includes but is not limited to processes, methods, software,

formulae, techniques, compositions of matter, devices, and improvements thereof and know-how relating thereto. Inventions made solely by the Principal Investigator and/or other Cancer Center personnel as identified in Article I hereinabove or agents of Cancer Center shall be the sole property of Cancer Center. Inventions made jointly by employees or agents of Cancer Center and Sponsor shall be jointly owned by Cancer Center and Sponsor. Inventions made solely by employees or agents of Sponsor shall be the sole property of Sponsor.

b. In the event that an Invention is made, either solely by employees or agents of Cancer Center or jointly by employees or agents of Cancer Center and Sponsor, Cancer Center and Sponsor agree to give notice of such Invention to each other within thirty (30) days of the identification of such Invention. Within thirty (30) days of notice of Invention, Cancer Center and Sponsor will thereupon exert their best reasonable efforts in cooperation with each other to investigate, evaluate and determine to the mutual satisfaction of both parties, the disposition of rights to the Invention, including whether, by whom, and where any patent applications are to be filed, subject to the terms of this Article 3.

c. If, after consultation with Sponsor, it is agreed by the parties that a patent application should be filed, Cancer Center will prepare and file appropriate United States and foreign patent applications on Inventions made under this Agreement and owned by Cancer Center, in whole or in part, and Sponsor will pay the cost of preparing, filing and maintenance thereof. If Sponsor notifies Cancer Center that it does not intend to pay the costs of an application, or if Sponsor does not respond or make an effort to agree with Cancer Center on the disposition of rights to the Invention, then Cancer Center may file such application at its own expense, and Sponsor shall have no rights to such Invention. Cancer Center will provide Sponsor a copy of the application filed for which Sponsor has paid the cost of filing, as well as copies of any documents received or filed during prosecution thereof. Sponsor agrees to maintain any such application in confidence until it is published by Cancer Center or by the respective patent office.

d. Any Invention made hereunder which is in the field of the molecular biology of oncogenes and/or growth factors and/or nucleic acid, lipid based gene, and/or oligonucleotide delivery technology and which results from the research described in this Agreement ("Licensee Sponsored Technology") shall be automatically licensed to Sponsor pursuant to the terms of the Patent and Technology License Agreement dated March 1, 1994 between Cancer Center, the Board of Regents of The University of Texas System and Sponsor (the "Patent and Technology License Agreement"), a copy of which is attached hereto and incorporated herein as Exhibit II, without any further action. This shall apply with like result to any Invention which constitutes an Improvement (as defined in the Patent and Technology License Agreement).

e. Any Invention made hereunder which is outside of the field identified in Article 3(d) shall be subject to an option to Sponsor to negotiate and acquire an exclusive, worldwide, royalty-bearing license to commercialize such Invention (as well as patent applications, patents and copyrights thereon), provided that Sponsor shall pay all costs and expenses associated with patent and copyright filing, prosecution, issuance, and maintenance relating thereto. Sponsor shall have ninety (90) days from the date of notice of Invention from Cancer Center pursuant to Article 3(b) hereinabove, to give written notice to Cancer Center exercising said option. In the event that Sponsor elects to exercise its option to negotiate and acquire such a license in the time and manner provided hereinabove, the parties agree to enter into good faith negotiations regarding the terms and conditions of said license and further agree to negotiate license fee rates and other payments which are fair and reasonable to both parties.

f. In the event that parties fail to reach an agreement regarding the terms and conditions of said license, within ninety (90) days after Sponsor's notification to Cancer Center of Sponsor's exercise of said option pursuant to Articles 3 (e) hereinabove, Cancer Center shall have the right to enter into license agreements concerning the same Inventions with third parties on terms no less favorable to Cancer Center than were last offered in writing by Sponsor.

4. Confidentiality. Because Cancer Center and Sponsor will be cooperating with each other in this Research, and because each may reveal to the other in the course of this Research certain confidential information, Cancer Center and Sponsor agree to hold any confidential information which (a) is obtained during the course of and as a result of this work and (b) is related thereto and (c) is marked as "CONFIDENTIAL" in confidence, and each party will not disclose same to any third party without the express written consent of the other party to this Agreement. This requirement shall remain in force during the term of this Agreement and for a period of three (3) years following completion of work under this Agreement. Nothing in this paragraph shall in any way restrict the rights of either Cancer Center or Sponsor to use, disclose or otherwise deal with any information which:

a. Can be demonstrated to have been in public domain as of the effective date of this Agreement or comes into the public domain through the term of this Agreement through no act of the recipient; or

b. Can be demonstrated to have been known to the recipient prior to the execution of this Agreement; or

c. Can be demonstrated to have been rightfully received by the recipient after disclosure under this Agreement from a third party who did not require the recipient to hold it in confidence or limit its use and who did not acquire it,

directly or indirectly, under obligation of confidentiality to the disclosing party; or

d. Shall be required for disclosure to Federal regulatory agencies pursuant to approval for use; or

e. Is independently invented by researchers of the recipient, which in the case of Cancer Center includes System, who have not had access to the information provided to the recipient hereunder.

Except as permitted under the Patent and Technology License Agreement, nothing herein is intended to give Sponsor the right to use for any purpose pre-existing confidential information of Cancer Center. Notwithstanding the confidentiality obligations of this Agreement, nothing herein shall prevent Cancer Center and any other component of System from using any information generated hereunder for ordinary research and educational purposes of a university.

5. Publication Rights. Notwithstanding the provisions of Article 4 of this Agreement, Cancer Center may publish scientific papers relating to the collaborative research performed under this Agreement. In the event that Cancer Center wishes to publish, Cancer Center shall notify Sponsor of its desire to publish at least thirty (30) days in advance of publication and shall furnish to Sponsor a written description of the subject matter of the publication in order to permit Sponsor to review and comment thereon. Sponsor shall notify Cancer Center in writing within thirty (30) days of receipt of such draft whether such draft contains information deemed to be confidential under the provisions of Article 4, or information that if published within thirty (30) days would have an adverse effect on a patent application in which Sponsor owns full or part interest, or intends to obtain an interest from Cancer Center pursuant to this Agreement. In the latter case Sponsor has the right to request a delay and Cancer Center agrees to delay said publication for a period not exceeding ninety (90) days. In any such notification, Sponsor shall indicate with specificity to what manner and degree Cancer Center may disclose said information. Cancer Center shall have the final authority to determine the scope and content of any publication, provided that such authority shall be exercised with reasonable regard for the commercial interests of Sponsor.

6. Publicity. Cancer Center acknowledges Sponsor's intention to distribute periodically informational releases and announcements to the news media regarding the progress of research hereunder. Sponsor shall not release such materials containing the name of Cancer Center or any of its employees without prior written approval by an authorized representative of Cancer Center, and said approval shall not be unreasonably withheld. Should Cancer Center reject the news release, Cancer Center and Sponsor agree to discuss the reasons for Cancer Center's rejection, and every effort shall be made to develop an appropriate informational news release within the bounds of accepted academic practices. Sponsor reserves the same right in the event that Cancer Center desires to distribute a

approval shall not be unreasonably withheld. Should Cancer Center reject the news release, Cancer Center and Sponsor agree to discuss the reasons for Cancer Center's rejection, and every effort shall be made to develop an appropriate informational news release within the bounds of accepted academic practices. Sponsor reserves the same right in the event that Cancer Center desires to distribute a news release concerning the research program. Nothing herein shall be construed as prohibiting Cancer Center or Sponsor from reporting on this study to a governmental agency or as prohibiting Sponsor from using the name of Cancer Center or its employees, but only when indicating, as a factual matter, that Sponsor is sponsoring research at Cancer Center under this Agreement and only in connection with either or both of the following: (a) communications associated with Sponsor's financing activities; and (b) communications (other than promotions and advertisements) directed to describing or responding to inquiries concerning the business, technology products, services and associated activities of Sponsor. Sponsor may otherwise use the name of Cancer Center when and as required by applicable law, rules and regulations, or upon Cancer Center's consent, which shall not be unreasonably withheld or delayed.

7. Responsibility. The parties each agree to assume individual responsibility for the actions and omissions of their respective employees, agents and assigns in conjunction with this evaluation.

8. Independent Contractor. Sponsor will not have the right to direct or control the activities of Cancer Center in performing the services provided herein, and Cancer Center shall perform services hereunder only as an independent contractor, and nothing herein contained shall be construed to be inconsistent with this relationship or status. Under no circumstances shall Cancer Center be considered to be an employee or agent of Sponsor. This Agreement shall not constitute, create or in any way be interpreted as a joint venture, partnership or formal business organization of any kind.

9. Title to Equipment. Cancer Center shall retain title to all equipment purchased and/or fabricated by it with funds provided by Sponsor under this Agreement.

10. Survivorship. The provisions of Article 3, 4, 5, 6, and 12 shall survive any expiration or termination of this Agreement.

11. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other party; provided, however, that Sponsor may assign this Agreement to any purchaser or transferee of all or substantially all of Sponsor's business upon prior written notice to Cancer Center.

12. Indemnification. Cancer Center shall, to the extent authorized under the Constitution and the laws of the State of Texas, indemnify and hold Sponsor and its officers, directors,

employees, agents and stockholders harmless from any and all liability resulting from the negligent acts or omissions of Cancer Center, its agents or employees pertaining to the activities to be carried out pursuant to the obligations of this Agreement; provided, however, that Cancer Center shall not hold Sponsor harmless from claims arising out of the negligence of Sponsor, its officers, agents or any person or entity not subject to Cancer Center's supervision or control.

Sponsor shall indemnify and hold harmless System, Cancer Center, their regents, officers, agents and employees from any liability or loss resulting from judgments or claims against them arising out of the activities to be carried out pursuant to the obligations of this Agreement or the use by Sponsor of the results of the Research, provided, however, that the following is excluded from Sponsor's obligation to indemnify and hold harmless:

- a. the negligent failure of Cancer Center to comply with any applicable governmental requirements; or
- b. the negligence or willful malfeasance by a regent, officer, agent or employee of Cancer Center or System.

13. Award. Sponsor agrees to pay Cancer Center a fee of Five Hundred and No/100 Dollars (\$500,000.00) for expenses and other related costs incurred in conjunction with the Research. This fee, as shown by approximate category of expense in the attached Exhibit I which is attached hereto and is incorporated herein by reference, for information only, shall be payable in equal installments of Sixty-Two Thousand Five Hundred and No/100 Dollars (\$62,500.00) each by Sponsor to Cancer Center. The first such installment shall be due within thirty (30) days of the date of execution of this Agreement. The subsequent installments shall be due and payable on a quarterly basis.

14. Basic Term. This Agreement shall become effective as of the date first hereinabove written and unless earlier terminated as hereinafter provided, shall continue in force for a period of two (2) years after the same, except as otherwise provided herein.

15. Default and Termination. In the event that either party to this Agreement shall be in default of any of its material obligations hereunder and shall fail to remedy such default within thirty (30) days after receipt of written notice thereof, the party not in default shall have the option of terminating this Agreement by giving written notice thereof, notwithstanding anything to the contrary contained in this Agreement. Termination of this Agreement shall not affect the rights and obligations of the parties which accrued prior to the effective date of termination. Sponsor shall pay Cancer Center for all reasonable expenses incurred or committed to be expended as of the effective termination date, subject to the maximum amount as specified in Article 13.

16. Entire Agreement. The parties acknowledge that this Agreement, Exhibit I and Exhibit II (the Patent and Technology License Agreement) attached hereto represent the sole and entire Agreement between the parties hereto pertaining to the Research and that such supersedes all prior Agreements, understandings, negotiations and discussions between the parties regarding same, whether oral or written. There are no warranties, representations or other Agreements between the parties in connection with the subject matter hereof except as specifically set forth herein. No supplement, amendment, alteration, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the parties hereto.

17. Reform of Agreement. If any provision of this Agreement is, becomes or is deemed invalid, illegal or unenforceable in any United States jurisdiction, such provision shall be deemed amended to conform to applicable laws so as to be valid and enforceable; or if it cannot be so amended without materially altering the intention of the parties, it shall be stricken, and the remainder of this Agreement shall remain in full force and effect.

18. Notices. Any notices, statements or reports required by this Agreement shall be considered given if sent by United States Certified Mail, postage prepaid and addressed as follows:

If to Cancer Center:

Michael J. Best
Chief Financial Officer
The University of Texas M.D. Anderson Cancer Center
1515 Holcombe Blvd.
Houston, Texas 77030

If to Sponsor:

Martin P. Sutter
President
RGene Therapeutics, Inc.
2170 Buckthorne Place, Suite 170
The Woodlands, Texas 77380

19. Captions. The captions in this Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement.

20. Governing Law. This Agreement shall be governed and interpreted in accordance with the substantive laws of the State of Texas and with applicable laws of the United States of America.

IN WITNESS WHEREOF, Cancer Center and Sponsor entered into this Agreement effective as of the date first hereinabove written and have executed two (2) originals each of which are of equal dignity.

RGENE THERAPEUTICS, INC.

BY: *Garth L. Nicolson*

TITLE: Chairman

I have read this agreement and understand my obligations hereunder:

BY: _____

Mien-Chie Hung, Ph.D.
Principal Investigator

BY: _____

Garth L. Nicolson, Ph.D.
Chairman, Dept. of Tumor Biology

THE UNIVERSITY OF TEXAS
M.D. ANDERSON CANCER CENTER

BY: _____

Michael J. Best
Chief Financial Officer

CONTENT APPROVED:

BY: _____

Donna S. Gilberg, CPA
Manager, Sponsored
Programs

FORM APPROVED:

BY: *Matthew E. Burr*

Matthew E. Burr, J.D.
Legal Services Officer

Make Payment To:
The University of Texas
M.D. Anderson Cancer Center
Atten: Manager, Sponsored Programs
P. O. Box 297402
Houston, TX 77297
Tax I.D. 74 6001118 A1

ASSIGNMENT AND ASSUMPTION

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT ("Agreement") is entered into this ____ day of _____, 1994, by and between Argus Pharmaceuticals, Inc., a Delaware corporation ("Argus") and RGene Therapeutics, Inc., a Delaware corporation ("RGene").

WHEREAS, Argus is the exclusive licensee of certain Technology under that certain Exclusive License Agreement dated July 1, 1988 by and among Argus, the University of Texas Board of Regents and the University of Texas M. D. Anderson Cancer Center as amended ("Exclusive License Agreement");

WHEREAS, in exchange for the issuance of shares in RGene under that certain Stockholder Agreement dated March _____, 1994 by and between Argus and RGene, Argus wishes to assign to RGene its rights and obligations with respect to the Technology licensed under the Exclusive License Agreement; and

WHEREAS, RGene is desirous of obtaining the entire right and interest of Argus in and to the Exclusive License Agreement as it relates to the Technology and assume the obligations of Argus therefor, all pursuant to the terms and conditions set forth below.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

I. ASSIGNMENT.

1.1 Argus hereby assigns to RGene, its successors and assigns, all of the right, title and interest of Argus in and to the Exclusive License Agreement to the extent and only to the extent that the Exclusive License Agreement relates to the Invention identified in Amendment No. 3 to the Exclusive License Agreement.

1.2 By its acceptance of this Assignment, RGene hereby accepts all of the benefits and assumes all of the obligations of Argus under the Exclusive License Agreement to the extent the Exclusive License Agreement relates to the Invention identified in Amendment No. 3 thereto., including but not limited to all costs and fees relating to the filing and prosecuting of patent applications on the Invention and the payment of royalties and other payments required by the Exclusive License Agreement to the extent the Exclusive License Agreement relates to the Invention identified in Amendment No. 3 thereto.

1.3 Argus agrees to execute such further instruments as RGene reasonably requests to secure or perfect in RGene the full benefit of the Assignment set forth herein.

II. NEGATION OF WARRANTIES

2.1 Argus makes no representation or warranty (a) that any patent application on the Technology will ultimately issue as a patent, (b) that any patent application which issues into a

patent is valid and enforceable, (c) that the use of the Technology in the manufacture, use or sale of any product will be free from infringement of patents of third parties, or (d) as to the safety, reliability, or efficacy of the Technology which may ultimately be incorporated in any product.

2.2 Argus makes no representations, extends no warranties of any kind, either express or implied, and assumes no responsibilities whatever with respect to the manufacture, use, or sale, or other disposition of any products incorporating the Technology.

III. MISCELLANEOUS.

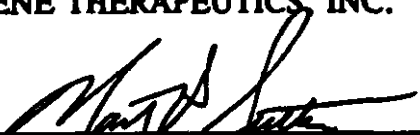
3.1 The execution of this Agreement by the University of Texas Board of Regents and the University of Texas M.D. Anderson Cancer Center, as the licensor of the Technology, is for the purpose of indicating their approval of the provisions of this Agreement.

3.2 It is understood that this Assignment contains the entire agreement between the parties relating to the subject matter of this Agreement.

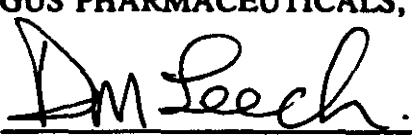
3.3 This Assignment is deemed to have been made in the State of Texas and shall be interpreted and construed in accordance with the laws of the State of Texas.

IN WITNESS WHEREOF, signifying their acceptance of and agreement to be bound by the terms and conditions of this Agreement, the signatures of the parties are affixed hereto.


RGENE THERAPEUTICS, INC.

By: 
Name: MARTIN P. SUTTER
Title: CHAIRMAN
Date: 4-5-94

ARGUS PHARMACEUTICALS, INC.


By: 
Name: David M. Leech
Title: President & CEO
Date: _____

**THE UNIVERSITY OF TEXAS
M.D. ANDERSON CANCER CENTER**

By: 
Name: David J. Bachrach
Title: Executive Vice President
for Administration and Finance
Date: 3/25/94



APPROVED AS TO CONTENT

By: 
Name: William J. Doty
Title: Director, Technology Development
Date: 3/22/94

APPROVED AS TO FORM

By: _____
Name: Dudley R. Dobie, Jr.
Title: Manager, Intellectual Property
Date: _____

IV. OTHER MATTERS

1. U. T. System: Recommendation to Amend Authorization Regarding Use of the Income from the Quasi-Endowment for Investment Excellence and Approve the Office of Asset Management Employee Performance Compensation Plan.--

RECOMMENDATION

The Asset Management Committee concurs in the recommendation of the Chancellor and the Vice Chancellor for Asset Management that the U. T. Board of Regents take the following actions:

- a. Amend the authorization regarding use of the income from the Quasi-Endowment for Investment Excellence as set forth below in congressional style:
 - c. Authorize the [Executive] Vice Chancellor for Asset Management, after obtaining approval of the Asset Management [Land-and-Investment] Committee, to use distributions [the-income] from the Quasi-Endowment for Investment Excellence to provide performance compensation to [a monthly-supplement-to-the-salaries-of] professionals employed by the Office of Asset Management, in accordance with the terms of the Office of Asset Management Employee Performance Compensation Plan [using-the-past-performance of-the-staff-as-the-indicator-for-the-appropriate-amount-of-such-supplement].
- b. Approve the Office of Asset Management Employee Performance Compensation Plan as set out on Pages AMC 156 - 160.

BACKGROUND INFORMATION

In December 1988, the U. T. Board of Regents authorized the assessment of an investment fee for all endowments and trusts managed by the Office of Asset Management. The fee was authorized at an annual rate equal to one-tenth of one percent of the funds' market value and was to be used to fund the Quasi-Endowment for Investment Excellence. The Board further authorized the Vice Chancellor for Asset Management, after obtaining approval of the Land and Investment Committee (now the Asset Management Committee) to use the income from the Quasi-Endowment for Investment Excellence to provide performance compensation to professionals employed by the Office of Asset Management. Amendment to the authorization regarding use of the income from the Quasi-Endowment for Investment Excellence is recommended to recognize endowment payout formulas other than income, conform the authorization to recent Attorney General opinions concerning performance compensation, and provide for the payment of performance compensation in accordance with the terms of the Office of Asset Management Employee Performance Compensation Plan.

The proposed Office of Asset Management Employee Performance Compensation Plan is designed to carry out the original intent of the Board in establishing the Quasi-Endowment for Investment Excellence. It is intended to provide a means whereby fund managers or portfolio managers within the Office of Asset Management may develop a sense of commitment and personal involvement in the investment performance of the U. T. System endowments and other funds. It is intended also to attract and retain employees of outstanding competence, to encourage them to remain with and devote their best efforts to the interests of the U. T. System, and to reward such employees for outstanding performance.

The Plan, as proposed, will be administered by the Office of Asset Management Performance Compensation Committee, the members of which shall be appointed by the Asset Management Committee and shall consist initially of the Chairman of the Asset Management Committee, the Chancellor, and the Vice Chancellor for Asset Management. The Committee will be authorized to select eligible employees to be granted awards, establish the amount of awards to be granted in any year (provided that the aggregate amount of awards shall not exceed cumulative distributions from the Quasi-Endowment for Investment Excellence), and to establish conditions, including performance benchmarks, for the granting of an award. The proposed effective date of the Plan is September 1, 1994.

The Plan has been reviewed by the System Personnel Office and the Office of General Counsel as to compliance with U. T. System personnel policies and Texas constitutional and statutory authorizations, respectively.

OFFICE OF ASSET MANAGEMENT
EMPLOYEE PERFORMANCE COMPENSATION PLAN

I. PURPOSE

The Office of Asset Management Employee Performance Compensation Plan (the "Plan") is intended to provide a means whereby fund managers or portfolio managers within the Office of Asset Management (the "OAM") may develop a sense of commitment and personal involvement in the development and financial success of The University of Texas System endowment and other assets, to attract and retain employees of outstanding competence and ability, to encourage them to remain with and devote their best efforts to the business of The University of Texas System, and to reward such employees for outstanding performance, thereby advancing the interests of the U. T. System and its beneficiaries.

II. DEFINITIONS

Where the following words and phrases appear in the Plan they shall have the respective meaning as set forth below unless their context clearly indicates to the contrary:

- a. Award. Performance Compensation Awards
- b. Board. The Board of Regents of The University of Texas System
- c. Committee. The OAM Performance Compensation Committee as appointed by the Asset Management Committee of the Board
- d. Common Trust Fund. The Common Trust Fund of The University of Texas System
- e. Effective Date. September 1, 1994
- f. Employee Performance Pool Account. The account receiving distributions from the Quasi-Endowment for Investment Excellence
- g. Eligible Employee. The Vice Chancellor for Asset Management, any fund manager, or portfolio manager within OAM as designated by the Committee
- h. Performance Compensation Award. An award granted to an Eligible Employee pursuant to Article VI which is payable following the termination of each Performance Period
- i. Performance Period. Any period of one or more years beginning on or after September 1, 1994, as determined by the Committee
- j. Plan. The Office of Asset Management Employee Performance Compensation Plan, as amended from time to time
- k. Quasi-Endowment for Investment Excellence. The quasi-endowment established by the Board on December 8, 1988, to pay performance compensation to Office of Asset Management staff.

III. ADMINISTRATION OF PLAN

The Plan shall be administered by the Committee which shall consist of not less than the Chairman of the Asset Management Committee, Chancellor, and the Vice Chancellor for Asset Management. The Asset Management Committee shall have the power from time to time to add or remove members of the Committee and to fill vacancies thereon arising by resignation, death, removal, or otherwise. Meetings shall be held at such times and places as shall be determined by the Committee. A majority of the members of the Committee shall constitute a quorum for the transaction of business. The vote of a majority of those members present at any meeting shall decide any question brought before that meeting provided that (a) the Chairman of the Asset Management Committee shall vote with the majority of Committee members voting on a given question and (b) the Vice Chancellor for Asset Management shall be prohibited from voting on any questions relating to his or her receipt of an Award.

The Committee shall have sole authority to:

- (i) Select the Eligible Employees who are to be granted Awards under the Plan
- (ii) Establish the amounts with respect to each Performance Period which shall be granted as Awards to the Eligible Employees selected by the Committee to receive an Award for a Performance Period provided that the cumulative amount of awards granted to Eligible Employees shall not exceed the cumulative amount credited to the Employee Performance Pool Account from and including September 1, 1994
- (iii) Establish conditions for an Award, which may include provisions based upon the Performance Period including performance benchmarks (total funds, fund, employee group, individual or otherwise or combinations thereof) or such other criteria as the Committee may determine to be appropriate
- (iv) Establish the amount of an award to be granted to an Eligible Employee with respect to a Performance Period and the terms thereof, and,
- (v) Subject to the terms of the Plan, determine the amount and timing of distributions under the Plan.

The Committee is authorized to interpret the Plan and may from time to time adopt such rules and regulations, consistent with the provisions of the Plan and state statutes, that it may deem advisable to carry out the Plan. All decisions made by the Committee in selecting the Eligible Employees who shall be granted Awards and the amount thereof and in construing the provisions of the Plan or the terms of any Award shall be final and binding on all Eligible Employees.

IV. ELIGIBILITY

All Eligible Employees shall be eligible to participate in the Plan. The persons who shall be granted Awards with respect to a Performance Period shall be such Eligible Employees as the Committee shall select. Such Employees must be employed within OAM from and including the first day of a Performance Period through and including the last day of a Performance Period and must have been recommended by the Vice Chancellor for Asset Management or his or her successor to receive an Award. Awards may be granted to the same Eligible Employee on more than one occasion.

V. DETERMINATION OF AMOUNTS FOR AWARDS FOR A PERFORMANCE PERIOD

- a. The amounts which shall be eligible to be granted as Awards for a Performance Period shall be determined pursuant to the provisions of this Section.
- b. Amounts equal to the distributions paid from the Quasi-Endowment for Investment Excellence shall be credited to the Employee Performance Pool Account at the time that such distributions are recorded on the Common Trust Fund books.
- c. The cumulative amount credited to the Employee Performance Pool Account from and including September 1, 1994, shall be the amount available to be awarded to Eligible Employees as Awards under the Plan.

VI. DETERMINATION OF PERFORMANCE COMPENSATION AWARDS

Within 60 days following the end of a Performance Period, the Committee shall grant Awards to such Eligible Employees that it determines in its sole discretion have met the performance benchmarks for the Performance Periods established for each Eligible Employee.

The Committee shall have the right to grant Awards to Eligible Employees in any amount and on any basis as determined by the Committee in its discretion provided that the cumulative amount of Awards granted to Eligible Employees shall not exceed the cumulative amount credited to the Employee Performance Pool Account from and including September 1, 1994. The Committee shall have the right to transfer to the Quasi-Endowment for Investment Excellence any Employee Performance Pool Account balances in excess of the maximum amount payable at the end of any and all unexpired Performance Periods established by the Committee prior to such date of transfer.

The Committee is hereby empowered to make all determinations concerning (a) which Eligible Employees shall be granted Awards, (b) the amount, if any, of such Awards granted to an Eligible Employee, and (c) the terms, provisions, conditions, and limitations of such Awards. The Committee shall consider the recommendations of the Vice Chancellor for Asset Management in making such determinations.

The Committee shall promptly notify each Eligible Employee who has been granted an Award under the Plan as to the amount of such Award, and the terms, provisions, conditions, and limitations of such award.

VII. PAYMENT OF AWARDS

- a. The amounts awarded to an Eligible Employee at the end of a Performance Period shall be payable to the Eligible Employee not later than 60 days following the date of award. The amounts payable to any Eligible Employee for a Performance Period shall be paid through the U. T. System Administration payroll agent, shall be included in the Eligible Employee's salaries and wages, and shall be reported to the Board for ratification via the System Administration Docket.
- (1) Unless otherwise expressly provided by the Committee, any Eligible Employee who terminates employment within OAM for any reason other than death or permanent disability prior to termination of the Performance Period shall forfeit any and all eligibility to receive an Award and shall not be entitled to receive any further payments under the Plan.
 - (2) Any Eligible Employee whose employment with U. T. System is terminated prior to the termination of a Performance Period shall forfeit any and all eligibility to receive an Award and shall not be entitled to receive any further payments under the Plan.
 - (3) In the event an Eligible Employee's employment within OAM terminates prior to the termination of a Performance Period by reason of his or her death, disability, or transfer within OAM or the U. T. System, the Committee shall determine such Eligible Employee's Award, if any, on a prorated basis from the first day of the unexpired Performance Periods to the quarterly performance measurement date immediately preceding the date of such Eligible Employee's death, disability, or transfer. The Board shall pay to the estates of such Eligible Employee or to such Eligible Employee, as the case may be, such Awards, if any, within 60 days of the granting of such Awards.
- b. For purposes of this Plan, a leave of absence authorized by OAM shall not be considered a termination of employment.

VIII. NATURE OF THE PLAN

The establishment of the Plan or the granting of Awards shall not be deemed to create a trust. The Plan shall constitute an unfunded, unsecured liability of the U. T. System to make payments in accordance with the provisions of the Plan, and no Eligible Employee shall have any security or other interest in any assets of the U. T. System.

IX. DURATION, AMENDMENT AND TERMINATION

The Board shall have the right to amend the Plan from time to time, to terminate it entirely, or to direct the discontinuance of Awards either temporarily or permanently. However, no amendment, discontinuance, or termination of the Plan shall operate to annul an Award during any unexpired Performance Period unless otherwise provided by the terms of this Plan. The term of the Plan shall be from its Effective Date until terminated by the Board.

X. GENERAL CONDITIONS

- a. The Committee shall have the discretion and authority to make such nonsubstantive changes in the administration of the Plan if circumstances outside the control of the Eligible Employees or the Committee have occurred during the Performance Period so as to make such adjustment appropriate in the opinion of the Committee.
- b. An employee shall be considered to be employed within OAM as long as he or she remains an employee within OAM. Nothing in the adoption of this Plan nor the granting of Awards shall confer on any employee the right to continued employment within OAM or with the U. T. System, or affect in any way the right of the U. T. System to terminate his/her employment at any time.
- c. Except to the extent set forth herein as to the rights of the estates or beneficiaries of Eligible Employees to receive payments, awards under this Plan are nonassignable and nontransferable and are not subject to anticipation, adjustment, alienation, encumbrance, garnishment, attachment, or levy of any kind.
- d. Nothing contained in the Plan shall be deemed to give any Eligible Employee, or any personal representative or beneficiary, any interest or title to any specific property of the U. T. System, or any right against the U. T. System other than as set forth in the Plan.
- e. Neither the officers nor the Board nor the members of the Committee shall under any circumstances have any liabilities with respect to the Plan or its administration except for gross and intentional malfeasance. Neither the officers nor the Board nor the members of the Committee may rely upon opinions of counsel as to all matters, including the creation and operation of the Plan.
- f. No portion of the Plan shall be effective at any time when such portion violates an applicable State or Federal law, regulation or governmental order or directive which is subject to sanctions whether direct or indirect.
- g. Any Award payable under this Plan shall be subject to any deductions required by federal, state, or local law. The U. T. System shall not be obligated to advise an employee of the existence of the tax or the amount which the U. T. System will be required to withhold.
- h. Accounting for the Plan shall be in accordance with generally accepted accounting principles.

2. U. T. System: Recommendation to Rescind the Policy Statement on South African Investments; Amend the Regents' Rules and Regulations, Part Two, Chapter IX, Section 3, Subsection 3.2, Subdivisions 3.24 and 3.25 (Reports Regarding Asset Management) and Section 3, Subsection 3.4, Subdivision 3.43 (Policies with Respect to Stock Rights, Fractional Shares, and Proxies); and Amend the Investment Guidelines Sections of the Permanent University Fund Investment Policy Statement, Common Trust Fund Investment Policy Statement, and Medical Liability Self-Insurance Fund Investment Policy Statement.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Vice Chancellor for Asset Management that the U. T. Board of Regents approve the following actions:

- a. Rescind the U. T. Board of Regents' Policy Statement regarding investments in corporations doing business in or with South Africa as approved by the U. T. Board of Regents at its February 1986 meeting
- b. Amend the Regents' Rules and Regulations, Part Two, Chapter IX, Section 3, Subsection 3.2, Subdivisions 3.24 and 3.25, and Section 3, Subsection 3.4, Subdivision 3.43 as set forth below in congressional style:
 - 3.2 Reports Regarding Asset Management.
 - 3.21 All purchases, sales, and exchanges of investments shall be reported for ratification by the Board via the Docket.
 - 3.22 The investment performance of the PUF, as measured by an unaffiliated organization, shall be reported to the Regents' Asset Management Committee at least annually.
 - 3.23 The nature and extent of any investments in or business transacted with any firm with which a member of The University of Texas System investment staff is affiliated will be reported to the Regents' Asset Management Committee annually.
 - [3-24 ~~The-PUF's-investment-in-U-T-companies-with-substantive-investments-or-operations-in-South-Africa-will-be-reported-to-the-Regents'-Asset-Management-Committee-semi-annually-in-combination-with-the-status-review-of-these-firms'-effective-compliance-with-the-spirit-of-the-six-key-elements-of-the-Sullivan-Principles-~~
 - 3-25 ~~All-proxy-votes-on-the-social-issue-of-investment-and-corporate-conduct-in-South-Africa-will-be-reported-to-the-Regents'-Asset-Management-Committee-~~]
 - 3.3 The Chancellor, the Vice Chancellor for Asset Management, or the Executive Director for Fixed Income Investments are each authorized to take any and all steps as may be considered necessary or advisable

to protect the interest of the PUF in event of default or any other significant changes occurring with respect to any investment.

3.4 Policies with Respect to Stock Rights, Fractional Shares, and Proxies.

3.41 Exercise of or sale of stock rights and warrants is to be made at the discretion of the Chancellor, the Vice Chancellor for Asset Management, the Executive Director for Fixed Income Investments, or the Portfolio Managers. Stock rights or warrants which arise in connection with funds under control of an unaffiliated investment manager shall be handled by that manager at its discretion.

3.42 Fractional shares which arise in connection with funds under control of an unaffiliated investment manager or the System investment staff shall be handled by that manager or the staff at its discretion.

3.43 As a general rule, voting stocks held are to be voted by returning proxies to present management. When the Portfolio Managers or the Manager - Asset Strategy and Analysis [~~Executive Director-for-Endowment-Management-and-Administration~~] determines that a vote with management would not be in the shareholder's best financial interest, or when a proposal under consideration is of a social nature, the matter will be referred to the Chancellor or the Vice Chancellor for Asset Management, or, in the event both of them are absent, to the Chairman of the Asset Management Committee. [~~Voting-on-the-issue-of-investments-and-corporate-conduct-in-South-Africa-shall correspond-to-the-Regents' Policy-Statement-on-South African-Issues-adopted-by-the Board-at-its-February-1986 meeting.~~]

- c. Delete from the Investment Guidelines sections of the Permanent University Fund Investment Policy Statement, the Common Trust Fund Investment Policy Statement, and the Medical Liability Self-Insurance Fund Investment Policy Statement the second "bullet point" under "investment restrictions" which reads "No investments may be made in securities of the South African government, its government agencies, or firms headquartered in South Africa."

BACKGROUND INFORMATION

The Policy Statement on South African Investments was adopted by the Board in February 1986. That statement, the Regents' Rules and Regulations, and the Permanent University Fund, the Common Trust Fund, and the Medical Liability Self-Insurance Fund investment guidelines referred to above were adopted to assist in the dismantling of the system of apartheid in South Africa. In adopting the Policy, the U. T. Board of Regents denounced the appalling and repugnant system of apartheid in South Africa.

The Policy Statement required the following actions:

- a. Incorporation in the investment policies of all funds managed by the U. T. System of a prohibition on investments in securities of the South African government, government agencies, or firms
- b. Monitoring of U. T. System holdings of U. S. companies with substantial operations in South Africa for compliance with the Principles (formerly the Sullivan Principles)
- c. Voting of proxies consistently in support of resolutions that reflected the U. T. System's position on investments in South Africa
- d. Active participation in the South Africa Research Consortium
- e. Determination by each of the general academic institutions of the U. T. System as to participation in the South African Educational Program.

The Policy Statement further provided for its amendment upon the implementation of genuine reforms of the apartheid system. The transition to a multi-racial democracy in South Africa, as evidenced by implementation of the interim constitution on April 26, 1994, and the election of Nelson Mandela as President on May 2, 1994, constitutes definitive reform that demolishes the legal basis of the apartheid system. For this reason, rescission of the Policy Statement to lift economic sanctions against South Africa and related amendments to the Regents' Rules and Regulations and the other investment policies are recommended.

**Executive Session
of the Board**

BOARD OF REGENTS
EXECUTIVE SESSION
Pursuant to Texas Government Code
Chapter 551, Sections 551.071, 551.072, and 551.074

Date: June 9, 1994

Time: Following the meeting of the Asset Management Committee

Place: Room 470 (Open Session) and Room 453 (Executive Session), Mesa Building, U. T. Permian Basin

1. Pending and/or Contemplated Litigation - Section 551.071
 - a. U. T. Medical Branch - Galveston: Proposed Settlement of Medical Liability Litigation
 - b. U. T. Health Science Center - Houston: Proposed Settlement of Medical Liability Litigation
 - c. U. T. Health Science Center - Houston: Proposed Settlement of Medical Liability Litigation
 - d. U. T. Health Science Center - San Antonio: Proposed Settlement of Medical Liability Litigation
 - e. U. T. M.D. Anderson Cancer Center: Proposed Settlement of Medical Liability Litigation
 - f. U. T. Health Center - Tyler: Proposed Settlement of Medical Liability Litigation

2. Land Acquisition, Purchase, Exchange, Lease or Value of Real Property and Negotiated Contracts for Prospective Gifts or Donations - Section 551.072
 - a. U. T. Austin - Borden-Superior Dairies Gift: Request for Authorization to Grant Purchase Options on Two Parcels of Vacant Land in Austin, Travis County, Texas
 - b. U. T. Austin: Request for Authorization to Sell an Approximately 8.336 Acre Tract of Land Located Near the J. J. Pickle Research Campus in Austin, Travis County, Texas
 - c. U. T. Austin and U. T. San Antonio: Request for Authorization to Sell Lot 1, Section Three, Oak View Subdivision, Austin, Travis County, Texas, and to Purchase Lot 25, Block 18, New City Block 302, E. A. M. Subdivision, U-1, San Antonio, Bexar County, Texas
 - d. U. T. Medical Branch - Galveston: Request for Authorization to Accept a Gift of Real Estate Known as 910 Rosenberg (Adjacent to the Open Gates Conference Center) and to Acquire Additional Real Estate Located in the Remainder of Block 204 in Galveston, Galveston County, Texas

3. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees - Section 551.074
 - a. U. T. System: Consideration of Personnel Aspects of the Operating Budgets for the Fiscal Year Ending August 31, 1995, Including Auxiliary Enterprises, Grants and Contracts, Designated Funds, Restricted Current Funds, and Medical and Dental Services, Research and Development Plans and Request for the Chancellor to Make Editorial Corrections Therein
 - b. U. T. Health Science Center - Houston: Consideration of Recommendation of Hearing Tribunal Regarding Termination of Tenured Faculty Member