

MATERIAL SUPPORTING THE AGENDA

VOLUME XXXVIIIc

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

June 6, 1991  
August 8, 1991

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.



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

Meeting No.: 856

Date: August 8, 1991

Location: Austin, Texas

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BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

CALENDAR

Place: Regents' Meeting Room, Ninth Floor  
Ashbel Smith Hall  
201 West Seventh Street  
Austin, Texas

Thursday, August 8, 1991

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

See Pages B of R 1 - 6,  
Items A - O

Telephone Numbers

Board of Regents' Office	(512) 499-4402
Chancellor Mark	(512) 499-4201
Executive Vice Chancellor Duncan	(512) 499-4233
Executive Vice Chancellor Mullins	(512) 499-4224
Executive Vice Chancellor Patrick	(512) 499-4337

**Meeting of  
the Board**

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

Date: Thursday, August 8, 1991

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

Place: Regents' Meeting Room (Open Session) and  
Regents' Conference Room (Executive Session)  
Ninth Floor, Ashbel Smith Hall

- A. CALL TO ORDER
- B. APPROVAL OF MINUTES OF REGULAR MEETING  
HELD JUNE 6, 1991
- C. 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 Beecherl  
Vice-Chairman Ramirez, Vice-Chairman Cruikshank  
MSA Page Ex.C - 1

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

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

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

Facilities Planning and Construction Committee:  
Chairman Moncrief, Regent Barshop, Regent  
Cruikshank, Regent Rapoport  
MSA Page FPCC - 1

Asset Management Committee: Chairman Cruikshank  
Regent Beecherl, Regent Loeffler, Regent Rapoport  
MSA Page AMC - 1

- D. RECONVENE AS COMMITTEE OF THE WHOLE

E. ITEM FOR THE RECORD

U. T. Austin: Baker and Penny McAdams Endowed Presidential Scholarship in the College of Business Administration - Correction of Minute Order of June 6, 1991, Related to Reporting of Gift.--

REPORT

At the June 1991 meeting, the U. T. Board of Regents accepted a \$4,000 gift from Mr. and Mrs. W. Baker McAdams, Chicago, Illinois, a \$16,400 pledge from Mr. and Mrs. McAdams and the Arthur Andersen & Company Foundation, Chicago, Illinois, and \$4,600 in corporate matching funds from the Arthur Andersen & Company Foundation for a total of \$25,000 to establish the Baker and Penny McAdams Endowed Presidential Scholarship in the College of Business Administration at U. T. Austin.

At the request of President Cunningham and the donor, it is requested that the Regental action of June 6, 1991, be amended to reflect that a \$4,000 gift from Mr. and Mrs. McAdams, a \$17,000 pledge, payable by August 31, 1993, from Mr. and Mrs. McAdams and the Arthur Andersen & Company Foundation, and \$4,000 in corporate matching funds from Arthur Andersen & Company Foundation for a total of \$25,000 was accepted to establish the Scholarship. President Cunningham and the donor's requested correction is herewith reported for the record.

F. REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS

G. REPORT OF SPECIAL COMMITTEES

Santa Rita Award Committee

H. OTHER MATTERS

U. T. System: Chancellor Mark Will Report on the Current Status of Implementing the Regental Resolution Adopted at the June 1991 Meeting Regarding the Use of Tobacco Products.--

## I. FOUNDATION MATTERS

As set forth in the Regents' Rules and Regulations, Part One, Chapter VII, Section 5, there are three Trust Foundations created by testamentary or inter vivos trust instruments which are controlled by the members of the Board of Regents acting in their capacities as Trustees for these Foundations. Following each reorganization of the Board of Regents, it is necessary that the Board meet separately as Trustees for these foundations to formalize certain organizational matters.

### 1. Ima Hogg Foundation Agenda.--

#### RECOMMENDATION

A brief meeting of the members of the U. T. Board of Regents, as Trustees of the Ima Hogg Foundation, at the August 8, 1991 meeting of the U. T. Board of Regents is recommended for action on the following agenda:

- a. Approval of Minutes of the preceding meetings held on April 6, 1989 and June 14, 1990.
- b. Election of officers of the Board of Trustees. The officers for the past two years have been Mr. Louis A. Beecherl, Jr., President; Mr. Sam Barshop, Vice President; and Mr. Michael E. Patrick, Secretary-Treasurer.

Historically, these officers have been:

President: Chairman of the U. T. Board  
of Regents  
Vice President: Vice-Chairman of the  
U. T. Board of Regents  
Secretary-Treasurer: Executive Vice  
Chancellor for Asset Management.

Proposed new officers are:

President: Mr. Louis A. Beecherl, Jr.,  
Chairman of the U. T. Board of Regents  
Vice President: Mario E. Ramirez, M.D.,  
Vice-Chairman of the U. T. Board of Regents  
Secretary-Treasurer: Mr. Michael E. Patrick,  
Executive Vice Chancellor for Asset Manage-  
ment.

#### BACKGROUND INFORMATION

The Ima Hogg Foundation was incorporated on June 26, 1964, as a charitable and educational foundation with the U. T. Board of Regents as Trustees. Miss Hogg died on August 19, 1975. A codicil to Miss Hogg's will dated August 3, 1974, provides that the income from the Ima Hogg Foundation be used for the benefit of children's mental health in the Houston, Texas, area. Investments and other financial matters of the Ima Hogg Foundation are handled through the Office of Investments and the Office of Endowment Management and Administration of The University of Texas System with the disbursement of income through the Hogg Foundation for Mental Health.

2. The Robertson-Poth Foundation Agenda.--

RECOMMENDATION

A brief meeting of the members of the U. T. Board of Regents, as Trustees of The Robertson-Poth Foundation, at the August 8, 1991 meeting of the U. T. Board of Regents is recommended for action on the following agenda:

- a. Approval of Minutes of the preceding meetings held on April 6, 1989 and June 14, 1990.
- b. Election of officers of the Board of Trustees. The officers for the past two years have been Mr. Louis A. Beecherl, Jr., Chairman; Mr. Jack S. Blanton, Vice Chairman; Mr. Shannon H. Ratliff, Secretary-Treasurer; and Mr. Michael E. Patrick, Assistant Secretary-Treasurer.

Historically, these officers have been:

Chairman: Chairman of the U. T. Board  
of Regents  
Vice Chairman: Chairman of the Health  
Affairs Committee  
Secretary-Treasurer: Chairman of the  
Asset Management Committee  
Assistant Secretary-Treasurer: Executive  
Vice Chancellor for Asset Management.

Proposed new officers are:

Chairman: Mr. Louis A. Beecherl, Jr.,  
Chairman of the U. T. Board of Regents  
Vice Chairman: Mario E. Ramirez, M.D.,  
Chairman of the Health Affairs Committee  
Secretary-Treasurer: Mr. Robert J. Cruikshank,  
Chairman of the Asset Management Committee  
Assistant Secretary-Treasurer: Mr. Michael E.  
Patrick, Executive Vice Chancellor for Asset  
Management.

BACKGROUND INFORMATION

Dr. Edgar J. Poth, his wife, Dr. Gaynelle Robertson Poth, and Dr. Douglas D. Stiernberg resigned as trustees of The Robertson-Poth Foundation in 1967 and requested that the U. T. Board of Regents assume the management of the Foundation and recommended that the Chairman of the U. T. Board of Regents, the Chairman of the Health Affairs Committee, and the Chairman of the Asset Management Committee be appointed as substitute trustees to manage and control The Robertson-Poth Foundation.

The Robertson-Poth Foundation was established as a charitable, scientific, and educational foundation. Investments and other financial matters of The Robertson-Poth Foundation are handled through the Office of Investments and the Office of Endowment Management and Administration of The University of Texas System. Income from the Foundation has gone to the U. T. Medical Branch - Galveston for support in the fields of Ophthalmology and General Surgery.



3. Winedale Stagecoach Inn Fund Agenda.--

RECOMMENDATION

A brief meeting of the members of the U. T. Board of Regents, as Trustees of the Winedale Stagecoach Inn Fund, at the August 8, 1991 meeting of the U. T. Board of Regents is recommended for action on the following agenda:

- a. Approval of Minutes of the preceding meetings held on August 10, 1989 and June 14, 1990.
- b. Election of officers of the Board of Trustees. The officers for the past two years have been Mr. Louis A. Beecherl, Jr., President; Mr. Sam Barshop, Vice President; Dr. William H. Cunningham, Secretary-Treasurer; and Mr. Michael E. Patrick, Assistant Secretary-Treasurer.

Historically, these officers have been:

President: Chairman of the U. T. Board of Regents  
Vice President: Vice-Chairman of the U. T. Board of Regents  
Secretary-Treasurer: President, U. T. Austin  
Assistant Secretary-Treasurer: Executive Vice Chancellor for Asset Management.

Proposed new officers are:

President: Mr. Louis A. Beecherl, Jr.,  
Chairman of the U. T. Board of Regents  
Vice President: Mario E. Ramirez, M.D.,  
Vice-Chairman of the U. T. Board of Regents  
Secretary-Treasurer: Dr. William H. Cunningham, President, U. T. Austin  
Assistant Secretary-Treasurer: Mr. Michael E. Patrick, Executive Vice Chancellor for Asset Management.

BACKGROUND INFORMATION

The organizational meeting of the Winedale Stagecoach Inn Fund was held January 16, 1965. The purpose of this Fund is for support of the Winedale Historical Center (name changed from Winedale Stagecoach Inn). The Winedale Historical Center is located on 190 acres of land at Round Top, Fayette County, Texas. The Winedale Historical Center was created by Miss Ima Hogg under the name of Winedale Stagecoach Inn and offered to the U. T. Board of Regents in 1965 and was formally dedicated on April 7, 1967.

The Winedale Historical Center is a growing center for performing arts and study of early Texas craftsmanship. The Winedale properties were leased to the U. T. Board of Regents for the benefit of U. T. Austin on October 24, 1975. Investments and other financial matters are handled through the Office of Investments and the Office of Endowment Management and Administration of The University of Texas System. The income from the Winedale Stagecoach Inn Fund is made available to U. T. Austin for operation, maintenance, related programs and exhibits at the Winedale Historical Center.

J. RECESS TO EXECUTIVE SESSION

The Board will convene in Executive Session pursuant to Vernon's Texas Civil Statutes, Article 6252-17, Sections 2(e), (f) and (g) to consider those matters set out on Page Ex.S - 1 of the Material Supporting the Agenda.

K. RECONVENE IN OPEN SESSION

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

1. Pending and/or Contemplated Litigation - Section 2(e)
  - 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 Claim
  - d. U. T. Health Science Center - Houston: Proposed Settlement of Medical Liability Claim
2. Land Acquisition, Purchase, Exchange, Lease or Value of Real Property and Negotiated Contracts for Prospective Gifts or Donations - Section 2(f)
3. Personnel Matters [Section 2(g)] Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees

M. SCHEDULED MEETINGS

1. Board of Regents' Meetings

<u>Dates</u>	<u>Locations/Hosts</u>
October 11, 1991	U. T. Arlington
December 5, 1991	U. T. Health Science Center - Houston

2. Other Events

October 10, 1991	U. T. System: Santa Rita Award Presentation in Dallas, Texas
October 23, 1991	U. T. Health Science Center - San Antonio: Dedication of Robert F. McDermott Clinical Science Building

N. OTHER BUSINESS

O. ADJOURNMENT

# 1991

January 1991						
S	M	T	W	T	F	S
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February 1991						
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March 1991						
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April 1991						
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May 1991						
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June 1991						
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July 1991						
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August 1991						
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September 1991						
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29	30					

October 1991						
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November 1991						
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December 1991						
S	M	T	W	T	F	S
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22	23	24	25	26	27	28
29	30	31				

**Executive  
Committee**

EXECUTIVE COMMITTEE  
Committee Chairman Beecherl

Date: August 8, 1991  
Time: Following the convening of the Board of Regents  
at 10:00 a.m.  
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

	<u>Page</u> <u>Ex.C</u>
1. U. T. System: Recommended Approval of Financial Disclosure Statements Submitted by the Chancellor and the Institutional Chief Administrative Officers (Exec. Com. Letter 91-24)	2
2. U. T. Austin: Recommendation for Approval to Increase the Rates for University Housing Effective with the Fall Semester 1991 (Catalog Change) (Exec. Com. Letter 91-23)	2
3. U. T. Permian Basin: Request for Approval of Policy for Undergraduate Admissions to be Effective with the Fall Semester 1991 (Catalog Change) (Exec. Com. Letter 91-22)	6
4. U. T. Medical Branch - Galveston - Renovation of Brackenridge Hall (Project No. 601-687): Recommended Award of Construction Contract to Comex Corporation, Deer Park, Texas; Recommended Award of Procurement Contract for Bid Package No. 1 - HVAC - Air Handling Units to LaSalle Manufacturing Corporation, Houston, Texas; Recommended Award of Procurement Contract for Bid Package No. 2 - HVAC - Variable Volume Terminal Units to Air Distribution Products, Inc., Houston, Texas; and Recommended Award of Procurement Contract for Bid Package No. 3 - HVAC - Fume Hood Exhaust Fans to TWSCO, Inc., Houston, Texas (Exec. Com. Letter 91-21)	10
5. U. T. Medical Branch - Galveston - Texas Department of Criminal Justice Hospital - Renovation and Completion of Shelled Space on Fourth and Eighth Floors (Project No. 601-743): Recommended Award of Construction Contract to Mitchell Enterprises, Inc., Sherman, Texas (Exec. Com. Letter 91-22)	15
6. U. T. M.D. Anderson Cancer Center - Jesse H. Jones Rotary House International (Project No. 703-740): Recommended Award of Construction Contract to J. W. Bateson Company, Inc., Dallas, Texas, and Award of Contract for Food Service Equipment to Baring Industries, A Division of White Consolidated Industries, Inc., Nashville, Tennessee (Exec. Com. Letter 91-21)	18

1. U. T. System: Recommended Approval of Financial Disclosure Statements Submitted by the Chancellor and the Institutional Chief Administrative Officers (Exec. Com. Letter 91-24).--

#### RECOMMENDATION

Pursuant to requirements of the current Appropriations Act and U. T. Board of Regents' policy, the sworn financial disclosure statements of the Chancellor and the institutional chief administrative officers, previously submitted to the Secretary of State for filing as required by Article 6252-9b of Texas Revised Civil Statutes Annotated, were submitted for review and approval by the U. T. Board of Regents.

The Executive Committee recommends that the Board of Regents find that these financial disclosure statements have been reviewed by the appropriate Executive Vice Chancellor, are in the form prescribed by the Secretary of State, and meet the filing requirements of Texas law. The statements are on file with the Office of the Board of Regents.

#### BACKGROUND INFORMATION

Article 6252-9b of Texas Revised Civil Statutes Annotated requires the filing of financial disclosure statements by certain state officials with the Secretary of State by the last Friday in April of each year. Additionally, the current Appropriations Act requires certain state agency officers and employees to file financial disclosure statements for review and approval by the governing body of the employing agency. The Attorney General has interpreted the provisions of the Appropriations Act and Article 6252-9b to require the Chancellor and the institutional chief administrative officers to file financial disclosure statements with the U. T. Board of Regents. The U. T. Board of Regents approved the current policy concerning its review and approval requirements in June 1990.

2. U. T. Austin: Recommendation for Approval to Increase the Rates for University Housing Effective with the Fall Semester 1991 (Catalog Change) (Exec. Com. Letter 91-23).--

#### RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs, and President Cunningham that the U. T. Board of Regents approve changes in the rental rates and meal rates for University housing at U. T. Austin to be effective with the Fall Semester 1991 as set out on Pages Ex.C 3 - 4.

The University of Texas at Austin  
 RATE SCHEDULE EFFECTIVE 1991-92

UNIVERSITY RESIDENCE HALLS

	<u>1990-91 Current Long Session Rates</u>			<u>1991-92 Proposed Long Session Rates</u>		
	<u>Rooms</u>	<u>Meals</u>	<u>Total</u>	<u>Rooms</u>	<u>Meals</u>	<u>Total</u>
Air-conditioned Double Rooms	\$1484	\$1682	\$3166	\$1545	\$1716	\$3261
Non-air-conditioned Double Rooms	\$1180	\$1682	\$2862	\$1241	\$1716	\$2957

- a. The above meal rates include twenty meals per week. Meal contract options of thirteen meals per week (\$1640 for the Long Session) and ten meals per week (\$1540 for the Long Session) are also available.
- b. Meals are required as a part of the contract for all residence halls.

Other University Residence Hall Rates

- a. Rates for single rooms and double rooms rented as singles are 1.667 times the double rate.
- b. Summer Session rates are based on the Long Session per diem rate and the number of days in the Summer Session adjusted to meet market demand.
- c. Short-Term, Orientation, and Summer Conference Program rates vary based on the length of stay, number of participants, and the services provided. Base rates are recommended as follows:

	<u>Daily Rates Per Person</u>	
	<u>Current</u>	<u>Proposed</u>
Meals	\$12.55	\$12.80
Double Room	10.35	10.80
Total	\$22.90	\$23.60

(Single room is 1.5 times the double room rate.)

UNIVERSITY APARTMENTS - FAMILY STUDENT HOUSING

	<u>Monthly Rates</u>	
	<u>1990-91 Current</u>	<u>1991-92 Proposed</u>
Mobile Home Lot	\$ 70	\$ 84
Colorado and Gateway Apartments		
Unfurnished		
1 bedroom	\$241	\$251
2 bedroom	\$269	\$280

	<u>Monthly Rates</u>	
	<u>1990-91 Current</u>	<u>1991-92 Proposed</u>
Furnished		
1 bedroom	\$283	\$295
2 bedroom	\$316	\$329
Brackenridge Apartments		
1 bedroom	\$264	\$269
2 bedroom	\$313	\$319
3 bedroom	\$398	\$406

- a. Rates for Colorado Apartments include gas and water. Rates for the Mobile Home Park, Gateway Apartments, and Brackenridge Apartments include water only.
- b. The resident is responsible for the electric bill in all units and for the gas bill in the Mobile Home Park and Brackenridge Apartments. Gateway Apartments are all electric.

STUDENT HOUSING UNITS - WOMEN'S COOPERATIVES

<u>Monthly Rental Per Co-op Paid to the University</u>			
	<u>Number of Residents Per Co-op</u>	<u>1990-91 Current Rate</u>	<u>1991-92 Proposed Rate</u>
Air-conditioned	17	\$1313.25	\$1365.78
Double Rooms	19	\$1467.75	\$1526.46
Non-air-conditioned			
Double Rooms	15	\$ 772.25	\$ 818.55

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

BACKGROUND INFORMATION

University housing rates for rent and meals are the result of evaluations of the anticipated costs of utilities, supplies, and services; the current status of the University housing physical facilities; the current status of operating accounts; the current status of reserve accounts; and current and projected occupancy status. In doing the evaluation, University housing staff have attempted to be sensitive to the current state of the Texas economy and the financial effect that the economy and increased rates will have on residents and their families. Justification summaries by category of housing follow.

a. Residence Halls

The University Residence Hall rates have not been increased for the past five years, since 1986-87. For the 1988-89 year, the rates for rooms with connecting baths were lowered to the level of the rooms with community baths in a successful effort to retain



upperclass residents and to improve opportunities for financially disadvantaged students to experience the connecting bath living option. The proposed minimal rate increase of \$95 (3% - 3.3%) for the Long Session will enable U. T. Austin to continue providing superior room and meal services to the residents.

b. Other Rates

U. T. Austin recommends that the rates for single rooms and double rooms rented as singles remain at 1.667 times the double room rate. The Summer Session rates are recommended to remain at the per diem rate for the Long Session multiplied by the number of days in the Summer Session, with possible adjustments to meet market demand. Based on current market conditions, the base rate for short-term, Orientation, and Summer Conference Program housing are recommended to increase by \$.70 (3.1%) per day.

c. University Apartments - Family Student Housing

U. T. Austin recommends that the program be continued to level the rates in the University Apartments. This program was begun with the last rate adjustment in 1988-89. The leveling is directed toward improving the attractiveness of the Brackenridge Apartments and increasing the overall occupancy, with the result that the proposed Brackenridge increases are 1.9% - 2.0% compared to an average of 4.1% for the other apartments. The 20% increase in the Mobile Home Park is necessary to cover the increasing maintenance costs caused by the age of the facility. The recommended rates for 1991-92 will ensure that all facilities are reasonably priced for students and below the Austin market.

d. Women's Cooperatives

The same principles which apply to the Residence Halls necessitate the minimal increases of between \$46.30 and \$58.71 per month per Cooperative House (\$3.09 per month per resident or approximately 4%). As with the Residence Halls, these rates have not been increased since 1986-87.

The recommendation was circulated by Executive Committee Letter since submission via the June agenda was overlooked by the component institution and the proposed rates need approval prior to the August meeting for Fall 1991 implementation. Students have already been informed of the intent to impose these increases, subject to approval by the U. T. Board of Regents.

3. U. T. Permian Basin: Request for Approval of Policy for Undergraduate Admissions to be Effective with the Fall Semester 1991 (Catalog Change) (Exec. Com. Letter 91-22).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs, and President Leach that the U. T. Board of Regents approve the proposed Policy for Undergraduate Admissions at U. T. Permian Basin as set forth below to be effective with the Fall Semester 1991.

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

The University of Texas of the Permian Basin  
Policy for Undergraduate Admissions

I. Regular Admission

A. Freshman Admission Criteria

Applicants who have graduated from an accredited U. S. high school and meet the standards shown in the following table are admissible providing they have completed the high school unit requirements listed in Section B.

Percentile Rank in High School Graduating Class	Minimum Acceptable Test Scores	
	SAT	ACT
First Quarter (75-100%)	*	*
Second Quarter (50-74%)	700	15
Third Quarter (25-49%)	800	19
Fourth Quarter (0-24%)	1000	24

\*No minimum score is required, but test scores must be submitted.

B. High School Unit Requirements

Freshman applicants must have completed the following specified high school units prior to admission, except that an otherwise qualified applicant with high school unit deficiencies may be reviewed and approved by the Admissions Review Committee.

1. English - 4 units, one of which may be writing, world literature, or journalism. Strongly recommend that one unit include writing skills.
2. Mathematics - 3 units, including Algebra I and II and geometry or trigonometry. Strongly recommend 4 units at the level of Algebra I and higher for students pursuing degrees in science, engineering, or business.

3. Science - 2 units. Strongly recommend 3 units including chemistry and physics for students pursuing degrees in science or engineering.
4. Social Studies - 3 units, including 1 unit of U. S. history, 1/2 unit of American government, 1/2 unit of economics, and 1 unit from other areas such as anthropology, area or ethnic studies, geography, philosophy, psychology, sociology, or world history.
5. Foreign Language - 2 units. Additional units of science or mathematics may substitute for this requirement.
6. Electives - 6 units. Drill subjects such as driver training or military training may not be counted in this requirement.
7. Fine Arts - Strongly recommend at least 1/2 unit of theatre arts, art, music, or dance.

#### C. Other Provisions

1. Freshman applicants graduating from non-accredited high schools or home schools must have scored 1000 or more on the SAT or 24 or more on the ACT and show evidence of meeting the high school unit requirements.
2. Freshman applicants with GED certificates must have scored 1000 or more on the SAT or 24 or more on the ACT; be 18 years of age or older; have taken the University's diagnostic tests for composition, reading, and mathematics; and show evidence of meeting high school unit requirements by having an average GED score of 45 or above with no score lower than 40.
3. Freshman applicants with college credit at another regionally accredited institution but with fewer than 30 semester credit hours must have a 2.0 grade point average and meet the admissions criteria for high school graduates.

## II. Alternative Admission

### A. Provisional Admission

1. Residents of Texas who have graduated from an accredited high school, who are not eligible for regular admission, and who have not taken any previous college courses, may enroll during the summer session immediately following high school graduation or the next spring semester following graduation.
2. Students who are admitted provisionally must complete twelve or more hours with grades of "C" or better in each course to be removed from provisional status. The student must

select courses from at least two of the following areas: English, mathematics, natural sciences, social sciences, humanities, and foreign languages.

3. Provisional students who are deficient in high school units or who fail one or more parts of the Texas Academic Skills Program (TASP) test or University diagnostic tests may be required to take courses to make up for deficiencies and/or courses for remediation. (See Section V. regarding TASP.)

#### B. Special Admission

1. Applicants who are not eligible for regular admission and do not enter under the Provisional Admission Program may be considered for special admission by the Admissions Review Committee.
2. Applicants for special admission must submit all transcripts and test scores required for regular admission; submit at least two and no more than three letters of recommendation from the high school principal, teachers or counselors, or from others who can comment on the applicant's preparation for college; and must have completed an interview, if requested, with a representative of the Admissions Office prior to consideration by the Admissions Review Committee.
3. Residents of Texas who graduated from an accredited high school no fewer than five years prior to the date of anticipated enrollment and who do not have satisfactory scores on the SAT or ACT may also be considered by the Admissions Review Committee for special admission.
4. Students admitted after review by the Admissions Review Committee are subject to the requirements in Subsections 2 and 3 of the Provisional Admission Program.

#### III. Transfer Admission

- A. A transfer applicant who has earned college credit from a regionally accredited college or university and who is eligible to return to any institution previously attended may be admitted if the applicant has a cumulative grade point average of 2.0 or above for all college courses undertaken, provided that a transfer applicant with less than 30 semester credit hours must also meet the admissions criteria for high school graduates.
- B. A graduate with an associate degree from a regionally accredited Texas public two-year junior/community college will be admitted without reservation.
- C. A transfer applicant from a nonaccredited institution may be considered for conditional admission by the Admissions Review Committee. A transfer student admitted conditionally must achieve a

grade point average of 2.0 or above for the first 30 hours of course work undertaken at U. T. Permian Basin and is subject to academic dismissal at any time the grade point average falls below 2.0.

#### IV. International Student Admission

Applicants for freshman or transfer admissions who have graduated from non-U. S. high schools may be required to provide evidence, in addition to all transcripts and test scores, of ability to achieve all requirements for a degree, of ability to speak and write English, and of adequate financial resources.

#### V. Texas Academic Skills Program

All students shall be subject to the provisions of the Texas Academic Skills Program (Texas Education Code, Section 51.306).

- A. Students who have earned three or more hours of college credit prior to September 1989 are exempt.
- B. All other students including new freshmen and transfer students who have not previously taken the TASP test must do so before or during the semester in which they will accumulate 9 hours of college-level course credit. Students who fail to take the test in a timely manner may not enroll in subsequent semesters.
- C. Performance on the TASP test will not be used as a condition of admission, although any student who fails one or more parts of the TASP test must enroll in non-credit remedial courses or other approved remedial programs. Students must pass all sections of TASP before enrolling in upper-division courses.

#### VI. Other Conditions

For the 1991-92 and 1992-93 academic years, freshman enrollment may not exceed 500 students, and no sophomore students may be admitted for the 1991-92 academic year.

#### BACKGROUND INFORMATION

The 72nd Legislature, Regular Session, adopted H. B. 277 which allows U. T. Permian Basin to admit freshman and sophomore students beginning with the Fall Semester 1991. The legislation requires the U. T. Board of Regents to adopt admission criteria for freshman and sophomore students that are "no less stringent than the criteria for admission to another four-year general academic teaching institution in The University of Texas System for those students."

The proposed policy for Undergraduate Admissions at U. T. Permian Basin conforms with the statutory requirement and supersedes the admissions requirements for U. T. Permian Basin approved by the U. T. Board of Regents at the August 1983 meeting.

Approval of these proposed undergraduate admissions policies was sought via an Executive Committee Letter to permit U. T. Permian Basin to begin immediately to publicize the admissions criteria to prospective students and to prepare catalog copy and related student materials.

See related Informational Item on Page AAC - 30.

4. U. T. Medical Branch - Galveston - Renovation of Brackenridge Hall (Project No. 601-687): Recommended Award of Construction Contract to Comex Corporation, Deer Park, Texas; Recommended Award of Procurement Contract for Bid Package No. 1 - HVAC - Air Handling Units to LaSalle Manufacturing Corporation, Houston, Texas; Recommended Award of Procurement Contract for Bid Package No. 2 - HVAC - Variable Volume Terminal Units to Air Distribution Products, Inc., Houston, Texas; and Recommended Award of Procurement Contract for Bid Package No. 3 - HVAC - Fume Hood Exhaust Fans to TWSCO, Inc., Houston, Texas (Exec. Com. Letter 91-21).--

#### RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Health Affairs, and President James that the U. T. Board of Regents award a construction contract and procurement contracts for Bid Packages No. 1, 2, and 3 for the Renovation of Brackenridge Hall at the U. T. Medical Branch - Galveston as follows:

- a. Construction contract award to the lowest responsible bidder, Comex Corporation, Deer Park, Texas, for the Base Bid and Alternate Bid Nos. 3 and 4 in the amount of \$1,599,300
- b. Bid Package No. 1 - HVAC - Air Handling Units contract award to the lowest responsible bidder, LaSalle Manufacturing Corporation, Houston, Texas, for the Base Bid in the amount of \$36,073
- c. Bid Package No. 2 - HVAC - Variable Volume Terminal Units contract award to the low responsible bidder, Air Distribution Products, Inc., Houston, Texas, for the Base Bid in the amount of \$11,965
- d. Bid Package No. 3 - HVAC - Fume Hood Exhaust Fans contract award to the low responsible bidder, TWSCO, Inc., Houston, Texas, for the Base Bid in the amount of \$14,049.

#### BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in December 1989, bids for the Renovation of Brackenridge Hall at the U. T. Medical Branch - Galveston were received on May 1, 1991, as shown on Pages Ex.C 12 - 14.

Research scientists who are to occupy the building are temporarily housed at other locations. The project engineers recommended procuring long lead-time mechanical equipment in three separate contracts to help minimize the total time

required for construction of the project and thereby accelerate the time for occupancy by U. T. Medical Branch - Galveston.

Single bids were received for Bid Package No. 2 - HVAC - Variable Volume Terminal Units and Bid Package No. 3 - HVAC - Fume Hood Exhaust Fans. The single bids received are well within the Project Architect's cost estimate. Therefore, no advantage would be gained by rebidding the two procurement contracts since it is unlikely that the prices can be bettered and completion of the project would be delayed.

The recommended construction contract award to Comex Corporation, Deer Park, Texas, in the amount of \$1,599,300 and the recommended procurement contract awards to LaSalle Manufacturing Corporation, Houston, Texas, in the amount of \$36,073; to Air Distribution Products, Inc., Houston, Texas, in the amount of \$11,965; and to TWSCO, Inc., Houston, Texas, in the amount of \$14,049 can be made within the authorized total project cost of \$2,500,000.

The total project cost is composed of the following elements:

General Construction	\$1,599,300
Bid Package No. 1 - HVAC - Air Handling Units	36,073
Bid Package No. 2 - HVAC - Variable Volume Terminal Units	11,965
Bid Package No. 3 - HVAC - Fume Hood Exhaust Fans	14,049
Fees and Administrative Expenses	221,600
Furniture, Furnishings and Equipment	451,098
Future Work (Testing and Air-Balancing)	39,015
Miscellaneous Expenses (Asbestos Abatement and Demolition)	55,500
Project Contingency	<u>71,400</u>
Total Project Cost	\$2,500,000

This project is included in the U. T. System Capital Improvement Program approved in June 1989 and the FY 1991 Capital Budget. The project was approved by the Texas Higher Education Coordinating Board in January 1989 prior to the accomplishment of asbestos abatement and demolition work.

RENOVATION OF BRACKENRIDGE HALL  
 U. T. MEDICAL BRANCH - GALVESTON  
 Bids Received May 1, 1991

<u>BIDDER</u>	<u>Comex Corporation Deer Park, TX</u>	<u>K C Building Co., Inc. Houston, TX</u>	<u>J. W. Kelso Company, Inc. Galveston, TX</u>
BASE BID	\$1,511,000	\$1,536,000	\$1,558,000
Add Alt. #1 - All work after normal working hours	135,000	100,000	83,000
*Add Alt. #2 - Fire Alarm Non-Addressable Heads	25,500	30,000	25,300
*Add Alt. #3 - Fire Alarm Addressable Heads	57,800	45,000	56,500
Add Alt. #4 - Laboratory Tables	30,500	31,000	30,900
Recommended Award Base Bid Plus Alternate Bid Nos. 3 & 4	\$1,599,300	\$1,612,000	\$1,645,400

EX. C - 12

\*Either Alternate Bid No. 2 or No. 3  
 may be accepted, but not both.



RENOVATION OF BRACKENRIDGE HALL  
 U. T. MEDICAL BRANCH - GALVESTON  
 Bids Received May 1, 1991

<u>BIDDER</u>	<u>Miner-Dederick Constructors, Inc.</u> <u>Houston, TX</u>	<u>Holliday Builders, Inc.</u> <u>Galveston, TX</u>
BASE BID	\$1,572,000	\$1,621,371
Add Alt. #1 - All work after normal working hours	83,000	96,350
*Add Alt. #2 - Fire Alarm Non-Addressable Heads	21,000	25,485
*Add Alt. #3 - Fire Alarm Addressable Heads	53,000	103,208
Add Alt. #4 - Laboratory Tables	30,000	30,500
Recommended Award Base Bid Plus Alternate Bid Nos. 3 & 4	\$1,655,000	\$1,755,079

EX. C - 13

\*Either Alternate Bid No. 2 or No. 3  
 may be accepted, but not both.

RENOVATION OF BRACKENRIDGE HALL  
 U. T. MEDICAL BRANCH - GALVESTON  
 Bids Received May 1, 1991

BID PACKAGE #1 - HVAC - AIR HANDLING UNITS

<u>BIDDER</u>	<u>LaSalle Manufacturing Corporation, Houston, TX</u>	<u>Automatic Temperature Controls, Inc., Houston, TX</u>	<u>Hollingsworth Equipment, Inc. Houston, TX</u>
BASE BID	\$36,073	\$38,318	\$41,400
Recommended Award	\$36,073		

BID PACKAGE #2 - HVAC - VARIABLE VOLUME  
 TERMINAL UNITS

<u>BIDDER</u>	<u>Air Distribution Products, Inc. Houston, TX</u>
BASE BID	\$11,965
Recommended Award	\$11,965

BID PACKAGE #3 - HVAC - FUME HOOD EXHAUST  
 FANS

<u>BIDDER</u>	<u>TWSCO, Inc. Houston, TX</u>
BASE BID	\$14,049
Recommended Award	\$14,049

5. U. T. Medical Branch - Galveston - Texas Department of Criminal Justice Hospital - Renovation and Completion of Shelled Space on Fourth and Eighth Floors (Project No. 601-743): Recommended Award of Construction Contract to Mitchell Enterprises, Inc., Sherman, Texas (Exec. Com. Letter 91-22).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Health Affairs, President James, and the Texas Department of Criminal Justice that the U. T. Board of Regents award a construction contract for the Texas Department of Criminal Justice Hospital - Renovation and Completion of Shelled Space on Fourth and Eighth Floors at the U. T. Medical Branch - Galveston to the lowest responsible bidder, Mitchell Enterprises, Inc., Sherman, Texas, for the Base Bid and Alternate Bid No. 2 in the amount of \$3,711,800.

BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in February 1991, bids for the Texas Department of Criminal Justice Hospital - Renovation and Completion of Shelled Space on Fourth and Eighth Floors at the U. T. Medical Branch - Galveston were received on April 24, 1991, as shown on Pages Ex.C 16 - 17.

The Texas Department of Criminal Justice, through an interagency agreement, requested the U. T. Medical Branch - Galveston and The University of Texas System Office of Facilities Planning and Construction to manage the project in the same manner as the original design and construction of the existing hospital building.

The recommended contract award to Mitchell Enterprises, Inc., Sherman, Texas, in the amount of \$3,711,800 can be made within the authorized total project cost of \$5,458,915.

The total project cost is composed of the following elements:

General Construction	\$3,711,800
Fees and Administrative Expenses	469,028
Furniture, Furnishings and Equipment	325,000
Future Work (Testing and Air-Balancing)	36,530
Miscellaneous Expenses	110,470
Project Contingency	<u>806,087</u>
Total Project Cost	\$5,458,915

This project was legislatively approved and does not require submission to the Texas Higher Education Coordinating Board. Amendments to the Capital Improvement Program and the Capital Budget will not be required since funds for the project and all project expenses will be paid by the Texas Department of Criminal Justice.

TEXAS DEPARTMENT OF CRIMINAL JUSTICE HOSPITAL  
 RENOVATION AND COMPLETION OF SHELLLED SPACE ON FOURTH AND EIGHTH FLOORS  
 U. T. MEDICAL BRANCH - Galveston  
 Bids Received April 24, 1991

<u>BIDDER</u>	<u>Mitchell Enterprises, Inc. Sherman, Texas</u>	<u>Miner-Dederick Constructors, Inc Houston, Texas</u>	<u>Comex Corporation Deer Park, Texas</u>
BASE BID	\$3,518,800	\$3,591,000	\$3,595,800
Add Alt. #1 - Complete Wing C, Floor 2	137,000	144,000	140,000
Add Alt. #2 - Complete Wing C, Floor 3	193,000	166,000	200,000
Add Alt. #3 - Complete Wing A, Floor 8	45,000	42,000	44,000
Add Alt. #4 - Addressable Fire Alarm System	<u>104,000</u>	<u>105,000</u>	<u>105,600</u>
Total Base Bid and Alternates	\$3,997,800	\$4,048,000	\$4,085,400
Recommended Award - Base Bid and Alternate Bid No. 2	\$3,711,800	\$3,757,000	\$3,795,800

TEXAS DEPARTMENT OF CRIMINAL JUSTICE HOSPITAL  
 RENOVATION AND COMPLETION OF SHELLLED SPACE ON FOURTH AND EIGHTH FLOORS  
 U. T. MEDICAL BRANCH - Galveston  
 Bids Received April 24, 1991

<u>BIDDER</u>	<u>Basic Constructors, Inc. Houston, Texas</u>	<u>Harrop Construction Company, Inc. Houston, Texas</u>
BASE BID	\$3,609,000	\$3,887,000
Add Alt. #1 - Complete Wing C, Floor 2	146,900	165,000
Add Alt. #2 - Complete Wing C, Floor 3	200,000	198,000
Add Alt. #3 - Complete Wing A, Floor 8	38,500	55,000
Add Alt. #4 - Addressable Fire Alarm System	<u>104,900</u>	<u>104,000</u>
Total Base Bid and Alternates	\$4,099,300	\$4,409,000
Recommended Award - Base Bid and Alternate Bid No. 2	\$3,809,000	\$4,085,000

EX.C - 17

6. U. T. M.D. Anderson Cancer Center - Jesse H. Jones Rotary House International (Project No. 703-740): Recommended Award of Construction Contract to J. W. Bateson Company, Inc., Dallas, Texas, and Award of Contract for Food Service Equipment to Baring Industries, A Division of White Consolidated Industries, Inc., Nashville, Tennessee (Exec. Com. Letter 91-21).--

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:

- a. Award a construction contract for the Jesse H. Jones Rotary House International at U. T. M.D. Anderson Cancer Center to the lowest responsible bidder, J. W. Bateson Company, Inc., Dallas, Texas, for the Base Bid in the amount of \$14,693,000
- b. Award a contract for the purchase and installation of food service equipment for the Jesse H. Jones Rotary House International at U. T. M.D. Anderson Cancer Center to the lowest responsible bidder, Baring Industries, A Division of White Consolidated Industries, Inc., Nashville, Tennessee, for the Base Bid in the amount of \$309,324.62.

BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in February 1991, bids for the Jesse H. Jones Rotary House International were received on April 9, 1991, as shown on Pages Ex.C 20 - 22.

This facility will be an eleven-story, 168,500 gross square foot patient hotel structure with two public levels and nine floors of 22 units each. Total capacity will be 198 units composed of 144 single bay efficiencies designed to combine with suites to provide 18 two-bedroom suites. The project will have an all-weather connection from the second floor to the existing overhead walkway across Holcombe Boulevard. Surface parking for approximately 220 cars will be provided.

The recommended contract award to J. W. Bateson Company, Inc., Dallas, Texas, in the amount of \$14,693,000 can be made within the authorized total project cost of \$17,638,000. Total project funding will be \$9,638,000 in Revenue Financing System Bond Proceeds and \$8,000,000 from Gift Funds. The authorized total project cost is composed of the following elements:

Construction Cost	\$14,693,000
Fees and Administrative Expenses	1,182,500
Furniture, Furnishings and Equipment	1,277,000
Future Work (Testing and Air Balancing)	65,000
Miscellaneous Expenses	95,500
Project Contingency	<u>325,000</u>
Total Project Cost	\$17,638,000

This project is included in the current U. T. System Capital Improvement Program and the FY 1991 Capital Budget. The project was approved by the Texas Higher Education Coordinating Board in October 1990.

In accordance with authorization of the U. T. Board of Regents in February 1991, bids for the purchase and installation of food service equipment for the Jesse H. Jones Rotary House International at U. T. M.D. Anderson Cancer Center were received on March 27, 1991, as shown below:

<u>Bidder</u>	<u>Base Bid</u>
Baring Industries, A Division of White Consolidated Industries, Inc. Nashville, TN	\$309,324.62
Curtis Restaurant Supply Co. Dallas, TX	\$316,326.00
Dick Saylor & Associates, Inc. DBA Phoenix of Texas Houston, TX	\$323,629.00
Texas Metal Equipment Co. Houston, TX	\$331,426.00
Kitchen Equipment Fabricating Co. Houston, TX	\$358,134.00
Stafford-Smith, Inc. Kalamazoo, MI	\$373,506.00

The low bid received from Baring Industries, A Division of White Consolidated Industries, Inc., Nashville, Tennessee, was in the amount of \$330,956.80 and incorrectly included Texas state sales tax. The Office of General Counsel advised that the Texas state sales tax should be deleted and that the award be made in the amount of \$309,324.62.

This food service equipment contract will be assigned to the General Construction Contractor for the Jesse H. Jones Rotary House International to assure coordination of installation.

The recommended food service equipment contract award to Baring Industries, A Division of White Consolidated Industries, Inc., Nashville, Tennessee, in the amount of \$309,324.62 can be made within the authorized total project cost of \$17,638,000.

This project is included in the U. T. System Capital Improvement Program approved in June 1989 and the FY 1991 Capital Budget. The project was approved by the Texas Higher Education Coordinating Board in October 1990.

JESSE H. JONES ROTARY HOUSE INTERNATIONAL  
 U. T. M.D. ANDERSON CANCER CENTER  
 Bids Received April 9, 1991

EX. C - 20

<u>BIDDER</u>	<u>J. W. Bateson Company, Inc. Dallas, TX</u>	<u>Pepper-Lawson Construction, Inc. Houston, TX</u>	<u>Spaw-Glass Inc. Houston, TX</u>
BASE BID	\$14,693,000	\$15,236,000	\$15,290,000
Deduct Alt. #1 - Delete one passenger elevator	83,000	105,000	84,000
Deduct Alt. #2 - Delete portions of the swimming pool enclosure	36,000	35,000	49,000
Deduct Alt. #3 - Delete the swimming pool enclosure	160,000	110,000	71,700
Deduct Alt. #4 - Delete vinyl wall covering in guest rooms	88,000	70,000	88,000
Deduct Alt. #5 - Delete telecommunications system for guest baths	<u>1,000</u>	<u>8,300</u>	<u>2,750</u>
Total Base Bid and Alternates	\$14,325,000	\$14,907,700	\$14,994,550
Recommended Award - Base Bid Only	\$14,693,000	\$15,236,000	\$15,290,000



JESSE H. JONES ROTARY HOUSE INTERNATIONAL  
 U. T. M.D. ANDERSON CANCER CENTER  
 Bids Received April 9, 1991

<u>BIDDER</u>	<u>Lee Lewis Construction, Inc. Lubbock, TX</u>	<u>Morganti Texas, Inc. Houston, TX</u>	<u>Tellepsen Corporation Houston, TX</u>
BASE BID	\$15,563,000	\$15,597,000	\$15,633,000
Deduct Alt. #1 - Delete one passenger elevator	86,000	92,000	84,000
Deduct Alt. #2 - Delete portions of the swimming pool enclosure	35,000	22,000	39,000
Deduct Alt. #3 - Delete the swimming pool enclosure	115,000	110,000	60,000
Deduct Alt. #4 - Delete vinyl wall covering in guest rooms	87,000	85,000	87,000
Deduct Alt. #5 - Delete telecommunications system for guest baths	<u>7,000</u>	<u>12,000</u>	<u>8,000</u>
Total Base Bid and Alternates	\$15,233,000	\$15,276,000	\$15,355,000
Recommended Award - Base Bid Only	\$15,563,000	\$15,597,000	\$15,633,000

JESSE H. JONES ROTARY HOUSE INTERNATIONAL  
 U. T. M.D. ANDERSON CANCER CENTER  
 Bids Received April 9, 1991

<u>BIDDER</u>	<u>H. A. Lott, Inc.</u> <u>Houston, TX</u>	<u>Miner-Dederick</u> <u>Constructors, Inc.</u> <u>Houston, TX</u>
BASE BID	\$15,860,000	\$16,140,000
Deduct Alt. #1 - Delete one passenger elevator	83,000	86,000
Deduct Alt. #2 - Delete portions of the swimming pool enclosure	11,000	56,000
Deduct Alt. #3 - Delete the swimming pool enclosure	123,000	127,000
Deduct Alt. #4 - Delete vinyl wall covering in guest rooms	86,000	87,000
Deduct Alt. #5 - Delete telecommunications system for guest baths	<u>10,000</u>	<u>8,200</u>
Total Base Bid and Alternates	\$15,547,000	\$15,775,800
Recommended Award - Base Bid Only	\$15,860,000	\$16,140,000

**Business Aff.  
and Audit Com.**

BUSINESS AFFAIRS AND AUDIT COMMITTEE  
Committee Chairman Loeffler

Date: August 8, 1991  
Time: Following the meeting of the Executive Committee  
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

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1. U. T. System: Recommendation to Approve Chancellor's Docket No. 59.--

RECOMMENDATION

It is recommended that Chancellor's Docket No. 59 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 III, Section 4 (Code of Ethics).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor for Business Affairs that the Regents' Rules and Regulations, Part One, Chapter III, Section 4 (Code of Ethics) be amended as indicated below in congressional style:

Sec. 4. Code of Ethics.--All employees of the System and its component institutions [~~Each employee, under state law,~~] shall be furnished a copy of the Standards of Conduct for State Employees, Section 8 of Article [Code of Ethics-(V.C.S.) 6252-9b, Texas Revised Civil Statutes [→] and, in addition thereto, shall adhere to the following standards of conduct and other provisions of these Rules and Regulations [~~for employees of the System and its component institutions~~]:

4.1 No employee shall accept or solicit any gift, favor, or service that might reasonably tend to influence the employee in the discharge of his or her official duties or that the employee knows or should know is being offered with the intent to influence his or her official conduct.

4.2 [~~If an employee owns a controlling interest in a corporation, firm, partnership, or other business entity which is under the jurisdiction of any state regulatory agency, the employee shall file a sworn statement with the Secretary of State disclosing such interest.~~]

4-3] No employee shall intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised [use] his or her official powers or performed his or her official duties in favor of another [~~position to secure special privileges or exemptions for himself/herself or others, except as may be otherwise provided by law~~].

- 4.3[4] No employee shall accept employment or engage in any business or professional activity which the employee might reasonably expect would require or induce the employee to disclose confidential information acquired [~~by the employee~~] by reason of his or her official position.
- 4.4[5] No employee shall disclose confidential information gained by reason of his or her official position or [~~nor shall the employee~~] otherwise use such information for his or her personal gain or benefit.
- 4.5[6] No employee shall transact any business in his or her official capacity with any business entity of which the employee is an officer, agent, or member, or in which the employee owns a substantial [~~controlling~~] interest.
- 4.6[7] No employee shall make personal investments [~~in any enterprise~~] which could reasonably be expected to [~~will~~] create a substantial conflict between the employee's private interest[s] and the public interest.
- 4.7[8] No employee shall accept other employment or compensation which could reasonably be expected to [~~might~~] impair the employee's independence of judgment in the performance of the employee's public duties.
- 4.8[9] No employee shall receive any compensation for services as an employee from any source other than the State of Texas, except as may be otherwise provided by law.

#### BACKGROUND INFORMATION

The proposed amendments to the Regents' Rules and Regulations, Part One, Chapter III, Section 4 conform to the current provisions of Article 6252-9b, Texas Revised Civil Statutes and a recent request from the Secretary of State that sworn employee disclosure forms no longer be sent to that office.

3. U. T. Board of Regents: Recommendation to Amend the Regents' Rules and Regulations, Part Two, Chapter IV, Section 7 (Purchases by or from Employees).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor for Business Affairs that Part Two, Chapter IV, Section 7 of the Regents' Rules and Regulations relating to purchases by or from employees be amended as set forth below in congressional style:

- Sec. 7. Purchases by or from Employees.--Purchases are not permitted from any officer or employee of the System unless the cost is less than that from any other known source and until approved by the component chief administrative officer and the appropriate Executive Vice Chancellor or the Chancellor. [~~Sealed-bid~~] P[ur]chases of equipment or property of the System by any officer or employee[s] may be made only after authorization by the component chief administrative officer and the appropriate Executive Vice Chancellor or the Chancellor. Details of such transactions shall be reported in the component Docket or Minutes of the Board. Approval and reporting are not required for purchases made at public auction.

BACKGROUND INFORMATION

The proposed amendment to Part Two, Chapter IV, Section 7 adds clarifying language on purchases of U. T. System equipment or property by officers or employees to the consolidated rules on purchasing approved by the U. T. Board of Regents at the April 1991 meeting. The authorization requirement is intended to apply to all purchases by officers or employees except those made at a public auction.

4. U. T. Board of Regents: Proposed Amendments to the Regents' Rules and Regulations, Part Two, Chapter VI (Staff Benefits).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor for Business Affairs that Sections 4, 5, 6, 7, 8, 9, 10, and 15 of Chapter VI, Part Two of the Regents' Rules and Regulations relating to staff benefits be repealed; that a new Section 4 to read as indicated on Page BAAC - 5 be added to Chapter VI; and that the remaining sections of Chapter VI be renumbered accordingly.

Sec. 4. Employee Group Insurance and Health Benefits.

- 4.1 All group insurance and health benefit programs authorized by law for employees of the U. T. System and its component institutions shall be administered by the Chancellor on behalf of the Board.
- 4.2 The Chancellor shall provide for the planning, implementation, management, and administration of the employee group insurance and health benefit programs through such U. T. System committees and administrators as the Chancellor deems appropriate.
- 4.3 The Chancellor will submit for review and approval by the Board recommendations regarding benefits, premiums, and eligibility criteria for each group insurance and health benefit program; all contracts to provide a policy or policies of insurance and related services for a group insurance or health benefit program; and all contracts to provide services related to the implementation and administration of an authorized self-insured employee group benefit program.

BACKGROUND INFORMATION

The decision of the U. T. Board of Regents at its June 1990 meeting to provide employee group health and dental benefits through a self-insured program and the enactment of House Bill 2 by the 72nd Legislature, Regular Session, abolishing the Administrative Council of the Texas Higher Education Coordinating Board and giving the U. T. System greater control over the design and implementation of employee group insurance and health benefit programs make it necessary to establish an internal administrative structure to administer the U. T. System employee group insurance and health benefit programs.

Those Sections of Chapter VI, Part Two, recommended for repeal relate to the following subjects:

- a. Section 4. Group Hospitalization and Medical Benefit Plan.
- b. Section 5. Group Dental Insurance.
- c. Section 6. Health Maintenance Organizations.
- d. Section 7. Group Term Life Insurance.
- e. Section 8. Group Cash Value Paid-up at Age 65 Life Insurance Plan.
- f. Section 9. Group Long-Term Disability Income Insurance.
- g. Section 10. Group Accident Insurance.
- h. Section 15. Premium Sharing.

The provisions of these Sections do not permit the flexibility necessary to design and administer employee group benefit programs pursuant to the authority provided by House Bill 2. The



repeal of these Sections and the adoption of the proposed new Section 4 will authorize the Chancellor to act in accordance with House Bill 2 to establish an appropriate administrative structure to develop employee group insurance and health benefit programs for approval by the U. T. Board of Regents and to implement and administer those programs approved by the Board.

5. U. T. System: Recommended Appointment of Anthem (Formerly American General) Group Services Corporation, Dallas, Texas, as Administrative/Fiscal Agent for Medical and Dental Self-Insured Plan; Appointment of Anthem Life Insurance Company, Dallas, Texas, for Group Term Life, Long-Term Disability, and Accidental Death and Dismemberment Insurance Coverage; and Establishment of Employee Medical and Dental Insurance Rates All to be Effective September 1, 1991.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Vice Chancellor for Business Affairs that the U. T. Board of Regents approve the following effective September 1, 1991:

- a. Appointment of Anthem (formerly American General) Group Services Corporation, Dallas, Texas, as administrative/fiscal agent for the day-to-day management of the medical and dental self-insured plan for U. T. System employees
- b. Continued appointment of Anthem Life Insurance Company, Dallas, Texas, for group term life, long-term disability, and accidental death and dismemberment insurance coverage
- c. Group medical and dental insurance rates for FY 1992 as shown in Exhibits A and B set out on Pages BAAC 7 - 8.

While plan experience for FY 1991 has been favorable, forecasted trends in medical costs for the coming year require an 8% increase in health insurance rates.

#### BACKGROUND INFORMATION

The health care system in the United States continues to experience an inflationary spiral. The U. T. System plan is impacted by the inflation, but U. T. System employees continue to enjoy health insurance at rates which are generally lower than those paid by other employees.

Group term life, long-term disability, and accidental death and dismemberment insurance coverage for FY 1992 will continue on an insured basis with Anthem Life Insurance Company. No premium increases will be necessary.

This proposal and rates are recommended with the concurrence of the U. T. System Health Plan Administrator and the U. T. System Employee Health Plan Operating Committee with input from the System-wide Insurance Advisory Committee.

**EXHIBIT A**

<b>PROPOSED U. T. SYSTEM EMPLOYEE SELF-INSURED HEALTH PLAN RATES</b>						
	<b>Health (Medical and Dental)</b>				<b>Medical Alone</b>	
	<b>Non-Smoker</b>		<b>Smoker</b>			
	<b>1990-91</b>	<b>1991-92</b>	<b>1990-91</b>	<b>1991-92</b>	<b>1990-91</b>	<b>1991-92</b>
<b>Plan A (\$200 Deductible)</b>						
Employee	\$140.26	\$148.47	\$140.26	\$158.47	N/A	N/A
Employee + Spouse	\$306.60	\$328.13	\$306.60	\$338.13	\$275.88	\$297.95
Employee + Child(ren)	\$291.89	\$312.24	\$291.89	\$322.24	\$250.81	\$270.87
Employee + Family	\$449.34	\$482.29	\$449.34	\$492.29	\$397.99	\$429.83
<b>Plan B (\$500 Deductible)</b>						
Employee	\$118.71	\$125.20	\$118.71	\$135.20	N/A	N/A
Employee + Spouse	\$261.33	\$279.24	\$261.33	\$289.24	\$230.61	\$249.06
Employee + Child(ren)	\$234.15	\$249.89	\$234.15	\$259.89	\$193.07	\$208.52
Employee + Family	\$373.13	\$399.98	\$373.13	\$409.98	\$321.78	\$347.52

**NOTE:** Employee dental coverage is required. Employees electing to provide medical coverage for dependents presently enrolled in the dental plan must continue the dental coverage for those dependents. Dependent dental coverage is optional for new employees.

**EXHIBIT B**

<b>PROPOSED DENTAL INSURANCE PREMIUMS</b>			
	<b>1990-91</b>	<b>1991-92</b>	
		<b>Non-Smoker</b>	<b>Smoker</b>
<b>Employee</b>	<b>\$16.79</b>	<b>\$15.13</b>	<b>\$25.13</b>
<b>Employee + Spouse</b>	<b>\$30.72</b>	<b>\$30.18</b>	<b>\$40.18</b>
<b>Employee + Child(ren)</b>	<b>\$41.08</b>	<b>\$41.37</b>	<b>\$51.37</b>
<b>Employee + Family</b>	<b>\$51.35</b>	<b>\$52.46</b>	<b>\$62.46</b>

6. U. T. System: Recommended Acceptance of Health Maintenance Organization (HMO) Contracts and Rates Effective September 1, 1991.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Vice Chancellor for Business Affairs for acceptance of the rates for Health Maintenance Organization (HMO) contracts as shown in Exhibits A, B, and C on Pages BAAC 10 - 11 to be effective September 1, 1991, for those health maintenance organizations contracting to provide U. T. System employee health care.

The proposed rates are presented in tabular form with FY 1991 comparisons.

BACKGROUND INFORMATION

A Health Maintenance Organization (HMO) is an affiliation of physicians, hospitals, and other health care providers who agree to provide for the health care needs of participants in return for a fixed prepaid monthly fee. There are no deductibles, but each participant pays co-payments for specified medical services each time he or she receives care. Recommendations to the U. T. Board of Regents for FY 1992 are based upon a request-for-renewal process. HMOs approved for FY 1991 were invited to submit renewal proposals for FY 1992. Three HMOs are not recommended for renewal:

Pacificare (San Antonio)  
Southwest (Dallas)  
Partners (Houston).

**EXHIBIT A**

<b>PROPOSED HMO SELECTIONS AND RATES (MEDICAL ONLY) FOR 1991-92</b>				
	<b>Employee</b>	<b>Employee + Spouse</b>	<b>Employee + Child(ren)</b>	<b>Employee + Family</b>
Travelers-San Antonio	\$143.08 (121.25)	\$321.33 (272.31)	\$292.32 (247.73)	\$442.83 (375.28)
Travelers-Austin	\$135.65 (123.32)	\$304.67 (276.97)	\$277.18 (251.98)	\$419.88 (381.71)
PruCare-Austin	\$143.90 (137.63)	\$300.00 (289.03)	\$271.00 (261.50)	\$395.00 (385.37)
PCA-Austin	\$128.77 (132.53)	\$257.53 (265.06)	\$231.78 (238.56)	\$386.30 (397.60)
Travelers-Houston	\$148.20 (134.73)	\$333.48 (303.16)	\$300.84 (273.49)	\$462.34 (420.31)
PruCare-Houston	\$134.70 (126.17)	\$277.68 (264.95)	\$251.24 (239.72)	\$362.09 (353.27)
Travelers-Dallas	\$146.49 (133.17)	\$329.58 (299.62)	\$297.33 (270.30)	\$471.08 (428.25)
Kaiser-Dallas	\$133.03 (121.00)	\$319.27 (290.40)	\$266.06 (242.00)	\$385.79 (344.85)
*Rates in parentheses are 1990-91				

**EXHIBIT B**

<b>PROPOSED HEALTH MAINTENANCE ORGANIZATIONS</b>			
	<b>Medical and Dental*</b>		<b>Medical Alone</b>
	<b>Non-Smoker</b>	<b>Smoker</b>	
Employee	\$143.90 - \$163.33	\$153.90 - \$173.33	N/A
Employee + Spouse	\$287.51 - \$363.66	\$297.51 - \$373.66	\$257.53 - \$333.48
Employee + Child(ren)	\$273.15 - \$342.21	\$283.15 - \$352.21	\$231.78 - \$300.84
Employee + Family	\$438.76 - \$523.54	\$448.76 - \$533.54	\$362.09 - \$471.08

\*Please see appropriate HMO for medical premium alone. Add that medical premium to indicated dental premium (Exhibit C below). Employee dental coverage is required. Employees electing to provide medical coverage for dependents presently enrolled in the dental plan must continue the dental coverage for those dependents. Dependent dental coverage is optional for new employees.

**EXHIBIT C**

<b>PROPOSED DENTAL INSURANCE PREMIUMS</b>			
	<b>1990-91</b>	<b>1991-92</b>	
		<b>Non-Smoker</b>	<b>Smoker</b>
Employee	\$16.79	\$15.13	\$25.13
Employee + Spouse	\$30.72	\$30.18	\$40.18
Employee + Child(ren)	\$41.08	\$41.37	\$51.37
Employee + Family	\$51.35	\$52.46	\$62.46

BUSINESS AFFAIRS AND AUDIT COMMITTEE

EMERGENCY ITEM

AUGUST 8, 1991

7. U. T. System: Consideration of a Resolution Authorizing the Continuing Operation of The University of Texas System Through October 31, 1991, Subject to and in Compliance with Legislative Directive and Statutory or Constitutional Restrictions.--

RECOMMENDATION

Chancellor Mark recommends that, subject to and in accordance with legislative directive, statutory or constitutional restrictions, the Board of Regents authorize the continued operation of The University of Texas System Administration and all University of Texas component institutions through October 31, 1991, under 1990-91 operating budget levels, as amended or subsequently amended within established Board budget policies.

BACKGROUND INFORMATION

Since the 72nd Legislature has not produced an appropriations bill in sufficient time to allow the U. T. System to prepare the 1992 Operating Budgets for consideration by the U. T. Board of Regents at this meeting, it is recommended that the Board authorize the continued operation of the U. T. System Administration and all U. T. component institutions under 1991 operating budget levels through October 31, 1991. This authorization will be subject to legislative directive and statutory or constitutional restrictions.

**Academic  
Affairs Comm.**

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ACADEMIC AFFAIRS COMMITTEE  
Committee Chairman Barshop

Date: August 8, 1991  
Time: Following the meeting of the Business Affairs  
and Audit Committee  
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

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1. U. T. System: Recommendation to Approve Establishment of an International Education Fee at Certain Component Institutions Effective with the Fall Semester 1991 and Authorization for Future Approval of an International Education Fee at Other Component Institutions (Catalog Change).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and Presidents Nedderman, Natalicio, Nevarez, Kirkpatrick, and Hamm that the U. T. Board of Regents authorize the U. T. System component institutions listed below to establish an International Education Fee effective with the Fall Semester 1991 to be assessed students at the rate of \$1.00 per semester or summer session for funding an international education financial aid fund at the respective institutions:

U. T. Arlington  
U. T. El Paso  
U. T. Pan American  
U. T. San Antonio  
U. T. Tyler.

Upon Regental approval, the Minute Order will reflect that the next appropriate catalogs published at these institutions will be amended to conform to this action.

It is also recommended that other U. T. System component institutions be authorized to establish an International Education Fee of \$1.00 per semester or summer session to be effective upon recommendation of the chief administrative officer, approval by the respective Executive Vice Chancellor and submission via institutional docket for Regental approval.

This item requires the concurrence of the Health Affairs Committee.

#### BACKGROUND INFORMATION

Section 54.5131 of the Texas Education Code, enacted in 1989 by the 71st Texas Legislature, authorized the U. T. Board of Regents to charge and collect an International Education Fee at U. T. Austin. The U. T. Board of Regents approved implementation of this fee at its October 1989 meeting. The 72nd Texas Legislature, Regular Session, added a new Section 54.5132 to the Texas Education Code to authorize the charge and collection of this fee at other public institutions of higher education.

Fees collected under Section 54.5132 are to be deposited in an institution's international education financial aid fund and are to be used to assist students participating in international student exchange or study programs. Although the legislation does not require prior approval by an institution's Student Services Fee Committee and the fee may not be considered in determining the maximum compulsory student services fee at each institution, the legislation does provide

for the fund to be used in accordance with guidelines jointly developed by each institution's student governing body and administration. The legislation was supported by the Texas Student Lobby.

The U. T. System Administration has authorized the component institutions listed above to prepare Fall Semester 1991 fee billings to reflect the proposed International Education Fee pending Regental approval with the understanding that refunds will be made should the U. T. Board of Regents decline to approve the recommendation.

As other component institutions may determine the need for and the desire to establish an International Education Fee, the U. T. System Administration proposes that the U. T. Board of Regents give authorization for administrative approval with subsequent Board approval via the docket. U. T. System Administration review of such proposals, if any, will ensure compliance with the statute before approval is granted.

2. U. T. Arlington: Recommendation to Approve an Increase in the Compulsory Student Services Fee Effective with the Fall Semester 1991 (Catalog Change).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Nedderman that the U. T. Board of Regents approve an increase in the Compulsory Student Services Fee at U. T. Arlington from \$7.50 per semester credit hour with a maximum fee of \$90 per semester or summer session to \$8.25 per semester credit hour with a maximum fee of \$99 per semester or summer session to be effective with the Fall Semester 1991.

Upon Regental approval, the Minute Order will reflect that the next catalog published by U. T. Arlington will conform to this action.

#### BACKGROUND INFORMATION

Senate Bill 1000, enacted by the 72nd Texas Legislature, Regular Session, amended Section 54.503 of the Texas Education Code to authorize an increase in the maximum compulsory student services fee from \$90 per semester or summer session to \$150 per semester or summer session. Any increase in excess of 10% of the current fee at any institution, however, requires a favorable vote in a general student election.

The proposed 10% fee increase does not require a student vote but has been discussed with the Chairman of the U. T. Arlington Student Services Fee Advisory Committee and with members of the Student Congress. The increase will be used to meet increasing costs for student services at U. T. Arlington and to maintain quality and availability of essential services for students.

The U. T. System Administration has authorized U. T. Arlington to prepare Fall Semester 1991 fee billings to reflect the proposed fee increase pending Regental approval with the understanding that refunds will be made should the U. T. Board of Regents decline to approve the recommendation.

3. U. T. Austin: Proposed Appointments to Endowed Academic Positions in the College of Business Administration and the Graduate School of Business Effective September 1, 1991.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that the following initial appointments be made to endowed academic positions in U. T. Austin's College of Business Administration and Graduate School of Business effective September 1, 1991. Professors will vacate any currently held endowed positions on the effective date of the new appointments.

<u>Name of Proposed Appointee</u>	<u>Endowed Academic Position</u>
Dr. George P. Huber The Fondren Foundation Centennial Chair in Business Department of Management	Charles and Elizabeth Prothro Regents Chair in Business Administration
Dr. Reuben R. McDaniel, Jr. Tom E. Nelson, Jr. Regents Professorship in Business Department of Management	Charles and Elizabeth Prothro Regents Chair in Health Care Management

These appointments are contingent upon the establishment of the Chairs as proposed in Item 22 on Page AMC - 24.

#### BACKGROUND INFORMATION

Dr. Huber joined the U. T. Austin faculty in 1983 after eighteen years as a faculty member and research administrator at the University of Wisconsin. He is an internationally recognized scholar in organizational behavior and information systems, has authored or co-authored four books and over eighty research publications, and serves on the editorial boards of three major journals. Dr. Huber is the recipient of the CBA Foundation Awards for Research Excellence, 1985, and Outstanding Research Contributions, 1989.

Dr. McDaniel, a faculty member at U. T. Austin since 1972, has a distinguished record as a research scholar, teacher, and academic leader. He has authored or co-authored over thirty refereed research papers, a book, monograph, and several book chapters. Dr. McDaniel has chaired seven Ph.D. dissertation committees, supervised over 25 professional reports, and served as a member of over 30 doctoral dissertation committees. His teaching excellence was recognized

with the Joe D. Beasley Teaching Excellence Award in 1982. Dr. McDaniel has served as chair of the U. T. Austin Faculty Senate, as a member of the Faculty Senate and the University Council, and on 25 University or College committees and task forces.

4. U. T. Austin: Proposed Appointment to the NCNB Texas National Bank Centennial Professorship in Petroleum Engineering in the College of Engineering for the Period September 1, 1991 Through January 15, 1992 Only.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that Dr. Linda M. Abriola, Associate Professor of Civil Engineering, University of Michigan, Ann Arbor, Michigan, be appointed as the initial holder of the NCNB Texas National Bank Centennial Professorship in Petroleum Engineering in the College of Engineering at U. T. Austin for the period of September 1, 1991 through January 15, 1992 only.

#### BACKGROUND INFORMATION

Dr. Abriola's appointment as Visiting Professor, Department of Petroleum Engineering, has been approved for the period of September 1, 1991 through January 15, 1992. She is widely respected for her work in modeling of multiphase transport of groundwater pollutants and is considered to be one of the most capable young scientists in groundwater hydrology. The similarity of Dr. Abriola's work to the field of reservoir engineering provides an opportunity to merge her expertise with U. T. Austin's existing expertise in reservoir flow modeling and enhanced oil recovery.

The RepublicBank Corporation Centennial Professorship in Petroleum Engineering was established by the U. T. Board of Regents at the August 1982 meeting. In accordance with action recommended in Item 12 on Page AMC - 17, this professorship is being redesignated as the NCNB Texas National Bank Centennial Professorship in Petroleum Engineering.

5. U. T. Austin: Proposed Appointment to the David Bruton, Jr. Regents Professorship in Fine Arts in the College of Fine Arts Effective September 1, 1991.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that Professor Susan Tsu, School of Theatre Arts at Boston University, Boston, Massachusetts, be appointed as the initial holder of the David Bruton, Jr. Regents Professorship in Fine Arts in the College of Fine Arts at U. T. Austin effective September 1, 1991.

BACKGROUND INFORMATION

Professor Tsu's appointment as Professor, Department of Theatre and Dance at U. T. Austin, is effective September 1, 1991. She is nationally recognized for her expertise in the area of costume design and has served for the past eight years at the School of Theatre Arts, Boston University, where she established and coordinated one of the most successful costume training programs in the country. Professor Tsu's work has been recognized with such notable awards as the New York Drama Desk Award, the New York Drama Critics Award, and the L.A. Distinguished Designer Award.

The David Bruton, Jr. Regents Professorship in Fine Arts was established by the U. T. Board of Regents at the February 1985 meeting.

6. U. T. Austin: Proposed Appointment to the Bess Heflin Centennial Professorship in Home Economics Education in the College of Natural Sciences Effective September 1, 1991.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that Dr. Jeanne Freeland-Graves, Professor and Chairman, Department of Human Ecology at U. T. Austin, be appointed as the initial holder of the Bess Heflin Centennial Professorship in Home Economics Education in the College of Natural Sciences at U. T. Austin effective September 1, 1991.



## BACKGROUND INFORMATION

Dr. Freeland-Graves, a U. T. Austin faculty member since 1975, is nationally recognized for her research in the area of nutrition and the determination of ultratrace and trace element requirements in humans and the relationship between these ultratrace and trace elements and various diseases. As departmental chairman, she has concentrated her efforts for the past two years on the educational activities of the U. T. Austin Department of Human Ecology and has been instrumental in restructuring the curriculum and in streamlining the program of courses for the various degree options. Dr. Freeland-Graves is active in the American Home Economics Association and the Texas Home Economics Association and currently serves on the editorial board for the Journal of Nutrition Education.

The Bess Heflin Centennial Professorship in Home Economics Education was established by the U. T. Board of Regents at the August 1983 meeting.

7. U. T. Austin: Proposed Appointments to the Boards of Directors of The University of Texas at Austin School of Law Continuing Legal Education, Inc. and The University of Texas at Austin School of Law Publications, Inc. Effective with the Fall Semester 1991 (Regents' Rules and Regulations, Part One, Chapter VII, Section 6, Subsection 6.1, Internal Corporations).--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that Assistant Dean Henry T. C. Hu be appointed to the Board of Directors of The University of Texas at Austin School of Law Publications, Inc. and that Assistant Dean Donna J. Passons be appointed to the Board of Directors of The University of Texas at Austin School of Law Continuing Legal Education, Inc. effective with the Fall Semester 1991. This recommendation is in accordance with the Regents' Rules and Regulations, Part One, Chapter VII, Section 6, Subsection 6.1, relating to appointment to the board of directors of internal corporations.

## BACKGROUND INFORMATION

The University of Texas at Austin School of Law Continuing Legal Education, Inc. and The University of Texas at Austin School of Law Publications, Inc. are internal nonprofit corporations established by the U. T. Board of Regents at its August 1981 meeting to perform functions related to continuing legal education programs and to serve as the publisher of all legal journals and law reviews in the School of Law.

Associate Dean Olin G. Wellborn III has served on both Boards since December 1987. His return to full-time faculty status leaves an opening on each Board.

8. U. T. Austin: Request for Permission for Individual to Serve on the Education Commission of the States [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 Cunningham that approval be given for Dr. Manuel J. Justiz, Dean of the College of Education and holder of the A. M. Aikin Regents Chair in Education Leadership at U. T. Austin, to serve on the Education Commission of the States.

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

#### BACKGROUND INFORMATION

Dr. Justiz was initially appointed by former Governor William Clements in April 1990 as one of six Texas representatives to the Education Commission of the States and approval was given by the U. T. Board of Regents to this appointment in June 1990. Governor Ann Richards has recently reappointed Dr. Justiz to this Commission which is responsible for conducting policy research, collecting, analyzing, and interpreting information concerning the nation's education needs and formulating policies and plans for improving public education. Dr. Justiz will serve without compensation.

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

9. U. T. Austin: Request for Permission for Individual to Serve on the President's Committee on the National Medal of Science [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 Cunningham that approval be given for Dr. Herbert H. Woodson, Dean of the College of Engineering at U. T. Austin, to serve on the President's Committee on the National Medal of Science.

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

### BACKGROUND INFORMATION

Dr. Woodson has been appointed by President George Bush to serve a three-year term on the President's Committee on the National Medal of Science. The Committee assists the President in naming approximately twenty individuals to receive the prestigious National Medal of Science each year for outstanding contributions in the fields of physical, biological, mathematical, engineering, or social and behavioral sciences. Dr. Woodson will serve without additional compensation.

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

10. U. T. Austin: Request for Approval of a Third-Year Leave of Absence for the 1991-92 Fiscal Year (Regents' Rules and Regulations, Part One, Chapter III, Section 16, Subsection 16.4).--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham for approval of a third-year leave of absence, without pay, to Dr. William P. Glade, Jr., Professor of Economics at U. T. Austin, for the 1991-92 fiscal year in accordance with Part One, Chapter III, Section 16, Subsection 16.4 of the Regents' Rules and Regulations.

### BACKGROUND INFORMATION

Dr. Glade has been on leave for the past two years serving as Associate Director for the Bureau of Educational and Cultural Affairs of the U. S. Information Agency. Completion of this Presidential appointment will enhance Dr. Glade's teaching and research capability upon his return to U. T. Austin thereby justifying the unusual granting of a third-year leave of absence.

11. U. T. Austin: Recommendation to Rename Room in the Chemical and Petroleum Engineering 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 Cunningham that Room 2.206 of the Chemical and Petroleum Engineering Building at U. T. Austin be renamed the BP Exploration Classroom 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.

This recommendation is being made in accordance with the donor's request to reflect the current name of the company.

#### BACKGROUND INFORMATION

At the August 1984 meeting of the U. T. Board of Regents, an endowment for The Sohio Petroleum Company Classroom was established and Room 2.206 of the Chemical and Petroleum Engineering Building was named in response to this endowment. The recommendation to rename the room reflects the acquisition in 1987 of the Sohio Petroleum Company by BP Exploration, Anchorage, Alaska.

Redesignation of the endowment in the College of Engineering is provided for in Item 26 on Page AMC - 27.

12. U. T. Austin: Recommendation for Approval of a Proposed Agreement of Academic Cooperation with the Instituto Tecnológico y de Estudios Superiores de Monterrey, Nuevo Leon, Mexico, and Request for Authorization to Execute Agreement.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that approval be given to an agreement of academic cooperation as set out on Pages AAC 14 - 18 between U. T. Austin, on behalf of the Graduate School of Business, and the Instituto Tecnológico y de Estudios Superiores de Monterrey, Nuevo Leon, Mexico.

It is further recommended that the Executive Vice Chancellor for Academic Affairs be authorized, on behalf of the U. T. Board of Regents, to execute this agreement with the understanding that any and all specific agreements arising from the agreement are to be submitted for prior administrative review and subsequent approval as required by the Regents' Rules and Regulations.

### BACKGROUND INFORMATION

The proposed agreement of academic cooperation is designed to promote academic and research cooperation between U. T. Austin and the Instituto Tecnológico y de Estudios Superiores de Monterrey. The goals of the agreement are to:

- a. Develop and begin implementation of a Doctor of Philosophy degree program in Business Administration at the Instituto Tecnológico
- b. Support the planned exchange of students and staff
- c. Encourage participation by faculty in joint research.

The proposed agreement has been reviewed and approved by the Office of General Counsel and is similar to other agreements of cooperation previously approved by the U. T. Board of Regents.

AGREEMENT OF ACADEMIC COOPERATION

BETWEEN

THE UNIVERSITY OF TEXAS AT AUSTIN

AND

INSTITUTO TECNOLOGICO Y DE ESTUDIOS SUPERIORES  
DE MONTERREY (NUEVO LEON, MEXICO)

Whereas, The University of Texas at Austin (hereafter referred to as "UT Austin"), for and on behalf of the Graduate School of Business, of Austin, Texas, U.S.A. and the Instituto Tecnologico y de Estudios Superiores de Monterrey (hereafter referred to as "ITESM") of Monterrey, Nuevo Leon, Mexico have executed a Declaration of Intent dated January 12, 1990; and

Whereas, UT Austin and ITESM further desire to design and implement a Doctor of Philosophy (Ph.D.) Degree in Business Administration program for the ITESM System;

Therefore, UT Austin and ITESM agree to program provisions as follows:

I. Responsibilities of Parties

- A. The Ph.D. program at ITESM will be developed and initially implemented by the Graduate School of Business at UT Austin through its Office of Management Development Programs (hereafter referred to as MDP), with the cooperation and participation of ITESM. This includes student admission, progress and retention, compensation of faculty, and transition of the program to ITESM.
- B. All on-site logistics and administrative support will be provided by ITESM. ITESM also will provide all other program costs, including faculty and administrative compensation and associated expenses.
  - (1) Airplane tickets, hotel accommodations, and meals for faculty will be paid for in advance and directly to the providers by ITESM.
  - (2) ITESM will pay MDP as billed for all faculty and administrative compensation and associated expenses, and other program services performed by MDP. The faculty will be compensated for their services through MDP with the funds provided by ITESM.
- C. UT Austin faculty will comply with all UT Austin regulations related to executive education compensation and outside work activities, and will file the required Request for Approval of Outside Employment form.

- D. UT Austin will provide faculty and administrative assistance as provided in Item II below, to enable selected ITESM faculty from ITESM's campuses to earn a Ph.D. Degree in Business Administration.
- E. Prior to conclusion of the 1994-95 academic year, all administrative and teaching aspects of this program will be transferred to ITESM.

## II. Personnel and Resources

- A. Faculty from the Graduate School of Business at UT Austin will play the lead role in implementing the Ph.D. program. Where appropriate, UT Austin faculty will work in teams with ITESM faculty.
- B. Books, articles, and other teaching materials needed for instruction by UT Austin faculty in the program will be provided by ITESM. In addition, ITESM will initiate subscriptions to research journals deemed necessary by UT Austin to support the Ph.D. program.
- C. Computer hardware and software as well as other teaching media will be provided by ITESM to support the program.

## III. Students

- A. Initial matriculants will be faculty members from the various ITESM campuses. The initial class size will be limited to thirty students. Subsequent matriculants may come from other nations in Latin America.
- B. Applicants will be nominated from their respective ITESM campuses. Applicants will be evaluated on the basis of GRE or GMAT results, TOEFL results, prior academic record, letters of recommendation, personal motivation, and area of academic interest.
- C. Student performance will be evaluated by the end of each semester. This evaluation will consider course performance and dedication to the program.

- D. Each student will be responsible for completing a dissertation based upon applications based research. Students will have a dissertation committee consisting of three to five faculty. One faculty member will serve as dissertation chairman. While the dissertation chairman for the initial matriculants will be a UT Austin faculty member, other committee members may come from other institutions as deemed appropriate. UT Austin faculty serving on such committees will be compensated for their services through MDP with funding provided by ITESM.

#### IV. Research

UT Austin faculty will be encouraged to participate in joint research with ITESM faculty. Some of this research may be based on the dissertation work of students as identified in ITEM III, above. It is hoped that long term research partnerships will develop that address issues of common interest to faculty in Texas and Mexico.

#### V. Summer Sessions

- A. Students will attend summer sessions in Austin, Texas during 1991 and 1992. Each of these sessions will be of ten weeks duration. The summer sessions and coursework will be organized and administered through the MDP. All costs for the sessions, including institutional costs, will be paid by ITESM through the MDP.
- B. Students will reside in off-campus housing in Austin. Housing and meals will be arranged by UT Austin and paid for directly to the provider by ITESM.

#### VI. Terms of Agreement

The program will begin in September 1990, and continue for five years. Although within five years all aspects of the program will evolve to ITESM faculty for implementation and control, it is envisioned that enduring working relations will develop in all aspects of higher education in business.



EXECUTED by the Board of Regents of The University of Texas System and the Instituto Tecnológico y de Estudios Superiores de Monterrey, Nuevo Leon, Mexico on the day and year first above written, in duplicate copies, each of which shall be deemed an original.

THE UNIVERSITY OF TEXAS AT AUSTIN

BY: \_\_\_\_\_  
William H. Cunningham

TITLE: President

BY: \_\_\_\_\_  
Robert E. Witt

TITLE: Dean, Graduate School of  
Business

INSTITUTO TECNOLOGICO Y DE ESTUDIOS  
SUPERIORES DE MONTERREY

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

FORM APPROVED:

BOARD OF REGENTS OF THE UNIVERSITY  
OF TEXAS SYSTEM

\_\_\_\_\_  
Office of General Counsel

BY: \_\_\_\_\_  
James P. Duncan  
Executive Vice Chancellor for  
Academic Affairs

Agreement of Cooperation Between  
UT Austin and ITESM  
Page 5

CERTIFICATE OF APPROVAL

I hereby certify that the foregoing Agreement was approved by the Board of Regents of The University of Texas System on the \_\_\_\_\_ day of \_\_\_\_\_, 1990 and that the person whose signature appears above is authorized to execute such agreement on behalf of the Board.

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Executive Secretary, Board of Regents  
The University of Texas System

13. U. T. Dallas: Request to Name a Laboratory in the Callier Center for Communication Disorders (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 Rutford that the child study laboratory in the Callier Center for Communication Disorders at U. T. Dallas be named the James Stahlecker Child Study Laboratory. This recommendation is in accordance with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, relating to the naming of facilities other than buildings.

#### BACKGROUND INFORMATION

The proposed laboratory naming is in memory of Dr. James Stahlecker who was Head of Psychology at the Callier Center for Communication Disorders for five years before his death in January 1991. As part of his research and clinical experience in deafness and disorders in children, Dr. Stahlecker coordinated the Callier Child Study Team which observed and evaluated children with very complex problems and developed programs to meet their needs. The laboratory facility was an integral part of the team's work and was developed by Dr. Stahlecker.

14. U. T. Dallas: Recommendation for Approval of a Proposed Exchange Agreement with the Laboratoire d'Etude des Acquisitions et du Developpement (L.E.A.D.), Universite de Bourgogne, Dijon, France, and Request for Authorization to Execute Agreement.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Rutford that approval be given to an Inter-University Direct Exchange Agreement as set out on Pages AAC 21 - 23 between U. T. Dallas, on behalf of the School of Human Development, and the Laboratoire d'Etude des Acquisitions et du Developpement (L.E.A.D.), Universite de Bourgogne, Dijon, France.

It is further recommended that the Executive Vice Chancellor for Academic Affairs be authorized, on behalf of the U. T. Board of Regents, to execute this agreement with the understanding that more specific agreements arising from this agreement are to be submitted for prior administrative review and subsequent approval as required by the Regents' Rules and Regulations.

### BACKGROUND INFORMATION

The proposed agreement of exchange is designed to promote academic and research cooperation between U. T. Dallas and the L.E.A.D., Universite de Bourgogne. The goals of the agreement are to:

- a. Exchange ideas and information about courses
- b. Support the planned exchange of students and staff
- c. Encourage participation by faculty in joint research.

The proposed agreement has been reviewed and approved by the Office of General Counsel and is similar to other agreements of exchange previously approved by the U. T. Board of Regents.

INTER-UNIVERSITY DIRECT EXCHANGE AGREEMENT PROGRAM

AGREEMENT MODEL

Preamble

This agreement is made within the framework of the Agreement on Educational and Cultural Exchange (Fulbright Agreement) concluded between the Governments of France and of the United States of America on May 7, 1965.

Its terms have been examined and approved by the authorities concerned with the execution of such agreements in both countries.

PARTIES TO THE AGREEMENT

The agreement has been concluded between:

School of Human Development, UNIVERSITY of TEXAS at DALLAS

name and address of the U.S. institution

Represented by: Mrs./Miss/Mr./Dr. Dr. B. MOORE

name and title of the signatory of the agreement

and:

L.E.A.D. / UNIVERSITE de BOURGOGNE

name and address of the French institution

Represented by: Mrs./Miss/Mr./Dr. Dr. M. FAYOL

name and address of the French signatory of the agreement

STIPULATIONS OF THE AGREEMENT

It is agreed that:

ARTICLE I - PURPOSE - FIELD OF EXCHANGE - DURATION

This agreement is intended to facilitate and develop between the contracting parties a program of exchange of teachers and researchers. Period and time of the exchange can be organized to suit the convenience of the participating institutions but must be a minimum of 3 months.

Exchange will be pursued in the following fields: Cognitive Science, Developmental Psychology.

Other optional exchange operations. The present agreement shall also include such cooperative operations as:

- Reciprocal plans in regard to students
- Reciprocal visits of consultation by specialists of both countries
- Publications to be completed collaboratively
- Other operations: Exchange of Professors.

Please cross out  
undesirable options

ARTICLE II - NOMINATION OF CANDIDATES

Each year, not later than March 1, for departures planned for the Fall Semester and September 1 for departures for the Spring Semester, both universities shall have agreed upon the exchange candidacies for the following year.

The Franco-American Commission will be immediately apprised of the names and qualifications of these candidates so that it can provide them with appropriate instructions to make formal applications for travel funds and other financial assistance as described in Article V below.

The participating institutions are responsible for the proposing of acceptable exchange candidates.

ARTICLE III - DUTIES OF THE EXCHANGEES

These should be determined in the course of the negotiations between the institutions concerned. Unless otherwise specified, visiting specialists will assume the same teaching and work schedules as their colleagues of equal rank in their host university.

In case of significant and undesirable disparity between the level or schedule of duties of the representatives of both countries, the parties involved, by mutual concertation, shall reduce such inequalities to an acceptable minimum.

ARTICLE IV - PAYMENT OF SALARIES

Each participating institution will continue to furnish the usual home salary to its representative during the period of his/her service overseas. These salaries are subject to the fiscal regulations of the home country (Income Tax).

In the event that some additional salary is provided to an exchangee by the establishment of the host country, the sums involved are subject to the stipulations of a fiscal agreement entered into by the Governments of France and the United States on July 28, 1967 (Publication 520, 10/86) - Foreign Scholars and Educational and Cultural Exchange Visitors - page 28). According to this agreement, exchangees are exempted from income taxes of the Host Country on salaries paid for personal services rendered for purposes of teaching and research.

ARTICLE V - FINANCIAL ASSISTANCE OFFERED FOR INTER-UNIVERSITY EXCHANGE PARTICIPANTS BY THE FRANCO-AMERICAN COMMISSION UNDER THE FULBRIGHT PROGRAM

French and American participants in the exchanges offered by institutions having concluded and signed Inter-University Exchange Agreements are eligible to apply to the Franco-American Commission for round-trip travel allowances and in certain cases, small supplementary allocations which they may request at the same time as the travel allowances. These allocations will be granted, budget permitting, in cases where insufficient salaries or exchange fellowships would result in financial hardship in meeting living expenses in the host countries.

The travel allowances and supplementary allocations are available to exchangees only, and not to members of their families. They also include free insurance coverage for accident and illness, again for exchangees only. Accompanying dependents may arrange for voluntary insurance coverage for themselves under the same insurance plan as the exchangees.

Eligibility Requirements and Application Deadlines

A. Lecturers and Research Scholars - The duration of the exchange contract must be at least 3 months for exchangees from both countries.

American lecturers and research scholars must apply through the: Council for International Exchange of Scholars, Eleven Dupont Circle N.W., Washington DC 20036, before April 1 for departure to France between July 1 and December 31 of the same year and before October 1 for departure to France between January 1 and July 1 of the following year.

Each application to the Council should refer to the date and terms of the Inter-University Agreement which has been signed by the U.S. home institution.

Following preselection by the CIES, American candidates will be referred to the Franco-American Commission for Educational Exchange, Paris for final selection and attribution of Fulbright travel grants and eventual supplementary allocations.

ARTICLE VI - ACTIVATION OF THE AGREEMENT

The present agreement shall be effective as of (date) Mars 1991  
and shall have a total duration of 5 years, renewable by simple extension of the same by the parties. Likewise the agreement may be rescinded by either of the parties with advance notice of 6 months.

All modifications of the present text should be brought to the attention (for approval) of the Franco-American Commission for Educational Exchange, 9, rue Chardin, 75016 PARIS.

The continuity of the inter-university cooperation established by this agreement shall be assured by the participating parties which, each year, after due consultation, will select their representatives and determine their duties and period of exchange.

EXECUTED by the Board of Regents of The University of Texas System and the University of Bourgogne, Dijon, France on the day and year first above written, in duplicate copies, each of which shall be deemed an original.

THE UNIVERSITY OF TEXAS AT DALLAS

BY: \_\_\_\_\_  
Robert H. Rutford

TITLE: President

THE UNIVERSITY OF BOURGOGNE

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

FORM APPROVED:

BOARD OF REGENTS OF THE UNIVERSITY  
OF TEXAS SYSTEM

\_\_\_\_\_  
Office of General Counsel

BY: \_\_\_\_\_  
James P. Duncan  
Executive Vice Chancellor  
for Academic Affairs

CERTIFICATE OF APPROVAL

I hereby certify that the foregoing Agreement was approved by the Board of Regents of The University of Texas System on the \_\_\_\_\_ day of \_\_\_\_\_, 1991 and that the person whose signature appears above is authorized to execute such agreement on behalf of the Board.

\_\_\_\_\_  
Executive Secretary, Board of Regents  
The University of Texas System

15. U. T. El Paso: Request for Authorization to Establish a Major in Nurse-Midwifery within the Existing Master of Science in Nursing Degree Program 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 major in Nurse-Midwifery within the existing Master of Science in Nursing (MSN) degree program at U. T. El Paso. Upon approval by the U. T. Board of Regents, the proposal will be submitted to the Texas Higher Education Coordinating Board for review and appropriate action. The proposed program is consistent with U. T. El Paso's Role and Scope and Strategic Plan. A description of the program is included in the Background Information.

If approved 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 major in Nurse-Midwifery at U. T. El Paso will be a new major under the established Master of Science in Nursing degree. The program will be implemented in conjunction with the Texas Tech University Health Sciences Center, Regional Academic Health Center at El Paso which will provide clinical facilities and cooperating faculty for clinical specialty courses. The program will include 18 semester credit hours of courses currently in the U. T. El Paso inventory and 32 semester credit hours of new clinical specialty courses, for a total of 50 semester credit hours. Some of the clinical specialty courses will be taught by Texas Tech faculty through a contract between U. T. El Paso and the Texas Tech University Health Sciences Center, Regional Academic Health Center at El Paso. The Texas Tech faculty will be appointed as adjunct faculty at U. T. El Paso and the Master of Science in Nursing degree will be awarded by U. T. El Paso. Both thesis and non-thesis options will be provided.

##### Program Need

Only 25 nurse-midwifery programs are currently offered in the United States. While Texas has two certificate programs, no graduate nurse-midwifery program exists in the state. The nearest graduate nurse-midwifery program to El Paso is located in Colorado.

In June 1989, the Consortia of Texas Certified Nurse-Midwives stated that 50 unfilled positions were available in Texas, with 10 of those being within a 50-mile radius of El Paso. The need for certified nurse-midwives is growing. A recent report in the American Journal of Nursing stated that 99,000 births were



attended by certified nurse-midwives in 1987 compared to only 19,700 births attended by nurse-midwives in 1975. Socioeconomic conditions and extreme poverty levels along the U. S./ Mexico border and rural southwest Texas exacerbate the need for certified nurse-midwives.

The University projects admitting six students per year into the program and graduating five per year after the second year of the program. The estimate of one dropout per year is based on the need for extensive clinical preparation and the inability of some students to meet the time demand of the program.

#### Program Quality

Prior to implementation, a nurse-midwife program must be pre-accredited by the American College of Nurse-Midwives (ACNM). The proposed program received pre-accrediting certification in June 1991. The graduate nursing program at U. T. El Paso is currently fully accredited by the National League for Nursing.

Each student admitted to the program must be a Registered Nurse and hold a bachelor's degree in nursing, must achieve a satisfactory score on the Graduate Record Examination or the Miller Analogy Test as determined by the Graduate Studies Committee in the College of Nursing and Allied Health, and must have earned at least a 3.0 grade point average for all undergraduate work.

The proposed program in Nurse-Midwifery will be evaluated on a regular basis by the College of Nursing and Allied Health and the Graduate School, including follow-up studies of graduates and employers. Evaluation will include records of student performance on the national examination required to become a Certified Nurse-Midwife.

Of the seven faculty currently identified to teach in the program, five have the Ph.D. degree and two have master's degrees and each of the two is a Certified Nurse-Midwife.

#### Program Cost

Costs for the program are to be funded from external grants to U. T. El Paso or from Texas Tech University Health Sciences Center, Regional Academic Health Center at El Paso resources. The Nurse-Midwifery major will not be implemented unless external funding is obtained. If external funding were to be discontinued at some time in the future, an evaluation would be done to determine whether the program was cost effective and should be continued. Funding has been requested from Advanced Nurse Training Grant funds from the U. S. Department of Health and Human Services which has special funding for nurse-midwifery programs.

Classroom and office facilities are adequate at both U. T. El Paso and Texas Tech Regional Academic Health Center to accommodate the projected enrollment. The Nurse-Midwifery Clinic at the Texas Tech Regional Academic Health Center is also adequate to accommodate student experiences. Agreements are being initiated with La Fe Clinic and San Vicente Health Clinic, both in El Paso, for preceptorial experiences for the Comprehensive Nurse-Midwifery Practice course. Current faculty resources are adequate to begin the program, with a projection by the Texas Tech Regional Academic Health Center to hire two additional faculty from grant funds after the first year.

## Summary

U. T. El Paso proposes to offer a major in Nurse-Midwifery within the existing Master of Science in Nursing degree program with support for clinical facilities and adjunct faculty from the Texas Tech University Health Sciences Center, Regional Academic Health Center at El Paso. The program will be funded from external sources and will meet the growing need in the southwest Texas region for certified nurse-midwives.

16. U. T. El Paso: Proposed Appointment of MacIntosh Murchison Fellows in Engineering Effective for Fiscal Year 1991-92 Only.--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that members of the faculty of the College of Engineering at U. T. El Paso listed below be appointed as MacIntosh Murchison Fellows in Engineering effective for Fiscal Year 1991-92 only:

- Dr. S. K. Varma, Professor, Department of Metallurgical and Materials Engineering
- Dr. Dan E. Cooke, Assistant Professor, Department of Computer Science
- Dr. Michael Gelfond, Associate Professor, Department of Computer Science
- Dr. Soheil Nazarian, Assistant Professor, Department of Civil Engineering
- Dr. Roberto A. Osegueda, Assistant Professor, Department of Civil Engineering

Under terms of the endowment for four Mr. and Mrs. MacIntosh Murchison Chairs in Engineering, funds may be used to award fellowships in Engineering to qualified faculty for periods up to one year when vacancies exist in the endowed Chairs, two of which are currently vacant. The last appointment of MacIntosh Murchison Fellows was approved by the U. T. Board of Regents at the April 1988 meeting and was for the 1988 calendar year only.

## BACKGROUND INFORMATION

The first Mr. and Mrs. MacIntosh Murchison Chair in Engineering was established by the U. T. Board of Regents in April 1986 by redesignating the Mr. and Mrs. MacIntosh Murchison Professorship in Engineering which was established in August 1985. The second Mr. and Mrs. MacIntosh Murchison Chair in Engineering was established in June 1986 and the third and fourth Chairs were established in February 1987. Two of these endowed Chairs have been filled and proceeds from the two vacant endowed Chairs will be used to provide one-year stipends of \$4,000 for each of the five Fellows.

Dr. Varma, Professor, Department of Metallurgical and Materials Engineering, joined the U. T. El Paso faculty in 1984. He is the author or coauthor of numerous journal articles and research papers and is active in professional organizations.

Dr. Cooke, Assistant Professor, Department of Computer Science, has been a U. T. El Paso faculty member since 1987. He has published numerous articles and reports, is frequently invited to speak at professional meetings, and is an American Electronics Association Fellow.

Dr. Gelfond, Associate Professor, Department of Computer Science, joined the U. T. El Paso faculty in 1980. He has over 20 years of academic experience, is the recipient of several research grants, and has published numerous articles and reports.

Dr. Nazarian, Assistant Professor, Department of Civil Engineering, has been a member of the U. T. El Paso faculty since 1988 and was formerly a research engineer at U. T. Austin. He is active in research activities and has authored or coauthored numerous research papers and reports.

Dr. Osegueda, Assistant Professor, Department of Civil Engineering, joined the U. T. El Paso faculty in 1987. He is active in research, has published numerous articles and research reports, and was named Outstanding Professor of Civil Engineering at U. T. El Paso for 1987-88.

17. U. T. Pan American: Recommendation to Approve an Increase in the Compulsory Student Services Fee Effective with the Fall Semester 1991 (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 an increase in the Compulsory Student Services Fee at U. T. Pan American from \$7 per semester credit hour with a maximum fee of \$90 per semester or summer session to \$7.70 per semester credit hour with a maximum fee of \$99 per semester or summer session to be effective with the Fall Semester 1991.

Upon Regental approval, the Minute Order will reflect that the next catalog published by U. T. Pan American will conform to this action.

#### BACKGROUND INFORMATION

Senate Bill 1000, enacted by the 72nd Texas Legislature, Regular Session, amended Section 54.503 of the Texas Education Code to authorize an increase in the maximum compulsory student services fee from \$90 per semester or summer session to \$150 per semester or summer session. Any increase in excess of 10% of the current fee at any institution, however, requires a favorable vote in a general student election.

The proposed 10% fee increase does not require a student vote but has been approved unanimously by the U. T. Pan American Student Affairs Advisory Committee. The increase in fee income will be used to maintain the quality and availability of student services funded by the Student Services Fee.

The U. T. System Administration has authorized U. T. Pan American to prepare Fall Semester 1991 fee billings to reflect the proposed fee increase pending Regental approval with the understanding that refunds will be made should the U. T. Board of Regents decline to approve the recommendation.

18. U. T. San Antonio: Recommendation to Approve an Increase in the Compulsory Student Services Fee Effective with the Fall Semester 1991 (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 Compulsory Student Services Fee at U. T. San Antonio from \$10 per semester credit hour with a maximum fee of \$90 per semester or summer session to \$10 per semester credit hour with a maximum fee of \$99 per semester or summer session to be effective with the Fall Semester 1991.

Upon Regental approval, the Minute Order will reflect that the next catalog published by U. T. San Antonio will conform to this action.

#### BACKGROUND INFORMATION

Senate Bill 1000, enacted by the 72nd Texas Legislature, Regular Session, amended Section 54.503 of the Texas Education Code to authorize an increase in the maximum compulsory student services fee from \$90 per semester or summer session to \$150 per semester or summer session. Any increase in excess of 10% of the current fee at any institution, however, requires a favorable vote in a general student election.

The proposed 10% fee increase does not require a student vote but has been discussed with the U. T. San Antonio Student Services Fee Advisory Committee. The Committee has no objection to the proposed fee increase. The increase will be used to offset significant added costs of providing an expanded level of student services on the U. T. San Antonio campus.

The U. T. System Administration has authorized U. T. San Antonio to prepare Fall Semester 1991 fee billings to reflect the proposed fee increase pending Regental approval with the understanding that refunds will be made should the U. T. Board of Regents decline to approve the recommendation.

19. U. T. San Antonio: Recommendation to Approve Changes in Parking Permit Fees Effective with the Fall Semester 1991 (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 changes in parking permit fees at U. T. San Antonio effective with the Fall Semester 1991 as set out below:

	<u>1990-91 Current Fees</u>	<u>1991-92 Proposed Fees</u>
<u>Executive Officers Permits</u>		
Class O (reserved)	\$110.00	\$110.00
<u>Faculty/Staff Permits</u>		
Class A (reserved)	82.00	82.00
Class B (faculty/staff)	42.00	42.00
Class C (motorcycles)	13.00	13.00
Class E (dual parking)	42.00	42.00
Class H (handicapped)*	42.00	42.00
Class K (mini-car)	32.00	32.00
Class P (carpool)	42.00	42.00
Class W (bicycles)	3.00	3.00
<u>Student Permits</u>		
Class C (motorcycles)	13.00	13.00
Class D (student resident)	27.00	27.00
Class F (dual parking)	27.00	27.00
Class G (general)	27.00	27.00
Class H (handicapped)*	27.00	27.00
Class M (mini-car)	20.00	20.00
Class S (carpool)	27.00	27.00
Class W (bicycles)	3.00	3.00
<u>Other</u>		
Class T (vendors, salespersons, technical representatives, other servicing personnel, and persons regularly using campus facilities)	15.00	15.00
<u>Replacement Permits</u>		
Replacement Fee	n/a	5.00
Exchange Fee	n/a	5.00

\* No parking fee is charged for permanently disabled persons or disabled veterans with 60% or more disability.

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

Upon Regental approval, the Minute Order will reflect that the next appropriate catalog published by U. T. San Antonio will conform to this action.

#### BACKGROUND INFORMATION

U. T. San Antonio parking permit fees were last approved in August 1989. The only proposed changes are a replacement fee of \$5.00 to be charged for a lost permit if a permit is lost a second time and an exchange fee of \$5.00 to be charged for changing from one permit class to another. No changes are proposed in current U. T. Institute of Texan Cultures - San Antonio parking permit fees or U. T. San Antonio traffic enforcement fees (both approved August 1990).

Proposed changes in U. T. San Antonio's parking and traffic regulations to be effective with the Fall Semester 1991 were reviewed and approved by the Office of General Counsel and are included in the August 1991 institutional docket.

#### INFORMATIONAL ITEM

U. T. Permian Basin: Report on Implementation Plans for the Admission of Freshman and Sophomore Students Effective with the Fall Semester 1991.--

#### REPORT

The 72nd Texas Legislature, Regular Session, passed H. B. 277 authorizing U. T. Permian Basin to admit freshman and sophomore students effective with the Fall Semester 1991. Governor Ann Richards signed the bill on May 12, 1991. Implementation of the legislation does not require approval by the Texas Higher Education Coordinating Board. The following information summarizes plans and decisions regarding the transition to four-year programs.

1. Admissions Policy -- The U. T. Permian Basin Policy for Undergraduate Admission was circulated via Executive Committee Letter No. 91-22 (Item No. 1) dated June 7, 1991, and appears as Item 3 on Page Ex.C - 6 for ratification. Freshman enrollment may not exceed 500 students for 1991-92 and 1992-93. No sophomores will be admitted for 1991-92. Actual freshman enrollment is expected to be between 150 and 200 students for 1991-92.
2. Mission Description and Table of Programs -- The addition of freshman and sophomore students at U. T. Permian Basin will not require changes in the Table of Programs and will necessitate only a minor editorial change in the Mission Description to delete a single reference to "upper-level" status. The amendment should be accepted by the Coordinating Board at the staff level with no further action required.

3. New Degree Programs and Organizational Units -- No new degree programs or organizational units are necessitated by the addition of lower-division students.
4. Lower-Division Curriculum -- For the first two semesters, U. T. Permian Basin anticipates offering 22 lower-division courses, with some requiring multiple sections. Most of the courses will be general education courses that relate to the core curriculum. The usual staff level procedures will be followed to add the courses to the Coordinating Board inventory of authorized courses. Staffing requirements for the freshman courses during the 1991-92 academic year will be met by existing faculty on an overload basis and by employment of some adjunct faculty.
5. Remedial Education -- Remedial courses in English and mathematics will accommodate students who are required by the Texas Academic Skills Program (TASP) to enroll in remedial classes or other remedial programs. In addition to classes, other remedial programs will be available through the PASS Office (Programs Assisting Student Study). All Coordinating Board and statutory requirements will be met.
6. Facilities -- Some interim arrangements will be necessary for certain laboratory courses for the first year. Freshman geology and biology laboratory sections will be conducted at U. T. Permian Basin in existing laboratories. Students wishing to take chemistry laboratory courses will be advised to take the courses at Odessa College and to apply for transfer credit. All other courses can be accommodated in existing facilities for the foreseeable future. Modest laboratory renovations and library expansion will be needed within the next year or two.
7. Funding -- Initial costs are to be met from existing local resources and contributions to be raised through efforts of the U. T. Permian Basin Development Board. U. T. Permian Basin and the Development Board have begun a drive for annual fund giving and are soliciting endowment contributions from area foundations and potential benefactors.

Representatives of the Coordinating Board staff have made a site visit to the U. T. Permian Basin campus to review plans for curriculum and TASP related remedial programs, with a commitment to assist in the development of the lower-division program. No other formal action is required by the U. T. Board of Regents or the Coordinating Board for the addition of freshman students beginning with the Fall Semester 1991 or the addition of sophomore students effective with the Fall Semester 1992.

4  
**Health Affairs  
Committee**



HEALTH AFFAIRS COMMITTEE  
Committee Chairman Ramirez

Date: August 8, 1991  
Time: Following the meeting of the Academic Affairs  
Committee  
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

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1. U. T. Southwestern Medical Center - Dallas: Proposed Appointments to Ashbel Smith Professorships Effective Immediately.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that Philip O'B. Montgomery, Jr., M.D., Jack Reynolds, M.D., and Vernie Stenbridge, M.D., be appointed as Ashbel Smith Professors at the U. T. Southwestern Medical Center - Dallas effective immediately.

#### BACKGROUND INFORMATION

Dr. Montgomery, a cancer researcher and Professor of Pathology at U. T. Southwestern Medical Center - Dallas, was Dallas' first Medical Examiner. With cancer research as his specialty, he has also served as a trustee and past president of the Biological Humanics Foundation.

Dr. Reynolds, Professor and Vice Chairman of the Department of Radiology at U. T. Southwestern Medical Center - Dallas, is a well recognized expert in the field of diagnostic radiology with primary interests in the radiology of trauma and bone disorders. In addition to being recognized by his peers for his contributions to radiologic science, his students have regularly honored him as an outstanding teacher.

Dr. Stenbridge is Professor of Pathology and has served as Chairman of the Department of Pathology and as Interim Dean of the U. T. Southwestern A.H.S.S. - Dallas. He has served as president of every major professional association of pathologists in the United States and has been a leading proponent of the role of Allied Health personnel in medicine.

In April 1980, the U. T. Board of Regents authorized the U. T. Southwestern Medical Center - Dallas to award five Ashbel Smith Professorships.

2. U. T. Southwestern Medical Center - Dallas: Recommendation to Establish the Mobility Foundation Center for Rehabilitation Research.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal to establish the Mobility Foundation Center for Rehabilitation Research at the U. T. Southwestern Medical Center - Dallas. The Center will focus on research related to paralysis and reduced neuromuscular and musculoskeletal function and will be supported by income from the Southwestern Medical Foundation (an external foundation) pursuant to an agreement dated October 1, 1990, among the Mobility Foundation, Southwestern Medical Foundation, and the U. T. Southwestern Medical Center - Dallas.

## BACKGROUND INFORMATION

Under an Agreement of Donation dated October 1, 1990, the Mobility Foundation, a Texas nonprofit corporation, donated all of its assets (then valued at \$6.4 million) to the Southwestern Medical Foundation, Dallas, Texas, in trust for the benefit of the U. T. Southwestern Medical Center - Dallas to establish the Mobility Foundation Center for Rehabilitation Research. Under the terms of the agreement, income from the trust or endowment corpus is to be used for the sole purpose of establishing and supporting the Center for research in the rehabilitation of patients with impaired mobility.

The purpose of the Center will be to advance research at the U. T. Southwestern Medical Center - Dallas into the rehabilitation and care of the mobility impaired with special emphasis on orthopaedic mobility disabilities and neurological mobility disabilities. The primary focus will be applied research aimed at providing improved therapies for mobility impaired patients. Basic research into the causes of mobility impairments that will both enhance the understanding of underlying derangements and foster the development of therapeutic approaches will also be encouraged.

See Item 34 on Page AMC - 32 related to establishment of the Dallas Rehabilitation Institute Distinguished Chair in Orthopaedic Rehabilitation.

3. U. T. Southwestern Medical Center - Dallas: Recommendation to Approve an Increase in the Compulsory Student Services Fee Effective with the Fall Semester 1991 (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 an increase in the Compulsory Student Services Fee at the U. T. Southwestern Medical Center - Dallas from \$180 per academic year to \$198 per academic year. The Compulsory Student Services Fee at the U. T. Southwestern G.S.B.S. - Dallas and the U. T. Southwestern A.H.S.S. - Dallas will increase from \$90 per semester or summer session to \$99 per semester. These increases are to be effective with the Fall Semester 1991.

Upon Regental approval, the Minute Order will reflect that the next catalog published by the U. T. Southwestern Medical Center - Dallas will conform to this action.

## BACKGROUND INFORMATION

Senate Bill 1000, enacted by the 72nd Texas Legislature, Regular Session, amended Section 54.503 of the Texas Education Code to authorize an increase in the Compulsory Student Services Fee from \$90 per semester or summer session to \$150 per semester or summer session. Any increase in excess of 10% of the current fee at any institution, however, would require a favorable student vote.

A student committee composed of all the medical school class presidents, the president of the Graduate Student Organization, and the senior member of the Allied Health School Student Affairs Committee voted unanimously to recommend that the Compulsory Student Services Fee be increased by 10% for the 1991-92 academic year. The increase will be used to offset significant added costs of providing an expanded level of student services on the U. T. Southwestern Medical Center - Dallas campus and afford a general upgrade in the quality and availability of essential services for students.

The U. T. System Administration has authorized the U. T. Southwestern Medical Center - Dallas to prepare Fall Semester 1991 fee billings to reflect the proposed fee increase pending Regental approval with the understanding that refunds will be made should the U. T. Board of Regents decline to approve the recommendation.

4. U. T. Medical Branch - Galveston: Proposed Appointment of Ashbel Smith Professor Effective September 1, 1991.--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that E. Burke Evans, M.D., be appointed as Ashbel Smith Professor at the U. T. Medical Branch - Galveston effective September 1, 1991.

## BACKGROUND INFORMATION

Dr. Evans, Professor and Chief of the Division of Orthopedic Surgery, joined the Department of Surgery at the U. T. Medical Branch - Galveston in 1953. He has provided strong leadership and attracted outstanding faculty to the Division of Orthopedic Surgery. An outstanding surgeon and investigator, Dr. Evans is a superb teacher and excellent role model for residents and medical students. He is highly respected nationally and internationally and is invited regularly to speak at scientific meetings and serves on numerous local, regional, and national committees.

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

5. U. T. Medical Branch - Galveston: Proposed Appointments to Endowed Academic Positions Effective September 1, 1991.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that the following initial appointments to endowed academic positions at the U. T. Medical Branch - Galveston be effective September 1, 1991:

<u>Name of Proposed Appointee</u>	<u>Endowed Academic Position</u>
Wayne F. March, M.D. Professor and Chairman Department of Ophthalmology	Robertson Poth Professorship in Ophthalmology; established February 1978
Stephen J. Spann, M.D. Professor and Chairman Department of Family Medicine	Evalyn Matheson Phillips and Clairice M. Phillips, M.D. Professorship in Family Medicine; established August 1985.

BACKGROUND INFORMATION

Dr. March is a graduate of Northwestern University Medical School, Chicago, Illinois, and was recently recruited from the University of Oklahoma Health Sciences Center, Oklahoma City, Oklahoma, where he was Vice Chairman of the Department of Ophthalmology. His interest and expertise in the development of laser surgery support the high priority the U. T. Medical Branch - Galveston has assigned to the use of surgical lasers.

Dr. Spann has extensive experience as a medical consultant and visiting professor in Latin and South America. His international background has added a new perspective to the Department of Family Medicine at the U. T. Medical Branch - Galveston. He has made major contributions in the areas of education, research, and clinical care.

6. U. T. Health Science Center - Houston: Recommendation for Approval to Change the Division of Orthopedic Surgery within the Department of Surgery to the Department of Orthopedic Surgery 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 Low that approval be granted to change the Division of Orthopedic Surgery within the Department of Surgery to the Department of Orthopedic Surgery in the U. T. Medical School - Houston at the U. T. Health Science Center - Houston. Upon Regental approval, the proposal will be submitted to the Texas Higher Education Coordinating Board for approval.

## BACKGROUND INFORMATION

Since its inception, the Division of Orthopedic Surgery at the U. T. Health Science Center - Houston has functioned as a component of the Department of Surgery. The requested change reflects the evolution of orthopaedics as a discrete discipline and is consistent with what is occurring within the state and nation. Both U. T. Southwestern Medical Center - Dallas and U. T. Health Science Center - San Antonio have separate departments for Orthopedic Surgery. The lack of departmental status has played a major role in the loss of some productive academicians and has severely restricted recruitment of high quality faculty candidates.

The proposed administrative change can be accomplished within the resources currently available to the Division of Orthopedic Surgery and no new state funding will be required.

The Coordinating Board considers this administrative change a substantive one. Therefore, prior approval of the proposal by the U. T. Board of Regents is necessary.

Upon Regental and Coordinating Board approval, the next appropriate catalog published at the U. T. Health Science Center - Houston will be amended to reflect this action.

7. U. T. Health Science Center - San Antonio: Proposed Appointment of Ashbel Smith Professor Effective Immediately.--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that Suellen B. Reed, Ph.D., be appointed as Ashbel Smith Professor at the U. T. Health Science Center - San Antonio effective immediately.

## BACKGROUND INFORMATION

Dr. Reed, Professor and Associate Dean for Graduate Nursing Program at the U. T. Nursing School - San Antonio, was one of four faculty involved in starting the School of Nursing at the U. T. Health Science Center - San Antonio. She has established herself as a national leader through her accreditation and curricular expertise. She has been responsible for securing over two million dollars in grants for the institution. In addition to her close attention to curriculum and education, Dr. Reed has demonstrated that she is an outstanding teacher. In 1983, she received the U. T. Health Science Center - San Antonio's Presidential Award for Excellence in Teaching and has twice received the School of Nursing Award for Excellence in Teaching.

In April 1980, the U. T. Board of Regents authorized the U. T. Health Science Center - San Antonio to award five Ashbel Smith Professorships.

8. U. T. Health Science Center - San Antonio: Proposed Appointments to Endowed Academic Positions Effective September 1, 1991.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that the following initial appointments to endowed academic positions at the U. T. Health Science Center - San Antonio be effective September 1, 1991:

<u>Name of Proposed Appointee</u>	<u>Endowed Academic Position</u>
Wichard A. J. van Heuven, M.D. Professor and Chairman Department of Ophthalmology	Herbert F. Mueller Chair in Ophthalmology

This appointment is contingent upon establishment of the Chair as proposed in Item 44 on Page AMC - 39.

Robert L. Leon, M.D. Professor and Chairman Department of Psychiatry	Distinguished Professorship in Psychiatry
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The Research Distinguished Professorship in Psychiatry was established by the U. T. Board of Regents at the December 1984 meeting. See related Item 45 on Page AMC - 39 regarding redesignation of this Professorship.

BACKGROUND INFORMATION

Dr. van Heuven has been a member of the faculty at the U. T. Health Science Center - San Antonio since 1981 when he was appointed Professor and Chairman of the Department of Ophthalmology. He has published extensively in the area of research relating to the cause, cure, treatment and prevention of eye disease, low vision and blindness. The American Academy of Ophthalmology and Otolaryngology has awarded him a Certificate of Merit as well as the Award of Merit for Services in its education programs.

Dr. Leon has 23 years of outstanding service with the U. T. Health Science Center - San Antonio. As the only Chairman of the Department of Psychiatry, he has developed a program of national prominence. He has been actively involved with such state and federal groups as the Bureau of Indian Affairs, the Department of Health and Human Services, the National Institutes of Mental Health, and the Texas Department of Mental Health and Mental Retardation. Dr. Leon has held numerous prominent national positions, including the presidencies of the American Association of Social Psychiatry, the American College of Psychiatrists, and the American Association of Chairmen of Departments of Psychiatry. In October 1990, he was awarded an Ashbel Smith Professorship.



9. U. T. M.D. Anderson Cancer Center: Proposed Appointment to the Ellen F. Knisely Chair in Colon Cancer Research Effective September 1, 1991.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that Bernard Levin, M.D., be appointed as initial holder of the Ellen F. Knisely Chair in Colon Cancer Research at the U. T. M.D. Anderson Cancer Center effective September 1, 1991.

BACKGROUND INFORMATION

Dr. Levin, Professor of Medicine in the Department of Medical Oncology, is an internationally respected academic physician and scientist whose expertise is in management of cancers of the digestive system. He has developed a program in research, treatment, and prevention of gastrointestinal cancers, initiated basic and clinical research in etiology and prevention of colon cancer, established protocols for therapy and established a teaching service in both conventional and interventional endoscopy. In addition to his status as an acclaimed scientist and innovator in cancer treatment, Dr. Levin is a superb teacher and a skilled, compassionate physician.

The Ellen F. Knisely Chair in Colon Cancer Research was established by the U. T. Board of Regents at the February 1989 meeting.

10. U. T. M.D. Anderson Cancer Center: Request for Approval to Conduct a Special Capital Fund Campaign (Regents' Rules and Regulations, Part One, Chapter VII, Section 2, Subsection 2.4, Subdivision 2.44) for Construction of the Bertner Complex and the Clinical Services Facility Including Naming of Facilities Other Than Buildings (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.3).--

RECOMMENDATION

The Chancellor concurs with the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that approval be given, pursuant to the Regents' Rules and Regulations, Part One, Chapter VII, Section 2, Subsection 2.4, Subdivision 2.44, for a capital fund campaign to support the construction of the Bertner Complex and the Clinical Services Facility at the U. T. M.D. Anderson Cancer Center.

Because of the magnitude of the proposed campaign, it is anticipated that certain facilities other than buildings within the complex will be named for donors, or individuals named by donors, making significant contributions through the fund development campaign. Approval for this aspect of the campaign is being recommended pursuant to the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.3.

## BACKGROUND INFORMATION

At the June 1991 meeting, the U. T. Board of Regents approved the System-wide Capital Improvement Plan for the next six years. At the same time, authorization was given for the U. T. M.D. Anderson Cancer Center to construct the Bertner Complex and the Clinical Services Facility.

The financing plan for this project calls for a major philanthropic contribution of \$116.7 million. In June 1990, John Grenzebach and Associates, Inc. of Chicago was engaged to conduct a feasibility study to determine if a capital campaign of this magnitude could be successful. Their report concluded that such a campaign is feasible at this time. It is necessary to launch the campaign at the earliest possible time in order to meet the schedule which has been developed. Approximately \$40 million in various donations, bequests, and pledges already received have been identified which can be applied to this campaign.

The campaign is proposed to be conducted over a five-year period under the leadership and direction of the University Cancer Foundation Board of Visitors, and staffed by the Development Office with the assistance of a private campaign counsel. During the first three years, the campaign will concentrate on major donors from whom it is anticipated that sixty percent of the projected goal will be obtained. The announced public phase of the campaign will be initiated no earlier than January 1994 and will run for approximately two years.

11. U. T. Health Center - Tyler: Proposed Appointment to the John Chapman Endowed Professorship in Microbiology Effective August 1, 1991.--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and Director Hurst that Richard J. Wallace, Jr., M.D., be appointed as initial holder of the John Chapman Endowed Professorship in Microbiology at the U. T. Health Center - Tyler effective August 1, 1991.

## BACKGROUND INFORMATION

Dr. Wallace has distinguished himself in the area of infectious diseases and is a Fellow on the American College of Chest Physicians, the Infectious Disease Society of America, and is a diplomate of the American Board of Internal Medicine. He currently serves as a member of the International Working Group on Microbacterial Taxonomy and is Chairman of the Committee on Statements on Non-tuberculosis and Pulmonary Infections, American Thoracic Society. Dr. Wallace, as Chairman of the Department of Microbiology at the U. T. Health Center - Tyler, is an outstanding clinician and asset to the institution.

The John Chapman Endowed Professorship in Microbiology was originally established by the U. T. Board of Regents in October 1985 as a Visiting Professorship and redesignated as a full Professorship in April 1990.

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

FACILITIES PLANNING AND CONSTRUCTION COMMITTEE  
Committee Chairman Moncrief

Date: August 8, 1991  
Time: Following the meeting of the Health Affairs Committee  
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

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2. U. T. Pan American - Academic Services Building (Project No. 901-739): Request for Approval of Change in Source of Project Funding, and Request for Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity	3
3. U. T. San Antonio - Surface Parking Lot: Request for Project Authorization; Submission of the Project to Coordinating Board; Authorization to Prepare Final Plans, Advertise for Bids and Award of Contracts by U. T. San Antonio Administration and Appropriation Therefor; and Request for Approval of Use of Revenue Financing System Parity Debt, Receipt of Certificate, and Finding of Fact with Regard to Financial Capacity	6
4. U. T. San Antonio - Temporary Building: Request for Project Authorization; Submission of the Project to Coordinating Board; Authorization to Prepare Final Plans, Advertise for Bids and Award of Contracts by U. T. San Antonio Administration and Appropriation Therefor	9
5. U. T. Southwestern Medical Center - Dallas - Research Building - Phase II North Campus Expansion: Request for Project Authorization; Appointment of Project Architect to Prepare Preliminary Plans; Submission to Coordinating Board; and Appropriation Therefor	10
6. U. T. M.D. Anderson Cancer Center - M.D. Anderson Hospital - Bates-Freeman Wing: Request for Authorization to Prepare an Engineering Study for Mechanical Upgrade and Tie-Ins of Mechanical and Electrical Systems; Appointment of Consulting Engineer to Prepare an Engineering Study; and Appropriation Therefor	12

1. U. T. Arlington - Replacement of Second Street Utility Tunnel (Project No. 301-761): Request to Increase Authorized Total Project Cost; Presentation of Preliminary Plans; Authorization to Submit Project to Coordinating Board; and Authorization to Prepare Final Plans.--

#### RECOMMENDATION

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

- a. Approve an increase in the authorized total project cost for Replacement of the Second Street Utility Tunnel at U. T. Arlington from \$3,450,000 to \$3,900,000 with an additional \$450,000 in funding from Revenue Financing System Bond Proceeds
- b. Approve the preliminary plans and specifications for the Replacement of the Second Street Utility Tunnel at U. T. Arlington at an estimated total project cost of \$3,900,000
- c. Authorize submission of the project to the Texas Higher Education Coordinating Board
- d. Authorize the Project Engineer to prepare final plans and specifications to be presented to the U. T. Board of Regents for consideration at a future meeting.

#### BACKGROUND INFORMATION

In accordance with the authorization of the U. T. Board of Regents in December 1990, preliminary plans for the Replacement of the Second Street Utility Tunnel at U. T. Arlington have been completed by the Project Engineer, Friberg Associates, Inc., Fort Worth, Texas.

The new 2,000 foot tunnel will replace an existing 950 foot utility tunnel, extend that tunnel to the new thermal energy plant, and provide a connecting link to the site of the new Science Building.

The new tunnel will permit replacing the steam lines and the direct-buried chilled water lines and provide both steam and chilled water connections to the new Science Building. By completing an existing service loop, the new tunnel will also permit service to several buildings from two directions and provide capacity for future campus expansion.

Development of preliminary plans has provided a more detailed cost estimate that more accurately reflects the anticipated total project cost. Total funding for this project in the amount of \$3,900,000 will be \$3,805,000 in Revenue Financing Bond Proceeds and \$95,000 from General Use Fee Balances. Approval of this item will amend the 1991 Capital Improvement Plan and the Capital Budget.

2. U. T. Pan American - Academic Services Building (Project No. 901-739): Request for Approval of Change in Source of Project Funding, and Request for 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, the Executive Vice Chancellor for Asset Management, the Vice Chancellor for Business Affairs, and President Nevarez 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, and the delivery of the Certificate of an Authorized Representative as set out on Page FPCC - 5, the U. T. Board of Regents:

- a. Approve a change in the source of project funding for the Academic Services Building at U. T. Pan American from Higher Education Assistance Fund (HEAF) bond proceeds and/or a combination of HEAF balances, future HEAF appropriations, Building Use Fee (General Use Fee) balances, and existing Ad Valorem Tax balances in the amount of \$7,100,000 to Revenue Financing System Bond Proceeds in the amount of \$6,100,000 and Higher Education Assistance Funds in the amount of \$1,000,000 for \$7,100,000 in total project funding
- b. Resolve that Parity Debt shall be issued to pay \$6,100,000 of the project's cost
- c. Resolve that 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
- d. Resolve that U. T. Pan American, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its Direct Obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of Parity Debt in the amount of \$6,100,000 for the construction of an Academic Services Building (the "Project").

At the meeting there may be a recommendation to defer this financing arrangement because of the uncertainties associated with the legislative consideration of the Texas Performance Audit and the funding for higher education.

## BACKGROUND INFORMATION

At the October 1990 meeting, the U. T. Board of Regents approved final plans and authorized the Office of Facilities Planning and Construction to advertise for bids for the Academic Services Building at U. T. Pan American. The Board also authorized the funding for the project to be from Higher Education Assistance Fund (HEAF) bond proceeds and/or a combination of HEAF balances, future HEAF appropriations, Building Use Fee (General Use Fee) balances, and existing Ad Valorem Tax balances. It has since been learned that 10-year HEAF bonds cannot be issued until 1995. Consequently, U. T. Pan American has requested the issuance of revenue bonds under the Revenue Financing System program in order to fully finance the project. The Building Use Fee (General Use Fee) will be the primary source of revenue for amortizing the debt.

This project is included in the 1991 Capital Improvement Plan and will amend the 1991 Capital Budget. This project was approved by the Texas Higher Education Coordinating Board in July 1990.

PARITY DEBT CERTIFICATE OF U.T. SYSTEM REPRESENTATIVE

I, the undersigned Executive Vice Chancellor for Asset Management of The University of Texas System, a U.T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System adopted by the Board on February 14, 1991 (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 an Academic Services Building at The University of Texas - Pan American, 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 resolutions.

EXECUTED this

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Executive Vice Chancellor  
for Asset Management



3. U. T. San Antonio - Surface Parking Lot: Request for Project Authorization; Submission of the Project to Coordinating Board; Authorization to Prepare Final Plans, Advertise for Bids and Award of Contracts by U. T. San Antonio Administration and Appropriation Therefor; and Request for 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. Authorize a project for construction of a surface parking lot at U. T. San Antonio at an estimated total project cost of \$450,000
- b. Authorize submission of the project to the Texas Higher Education Coordinating Board
- c. Subject to approval of the Coordinating Board, authorize preparation of final plans, advertisement for bids, award of construction contracts and completion of the project by U. T. San Antonio Administration with its own forces or through contract services, as required, in consultation with the Office of Facilities Planning and Construction
- d. Appropriate \$450,000 from The University of Texas System Revenue Financing System for total project funding of the surface parking lot.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Asset Management, the 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, and the delivery of the Certificate of an Authorized Representative as set out on Page FPCC - 8, the U. T. Board of Regents resolve that:

- a. Parity Debt shall be issued to pay the project's cost
- 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. San Antonio, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its Direct Obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of Parity Debt in the amount of \$450,000 for the construction of Surface Parking Lot (the "Project").

At the meeting there may be a recommendation to defer this financing arrangement because of the uncertainties associated with the legislative consideration of the Texas Performance Audit and the funding for higher education.

#### BACKGROUND INFORMATION

U. T. San Antonio has experienced record enrollment increases of more than 20% since the last parking lot was approved in 1988, and parking has reached the critical stage. Parking demands currently exceed the 5,600 vehicle capacity. Temporary parking has been provided on street shoulders and unimproved space. To control traffic, and increase pedestrian safety and parking security, additional parking space is necessary. Planning may show it is advantageous to construct several smaller parking lots rather than one larger parking lot to accommodate the estimated 400-450 parking spaces.

It is recommended that U. T. San Antonio Administration, with consulting architectural/engineering services as necessary, be authorized to manage the project in consultation with the Office of Facilities Planning and Construction.

This project is included in the 1991 Capital Improvement Plan and will amend the 1991 Capital Budget.

PARITY DEBT CERTIFICATE OF U.T. SYSTEM REPRESENTATIVE

I, the undersigned Executive Vice Chancellor for Asset Management of The University of Texas System, a U.T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System adopted by the Board on February 14, 1991 (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 a Surface Parking Lot at The University of Texas at 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 resolutions.

EXECUTED this

---

Executive Vice Chancellor  
for Asset Management

4. U. T. San Antonio - Temporary Building: Request for Project Authorization; Submission of the Project to Coordinating Board; Authorization to Prepare Final Plans, Advertise for Bids and Award of Contracts by U. T. San Antonio Administration and Appropriation Therefor.--

#### 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. Authorize a project for construction of a temporary building at U. T. San Antonio at an estimated total project cost of \$500,000
- b. Authorize submission of the project to the Texas Higher Education Coordinating Board
- c. Subject to approval of the Coordinating Board, authorize preparation of final plans, advertisement for bids, award of construction contracts and completion of the project by U. T. San Antonio Administration with its own forces or through contract services, as required, in consultation with the Office of Facilities Planning and Construction
- d. Appropriate \$500,000 from Permanent University Fund Bond Proceeds for total project funding of the temporary building.

#### BACKGROUND INFORMATION

The temporary building will be constructed on West Campus and will serve as a temporary location for several business affairs functions including purchasing, accounts payable, accounting and an employment office for non-faculty personnel. These functions are now located in different areas of the campus. Space may be vacated in the library building to make additional space available for administration to support expanded areas of University Advancement and Communications. Also, there is no space available for some recently added student services such as Multicultural Affairs and Career Planning and Placement. More permanent space can be provided elsewhere on the campus after completion of Academic Buildings One and Two in 1994-95.

It is recommended that U. T. San Antonio Administration, with consulting architectural/engineering services as necessary, be authorized to manage the project in consultation with the Office of Facilities Planning and Construction.

This project is included in the 1991 Capital Improvement Plan and will amend the 1991 Capital Budget.

5. U. T. Southwestern Medical Center - Dallas - Research Building - Phase II North Campus Expansion: Request for Project Authorization; Appointment of Project Architect to Prepare Preliminary Plans; Submission to Coordinating Board; and Appropriation Therefor.--

#### 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:

- a. Authorize a project for the construction of the second phase of development on the North Campus of the U. T. Southwestern Medical Center - Dallas to consist of a Research Building with support facilities, Expansion of the Thermal Energy Plant, an Intercampus Connector, Infrastructure and related site work at an estimated total project cost of \$67,800,000 exclusive of institutional equipment
- b. Appoint a Project Architect from the list set forth on Page FPCC 11 - 12 to prepare preliminary plans and a detailed cost estimate to be presented to the U. T. Board of Regents for consideration at a future meeting
- c. Authorize submission of the project to the Texas Higher Education Coordinating Board
- d. Appropriate \$2,000,000 from Interest on Designated Funds Time Deposits for fees and administrative expenses through preparation of preliminary plans. These funds will be reimbursed from Revenue Financing System Bond Proceeds to be issued at a later date.

#### BACKGROUND INFORMATION

In February 1991, the U. T. Board of Regents awarded a construction contract for Research Building NB - Phase I of the North Campus Expansion, recently named the Simmons Biomedical Research Building. A Master Plan, presented to the U. T. Board of Regents in December 1988, guides development of the North Campus, insuring an orderly development of research laboratories, research support, parking, utility systems and aesthetic enhancements on an approximately 30-acre tract of land. Research Building NA will be the second research building constructed on the North Campus. This will be a ten-story building, with approximately 182,913 gross square feet of research space; 30,333 gross square feet of research support space; and 88,933 gross square feet of parking. Support Building NG will provide an additional 137,700 gross square feet of parking, and a plaza area of 45,900 gross square feet. The energy plant will be expanded at this time with attendant infrastructure expansion. A key part of Phase II is construction of an Intercampus Connector to provide safe pedestrian access, a data and communications link, and a busway between the two campuses.

A 1986 space utilization and needs study, completed by the four U. T. System Health Science Centers, identified research space as a critical need at the U. T. Southwestern Medical Center - Dallas. This study showed a shortage of over 300,000 square feet of research space at U. T. Southwestern Medical Center - Dallas in 1986, with a projected requirement of an additional 1.2 million square feet by 2004. Research Building NA is the second structure to meet the need for research space. Research funding has grown rapidly at the U. T. Southwestern Medical Center - Dallas from just under \$20 million in 1979 to almost \$100 million in 1990. However, research funding cannot continue to increase without new laboratory space becoming available.

This project is included in the 1991 Capital Improvement Plan. Proposed funding is \$20,000,000 from Permanent University Fund Bond Proceeds and \$47,800,000 from Revenue Financing System Bond Proceeds.

### List of Firms for Consideration

#### Project Architect

Omniplan, Inc.  
Dallas, Texas

Harper, Kemp, Clutts and  
Parker, Inc.  
Dallas, Texas

F&S Partners Incorporated  
Dallas, Texas

#### Representative Projects

- U. T. Dallas: Engineering and Computer Science Building
- Alcon Biological Research Laboratories
- Texas A&M: Soil and Crop Sciences and Entomology Center
- E-Systems: Engineering and Manufacturing Facility
- VMX, Inc.: R&D Lab
- National Semiconductor Corporation: Production Building
- Dallas County Community College: Mountain View Campus
  
- U. T. Austin: Molecular Biology Building
- U.T.S.M.C. - Dallas: Green Biomedical Research Building, Sprague Clinical Science Building
- Texas A&M: Biochemistry/Biophysics Building
- Southwest Texas State University: Liberal Arts Building
- Parkland Memorial Hospital: Imaging Facility
- SMU: Umphrey Lee Center
  
- U.T.S.M.C. - Dallas: Research Building - Phase I North Campus, Ambulatory Care Center, Basic Sciences Teaching Unit, Moss Clinical Science Building
- U. T. Austin: Recreational Sports Facility, Performing Arts Center, Texas Swim Center

Project Architect

Page Southerland Page  
Dallas, Austin, and Houston,  
Texas

Representative Projects

- U. T. Dallas: Green Center, Student Union, Conference Center
- Parkland Hospital Additions
- Children's Medical Center Dallas
- Veterans Administration Medical Center Dallas (Joint Venture)
  
- Zale Lipshy University Hospital, Dallas, TX (Joint Venture)
- Presbyterian Hospital of Dallas
- Harris Methodist Hospital, Fort Worth, TX
- U. T. Austin: Center for Electromechanics and Energy Studies, Engineering Teaching Center
- U.T.M.B. - Galveston: Ambulatory Care Center, John Sealy Hospital Phased Remodel

6. U. T. M.D. Anderson Cancer Center - M.D. Anderson Hospital - Bates-Freeman Wing: Request for Authorization to Prepare an Engineering Study for Mechanical Upgrade and Tie-Ins of Mechanical and Electrical Systems; Appointment of Consulting Engineer to Prepare an Engineering Study; and Appropriation Therefor.--

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. Authorize preparation of an engineering study for mechanical upgrade and tie-ins of mechanical and electrical systems in the Bates-Freeman Wing of the M.D. Anderson Hospital at the U. T. M.D. Anderson Cancer Center to define the project scope and prepare a construction cost estimate
- b. Appoint Lockwood, Andrews and Newnam, Inc., Houston, Texas, as Consulting Engineer to prepare the engineering study for the U. T. M.D. Anderson Cancer Center in consultation with the Office of Facilities Planning and Construction for presentation to the U. T. Board of Regents at a future meeting
- c. Appropriate \$200,000 from U. T. M.D. Anderson Cancer Center Unexpended Plant Fund Balances through completion of the engineering study.

## BACKGROUND INFORMATION

The Bates-Freeman Mechanical Upgrade project is included in the U. T. System Capital Improvement Plan for FY 1991-96. This project will be a continuation of the project authorized in October 1985 and completed in 1988 for Upgrading of Mechanical Systems in Center Core and Bates-Freeman Wings of the M.D. Anderson Hospital. The 1985 project constructed mechanical and electrical risers to serve all floors of M.D. Anderson Hospital which are to be connected to each floor at a later date as floors are renovated.

The Bates-Freeman Wing houses some of the most sophisticated research laboratories at the U. T. M.D. Anderson Cancer Center and laboratories require more mechanical and electrical service than standard laboratories. Also, the animal housing facility is located in the basement. The U. T. M.D. Anderson Cancer Center Physical Plant has studied the existing mechanical and electrical services in the Bates-Freeman Wing and has determined that they are deficient in capacity and reliability, largely because the mechanical and electrical connections have not been made. Therefore, an engineering study is necessary to define the scope, determine the work sequences, develop "as-built" drawings, and prepare a construction cost estimate for the Bates-Freeman Mechanical Upgrade project to be presented to the U. T. Board of Regents at a future meeting.

The U. T. M.D. Anderson Cancer Center recommends that the firm of Lockwood, Andrews and Newnam, Inc., Houston, Texas, be appointed as Consulting Engineer. The firm is recommended because of its experience, knowledge of the U. T. M.D. Anderson Cancer Center facilities, and to better coordinate the work with the Bertner Complex project authorized by the U. T. Board of Regents in June 1991, since Lockwood, Andrews and Newnam, Inc., Houston, Texas, was appointed Project Architect with HKS, Inc., Dallas, Texas, A Joint Venture.



**Asset  
Management Com.**

ASSET MANAGEMENT COMMITTEE  
Committee Chairman Cruikshank

Date: August 8, 1991  
Time: Following the meeting of the Facilities Planning  
and Construction Committee  
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

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I. PERMANENT UNIVERSITY FUND

INVESTMENT MATTERS

1. Report on Clearance of Monies to the Permanent University Fund for May and June 1991 and Report on Oil and Gas Development as of June 30, 1991.--The following reports with respect to (a) certain monies cleared to the Permanent University Fund for May and June 1991 and (b) Oil and Gas Development as of June 30, 1991, are submitted by the Vice Chancellor for Business Affairs:

	<u>May 1991</u>	<u>June 1991</u>	<u>Cumulative Through June of this Fiscal Year (1990-1991)</u>	<u>Cumulative Through June of Preceding Fiscal Year (1989-1990)</u>	<u>Per Cent Change</u>
Permanent University Fund					
Royalty					
Oil	\$ 4,131,884.10	\$3,778,983.59	\$ 57,462,736.70	\$ 44,508,757.46	29.10%
Gas	1,402,421.75	1,158,807.34	16,708,734.85	15,850,854.98	5.41%
Sulphur	0.00	0.00	0.00	193,919.75	--
Water	98,637.59	160,711.60	723,925.41	706,552.85	2.46%
Brine	4,136.29	3,040.46	50,255.66	50,923.91	-1.31%
Trace Minerals	0.00	0.00	0.00	0.00	--
Rental					
Oil and Gas Leases	22,957.38	214,940.53	661,204.66	819,614.29	-19.33%
Other	600.00	7,216.00	14,808.65	18,003.65	-17.75%
Sale of Sand, Gravel, Etc.	0.00	0.00	23,802.75	25,830.50	-7.85%
Total University Lands Receipts Before Bonuses	<u>5,660,637.11</u>	<u>5,323,699.52</u>	<u>75,645,468.68</u>	<u>62,174,457.39</u>	<u>21.67%</u>
Bonuses					
Oil and Gas Lease Sales	0.00	2,383,007.90	2,383,007.90	2,160,415.16	10.30%
Amendments and Extensions to Mineral Leases	<u>0.00</u>	<u>481.80</u>	<u>91,413.64</u>	<u>160.00</u>	<u>--</u>
Total University Lands Receipts	5,660,637.11	7,707,189.22	78,119,890.22	64,335,032.55	21.43%
Gain or (Loss) on Sale of Securities	<u>6,921,304.12</u>	<u>(114,207.45)</u>	<u>(38,785,233.69)</u>	<u>55,962,744.06</u>	<u>-169.31%</u>
TOTAL CLEARANCES	<u>\$12,581,941.23</u>	<u>\$7,592,981.77</u>	<u>\$ 39,334,656.53</u>	<u>\$120,297,776.61</u>	<u>-67.30%</u>

Oil and Gas Development - June 30, 1991  
Acreage Under Lease - 646,503

Number of Producing Acres - 537,541

Number of Producing Leases - 2,143

2. U. T. System: Recommendation for Realignment of Investment Counselors; Authorization of Amounts to be Managed; Authority to Employ Investment Counselors; and Authority to Execute Investment Agreements.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Asset Management that the following actions be taken with regard to investment of the Permanent University Fund (PUF) and the Common Trust Fund (CTF):

- a. Authorization to reduce the number of investment counselors currently managing equity assets in the PUF and CTF from twelve to seven. Each of the retained investment counselors will manage assets in both the PUF and CTF.
- b. Authorization for the following investment counselors to be employed to manage initial amounts per fund not to exceed the following:

	PUF	CTF
Breau Capital Mgmt.	\$ 80 million	\$ 20 million
Fayez Sarofim & Co.	80 million	20 million
GeoCapital Corp.	80 million	20 million
Kahn Brothers & Co.	80 million	20 million
D. S. Kennedy & Co.	80 million	20 million
Tweedy Browne & Co.	80 million	20 million
ValueQuest, Ltd.	80 million	20 million
Total	\$560 million	\$140 million

Authorization for the Asset Management Committee to designate management of up to a total additional \$100 million of the PUF and a total additional \$75 million of the CTF with the authorized investment counselors listed above.

- c. Authorization for the Asset Management Committee to employ additional investment counselors for the PUF in amounts not to exceed \$5 million each and not to exceed \$30 million in aggregate.
- d. Authorization for the Executive Vice Chancellor for Asset Management and the Office of General Counsel to finalize within the parameters of the existing investment counseling agreements appropriate investment counseling agreements with the authorized investment counselors and for the Executive Vice Chancellor for Asset Management to execute such agreements after they have been approved as to form by the Office of General Counsel.

BACKGROUND INFORMATION

Previously, different investment counselors were employed in the PUF and CTF, due to constitutional investment restrictions affecting the PUF only. All investment counselors recommended for retention have had multi-year experience as managers for either the PUF or CTF.

It is the opinion of the Executive Vice Chancellor for Asset Management, after consultation with the Investment Advisory Committee, that the investment counselors for each fund should be the same. This recommendation will provide for enhanced unity of returns, simplified monitoring, and a distinct contribution to both funds.

## II. TRUST AND SPECIAL FUNDS

### Gifts, Bequests and Estates

1. U. T. Arlington: Recommendation to Accept Gifts to Establish the Endowed Ethics Fund.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Nedderman that a \$5,000 gift from Dr. Thomas M. McMahon, San Francisco, California, and \$5,000 in gifts from various donors for a total of \$10,000 be accepted to establish an endowment at U. T. Arlington to be named the Endowed Ethics Fund.

Income earned from the endowment will be reinvested in the endowment corpus until the corpus reaches \$50,000, at which time the endowment will be redesignated as a fellowship to recognize the donor.

#### BACKGROUND INFORMATION

Dr. Thomas M. McMahon, San Francisco, California, Vice President for Administration and Finance, Pacific Maritime Association, San Francisco, California, received his B.B.A in 1968 and his M.B.A in 1973 from U. T. Arlington.

2. U. T. Arlington: The Hazel M. Jay Research Endowment - Recommendation to Redesignate as the George W. and Hazel M. Jay Professorship.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Nedderman that The Hazel M. Jay Research Endowment in the School of Nursing at U. T. Arlington be redesignated as the George W. and Hazel M. Jay Professorship.

This recommendation is being made in accordance with the donor's request.

### BACKGROUND INFORMATION

At the February 1988 meeting, the U. T. Board of Regents accepted a \$32,000 transfer of funds to establish The Hazel M. Jay Research Endowment. Additional gifts and reinvestment of endowment income have increased the funding level to \$100,000.

In 1983, Mrs. Hazel M. Jay, the first Associate Dean in the Graduate Program in Nursing at U. T. Arlington, and her husband, George W. Jay, established this fund to promote research in the School of Nursing.

3. U. T. Austin: Recommendation to Accept Gifts to Establish the Dowell Vann Allen Memorial Endowed Scholarship in Engineering in the College of Engineering.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that \$10,000 in gifts from Mr. and Mrs. Alan C. Fitzgerald, Harlingen, Texas, and their children be accepted to establish the Dowell Vann Allen Memorial Endowed Scholarship in Engineering in the College of Engineering at U. T. Austin.

Income earned from the endowment will be used to provide scholarships to aerospace engineering students in their junior or senior year who are citizens or permanent residents of the U. S.

### BACKGROUND INFORMATION

Mrs. Mardelle Allen Fitzgerald, her husband, Mr. Alan C. Fitzgerald, Harlingen, Texas, and their children are funding this endowment in memory of Mrs. Fitzgerald's brother, Mr. Dowell Vann Allen. Mr. Allen, an aeronautical structural engineer, retired in 1986 from General Dynamics Corporation, Fort Worth, Texas, after a 43 year career. He received his B.S.C.E. from U. T. Austin in 1943.

4. U. T. Austin: Recommendation to Accept Gift to Establish the Barton Creek Country Club Men's Golf Association Endowed Scholarship in the Department of Intercollegiate Athletics for Men.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a \$10,000 gift from the Barton Creek Country Club Men's Golf Association, Austin, Texas, be accepted to establish the Barton Creek Country Club Men's Golf Association Endowed Scholarship in the Department of Intercollegiate Athletics for Men at U. T. Austin.

Income earned from the endowment will be used to award scholarships to student athletes on The University of Texas Men's Golf Team who have completed athletic eligibility and need financial assistance to complete a degree.

#### BACKGROUND INFORMATION

The Barton Creek Country Club Men's Golf Association, Austin, Texas, is funding this endowment to provide fifth year scholarships for students who have been on The University of Texas Men's Golf Team. The Men's Golf Association plans to make an annual contribution, with the amount to vary each year.

5. U. T. Austin: Betty Yarnell Brown Endowed Presidential Scholarship in English in the College of Liberal Arts - Eligibility for Matching Funds Under The Regents' Endowed Student Fellowship and Scholarship Program.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that \$12,500 in matching funds be allocated under The Regents' Endowed Student Fellowship and Scholarship Program and used to increase the Betty Yarnell Brown Endowed Presidential Scholarship in English in the Department of English, College of Liberal Arts, at U. T. Austin for a total endowment of \$37,500.

#### BACKGROUND INFORMATION

At the February 1991 meeting of the U. T. Board of Regents, the Betty Yarnell Brown Endowed Presidential Scholarship in English was established with a \$25,000 gift from Mrs. Barbara Brown Munford, Dallas, Texas. A request for matching was deferred to a later date, pending availability of such funds.

6. U. T. Austin: Caltex Professorship in Australian Studies - Recommendation to Reallocate Pledge Payment and Reserved Matching Funds (NO PUBLICITY).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a \$25,000 pledge payment from Dresser Foundation, Inc., Dallas, Texas, and \$12,500 in Regents' Endowed Teachers and Scholars Program matching funds previously reserved for an existing endowment in the Clark Center for Australian Studies at U. T. Austin be reallocated to the Caltex Professorship in Australian Studies at U. T. Austin for a total endowment of \$274,123.13.

## BACKGROUND INFORMATION

At the June 1990 meeting, the U. T. Board of Regents accepted a gift of \$25,000 and pledge of \$25,000 from Dresser Foundation, Inc., Dallas, Texas. As the donor directed that the gift and pledge benefit the Clark Center for Australian Studies at U. T. Austin, the U. T. Board of Regents approved adding the funds to the Jack S. Blanton, Sr. Chair in Australian Studies. Regents' Endowed Teachers and Scholars Program matching funds in the amount of \$25,000 were approved for addition to the Jack S. Blanton, Sr. Chair in Australian Studies.

Dresser Foundation, Inc. has recently fulfilled the \$25,000 pledge. Since there are several endowments which support the Clark Center for Australian Studies, it is now recognized that it would be beneficial to reallocate the donor's \$25,000 pledge payment and related matching funds.

### NO PUBLICITY

7. U. T. Austin: Recommendation to Accept Gift of Securities and Pledge to Establish the Shelby H. Carter, Jr. and Patricia Carter Regents Professorship in Global Business Marketing in the College of Business Administration and the Graduate School of Business and to Waive Minimum Funding Level and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that 1,000 shares of SynOptics Communications, Inc. common stock valued at \$23,500 and a \$16,450 pledge, payable by August 31, 1993, from Mr. and Mrs. Shelby H. Carter, Jr., Austin, Texas, be accepted to establish an endowment in the College of Business Administration and Graduate School of Business at U. T. Austin. The gift of common stock was sold for \$83,550 realizing a profit of \$60,050.

It is further recommended that the gift of stock and the pledge be found acceptable in this case to meet the minimum funding level required under the Regents' Rules and Regulations to establish a Professorship in order that this endowment be established as the Shelby H. Carter, Jr. and Patricia Carter Regents Professorship in Global Business Marketing.

Additionally, it is recommended that \$50,000 in matching funds under The Regents' Endowed Teachers and Scholars Program be authorized. The matching amount recommended is more than the total of the donative value of the stock and the pledge but is recommended because it is consistent with the level of funds in the endowment.

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

## BACKGROUND INFORMATION

Mr. and Mrs. Shelby H. Carter, Jr., Austin, Texas, are members of The Chancellor's Council and the Littlefield Society. Mr. Carter serves as Chairman of the Board of SynOptics Communications, Inc., Santa Clara, California, and is a member of the College of Business Administration Foundation Advisory Council. He received his B.B.A. from U. T. Austin in 1953.

8. U. T. Austin: Recommendation to Establish the Class of 66 Endowed Presidential Scholarship in Law in the School of Law.--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that the Class of 66 Endowed Presidential Scholarship in Law in the School of Law at U. T. Austin be established. The funds for the endowment will be held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations. When matching funds become available under The Regents' Endowed Student Fellowship and Scholarship Program, the Law School Foundation will transfer funds held for the endowment to the U. T. Board of Regents.

Income earned from the endowment will be used to award scholarships to law students selected at the discretion of the Dean of the School of Law or the Dean's designee, based on merit or need.

## BACKGROUND INFORMATION

The University of Texas Law School Foundation has received \$103,846 in gifts and \$4,900 in pledges, payable by August 31, 1993, from various donors for a total of \$108,746 to establish this endowment in the School of Law. This endowment is being funded in honor of the twenty-fifth anniversary of the Class of 1966. Members of the Class of 1966 have actively contributed to the legal profession, the administration of justice, business, and society. Through this Scholarship they will contribute to the education of generations of law students.

9. U. T. Austin: Recommendation to Accept Gifts and Pledge to Establish the Michael R. Daley Endowed Presidential Scholarship for Doctoral Students in the School of Social Work.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a \$6,450 gift and a \$2,050 pledge, payable by August 31, 1993, from Dr. Michael R. Daley, Nacogdoches, Texas, and \$16,500 in gifts from various donors for a total of \$25,000 be accepted to establish the Michael R. Daley Endowed Presidential Scholarship for Doctoral Students in the School of Social Work at U. T. Austin.

Income earned from the endowment will be used to award scholarships to doctoral students in the School of Social Work selected at the discretion of the Dean, based on merit or need and the recommendation of the School of Social Work Doctoral Committee.

BACKGROUND INFORMATION

Dr. Michael R. Daley, Nacogdoches, Texas, attended U. T. Austin as a research associate in social work in the 1970s. He serves the State of Texas through membership on the Texas Council on Family Violence. Numerous friends and colleagues of Dr. Daley and of the School of Social Work have contributed to funding this Scholarship in his name.

10. U. T. Austin: Recommendation to Accept Gifts and Pledge to Establish the Louis E. DeMoll Endowed Presidential Scholarship in the School of Social Work.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a \$5,000 gift and a \$2,500 pledge, payable by August 31, 1993, from Mr. Louis E. DeMoll, Austin, Texas, and \$17,500 in gifts from various donors for a total of \$25,000 be accepted to establish the Louis E. DeMoll Endowed Presidential Scholarship in the School of Social Work at U. T. Austin.

Income earned from the endowment will be used to award scholarships to undergraduate or graduate students in the School of Social Work selected at the discretion of the Dean, based on merit or need and the recommendation of the School of Social Work B.S.W., M.S.S.W., and Ph.D. Committees.



## BACKGROUND INFORMATION

Mr. Louis E. DeMoll, Austin, Texas, is Professor Emeritus of Social Work, having been on the faculty at U. T. Austin from 1968 to 1987. He has continued into retirement an active involvement in state and community affairs. He currently serves as Chair-elect of Learning Activities for Mature People, Vice Chair of Citizens Planning Advisory Committee for the Texas Department of Mental Health & Mental Retardation, and a member of the Long Range Planning Committee for Austin Child Guidance. Numerous friends and colleagues of Mr. DeMoll have contributed to funding this Scholarship in his name.

11. U. T. Austin: Recommendation to Accept Gifts and Corporate Matching Funds to Establish The Dow Chemical Company - University of Texas Alumni Endowed Scholarship in Business Administration, Engineering and Natural Sciences in the Colleges of Business Administration, Engineering, and Natural Sciences.--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that \$18,424 in gifts and corporate matching funds from various donors and The Dow Chemical Company, Midland, Michigan, be accepted to establish The Dow Chemical Company - University of Texas Alumni Endowed Scholarship in Business Administration, Engineering and Natural Sciences in the Colleges of Business Administration, Engineering, and Natural Sciences at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support for students in the Colleges of Business Administration, Engineering, and Natural Sciences who are the children or grandchildren of employees and retirees of The Dow Chemical Company and any subsidiary of which The Dow Chemical Company holds an ownership position of 50% or greater. Recipients shall be chosen by each college on the basis of academic merit. Income should be distributed to each of the participating colleges as follows:

College of Business Administration	25%
College of Engineering	50%
College of Natural Sciences	25%

## BACKGROUND INFORMATION

This endowment is being funded by employees of The Dow Chemical Company, Midland, Michigan, and its subsidiaries, who are graduates of U. T. Austin or otherwise have an interest in U. T. Austin. Additional gifts are expected to reach an endowment of more than \$145,000.

12. U. T. Austin: First RepublicBank Corporation Centennial Professorship in Business Administration in the College of Business Administration and the Graduate School of Business and the RepublicBank Corporation Centennial Professorship in Petroleum Engineering in the College of Engineering - Recommendation to Redesignate as the NCNB Texas National Bank Centennial Professorship in Commercial Banking and Trust and the NCNB Texas National Bank Centennial Professorship in Petroleum Engineering.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that the First RepublicBank Corporation Centennial Professorship in Business Administration in the College of Business Administration and the Graduate School of Business at U. T. Austin be redesignated as the NCNB Texas National Bank Centennial Professorship in Commercial Banking and Trust and that the RepublicBank Corporation Centennial Professorship in Petroleum Engineering in the College of Engineering at U. T. Austin be redesignated as the NCNB Texas National Bank Centennial Professorship in Petroleum Engineering.

This recommendation is being made in accordance with the donor's request to reflect the company's new name.

#### BACKGROUND INFORMATION

At the August 1982 meeting, the U. T. Board of Regents accepted a \$40,000 gift and a \$60,000 pledge from RepublicBank Corporation, Dallas, Texas, to establish the RepublicBank Corporation Centennial Professorship in Commercial Banking & Trust. At the August 1987 meeting, the Professorship was redesignated as the First RepublicBank Corporation Centennial Professorship in Business Administration to reflect the merger of RepublicBank Corporation and Interfirst Corporation.

At the August 1982 meeting, the U. T. Board of Regents authorized that matching funds from The Centennial Teachers and Scholars Program be allocated to establish the RepublicBank Corporation Centennial Professorship in Petroleum Engineering.

See Item 4 on Page AAC - 7 related to a proposed appointment to the NCNB Texas National Bank Centennial Professorship in Petroleum Engineering.

13. U. T. Austin: Recommendation to Establish the Judge Reynaldo Garza Endowed Presidential Scholarship in Law in the School of Law.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that the Judge Reynaldo Garza Endowed Presidential Scholarship in Law in the School of Law at U. T. Austin be established. The funds for the endowment will be held and administered by The University of Texas Law School Foundation

(an external foundation) in accordance with the Regents' Rules and Regulations. When matching funds become available under The Regents' Endowed Student Fellowship and Scholarship Program, the Law School Foundation will transfer funds held for the endowment to the U. T. Board of Regents.

Income earned from the endowment will be used to award scholarships to law students selected at the discretion of the Dean of the School of Law or the Dean's designee, based on merit or need.

#### BACKGROUND INFORMATION

The University of Texas Law School Foundation has received \$12,150 in gifts and \$1,550 in pledges, payable by August 31, 1993, from various donors and has allocated \$13,700 in previously reported gifts from current restricted funds for a total of \$27,400 to establish this endowment in the School of Law. This endowment is being funded to honor Judge Reynaldo Garza, Brownsville, Texas, Senior Judge for the U. S. Court of Appeals for the Fifth Circuit. He received his B.A. and his LL.B. from U. T. Austin in 1939. The Ex-Students' Association named Judge Garza a Distinguished Alumnus in 1989 in recognition of his extraordinary professional and civic service.

14. U. T. Austin: Recommendation to Accept Gift and Corporate Matching Funds to Establish the Forrest Gober Endowed Presidential Scholarship in Engineering in the College of Engineering.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that \$6,250 in gifts, comprised of 100 shares of Exxon Corporation common stock valued at \$4,918.75 and cash in the amount of \$1,331.25 from Mr. Forrest Gober, Austin, Texas, and \$18,750 in corporate matching funds from the Exxon Education Foundation, Florham Park, New Jersey, for a total gift value of \$25,000 be accepted to establish the Forrest Gober Endowed Presidential Scholarship in Engineering in the College of Engineering at U. T. Austin.

Income earned from the endowment will be used to provide scholarships to students who are citizens or permanent residents of the U. S. selected by the Dean of the College of Engineering on the basis of academic performance and financial need, with preference to be given to juniors and seniors.

#### BACKGROUND INFORMATION

Mr. Forrest Gober, Austin, Texas, is retired from the Exxon Company USA - Baytown Refinery, Baytown, Texas, after a 35 year career. He received his B.S.M.E. in 1942 from U. T. Austin and is a member of The Ex-Students' Association.

15. U. T. Austin: Recommendation to Establish the Everett Hutchinson Endowed Presidential Scholarship in Law in the School of Law.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that the Everett Hutchinson Endowed Presidential Scholarship in Law in the School of Law at U. T. Austin be established. The funds for the endowment will be held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations. When matching funds become available under The Regents' Endowed Student Fellowship and Scholarship Program, the Law School Foundation will transfer funds held for the endowment to the U. T. Board of Regents.

Income earned from the endowment will be used to award scholarships to law students selected at the discretion of the Dean of the School of Law or the Dean's designee, based on merit or need.

BACKGROUND INFORMATION

The University of Texas Law School Foundation has received a \$12,500 gift from Mr. Everett Hutchinson, Bethesda, Maryland, and has allocated \$12,500 in unrestricted gifts for a total of \$25,000 to establish this endowment in the School of Law. Mr. Everett Hutchinson received his B.B.A. in 1939 and his LL.B. in 1940 from U. T. Austin. He is a retired partner of the law firm of Fulbright & Jaworski, Washington, D. C. Mr. Hutchinson served the State of Texas as a member of the Legislature in the 1940s and as a member and chairman of the Interstate Commerce Commission in the 1950s and 1960s. He is a member of The Chancellor's Council.

16. U. T. Austin: Recommendation to Accept Gift, Pledge, Corporate Matching Funds Pledge, and Transfer of Funds to Establish the Carl Illig Endowed Presidential Scholarship in Law in the School of Law.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a \$3,750 gift and a \$6,500 pledge, payable by August 31, 1993, from Mr. and Mrs. Carl Illig, Houston, Texas, a \$21,750 corporate matching funds pledge, payable by August 31, 1993, from Exxon Education Foundation, Irving, Texas, and a \$32,000 transfer of previously reported gifts from current restricted funds for a total of \$64,000 be accepted to establish the Carl Illig Endowed Presidential Scholarship in Law in the School of Law at U. T. Austin. Funds in the amount of \$32,000 will be held and administered by The University of Texas Law School Foundation

(an external foundation) in accordance with the Regents' Rules and Regulations, and \$32,000 will be held and administered by the U. T. Board of Regents. When matching funds become available under The Regents' Endowed Student Fellowship and Scholarship Program, the U. T. Law School Foundation will transfer funds held for the endowment to the U. T. Board of Regents.

Income earned from the endowment will be used to award scholarships to law students selected at the discretion of the Dean of the School of Law or the Dean's designee, based on financial need.

#### BACKGROUND INFORMATION

Mr. Carl Illig received his LL.B. from U. T. Austin in 1933. He is retired from a distinguished career with Exxon Company USA. Through their gift, Mr. and Mrs. Illig will help students who might not otherwise be able to afford a legal education.

17. U. T. Austin: Recommendation to Accept Gift to Establish the Robert M. Leibrock Friend of Alec Excellence Fund in the College of Engineering.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a \$10,000 gift from Mr. Robert M. Leibrock, Midland, Texas, be accepted to establish an endowment in the College of Engineering at U. T. Austin to be named the Robert M. Leibrock Friend of Alec Excellence Fund.

Income earned will be used in accordance with policies established for the Friends of Alec Program by the College of Engineering and the Engineering Foundation Advisory Council.

#### BACKGROUND INFORMATION

Mr. Robert M. Leibrock, Midland, Texas, a partner in Amerind Oil Company, Ltd., Midland, Texas, received his B.S.P.E. in 1943 from U. T. Austin. He is a member of The President's Associates and an Associate Member of the Department of Astronomy and McDonald Observatory Board of Visitors.

The Friends of Alec is an annual fund raising program within the College of Engineering. Alexander Fredericke Claire, a mythical figure better known as Alec, has been the patron saint of the College of Engineering since 1909.

18. 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 Cunningham that the U. T. Board of Regents, as Trustees of The Michener 1990 Charitable Trust at U. T. Austin, approve annual income distributions for 1991-92 as follows:

- a. The University of Iowa: 75% distribution
- b. The University of Houston: 25% distribution.

BACKGROUND INFORMATION

At its 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 related to potential institutional recipients will be forwarded to the Trustees by the President of U. T. Austin. President Cunningham joins in the recommendation of U. T. Austin's Texas Center for Writers that the established writing programs at The University of Iowa and The University of Houston receive Trust income distributions for 1991-92. Under the proposed distribution, the University of Iowa will receive a minimum of \$30,000; The University of Houston will receive a minimum of \$10,000. U. T. Austin and other U. T. System component institutions are not eligible to receive Trust income during the term of the Trust, but upon termination of the Trust (ten years after the date of 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.

19. U. T. Austin: Recommendation to Redesignate Titles of Eight Previously Established Endowments in the College of Natural Sciences.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that eight previously established endowments in the Department of Human Ecology, College of Natural Sciences, at U. T. Austin be redesignated as follows:

<u>From</u>	<u>To</u>
a. Gordon Clark Bennett Endowed Scholarship in Home Economics; established 4/9/87	Gordon Clark Bennett Endowed Scholarship in Human Ecology
b. Texas Exes in Home Economics Centennial Lectureship; established 4/12/84	Texas Exes in Human Ecology Centennial Lectureship
c. Texas Exes in Home Economics Scholarship Fund; established 4/10/86	Texas Exes in Human Ecology Scholarship Fund
d. Home Economics Special Activities Fund; established 8/10/89	Human Ecology Special Activities Fund
e. Mary E. Gearing Endowed Lectureship in the Department of Home Economics; established 2/12/81	Mary E. Gearing Endowed Lectureship in Human Ecology
f. Mary E. Gearing Bequest for the Child Welfare and Parent Education Foundation (Mary E. Gearing Scholarship in Home Economics); established 7/12/46	Mary E. Gearing Scholarship in Human Ecology
g. Home Economics Club Scholarship - Loan Fund; established 6/1/33	Mary E. Gearing Human Ecology Council Scholarship
h. Samuel P. Ellison Fund; established 7/25/79	Samuel P. Ellison, Jr. Fund

This recommendation is being made for seven of the endowments to reflect the change in the name of the Department of Home Economics to the Department of Human Ecology and to accurately state the name of the endowment honoree for the eighth endowment. The recommended redesignations have the concurrence of the respective donors and honoree.

### BACKGROUND INFORMATION

These eight endowments were established at various meetings of the U. T. Board of Regents held between June 1933 and August 1989. Dr. Samuel P. Ellison, Jr. is the full name used by the honoree of the endowment that has been titled the Samuel P. Ellison Fund and the recommended change will simply correct the endowment name to reflect this fact. The remaining seven endowment redesignations will reflect the present name of the Department of Human Ecology which was previously known as the Department of Home Economics.

20. U. T. Austin: Recommendation to Accept Gift and Transfer of Funds to Establish the Alvin Owsley Endowed Presidential Scholarship in Law in the School of Law.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a \$25,000 gift from the Alvin and Lucy Owsley Foundation, Houston, Texas, and a \$25,000 transfer of previously reported gifts from current restricted funds for a total of \$50,000 be accepted to establish the Alvin Owsley Endowed Presidential Scholarship in Law in the School of Law at U. T. Austin. Funds in the amount of \$25,000 will be held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations, and \$25,000 will be held and administered by the U. T. Board of Regents. When matching funds become available under The Regents' Endowed Student Fellowship and Scholarship Program, the Law School Foundation will transfer funds held for the endowment to the U. T. Board of Regents.

Income earned from the endowment will be used to award scholarships to law students selected at the discretion of the Dean of the School of Law or the Dean's designee, based on merit or need.

### BACKGROUND INFORMATION

Mr. Alvin Owsley, a senior partner in the law firm of Baker & Botts, Houston, Texas, received his J.D. from U. T. Austin in 1952. The Alvin and Lucy Owsley Foundation, Houston, Texas, was funded by his late parents, Mr. Alvin M. Owsley and Mrs. Lucy Ball Owsley. Mr. Alvin M. Owsley attended U. T. Austin in 1912. Mr. Alvin Owsley is General Manager of the Alvin and Lucy Owsley Foundation. He is a Life Member of The President's Associates, a member of The Chancellor's Council, and a member of the Littlefield Society.



21. U. T. Austin: Recommendation to Accept Gifts and Pledges to Establish the J. J. "Jake" Pickle Scholarship Program in the Lyndon B. Johnson School of Public Affairs.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that \$107,233 in gifts and \$127,500 in pledges, payable by August 31, 1993, from various donors for a total of \$234,733 be accepted to establish the J. J. "Jake" Pickle Scholarship Program in the Lyndon B. Johnson School of Public Affairs at U. T. Austin.

Income earned from the endowment will be used to provide scholarships and internships for students in the Lyndon B. Johnson School of Public Affairs.

BACKGROUND INFORMATION

This endowment is being funded in honor of Mr. J. J. "Jake" Pickle who has represented the 10th District of Texas in the U. S. House of Representatives since 1963. He received his B.A. from U. T. Austin in 1938 and was named a Distinguished Alumnus in 1979. A committee of University friends, chaired by Mrs. Lyndon B. Johnson and Ambassador Edward Clark, has set a fund raising goal of \$1,000,000 for this endowment.

22. U. T. Austin: Recommendation to Accept Gifts to Establish the Charles and Elizabeth Prothro Regents Chair in Business Administration in the College of Business Administration and the Graduate School of Business and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program to Establish the Charles and Elizabeth Prothro Regents Chair in Health Care Management in the College of Business Administration and the Graduate School of Business.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a \$394,450 gift from the Perkins-Prothro Foundation, Wichita Falls, Texas, common stock valued at \$602,109.37 from Mr. and Mrs. Charles N. Prothro, Wichita Falls, Texas, and accumulated income for a total in excess of \$1,000,000 be accepted to establish the Charles and Elizabeth Prothro Regents Chair in Business Administration in the College of Business Administration and the Graduate School of Business at U. T. Austin.

Income earned from the endowment will be used to support the Chair and to recognize and support teaching and research excellence in business administration.

It is further recommended that \$498,279.68 in matching funds be allocated under The Regents' Endowed Teachers and Scholars Program, with income from the matching funds to be reinvested until a total endowment of \$500,000 is reached, and used to establish the Charles and Elizabeth Prothro Regents Chair in Health Care Management in the College of Business Administration and the Graduate School of Business at U. T. Austin.

Income earned from the endowment will be used to support the Chair and to recognize and support teaching and research excellence and curriculum development in the area of health care management.

#### BACKGROUND INFORMATION

Mr. and Mrs. Charles N. Prothro, Wichita Falls, Texas, are members of The Chancellor's Council and the Littlefield Society. Mr. Prothro is President of the Perkins-Prothro Foundation, Wichita Falls, Texas, and serves as a senior active member of the College of Business Administration Foundation Advisory Council. He received his B.B.A. from U. T. Austin in 1939. Mrs. Prothro attended U. T. Austin in 1938.

See Item 3 on Page AAC - 6 related to proposed appointments to these Chairs.

23. U. T. Austin: Recommendation to Accept Remainder Interest in the Allen Lane Roberts Testamentary Trust to Establish a Challenge Grant and to Establish the Allen Lane Roberts Endowed Presidential Scholarship in Law in the School of Law.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that the remainder interest in the Allen Lane Roberts Testamentary Trust, with distributions received to date totalling \$464,414.37, comprised of cash, securities, and mineral interests, be accepted to establish a quasi-term endowment in the School of Law at U. T. Austin to be named the Allen Lane Roberts Endowed Presidential Scholarship Challenge Grant Fund and a quasi-endowment in the School of Law at U. T. Austin to be named the Allen Lane Roberts Endowed Presidential Scholarship in Law.

One-half of the remainder interest will be used to fund the Allen Lane Roberts Endowed Presidential Scholarship Challenge Grant Fund. The Fund will be used to match contributions received from private donors to create new Endowed Presidential Scholarships in the School of Law. Recommendations to create such scholarship endowments and to allocate challenge grant funds will be made as gifts which meet the challenge are received. Income earned from the Fund will be used in support of the Allen Lane Roberts Endowed Presidential Scholarship in Law.

The remaining one-half of the remainder interest will be used to fund the Allen Lane Roberts Endowed Presidential Scholarship in Law. Income earned from the endowment will be used to award scholarships to law students selected by the Dean of the School of Law or the Dean's designee.

### BACKGROUND INFORMATION

Mr. Allen Lane Roberts, Jr., deceased, received his B.A. in 1940, his M.A. in 1941, and his J.D. in 1949 from U. T. Austin. He was a member of The President's Associates at both the U. T. M.D. Anderson Cancer Center and U. T. Tyler, and was a Life Member of The Ex-Students' Association.

In his Last Will and Testament, Mr. Roberts instructed that the bequest to U. T. Austin be used for scholastic scholarships for deserving students in the School of Law. His wife, Mrs. Kathryn G. Roberts, Tyler, Texas, Executrix of the Estate, has approved that the bequest be used within the Endowed Presidential Scholarship Program.

24. U. T. Austin: Recommendation to Establish the Wally Scott Endowed Presidential Scholarship in Law in the School of Law.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that the Wally Scott Endowed Presidential Scholarship in Law in the School of Law at U. T. Austin be established. The funds for the endowment will be held and administered by The University of Texas Law School Foundation (an external foundation) in accordance with the Regents' Rules and Regulations. When matching funds become available under The Regents' Endowed Student Fellowship and Scholarship Program, the Law School Foundation will transfer funds held for the endowment to the U. T. Board of Regents.

Income earned from the endowment will be used to award scholarships to law students selected at the discretion of the Dean of the School of Law or the Dean's designee, based on merit or need.

### BACKGROUND INFORMATION

The University of Texas Law School Foundation has received a \$5,000 gift and a \$20,000 pledge, payable by August 31, 1993, from Mr. Frank Douglass and family, Austin, Texas, and has allocated \$25,000 in unrestricted gifts for a total of \$50,000 to establish this endowment in the School of Law. Mr. Frank Douglass, partner in the law firm of Scott, Douglass & Luton, Austin, Texas, received his LL.B. from U. T. Austin in 1958. He and his wife, Betty, and their children are funding this endowment in honor of their close friend, Mr. Wallace H. "Wally" Scott, Jr. Mr. Scott received his B.S. in 1943 and his LL.B. in 1948 from U. T. Austin. Also a partner with Scott, Douglass & Luton, Mr. Scott is an honored member of the Longhorn Hall of Honor, a Life Member of The Ex-Students' Association, and a member of The Chancellor's Council.

25. U. T. Austin: Recommendation to Establish the Sharp Pioneer Oil Project Endowment in the Barker Texas History Center (NO PUBLICITY).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a quasi-endowment in the Barker Texas History Center at U. T. Austin to be named the Sharp Pioneer Oil Project Endowment be established with previously accepted gifts totalling in excess of \$52,000.

Income earned from the endowment will be used within the Barker Texas History Center to further scholarly research in the pioneers of Texas oil.

BACKGROUND INFORMATION

At the May 1952 meeting, the U. T. Board of Regents accepted a \$10,000 gift from Mrs. W. B. Sharp and her son, Mr. Dudley C. Sharp, to be used for an oral history research project in the University Archives entitled "Research in Pioneers in Texas Oil." Over the years, additional gifts were received, and subsequently a bequest of \$25,000 from the Estate of Estelle Boughton (Mrs. W. B.) Sharp was accepted at the November 1965 meeting of the U. T. Board of Regents "for the purposes of editing the tape recordings and other information and gathering and assembling material in connection with the Pioneer Oil Project." An endowment was never established. Under the guidance of Dr. Don E. Carleton, Director of the Barker Texas History Center, the transcription of the oral history tapes, oral history interviews, and other work relating to the Pioneer Oil Project have become quite active. The Project is expected to continue indefinitely in order to record historically relevant events.

NO PUBLICITY

26. U. T. Austin: The Sohio Petroleum Company Classroom in the College of Engineering - Recommendation to Redesignate as the BP Exploration Classroom Endowment.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that the endowment for The Sohio Petroleum Company Classroom in the College of Engineering at U. T. Austin be redesignated as the BP Exploration Classroom Endowment.

This recommendation is being made in accordance with the donor's request to reflect its current name.

### BACKGROUND INFORMATION

At the August 1984 meeting of the U. T. Board of Regents, the endowment for The Sohio Petroleum Company Classroom was established with a \$10,000 gift from the Sohio Petroleum Company, Houston, Texas. In 1987, the Sohio Petroleum Company was acquired by BP Exploration, Anchorage, Alaska, and its name was changed.

See Item 11 on Page AAC - 26 related to renaming a classroom in the Chemical and Petroleum Engineering Building.

27. U. T. Austin: Recommendation to Accept Gift to Establish the Travis County Medical Auxiliary and Society Endowed Presidential Scholarship in Nursing in the School of Nursing.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a \$25,000 gift from the Travis County Medical Auxiliary, Austin, Texas, be accepted to establish the Travis County Medical Auxiliary and Society Endowed Presidential Scholarship in Nursing in the School of Nursing at U. T. Austin.

Income earned from the endowment will be used to award scholarships to full time students in their junior year based on academic performance, with preference given to graduates of Travis County, Texas, high schools.

### BACKGROUND INFORMATION

This endowment is being funded to recognize and support outstanding students pursuing a degree in nursing and a career in quality health care delivery.

28. U. T. Austin: Recommendation to Accept Gift, Pledge, and Corporate Matching Funds Pledge to Establish the Edgar W. White, Jr. Endowed Scholarship in the Department of Intercollegiate Athletics for Men.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a \$4,000 gift and a \$21,000 pledge from Dr. W. Dexter White, Lake Jackson, Texas, and a \$25,000 corporate matching funds pledge from Dow Chemical U.S.A., Midland, Michigan, both pledges payable by December 31, 1996, for a total of \$50,000 be accepted to establish the Edgar W. White, Jr. Endowed Scholarship in the Department of Intercollegiate Athletics for Men at U. T. Austin. Dr. W. Dexter White will

make his pledge payments in annual installments of \$4,000 each in the years 1992 through 1995, with a final payment of \$5,000 in 1996, and Dow Chemical U.S.A. will match his contributions dollar-for-dollar in each of the years 1991 through 1996.

Income earned from the endowment will be used to award scholarships to students in the Men's Athletics Program.

#### BACKGROUND INFORMATION

Dr. W. Dexter White, Lake Jackson, Texas, received his B.S.Ch.E. in 1964 and his Ph.D. in Chemistry in 1969 from U. T. Austin. He is funding this endowment in memory of his father, Mr. Edgar W. White, Jr., who received his B.S.M.E. in 1940 from U. T. Austin.

29. U. T. El Paso: Recommendation to Accept Bequests and to Establish the Gordon B. Okum Endowed Drama Scholarship Fund.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that a bequest of one-half of the residue of the Estate of Gordon B. Okum, El Paso, Texas, totalling \$33,067.29 be accepted to establish a quasi-endowment to be named the Gordon B. Okum Endowed Drama Scholarship Fund at U. T. El Paso.

It is further recommended that a bequest of a collection of plays and theatre literature from the Estate of Gordon B. Okum valued in excess of \$7,000 be accepted for addition to the University Library at U. T. El Paso.

Income earned from the endowment will be used to award scholarships to undergraduate or graduate students majoring in Drama in the Fine Arts Division at U. T. El Paso.

#### BACKGROUND INFORMATION

Mr. Gordon B. Okum, El Paso, Texas, was a longtime supporter of the University Library as well as the Music and Drama Departments at U. T. El Paso.

30. U. T. El Paso: Recommendation to Accept Bequest to Establish the Georgie K. Schwartz Endowed Scholarship in Social Work.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that a \$12,500 specific bequest from the Estate of Georgie K. Schwartz, El Paso, Texas, be accepted to establish a quasi-endowment to be named the Georgie K. Schwartz Endowed Scholarship in Social Work at U. T. El Paso.

Income earned from the endowment will be used to award scholarships in Social Work programs.

BACKGROUND INFORMATION

Mrs. Georgie K. Schwartz, a longtime resident of El Paso, Texas, whose family established the largest independently owned department store in the city, was active in many charitable, civic, and religious organizations.

31. U. T. El Paso: Recommendation to Accept Gift to Establish the Theta Delta Lambda Chapter, Alpha Phi Alpha Fraternity, Inc. Scholarship Fund.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that a \$10,000 gift from the Theta Delta Lambda Chapter of Alpha Phi Alpha Fraternity, Inc., El Paso, Texas, be accepted to establish the Theta Delta Lambda Chapter, Alpha Phi Alpha Fraternity, Inc. Scholarship Fund at U. T. El Paso.

Income earned from the endowment will be used to provide an annual scholarship to an undergraduate student with financial need who meets the minimum scholarship standards at U. T. El Paso.

BACKGROUND INFORMATION

The Theta Delta Lambda Chapter of Alpha Phi Alpha is a social/service fraternity that has been active at U. T. El Paso for more than 20 years.

32. U. T. San Antonio: Recommendation to Accept Gift to Establish the Edwin and Marie Bruhl Foundation Endowed Scholarship in the Department of Intercollegiate Athletics.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Kirkpatrick that a \$10,000 gift from Mr. and Mrs. Garnet Steubing, San Antonio, Texas, be accepted to establish the Edwin and Marie Bruhl Foundation Endowed Scholarship in the Department of Intercollegiate Athletics at U. T. San Antonio.

Income earned from the endowment will be used to award scholarships to student athletes in the Baseball Program at U. T. San Antonio, with preference given to those who reside in the State of Texas.

BACKGROUND INFORMATION

Mr. and Mrs. Garnet Steubing, San Antonio, Texas, were bequeathed a portion of the Estates of Edwin and Marie Bruhl which they have elected to designate to the baseball program in the Department of Intercollegiate Athletics at U. T. San Antonio. Mr. Garnet Steubing, who received his B.B.A. in Accounting from U. T. San Antonio in 1982, played baseball professionally with the Milwaukee Braves and the New York Yankees. Mrs. Steubing is the niece of Mr. Edwin Bruhl. Mr. Bruhl died in 1986, and it was his wish that his Estate be disbursed among a rather large family and that they divide their bequests among their various charities.

33. U. T. San Antonio: Recommendation to Accept Gifts to Establish the Club Sembradores de Amistad Educational Foundation Scholarship Fund.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Kirkpatrick that \$12,998.34 in gifts from the Club Sembradores de Amistad Educational Foundation, San Antonio, Texas, be accepted to establish the Club Sembradores de Amistad Educational Foundation Scholarship Fund at U. T. San Antonio.

Income earned from the endowment will be used to award scholarships to needy students who are in good standing scholastically, with preference given to Hispanic students.



### BACKGROUND INFORMATION

Club Sembradores de Amistad Educational Foundation is a non-profit civic organization which promotes friendship between citizens of San Antonio, Texas, and those of other cities, and understanding among the people of Spanish speaking countries and the U. S.

34. U. T. Southwestern Medical Center - Dallas: Recommendation to Establish the Dallas Rehabilitation Institute Distinguished Chair in Orthopaedic Rehabilitation.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that the Dallas Rehabilitation Institute Distinguished Chair in Orthopaedic Rehabilitation at the U. T. Southwestern Medical Center - Dallas be established. The funds for the endowment will be held and administered by the Southwestern Medical Foundation, Dallas, Texas (an external foundation).

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

### BACKGROUND INFORMATION

Under an Agreement of Donation, executed October 1, 1990, the Mobility Foundation, Dallas, Texas, a Texas nonprofit corporation, donated all of its assets to the Southwestern Medical Foundation, Dallas, Texas, for the benefit of the U. T. Southwestern Medical Center - Dallas to establish the Mobility Foundation Center for Rehabilitation Research at the U. T. Southwestern Medical Center - Dallas. Two million dollars of the donated assets were designated as a dollar-for-dollar challenge fund to establish four distinguished chairs in areas of relevance to the Mobility Foundation Center for Rehabilitation Research. From this challenge fund, \$500,000 is now being used to match a \$500,000 gift from Rehab Hospital Services Corporation, Washington, D. C., on behalf of the Dallas Rehabilitation Institute, Dallas, Texas, for a total of \$1,000,000 to establish this Chair to be based in the Mobility Foundation Center for Rehabilitation Research at the U. T. Southwestern Medical Center - Dallas.

The Dallas Rehabilitation Institute, Dallas, Texas, a part of the Rehab Hospital Services Corporation, Washington, D. C., was instrumental in securing this gift.

See Item 2 on Page HAC - 3 related to establishment of the Mobility Foundation Center for Rehabilitation Research.

35. U. T. Southwestern Medical Center - Dallas: Estate of Samuel H. Kahn, Dallas, Texas - Final Report.--

REPORT

The Chancellor reports that the final distribution from the Estate of Samuel H. Kahn, Dallas, Texas, has been received for a total bequest of \$65,454.03 to be used to support cancer research at the U. T. Southwestern Medical Center - Dallas.

BACKGROUND INFORMATION

A bequest of three percent of the residue of the Estate of Samuel H. Kahn, Dallas, Texas, was accepted at the August 1988 meeting of the U. T. Board of Regents. Dr. Samuel H. Kahn made this bequest in memory of his first wife, Louise H. Kahn.

36. U. T. Medical Branch - Galveston: Recommendation to Appropriate Matching Funds from the Centennial Scholars and Research Endowment Program and to Redesignate Previously Established Endowments.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that matching funds totalling \$257,000 be appropriated from the Centennial Scholars and Research Endowment Program for previously established endowments at the U. T. Medical Branch - Galveston and that the endowments be redesignated as follows:

<u>Eligible Endowment and Date of Establishment</u>	<u>Redesignated Title</u>	<u>Matching Amount</u>
E. Burke Evans Residents' Endowed Education Fund 6/11/87	E. Burke Evans Centennial Residents' Education Fund	\$ 40,000
Marie B. Gale Professor- ship in Internal Medicine 8/9/84	Marie B. Gale Centen- nial Professorship in Internal Medicine	50,000
Marie B. Gale Professor- ship in Psychiatry 2/12/81	Marie B. Gale Centen- nial Professorship in Psychiatry	50,000
Frances Rugeley Herbst, M.D. Fellowship in Oncology 2/8/90	Frances Rugeley Herbst, M.D. Centennial Research Fel- lowship in Oncology	100,000

<u>Eligible Endowment and Date of Establishment</u>	<u>Redesignated Title</u>	<u>Matching Amount</u>
Edgar B. Smith, M.D. Endowment Fund 4/12/90	Edgar B. Smith, M.D. Centennial Endowment Fund	\$ 17,000

BACKGROUND INFORMATION

The purpose of the legislatively authorized and funded Centennial Scholars and Research Endowment Program is to serve as an incentive to prospective individual donors to make gifts of endowments to the U. T. Medical Branch - Galveston in commemoration of the 100th anniversary of the institution.

37. U. T. Medical Branch - Galveston: Recommendation to Accept Gift to Establish the Fannie Epstein Memorial Scholarship Fund (NO PUBLICITY).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that a \$10,000 gift from an anonymous donor be accepted to establish an endowment at the U. T. Medical Branch - Galveston to be named the Fannie Epstein Memorial Scholarship Fund.

Income earned from the endowment will be used to provide scholarship assistance for the recruitment and retention of students in the School of Medicine with preference given to minority students.

NO PUBLICITY

38. U. T. Medical Branch - Galveston: Recommendation to Accept Gift to Establish The Thomas N. and Gleaves T. James Centennial Medal for Excellence of Performance by a Resident in Internal Medicine and Eligibility for Matching Funds Under the Centennial Scholars and Research Endowment Program.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that a \$10,000 gift from Dr. and Mrs. Thomas N. James, Galveston, Texas, be accepted to establish The Thomas N. and Gleaves T. James Centennial Medal for Excellence of Performance by a Resident in Internal Medicine at the U. T. Medical Branch - Galveston.

Income earned from the endowment will be used to recognize research, scholarship, and outstanding clinical performance by an internal medicine resident at the U. T. Medical Branch - Galveston.

It is further recommended that \$10,000 in matching funds be allocated under the Centennial Scholars and Research Endowment Program and used to increase the endowment to a total of \$20,000.

#### BACKGROUND INFORMATION

Thomas N. James, M.D., an internationally recognized cardiologist, has served as President of the U. T. Medical Branch - Galveston since 1987. Dr. James has had an outstanding career as a teacher, clinician, researcher, and administrator with service to the national and international medical communities.

39. U. T. Medical Branch - Galveston: Recommendation to Accept Gifts to Establish the John P. McGovern Centennial Professorship in Family Medicine; Eligibility for Matching Funds Under the Centennial Scholars and Research Endowment Program; 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 James that \$110,000 in gifts from John P. McGovern, M.D., Houston, Texas, be accepted to establish the John P. McGovern Centennial Professorship in Family Medicine at the U. T. Medical Branch - Galveston.

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

It is further recommended that \$110,000 in matching funds be allocated under the Centennial Scholars and Research Endowment Program and used to increase the endowment to a total of \$220,000.

Additionally, it is recommended that the actual income which will be earned on \$110,000 in 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

John P. McGovern, M.D., is the founder of the renowned McGovern Allergy Clinic, Houston, Texas, the world's largest private allergy clinic. He is also President of the boards of the Texas Allergy Research Foundation and the John P. McGovern Foundation. Dr. McGovern, who was awarded the

Private Sector Initiative Commendation by President Ronald Reagan in 1985, has been lauded by numerous professional societies, governmental agencies, universities, and foreign countries for his significant medical and scientific contributions.

The purpose of the legislatively authorized and funded Centennial Scholars and Research Endowment Program is to serve as an incentive for prospective individual donors to make gifts of endowments to the U. T. Medical Branch - Galveston in commemoration of the 100th anniversary of the institution.

40. U. T. Medical Branch - Galveston: Alonzo Alverly Ross, M.D. Chair in General Surgery - Recommendation to Accept Transfer of Funds, Redesignate as the Alonzo Alverly Ross, M.D. Centennial Chair in General Surgery and Reallocate Centennial Scholars and Research Endowment Program Matching Funds.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that a \$14,000 transfer of accumulated interest be accepted for addition to the Alonzo Alverly Ross, M.D. Chair in General Surgery at the U. T. Medical Branch - Galveston and that the Chair be redesignated as the Alonzo Alverly Ross, M.D. Centennial Chair in General Surgery.

It is further recommended that \$7,000 in previously allocated Centennial Scholars and Research Endowment Program matching funds be reallocated to one or more endowments as set out in Item 36 on Page AMC - 33.

#### BACKGROUND INFORMATION

At the January 31, 1975 meeting, the U. T. Board of Regents accepted a gift of 10.5 acres of real estate located in Travis County, Texas, appraised at \$85,000, from Raleigh R. Ross, M.D. An additional adjoining two acres was accepted at the December 1975 meeting of the U. T. Board of Regents. Dr. Ross requested that the proceeds from the gifts be applied toward the endowment of a professorship in General Surgery at the U. T. Medical Branch - Galveston in memory of Dr. Ross' father, Dr. Alonzo Alverly Ross.

A \$100,000 pledge and \$130,469.34 in accumulated interest were accepted and \$100,000 in Centennial Scholars and Research Endowment Program matching funds allocated by the U. T. Board of Regents at the October 1990 meeting to redesignate the Professorship as the Alonzo Alverly Ross, M.D. Chair in General Surgery.

The purpose of the Centennial Scholars and Research Endowment Program is to serve as an incentive to prospective individual donors to make gifts of endowments to the U. T. Medical Branch - Galveston in commemoration of the 100th anniversary of the institution.

41. U. T. Medical Branch - Galveston: Recommendation to Accept Gift to Establish the Betty Sherman Sterling Nursing Scholarship Fund.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that a \$15,000 gift from Mrs. Betty Sherman Sterling, Dayton, Texas, be accepted to establish an endowment at the U. T. Medical Branch - Galveston to be named the Betty Sherman Sterling Nursing Scholarship Fund.

Income earned from the endowment will be used to support the scholarship and printing costs of the brochure describing the program.

BACKGROUND INFORMATION

Mrs. Betty Sherman Sterling, Dayton, Texas, graduated from the U. T. Nursing School - Galveston in 1946 as a member of the first class of cadet nurses. Mrs. Sterling is funding this endowment in memory of her brother, who provided assistance to her while she was in nursing school, in an effort to provide financial assistance to those pursuing a career in the nursing profession.

42. U. T. Medical Branch - Galveston: Recommendation to Accept Gift to Establish the Carmage and Martha Ann Walls Centennial Resident Research Endowment in Ophthalmology and Eligibility for Matching Funds Under the Centennial Scholars and Research Endowment Program.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that a \$30,000 gift from Mr. and Mrs. Carmage Walls, Houston, Texas, be accepted to establish the Carmage and Martha Ann Walls Centennial Resident Research Endowment in Ophthalmology at the U. T. Medical Branch - Galveston.

It is further recommended that \$30,000 in matching funds be allocated under the Centennial Scholars and Research Endowment Program and used to increase the endowment to a total of \$60,000.

Income earned on the endowment will be used to recruit bright and talented young residents in Ophthalmology and to underwrite promising research programs.

### BACKGROUND INFORMATION

In April 1990, Mr. and Mrs. Carmage Walls, Houston, Texas, pledged \$75,000 to the U. T. Medical Branch - Galveston Centennial Campaign. Mr. and Mrs. Walls have now chosen to designate \$30,000 of the pledge to fund this endowment. Mr. and Mrs. Carmage Walls have been strong supporters of the U. T. Medical Branch - Galveston through the years.

The purpose of the Centennial Scholars and Research Endowment Program is to serve as an incentive to prospective individual donors to make gifts of endowments to the U. T. Medical Branch - Galveston in commemoration of the 100th anniversary of the institution.

43. U. T. Health Science Center - San Antonio: Recommendation to Accept Gift and Pledge to Establish the Endowed Lions Sight Research Foundation Distinguished University Professorship in Ophthalmic Pathology 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, 1994, from the Lions Sight Research Foundation, San Antonio, Texas, for a total of \$250,000 be accepted to establish the Endowed Lions Sight Research Foundation Distinguished University Professorship in Ophthalmic Pathology at the U. T. Health Science Center - San Antonio.

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

Additionally, it is recommended that the actual income which 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

In 1988, the District 2-A2 Lions Sight and Tissue Foundation, San Antonio, Texas (now known as the Lions Sight and Research Foundation), made a \$100,000 pledge to fund the Lions Sight and Research Center at the U. T. Health Science Center - San Antonio. That pledge was recently completed. The Lions Sight and Research Center, which will be permanently located in the new clinical research building, due for completion later in 1991, carries out the Lions Sight and Research Foundation's purposes of promoting research in diseases of the eye, assisting the visually handicapped, and educating the public about sight conservation, eye research, and donor tissue.

44. U. T. Health Science Center - San Antonio: Recommendation to Accept Bequest to Establish the Herbert F. Mueller Chair in Ophthalmology 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 one-third residual bequest with distributions to date totaling approximately \$740,000 from the Estate of Louise A. Mueller, San Antonio, Texas, be accepted to establish the Herbert F. Mueller Chair in Ophthalmology at the U. T. Health Science Center - San Antonio.

Income earned from the endowment will be used to support research relating to the cause, cure, treatment, and prevention of eye disease, low vision, and blindness, and research relating to programs for or means of improving the quality of life for individuals afflicted with these eye problems.

Additionally, it is recommended that the actual income which will be earned on the \$740,000 distribution and the balance of the bequest, 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

Mrs. Louise A. Mueller, a longtime resident of San Antonio, Texas, had been an ophthalmology patient at the U. T. Health Science Center - San Antonio prior to her death in February 1990.

See Item 8 on Page HAC - 8 related to a proposed appointment to this Chair.

45. U. T. Health Science Center - San Antonio: Research Distinguished Professorship in Psychiatry - Recommendation to Redesignate as the Distinguished Professorship in Psychiatry.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that the Research Distinguished Professorship in Psychiatry at the U. T. Health Science Center - San Antonio be redesignated as the Distinguished Professorship in Psychiatry.

This recommendation is being made at the request of the Department of Psychiatry from which the funds were originally transferred to establish the endowment.



### BACKGROUND INFORMATION

The Research Professorship in Psychiatry was established at the December 1984 meeting of the U. T. Board of Regents with a \$250,000 transfer from the Department of Psychiatry's Medical Service, Research and Development Plan funds. At the October 1988 meeting of the U. T. Board of Regents, the Professorship was redesignated as the Research Distinguished Professorship in Psychiatry in accordance with the April 1988 modification to the Regents' Rules and Regulations, Part Two, Chapter I, Sections 1-4, providing for the restructuring of several U. T. System endowed academic positions based upon minimum funding levels for endowments.

See Item 8 on Page HAC - 8 related to a proposed appointment to this Distinguished Professorship.

46. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Transfer of Funds and Pledge to Establish the BPW Past State Presidents' Award Endowment Fund.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that a \$16,132.45 transfer of previously reported gifts from current restricted funds and a \$3,990 pledge, payable by December 31, 1994, to be paid in annual installments of \$990 in 1991 and then \$1,000 a year until completion from the Texas Federation of Business and Professional Women's Clubs, Inc. (BPW), Arlington, Texas, for a total in excess of \$20,000 be accepted to establish the BPW Past State Presidents' Award Endowment Fund at the U. T. M.D. Anderson Cancer Center.

Income earned from the endowment will be used to support the BPW Past State Presidents' Award of \$1,000 to be given annually to an outstanding woman in cancer research or clinical care.

### BACKGROUND INFORMATION

For many years, the Texas Federation of Business and Professional Women's Clubs, Inc. (BPW), Arlington, Texas, has made annual contributions to the U. T. M.D. Anderson Cancer Center in support of numerous patient care, research, and preventive programs. Of these funds, there is currently a \$16,132.45 balance of unallocated funds and accumulated interest. The donor has recently requested that these accumulated funds, along with the current pledge, be used to fund this endowment to recognize outstanding women in the field of cancer research and clinical care.

47. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Transfer of Funds to Establish The Ernst W. Bertner Memorial Award Endowment Fund.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that a \$115,000 transfer of previously reported gifts from current restricted funds and reinvested income be accepted to establish a quasi-endowment at the U. T. M.D. Anderson Cancer Center to be named The Ernst W. Bertner Memorial Award Endowment Fund.

Income earned from the endowment will be used to fund the Bertner Memorial Award, a \$7,000 award presented annually to an outstanding scientist.

BACKGROUND INFORMATION

In December 1969, the Bertner Foundation, Houston, Texas, had given \$21,000 to the U. T. M.D. Anderson Cancer Center as a memorial to Dr. Ernst W. Bertner, the first director of the U. T. M.D. Anderson Cancer Center. With reinvestment of earned income, these funds have a current balance of over \$122,000. The U. T. M.D. Anderson Cancer Center feels that it would now be appropriate to use \$115,000 of these funds to establish this endowment to permanently fund the Bertner Memorial Award.

48. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Remainder Interest in the Lyle Hooker Testamentary Trust and Residuary Bequest from the Estate of Mary B. Hooker, Dallas, Texas.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that the remainder interest in the Lyle Hooker Testamentary Trust totaling \$104,985.87 and a residual bequest from the Estate of Mary B. Hooker, Dallas, Texas, of \$91,145.00 for a total of \$196,130.87 be accepted to be used for cancer research at the U. T. M.D. Anderson Cancer Center.

### BACKGROUND INFORMATION

Dr. and Mrs. Lyle (Mary B.) Hooker lived in Houston, Texas, for many years. Dr. Lyle Hooker, who died in September 1978, established a testamentary trust under his Will for the benefit of his wife, Mary B. Hooker, during her lifetime. Upon her death, the remainder was to be distributed to the U. T. M.D. Anderson Cancer Center. Mrs. Hooker, who died in January 1988, made her bequest in memory of her husband, Dr. Lyle Hooker. Both Wills specify that the funds are to be used for cancer research.

49. U. T. M.D. Anderson Cancer Center: Recommendation to Transfer Funds to Establish the Bessie McGoldrick Professorship in Clinical Cancer Research.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that a \$250,000 transfer of a previously accepted bequest from the Estate of Bessie McGoldrick, Corpus Christi, Texas, be made to establish a quasi-endowment at the U. T. M.D. Anderson Cancer Center to be named the Bessie McGoldrick Professorship in Clinical Cancer Research.

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

### BACKGROUND INFORMATION

At the June 1981 meeting of the U. T. Board of Regents, a residuary bequest of 17 percent of the Estate of Bessie McGoldrick, Corpus Christi, Texas, comprised of \$72,771.18 in cash and some small undivided mineral interests, was accepted to be used for cancer research and for the medical care of indigent cancer patients, as specified in the Will. These funds have been held at the U. T. M.D. Anderson Cancer Center and with the addition of mineral royalties and the reinvestment of income the current balance held is in excess of \$260,000. This endowment is being funded with \$250,000 of these funds to make use of the bequest in a way most consistent with the desires of the testator.

50. U. T. M.D. Anderson Cancer Center: Sophie Caroline Steves Endowment Fund - Recommendation to Transfer Funds and to Redesignate as the Sophie Caroline Steves Professorship in Cancer Research.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that a \$140,000 transfer of accumulated earnings be made for addition to the Sophie Caroline Steves Endowment Fund at the U. T. M.D. Anderson Cancer Center for a total endowment of \$300,000 and that the endowment be redesignated as the Sophie Caroline Steves Professorship in Cancer Research.

BACKGROUND INFORMATION

At the October 1955 meeting of the U. T. Board of Regents, the Sophie Caroline Steves Endowment Fund was established with an initial distribution of \$32,081.12 from the Estate of Sophie Caroline Steves, Fayetteville, Texas. Subsequent estate distributions and reinvested earnings have increased the corpus of the endowment to \$160,000, with there being an additional \$173,610 in accumulated earnings from which the current transfer of funds will be made. Ms. Steves specified in her Will that these funds be used to support cancer research.

51. U. T. M.D. Anderson Cancer Center: Hubert L. Stringer Trust Cancer Research Fund - Recommendation to Transfer Funds, Redesignate as the Hubert L. Stringer Chair in Cancer Research, and Redesignate Remaining Distributions from the Hubert L. Stringer Trust.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that a \$114,631.37 transfer of accumulated earnings from the Hubert L. Stringer Trust Cancer Research Fund at the U. T. M.D. Anderson Cancer Center be accepted for addition to the endowment corpus for a total endowment of \$600,000 and that the endowment be redesignated as the Hubert L. Stringer Chair in Cancer Research.

Additionally, it is recommended that all remaining distributions from the Hubert L. Stringer Trust be redesignated for current restricted use, with those distributions to be held at the U. T. M.D. Anderson Cancer Center in a current restricted account.

## BACKGROUND INFORMATION

At the October 1983 meeting, the U. T. Board of Regents established the Hubert L. Stringer Trust Cancer Research Fund with future distributions of income from the Hubert L. Stringer Trust. The endowment was created to support worthy research projects pending establishment of more permanent funding for these projects.

Ameritrust Texas N.A., Wichita Falls, Texas, Trustee of the Hubert L. Stringer Trust, is currently in the process of liquidating the assets of the Trust, which are presently valued at \$440,767.57, and the U. T. M.D. Anderson Cancer Center now desires that all remaining distributions from the Trust be returned to the U. T. M.D. Anderson Cancer Center for current restricted use.

52. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Gifts to Establish the Volunteer Endowment for Patient Support (VEPS).--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that \$50,000 in gifts from various donors be accepted to establish the Volunteer Endowment for Patient Support (VEPS) at the U. T. M.D. Anderson Cancer Center.

Income earned from the endowment will be used to support patient care and family support programs.

## BACKGROUND INFORMATION

This endowment is being funded as a result of a fund raising effort organized by a committee of volunteers at the U. T. M.D. Anderson Cancer Center.

### III. REAL ESTATE MATTERS

1. U. T. System: Recommendation to Adopt an Environmental Review Policy for Acquisitions of Real Estate.--

## RECOMMENDATION

The Chancellor, with the concurrence of the Executive Vice Chancellor for Asset Management and the Vice Chancellor for Business Affairs, recommends adoption of the U. T. System Environmental Review Policy for Acquisitions of Real Estate as set out on Pages AMC 45 - 58.

## BACKGROUND INFORMATION

The proposed U. T. System Environmental Review Policy for Acquisitions of Real Estate requires that all appropriate inquiries be made as to the condition of each proposed real estate asset prior to acquisition so as to minimize the potential for exposure to claims for damages under the applicable laws governing the environment and hazardous materials.

Under this policy, the U. T. System component chief business officers will coordinate the review of all campus land prior to acquisition while the Office of Endowment Real Estate will be responsible for the review of all potential acquisitions of trust real estate prior to acquisition.

### U. T. SYSTEM ENVIRONMENTAL REVIEW POLICY FOR ACQUISITIONS OF REAL ESTATE

#### Statement of Policy

It is the policy of The University of Texas System to minimize its potential for exposure to claims for damages under the applicable laws governing the environment and hazardous materials by insuring that all appropriate inquiries are made as to the condition of each proposed real estate asset prior to acquisition.

#### Scope of the Policy

Federal and State statutes impose certain liabilities on owners of real property, including governmental agencies, when hazardous materials have been deposited, stored or placed by any means on the property. The term "hazardous materials" is not limited to the most dangerous or toxic substances. Rather it is broadly defined to include a wide array of chemicals and compounds, many of which are components of household trash, and all of which are found in industrial raw materials and wastes. Properties obtained by state universities are not exempt from the liability requirements under the applicable statutes. These liabilities include all of the costs associated with removal of any hazardous materials on the site including overhead and enforcement expenses.

In order to assert an "innocent landowner" defense against a claim for damage, the U. T. System must be able to demonstrate that any contamination of the property by hazardous substances occurred prior to U. T. System ownership and that it was not detected by an examination employing all appropriate inquiries prior to acquisition.

#### The Environmental Review Process

1. An environmental assessment will be conducted on every potential real estate asset prior to acquisition. The scope of the assessment for each individual property will be determined by the location, history and findings of the assessment.
2. The review process for acquisitions of campus land will be coordinated by the chief business officer of the component acquiring the land or his delegate.

3. The review process for acquisition of trust real estate will be the responsibility of the Office of Endowment Real Estate.
  - a. The Office of Endowment Real Estate shall be notified immediately upon identification of a real estate asset which may be donated or bequeathed to any office or component of the U. T. System.
  - b. No commitment to accept a donation or bequest of real property should be made until an environmental assessment has been performed or coordinated by the U. T. System Office of Endowment Real Estate.
  - c. All costs of the environmental assessment which are not paid by the donor or external entity will be paid by the office or component which will benefit from the asset to be acquired.
  
4. A complete environmental assessment consists of three phases. The level of investigation will be dictated by the findings of each phase. Completion of all three phases may be required for each property.
  - a. A Phase I assessment will be conducted on each property under consideration for acquisition. Requirements of a Phase I assessment appear in Exhibit A.
  - b. If the Phase I investigation discloses areas of concern, the property may be rejected or additional investigation may be initiated by a Phase II assessment.
  - c. A Phase II assessment shall always be conducted by an outside expert and shall include an extensive review of prior uses of the land and records pertaining to those uses, an examination and sampling of the property, and testing of all samples collected.
    - 1) All contracts for Phase II assessments shall be prepared by the Office of General Counsel.
    - 2) If the Phase II assessment indicates areas of significant concern, the property in question may be rejected or additional investigation may be undertaken by a Phase III assessment.
  - d. A Phase III assessment includes extensive physical sampling of the site, testing of all samples, estimation of the extent of contamination, and estimation of the total cost to clean up the site.
    - 1) All contracts for Phase III assessments shall be prepared by the Office of General Counsel.

- 2) If the Phase III assessment discloses significant risk of contamination or identifies undesirable estimates of the cost to clean up the property, it may be rejected.
5. Complete guidelines for the environmental review process, as revised from time to time, will be maintained by the Office of Endowment Real Estate and distributed to all component business and development offices for reference purposes.



EXHIBIT A  
PHASE I ASSESSMENT

HISTORICAL ACTIVITY AND DOCUMENT REVIEW

1. Review historical information and development of tract to determine if prior activities could have caused environmental problems including a chain-of-ownership or title search
2. Review of historical air photos, USGS topographical maps and other historical maps and surveys to determine prior uses and visible abnormalities during site or area development which may indicate potential environmental problems
3. Conduct interviews with former employees, local authorities, neighboring property owners, suppliers, regulatory officials, etc., regarding past uses of the site
4. Review of federal and state regulatory information and other public documents to identify prior site uses and proximity of other waste sites or candidate sites
5. Review of published information about surface and sub-surface information for the site vicinity and geologic data with regard to potential for naturally occurring asbestos, radon or methane gas
6. Review of CERCLIS (Comprehensive Environmental Response, Compensation and Liability Act Information System) list for sites within proximity to property and evaluate degree of risk posed with the subject site in relation to the proximity of any listed sites
7. Review all records of facility/plant/property (including all permits and other regulatory documents)
8. Review records of local, state and federal authorities (for permits, notices of violations, consent orders or decrees, correspondence indicative of past, present or potential environmental problems, enforcement orders, etc.)
9. Review records or information sources regarding past or present lawsuits filed or notices of claims from third parties or potential for such occurrences
10. Review of records and local laws/ordinance for restrictions of property use such as archaeologically significant features, presence of endangered animals, plants or critical habitat, presence of wetlands information.

INTERVIEWS

1. Interview current and past employees, neighboring property owners, regulatory officials and others where needed, regarding site uses, known or threatened lawsuits, demands or enforcement actions, nature of present compliance, proper notifications made as required by environmental laws, ordinances or regulations.

PHYSICAL SITE/BUILDING INSPECTION

1. Existing property uses
2. Identify all buildings and structures
3. Asbestos-containing materials
4. Use of lead paint
5. Treatment, storage and disposal of hazardous substances or materials
6. Wastewater discharges
7. Emissions/sources of gases, exhaust or pollutants
8. Leaking electrical transformers
9. Site drainage, sewer and disposal systems
10. Drinking water sources
11. Visible ground and/or surface contamination (stained soil, oozing liquids, drums, abandoned trash piles or equipment, dirt mounds, trenches, displaced vegetation, graded land, churned soils, etc.)
12. Presence of wetlands indicia (wetlands might restrict use of property)
13. Existence of aboveground or underground storage tanks and pipelines
14. Adjacent land usage.

PHYSICAL TESTING

1. Subsurface exploration
2. Monitoring wells
3. Soil/groundwater samples
4. Other chemical testing.

EXHIBIT B

Phase I  
Environmental Assessment  
Due Diligence Report

I. SITE OWNERSHIP AND LOCATION

Site Owner: Name \_\_\_\_\_

Address \_\_\_\_\_

Tel. No. \_\_\_\_\_

Date of Ownership \_\_\_\_\_ to \_\_\_\_\_

Site Location: Address \_\_\_\_\_

County \_\_\_\_\_

Assessor's Map ID \_\_\_\_\_

USGS quadrangle \_\_\_\_\_

II. SUMMARY DESCRIPTION OF SITE

1. Brief Description of Subject Site (Describe in terms of size, land use, extent of development, topography/natural features, and other details of note):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

III. SITE HISTORY AND USE

1. Title History Researched: Yes \_\_\_\_\_ No \_\_\_\_\_

2. Zoning: Present classifications and dates

\_\_\_\_\_  
\_\_\_\_\_  
Prior classifications and dates \_\_\_\_\_

3. Current Uses of Site

\_\_\_\_\_ Industrial  
\_\_\_\_\_ Commercial  
\_\_\_\_\_ Agricultural  
\_\_\_\_\_ Residential  
\_\_\_\_\_ Other

(Heavy - Medium - Light, etc.)

4. Brief Description of Current Uses (Describe in terms of product line, chemicals and materials used, wastes generated, waste management and disposal, etc.):

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5. Brief Description of Former Uses of Site (Give dates and available information as requested above):

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6. Current and Prior Uses of Adjacent Properties:

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7. List of Regulatory Agency Permits/Violations for the Site (Should check for UST's; wastewater discharge, hazardous/flammable/radioactive storage, agricultural chemical application/mixing/disposal and other applicable permits):

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8. Persons interviewed relative to site history and use (should include current owner and current tenant):

<u>Name</u>	<u>Address</u>	<u>Tel. No.</u>

IV. SITE ENVIRONMENTAL CHARACTERISTICS

1. Site Layout Information (see attached site plan taken from Assessor's or USGS map)
  - A. approximate property boundaries: \_\_\_\_\_  
\_\_\_\_\_
  - B. building and parking area locations: \_\_\_\_\_  
\_\_\_\_\_
  - C. site utilities (types and locations): \_\_\_\_\_  
\_\_\_\_\_
  - D. easements: \_\_\_\_\_  
\_\_\_\_\_
  - E. fencing: \_\_\_\_\_  
\_\_\_\_\_
  - F. high voltage power lines: \_\_\_\_\_  
\_\_\_\_\_
  - G. ponds and floodplains: \_\_\_\_\_  
\_\_\_\_\_
  - H. streams: \_\_\_\_\_  
\_\_\_\_\_
  - I. marshes or wetlands: \_\_\_\_\_  
\_\_\_\_\_
  - J. wells: \_\_\_\_\_  
\_\_\_\_\_
  
2. Site Specific Waste/Wastewater Information (site plan to show known or suspected conveyance, storage, or disposal areas):
  - A. catch basins: \_\_\_\_\_  
\_\_\_\_\_
  - B. septic tanks/leaching fields: \_\_\_\_\_  
\_\_\_\_\_
  - C. sanitary sewers: \_\_\_\_\_  
\_\_\_\_\_
  - D. underground storage tanks and supply lines: \_\_\_\_\_  
\_\_\_\_\_
  - E. above ground storage tanks: \_\_\_\_\_  
\_\_\_\_\_

- F. lagoons: \_\_\_\_\_  
\_\_\_\_\_
- G. pits: \_\_\_\_\_  
\_\_\_\_\_
- H. drainage lines: \_\_\_\_\_  
\_\_\_\_\_
- I. sumps: \_\_\_\_\_  
\_\_\_\_\_
- J. ditches: \_\_\_\_\_  
\_\_\_\_\_
- K. wells - capped or uncapped: \_\_\_\_\_  
\_\_\_\_\_
- L. fill connections - suspected or identified: \_\_\_\_\_  
\_\_\_\_\_
- M. unidentified cover plates, pipes, mounds of soil, or depressions: \_\_\_\_\_  
\_\_\_\_\_
- N. other miscellaneous: \_\_\_\_\_  
\_\_\_\_\_

3. Site Specific Characteristics (see site plan)

- A. topography and surface water drainage patterns: \_\_\_\_\_  
\_\_\_\_\_
- B. surface soil or pavement discoloration or texture change: \_\_\_\_\_  
\_\_\_\_\_
- C. vegetation condition and changes: \_\_\_\_\_  
\_\_\_\_\_
- D. drums or other chemical storage areas: \_\_\_\_\_  
\_\_\_\_\_
- E. maintenance areas: \_\_\_\_\_  
\_\_\_\_\_
- F. odors: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

G. unexplained vehicle tracks (possible illegal dumping): \_\_\_\_\_  
\_\_\_\_\_

H. other notable observations: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Building Inspection

A. age, construction, and general condition: \_\_\_\_\_  
\_\_\_\_\_

B. previous disclosure of hazardous materials in building: Yes \_\_\_\_\_ No \_\_\_\_\_  
\_\_\_\_\_

C. visible signs of corrosion or other evidence of solvent action: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

D. visible signs of any spillage or residues: \_\_\_\_\_  
\_\_\_\_\_

E. piles of waste or trash: \_\_\_\_\_  
\_\_\_\_\_

F. visible signs of asbestos (check for thermal/electrical/acoustical insulation, sprayed-on fireproofing and plaster, asphalt roofing material, various tiles, transite panels, pipes/lagging, duct wrapping, hoods, drains, etc.): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

G. visible signs of polychlorinated biphenols (PCB's - check for transformers, capacitors, electrical switchgear, etc.): \_\_\_\_\_  
\_\_\_\_\_

5. Neighborhood observations (2-4 block radius "windshield survey")

A. land use: \_\_\_\_\_  
\_\_\_\_\_

B. hazardous waste generation/storage/disposal areas: \_\_\_\_\_  
\_\_\_\_\_

- C. known contaminated sites (Superfund sites/  
leaking UST sites/other sites): \_\_\_\_\_  
\_\_\_\_\_
- D. existing monitoring wells: \_\_\_\_\_  
\_\_\_\_\_
- E. landfills: \_\_\_\_\_  
\_\_\_\_\_
- F. gas stations: \_\_\_\_\_  
\_\_\_\_\_
- G. drinking water supplies (surface or underground  
within 2500 feet of site): \_\_\_\_\_  
\_\_\_\_\_

V. RISK ASSESSMENT

1. Conclusions (including likelihood of on-site  
hazardous material contamination, possible sources  
and pathways of contamination and whether off-site  
problems may affect the subject site or personnel.  
Also recommendations for further assessment):  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Signature of persons conducting the Phase I site  
inspection and investigation:

<u>Signature</u>	<u>Address/Affiliation</u>	<u>Title</u>
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_____
_____
_____
_____
_____

Date: \_\_\_\_\_



EXHIBIT C

"RED FLAG" ITEMS INDICATING A NEED FOR ENVIRONMENTAL REVIEW

1. Dead, dying, or unhealthy vegetation indicative of possible soil/water contamination
2. Soil or pavement stains/discoloration from spills or dumping
3. Any obvious signs of spillage or residues on property or in buildings
4. Piles of waste or trash or unidentified mounds indicative of subsurface hazardous substances
5. Insulation be it thermal, acoustical or electrical may contain asbestos especially if used prior to 1980
6. Odors, especially solvents
7. Unidentified truck tracks on open lots may indicate possible illegal dumping
8. Question whether property is adjacent to a dump or landfill, known hazardous waste sites or high risk industries
9. Wells of any type indicated by caps or covers - search for permits for wells
10. Wastewater systems, septic tanks, leaching fields, sumps, dry wells; i.e., any systems not connected to city sewer, especially if industrial site
11. Drums or any other chemical storage or handling areas
12. Maintenance areas located in shops or auto/truck repair operations
13. Ponds, lagoons, or unidentified pits and depressions
14. Underground tanks with any caps or fill connections - check for permit on tanks
15. Transformers or other large electrical equipment if placed on-site prior to 1978.

## EXHIBIT D

### HIGH RISK OPERATIONS

1. Landfills - dumps - demolition or dredge spoils disposal sites
2. Oil refineries - well fields - tank farms
3. Metal plating/coatings
4. Metal working: foundries - welding - machining - fabrication (especially aluminum)
5. Auto - truck - tractor - motor maintenance and repair
6. Transportation depots: bus - truck - railroad terminals or yards
7. Chemical or pharmaceutical manufacturers
8. High tech firms: electronics - electrical - computer
9. Gasoline - fuel oil service
10. Dry cleaners - laundries
11. Salvage - scrap or waste dealers/lots
12. Laboratories: photo-chemical - research - etc.
13. Corporation - construction - equipment yards (public or private)
14. Utility company facilities (gas - electric)
15. Lumber yards - sawmills - wood treatment - paper companies
16. Paint manufacturers - distributors - contractors
17. Military facilities (any type - current or prior)
18. Airports - airfields - crop dusting operations
19. Battery manufacturers/recyclers
20. Concrete products fabricators
21. Nurseries or agricultural operations (especially feed-lots)
22. Pesticide - herbicide - fertilizer formulators or applicators/exterminators
23. Food processing - packing - cold storage facilities
24. Tanneries or tallow-rendering operations
25. Drum or barrel manufacturers/distributors
26. Printing shops
27. Asphalt plants
28. Fiberglass or glass product manufacturers

29. Plastic products manufacturers
30. Rubber products manufacturers
31. Mines or sand/gravel quarries/pits
32. Sewage treatment/handling facilities (public or private).

Note: This list should not be viewed as all-inclusive.

2. U. T. System: Recommendation to Amend the Trust Fund Real Estate Policy Statement.--

RECOMMENDATION

The Chancellor, with the concurrence of the Executive Vice Chancellor for Asset Management, recommends that the U. T. System Trust Fund Real Estate Policy Statement, adopted in April 1988, be amended as set out in congressional style on Pages AMC 59 - 64.

BACKGROUND INFORMATION

At its April 1988 meeting, the U. T. Board of Regents approved the U. T. System Trust Fund Real Estate Policy Statement. The proposed revisions address conformity with the Regents' Rules and Regulations and other policy statements adopted since April 1988, management of mineral assets, requirements for all new real estate gifts to meet the U. T. System Environmental Review Policy for Acquisitions of Real Estate, and other additions and clarifications requested by component and System officials.

U. T. SYSTEM TRUST FUND REAL ESTATE POLICY STATEMENT

Objectives

The Board of Regents of The University of Texas System accepts gifts and bequests of real estate and mineral assets which have a clear potential of contributing to the programs of the U. T. System and its component institutions. All such interests in real estate and minerals are held in a fiduciary capacity for the benefit of the component institution or fund or program designated by the donor and approved by the Board.

Trust Fund Real Estate Defined

For the purpose of this policy statement, trust fund real estate shall be defined to be all real estate and mineral assets other than campus land which is donated or bequeathed to the U. T. System or any of its component institutions regardless of type, location, or designated use of the funds to be derived therefrom.

Policies

- (1) Gifts of real estate and mineral assets to the U. T. System or its component institutions will be accepted if substantial proceeds can be realized in a timely manner relative to the expenses and efforts required to hold, maintain and manage the property until disposition.
  - (a) An evaluation of the return expected from a gift of real estate and mineral assets shall include but not be limited to such factors as income potential, development characteristics, type of property interest, holding costs, management requirements, holding period and location.

- (b) Trust real estate owned by the U. T. System which is uneconomical to manage or which presents future liabilities will be sold.
  - (c) It is expected that any costs incurred relating to management or sale of the property including disposal will be charged either against income earned by the property or proceeds from the sale of the property as appropriate.
- (2) The authority to accept gifts and bequests of real estate and mineral assets is vested in the U. T. Board of Regents for the benefit of the designated component or fund. Title to each property shall be held in the name of the Board of Regents of the U. T. System, not in the name of any component institution, department or individual within the U. T. System.
- (a) All deeds for trust real estate owned by the Board shall be filed in the county where the property is located with the original retained in the permanent records which are maintained by the Executive Secretary in the Office of the U. T. Board of Regents.
  - (b) It shall be the policy of the Board to retain direct control of all interests in real estate and minerals owned by the U. T. System. Authority for a U. T. System employee to continue as an executor [~~or-trustee~~] for an interest in real estate or minerals to be conveyed to the U. T. System shall be granted only as outlined in the U. T. System Planned Giving Policy Guidelines. [~~by-specific-approval-of-the-Board~~]
  - (c) It shall be the policy of the Board to accept interests in real estate if such ownership will result in 100% interest in the property. Lesser interests in real estate or minerals will be accepted when a clear benefit to the U. T. System can be demonstrated. Minority interests in minerals will be accepted if the gift or bequest meets the requirements outlined in 1(a) above [~~regardless-of-size~~].
- (3) All gifts and bequests of real estate and minerals must be evaluated and inspected by an authorized representative of the U. T. System Office of Endowment Real Estate [~~Asset-Management~~] prior to acceptance by the Board.
- (4) The Board will not accept gifts of real estate or minerals if donor restrictions place undue limitations on the U. T. System's ability to own, manage, and dispose of the property.
- (5) The Board will not accept gifts of mortgaged or encumbered property unless:
- (a) a clear potential for gain can be demonstrated,
  - (b) a source of funds to meet all requirements is dedicated to that purpose, and
  - (c) acceptable terms of the mortgage or the encumbrance exist.

- (6) The Board will not accept gifts of minority ~~[working]~~ interests in ~~[minerals-or]~~ partnerships holding real estate or mineral assets. Mineral gifts of working interests which create liabilities for unrelated business income taxes or operation of the partnership will not be accepted [which-create-liabilities-for-unrelated-business-income-taxes-or-operation-of-the-partnership]. However, the Board may direct proposed gifts of this nature to one of the appropriate external foundations associated with the U. T. System.
- (7) Once accepted, interests in minerals shall not be sold unless continued ownership is impractical.
- (8) Gifts of real estate and mineral assets shall be considered for retention as investments when:
  - (a) there is an expectation of above-average return including appreciation, or
  - (b) there is a prospect for direct use by an approved program of a component institution.
- (9) The Board will not subordinate its fee simple interest in any holding of trust fund real estate absent extraordinary circumstances.

#### Management of Trust Fund Real Estate

- (1) Responsibility for the management, leasing and sale of all real estate and mineral interests ~~[improvements located-thereon]~~ which are covered by this policy [is-held-for-trust-funds] is delegated to the Executive Vice Chancellor for Asset Management subject to the Rules and Regulations of the Board of Regents of The University of Texas System (Part One, Chapter II, Section 6) and these policies.
- (2) The Executive Vice Chancellor for Asset Management may delegate responsibility for the management of trust real estate assets to individuals within the Office of Endowment Real Estate or its equivalent ~~[his-or-her]~~ office and may employ such additional persons as he or she deems appropriate within the authority granted by the Board.
- (3) The Executive Vice Chancellor for Asset Management or his or her designated representative is authorized and empowered on behalf of the Board to take all actions necessary and to execute all documents required to sell, lease or otherwise convey interests in real estate or minerals that are received by gift or bequest within the following parameters:
  - (a) Sale of surface interests including improvements: Sales price of Five Hundred Thousand Dollars (\$500,000) or less
  - (b) Lease of surface interests including improvements: Term of twenty (20) years or less or total annual rent of One Hundred Thousand Dollars (\$100,000) or less
  - (c) Lease of mineral interests: Bonus consideration of \$50,000 or less

- (d) In addition to approval as to legal form and documentation by the Office of General Counsel, a positive recommendation from the following officials shall be required for each transaction:
- (1) Executive Vice Chancellor for Academic Affairs or Executive Vice Chancellor for Health Affairs as appropriate
  - (2) Component institution President or Director,
  - (3) Executive Director of Endowment Real Estate or his/her designated representative [Manager-of-Endowment-Real-Estate or-Real-Estate-Associate].
- (e) Any transaction accomplished under this section shall be included as part of the Chancellor's Docket at the next possible meeting of the U. T. Board of Regents and a copy of each transaction shall be transmitted to the Office of the U. T. Board of Regents for inclusion in the permanent record.
- (4) The preferred method of valuation for the purpose of determining sale price or lease rates for real estate [surface] interests shall be use of an independent appraiser. The value of transactions involving real estate of nominal value may be determined by use of available resources. An appraisal shall not be required when real estate is sold at public auction or by use of sealed bids.
- (5) The preferred method of valuation for the purpose of determining sale price for mineral assets shall be achieved by a petroleum or other geological engineer or by offer solicitation.

#### Annual Reports

The Office of Endowment Real Estate [Asset-Management] shall submit a report not less than once a year to the Asset Management [Land-and-Investment] Committee of the U. T. Board of Regents detailing all real estate and mineral assets covered by this policy [held-in-trust-for-the-U.-T.-System]. This report shall provide an inventory of trust fund real estate and mineral assets held [in-trust] as of the reporting date and shall note all acquisitions, sales, and leases which occurred since the preceding report.

#### Conflict of Interest

Members of the U. T. Board of Regents are frequently persons of wide-ranging business interests. Therefore, a prudent, independent decision process may result in real estate and mineral transactions with or involving firms or organizations with whom a member of the Board is affiliated. Affiliation shall be interpreted within this section to mean an employee, officer, director, or owner of five percent or more of the voting stock of a firm or organization. No member of the Board or employee of the Office of Asset Management may participate in any transaction with the U. T. System involving interests in real estate and minerals with which such Board member or employee is affiliated other than to convey a gift or bequest to the U. T. System.

Procedures for Acceptance of Gifts of Endowment Real Estate

- (1) The authority to accept all gifts and bequests of real estate and mineral assets is vested in the U. T. Board of Regents and will ~~may~~ be exercised only after evaluation and inspection by the Office of Endowment Real Estate [~~Asset Management~~] of the U. T. System. The Office of Endowment Real Estate [~~Asset-Management~~] should be contacted immediately upon identification of a potential gift of real estate or mineral asset in order to determine if the property is acceptable. The Office of Endowment Real Estate [~~Asset-Management~~] will obtain a title report on each potential gift of real estate to insure that there are no recorded liens or encumbrances on the proposed gift. The fee for this report is usually nominal and shall be charged to the component institution for which the gift is intended.
- (2) Prior to acceptance of a proposed gift of real estate the following should be provided by the donor:
  - (a) Map showing location of property
  - (b) Legal description of property
  - (c) Proof of ownership (deed)
  - (d) [~~Map-er~~] Survey of subject property
  - (e) List of improvements
  - (f) Copies of c[er]urrent leases, if any
  - (g) List of encumbrances, including deed restrictions or covenants, liens and current expenses, if any
  - (h) Proof of payment of taxes and association fees, if any
  - (i) Copy of title policy or a recent title commitment [~~Commitment-for-title-insurance~~]
  - (j) Recent appraisal and IRS Form 8283 signed by the appraiser if value declared exceeds \$5,000. Any donor whose gift exceeds \$500 must submit IRS Form 8283.
  - (k) A written statement from the donor identifying any known waste disposal sites or spills of hazardous waste material on the property or a statement to the contrary
  - (l) Written statement from donor outlining purpose of gift.
- (3) Prior to acceptance of a proposed mineral gift, the following should be provided by the donor:
  - (a) Map, plat or survey of the property
  - (b) Legal description of the property
  - (c) Proof of ownership (deed or assignment)
  - (d) Copies of current oil and gas leases, if any
  - (e) Division orders



- (f) List of all encumbrances including any liens and copies of the corresponding documentation
- (g) Abstracts of title or title opinions
- (h) Geological or geophysical records
- (i) Lease ratifications and lease assignments
- (j) Copies of appraisals or reserve studies
- (k) Copies of documents relating to past or present litigation directly affecting the mineral gift or bequest
- (l) Copies of insurance coverage carried by the well operator relative to environmental damage.

(4) Testing for hazardous substances shall be performed in accordance with the U. T. System Environmental Review Policy for Acquisitions of Real Estate.

(5)[←3→] Following review of the information provided by the donor a decision to accept or reject the proposed gift will be based on the potential of the property to produce an acceptable return or to contribute directly to approved programs of the component institution in light of:

- (a) Holding costs of every type
- (b) Holding period
- (c) Donor restrictions
- (d) Property valuation
- (e) Management requirements
- (f) Type of property interest
- (g) Ability to meet the requirements of the U. T. System Environmental Review Policy for Acquisitions of Real Estate.

(6)[←4→] Upon the determination that ownership of a proposed gift is in the best interest of the U. T. System, the component institution which will benefit from the donation shall initiate a request to the appropriate Executive Vice Chancellor asking that the gift be submitted as an agenda item for acceptance by the U. T. Board of Regents at its next regular meeting.

IV. INTELLECTUAL PROPERTY MATTERS

1. U. T. Austin: Recommendation for Approval of a Proposed Option Agreement with Pharmacyclics, Inc., Palo Alto, California; Request for Authorization to Execute Agreement; and Recommendation for Approval of Professor Jonathan Sessler to Purchase Equity Interest in Pharmacyclics, Inc., Palo Alto, California.--

RECOMMENDATION

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

- a. Approve the proposed Agreement in Respect of Option and Certain Patent Expenses set out on Pages AMC 67 - 84 between the Board of Regents of the U. T. System, for and on behalf of U. T. Austin, and Pharmacyclics, Inc., Palo Alto, California, for the licensing of technology relating to photodynamically active sapphyrins
- b. Authorize the Executive Vice Chancellor for Asset Management, on behalf of the U. T. Board of Regents, to execute this agreement with the understanding that more specific agreements arising from this agreement are to be submitted for prior administrative review and subsequent approval as required by the Regents' Rules and Regulations
- c. Approve the purchase by Professor Jonathan Sessler of an equity interest in Pharmacyclics, Inc., Palo Alto, California.

BACKGROUND INFORMATION

The option transaction with Pharmacyclics, Inc., a Delaware corporation with principal offices in Palo Alto, California (Pharmacyclics), includes the Option Agreement, Patent License Agreement, Investor Representation Letter, and Investors' Rights Agreement. The technology which is the subject of this transaction was developed by Professor Jonathan Sessler of the U. T. Austin Department of Chemistry and Biochemistry and relates to the photodynamic activity of sapphyrins.

Under the Option Agreement, Pharmacyclics has one year to give notice that it elects to enter into the Patent License Agreement or extend the option period for an additional year. Pharmacyclics will immediately reimburse the University \$11,422.26 to cover related patent expenses incurred from January 1, 1991 to May 31, 1991. During the remainder of the option period, Pharmacyclics will continue to reimburse the University for related patent expenses as they are incurred. Upon either exercising the option and giving notice of an election to enter into the Patent License Agreement, or upon extending the option period, Pharmacyclics will immediately

reimburse the University \$91,662.05 to cover patent expenses incurred prior to January 1, 1991. Pharmacyclics will issue 33,163 shares of its common stock to the Board contingent upon Pharmacyclics' receipt of a fully executed Investor Representation Letter and the Investors' Rights Agreement.

Should Pharmacyclics give notice to exercise its option and elect to enter into the Patent License Agreement, in addition to reimbursing the University for patent expenses incurred prior to January 1, 1991, Pharmacyclics automatically will be granted a royalty-bearing, exclusive, worldwide license to manufacture, have manufactured, and/or sell licensed products developed from the technology. Fully executed copies of the Patent License Agreement shall be exchanged between the parties within thirty (30) days of the date the option is exercised. Royalties to be paid to the University will include (i) five percent (5%) of Net Sales of licensed products sold for use as human therapeutics, and three percent (3%) of Net Sales of licensed products sold for any other application, until the University receives an aggregate of fifteen million dollars (\$15,000,000) in running royalties in any calendar year from Pharmacyclics; and (ii) the lesser of one half of the gross revenues received by Pharmacyclics from any sublicensee, or the royalty that would be due were sublicensee sales made by Pharmacyclics. Thereafter, royalties will decrease one percentage point (1%) for each additional aggregate of fifteen million dollars (\$15,000,000) in running royalties paid the University in that same calendar year. However, no royalty rate shall be reduced to less than one percent (1%). Pharmacyclics also will continue to reimburse the University for all related patent expenses.

Under a separate sponsored research agreement, Pharmacyclics is funding a one year research project in Professor Sessler's lab for one hundred and five thousand dollars (\$105,000).

Professor Sessler seeks approval to purchase 250,000 shares of common stock of Pharmacyclics which will represent 17.8% of the total shares currently issued by the company. Pharmacyclics will offer Professor Sessler an opportunity to purchase 83,333 additional shares subject to the company meeting certain milestones in the future.

The transaction and agreements relating thereto are submitted for approval through the agenda because of the desire of both the University and Professor Sessler to acquire the equity interests described above. The proposed arrangement is the type contemplated by Section 51.912, Texas Education Code, and corresponding provisions of the U. T. System Intellectual Property Policy (Part Two, Chapter V, Section 2, Subsection 2.4, Subdivision 2.462, Regents' Rules and Regulations).

**AGREEMENT IN RESPECT OF OPTION  
AND CERTAIN PATENT EXPENSES  
BETWEEN PHARMACYCLICS INC. AND BOARD OF REGENTS  
OF THE UNIVERSITY OF TEXAS SYSTEM**

THIS 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 210 West 7th Street, Austin, Texas 78701, on behalf of THE UNIVERSITY OF TEXAS AT AUSTIN (UNIVERSITY), and PHARMACYCLICS, INC. (PHARMACYCLICS), a corporation organized and existing under the laws of the State of Delaware and having an address c/o Kleiner Perkins Caufield & Byers, 2200 Geng Road, Suite 205, Palo Alto, California 94303.

**W I T N E S S E T H**

WHEREAS, BOARD owns certain PATENT RIGHTS and TECHNOLOGY RIGHTS relating to expanded porphyrins, their manufacture and use, which were developed at The University of Texas at Austin, a component institution of SYSTEM;

WHEREAS, BOARD desires to have such PATENT RIGHTS developed and used for the benefit of PHARMACYCLICS, the inventor(s), BOARD, and the public as outlined in the Intellectual Property Policy promulgated by the BOARD; and

WHEREAS, PHARMACYCLICS wishes to obtain an option to acquire from BOARD to practice under those PATENT RIGHTS an exclusive license in the form of the Agreement appended hereto as Appendix I (PATENT LICENSE AGREEMENT);

NOW, THEREFORE, in consideration of the mutual covenants and premises herein contained, the parties hereto agree as follows:

**I. EFFECTIVE DATE**

This Agreement shall be effective July 1, 1991 (the "EFFECTIVE DATE") subject to approval by the BOARD.

**II. DEFINITIONS**

As used in this Agreement, terms in capital letters shall have the meaning assigned them in the PATENT LICENSE AGREEMENT, unless otherwise indicated.

### III. OPTION

3.1. BOARD grants to PHARMACYCLICS an option to enter into PATENT LICENSE AGREEMENT, exercisable upon written notice to BOARD at any time within one (1) year from the EFFECTIVE DATE hereof. In partial consideration of such option, PHARMACYCLICS will pay BOARD on the EFFECTIVE DATE \$11,422.26 to reimburse a portion of the BOARD'S patent related expenditures since January 1, 1991. Within such one year period PHARMACYCLICS may extend for one (1) further year its option exercise period by payment of \$91,662.05 to reimburse a portion of the BOARD'S expenditures prior to January 1, 1991 in respect to searching, preparing, filing, prosecuting and maintaining PATENT RIGHTS. If and when the option is exercised, the PATENT LICENSE AGREEMENT (and each of the parties' rights and obligations thereunder) will automatically come into effect, however, the parties will execute copies of the PATENT LICENSE AGREEMENT within thirty (30) days of the date the option is exercised.

3.2 From the EFFECTIVE DATE and throughout the option term, PHARMACYCLICS shall reimburse further reasonable expenditures by BOARD according to the terms of PATENT LICENSE AGREEMENT in respect of prosecuting and maintaining PATENT RIGHTS in the U.S. and in preparing, filing, prosecuting and maintaining corresponding patent applications and patents outside the United States of America in countries as agreed in writing by PHARMACYCLICS. In any event, if PHARMACYCLICS requests that any patent or patent application be prepared, filed, prosecuted or maintained, anywhere in the world, the BOARD will diligently undertake such activity to the extent and for so long as PHARMACYCLICS reimburses BOARD'S reasonable expenditures therefor.

### IV. STOCK

In partial consideration of the option granted by BOARD to PHARMACYCLICS herein, PHARMACYCLICS agrees to hereby issue to the BOARD upon the EFFECTIVE DATE of this Agreement 33,163 shares of PHARMACYCLICS's Common Stock pursuant to the terms of the Investor Representation Letter attached hereto as Appendix II.

### V. TERM AND TERMINATION

5.1 This Agreement will terminate upon PHARMACYCLICS's failure to timely exercise the option provided in paragraph 3.1 hereof.

5.2. This Agreement will earlier terminate:

- (a) automatically if PHARMACYCLICS shall enter into a liquidating bankruptcy and/or if the business of PHARMACYCLICS shall be placed in the hands of a receiver, assignee, or trustee, whether by voluntary act of PHARMACYCLICS or otherwise; provided that if it is involuntary, termination shall not take place unless the act is not reversed within ninety (90) days;
- (b) upon ninety (90) days written notice if PHARMACYCLICS shall be materially in breach or default of any obligation under this License Agreement; provided however, PHARMACYCLICS may avoid such termination if before the end of such period PHARMACYCLICS notifies BOARD that such breach has been cured and states the manner of such cure.
- (c) upon the written agreement of both parties.
- (d) at any time upon thirty (30) days written notice given by PHARMACYCLICS, with or without cause.

5.3. Upon termination of this Agreement for any cause, nothing herein shall be construed to release any party from any liability or obligation for breach of this Agreement incurred prior to the EFFECTIVE DATE of such termination.

#### VI. ASSIGNMENT

This Agreement may be assigned by PHARMACYCLICS only in connection with an acquisition of PHARMACYCLICS, by any means, or the sale or merger of substantially all of its related business to or with another, or otherwise only with the consent of BOARD, not to be unreasonably withheld. BOARD may assign its right to receive money payments hereunder, but may not otherwise assign this Agreement.

#### VII. USE OF BOARD'S OR COMPONENT'S NAME

PHARMACYCLICS shall not, unless as required by any law or governmental regulation, use the name of The University of Texas at Austin, BOARD, SYSTEM, or Regents without express written consent.

VIII. CONFIDENTIAL INFORMATION

8.1. The confidentiality obligations of the parties will be as specified in the Sponsored Research Agreement and, when and if it comes into effect, the License Agreement.

IX. GENERAL

9.1 This Agreement and that certain agreement entitled "Sponsored Research Agreement" (and the PATENT LICENSE AGREEMENT if the option hereunder is exercised) constitute the entire and only agreement between the parties and all other prior negotiations, representations, understandings and agreements 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.

9.2. Any notice required by this License Agreement shall be given by prepaid, first class, certified mail, return receipt requested, effective upon receipt addressed in the case of BOARD to :

BOARD OF REGENTS  
The University of Texas System  
201 West 7th Street  
Austin, Texas 78701  
Attention: Dudley R. Dobie, Jr.

with a copy to:

Executive Vice-President and Provost  
The University of Texas at Austin  
Main Building 201  
Austin, Texas, 78712-1111  
Attention: Patricia C. Ohlendorf

or in the case of PHARMACYCLICS to:

c/o Kleiner Perkins Caufield & Byers  
2200 Geng Road, Suite 205  
Palo Alto, CA 94303  
Attention: Richard A. Miller

or such other address as may be given from time to time under the terms of this notice provision.

9.3 Each party shall comply with all applicable federal, state and local laws and regulations in connection with its activities pursuant to this Agreement.

9.4. This Agreement shall be construed and enforced in accordance with the laws of the United States of America and of the State of Texas.

9.5 Failure of BOARD or PHARMACYCLICS to enforce a right under this Agreement shall not act as a waiver of that right or the ability to assert that right relative to the particular situation involved.

9.6 Headings included herein are for convenience only and shall not be used to construe this Agreement.

9.7 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 the remainder of this Agreement.

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this Agreement.

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

PHARMACYCLICS, INC.

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Executive Vice Chancellor  
for Asset management

By Richard A. Miller  
Name: Richard A Miller  
Title: President

APPROVED AS TO CONTENT:

By [Signature]  
Executive Vice President  
and Provost  
The University of Texas at Austin

APPROVED AS TO FORM:

By [Signature]  
Dudley R. Dobie, Jr.  
Office of General Counsel



**APPENDIX I**  
**PATENT LICENSE AGREEMENT**

THIS 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 210 West 7th Street, Austin, Texas 78701, on behalf of THE UNIVERSITY OF TEXAS AT AUSTIN (UNIVERSITY), and PHARMACYCLICS, INC. (LICENSEE), a corporation organized and existing under the laws of the State of Delaware and having an address c/o Kleiner Perkins Caufield & Byers, 2200 Geng Road, Suite 205, Palo Alto, California 94303.

**WITNESSETH**

WHEREAS, BOARD owns certain PATENT RIGHTS and TECHNOLOGY RIGHTS relating to LICENSED SUBJECT MATTER, which were developed at The University of Texas at Austin, a component institution of SYSTEM including without limitation PATENT RIGHTS and TECHNOLOGY RIGHTS developed pursuant to a Sponsored Research Agreement (SPONSORED RESEARCH AGREEMENT) between BOARD, UNIVERSITY and LICENSEE performed under the direction of Professor Jonathan Sessler or his successors and described in Schedule A hereto, which is incorporated herein;

WHEREAS, BOARD desires to have the LICENSED SUBJECT MATTER developed and used for the benefit of LICENSEE, the inventor(s), BOARD, and the public as outlined in the Intellectual Property Policy promulgated by the BOARD (Schedule B hereto); and

WHEREAS, LICENSEE wishes to obtain a license from BOARD to practice LICENSED SUBJECT MATTER;

NOW, THEREFORE, in consideration of the mutual covenants and premises herein contained, the parties hereto agree as follows:

**I. EFFECTIVE DATE**

This agreement shall be effective upon written exercise by LICENSEE of the option provided by that certain "Agreement in Respect of Option and Certain Patent Expenses" between LICENSEE and BOARD, a copy of which is attached hereto and now incorporated herein.

**II. DEFINITIONS**

As used in this Agreement, the following terms shall have the meanings indicated:

2.1 LICENSED SUBJECT MATTER shall mean inventions and discoveries that are covered by PATENT RIGHTS within the LICENSED FIELD.

2.2 PATENT RIGHTS shall mean the patents and/or patent applications whether domestic or foreign listed on Schedule C appended hereto and incorporated herein, and as amended from time to time by written agreement of the parties and any patents and/or applications in any other country corresponding or relating to any of the foregoing, and all divisions, continuations, continuations in part, reissues, reexaminations or extensions thereof, and any patents that issue thereon and any other patents and applications that result in whole or in part from research done under the SPONSORED RESEARCH AGREEMENT.

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2.3 TECHNOLOGY RIGHTS shall mean BOARD'S rights in any KNOW-HOW. KNOW-HOW shall mean all technical information, know-how, process, procedure, composition, device, method, formula, protocol, technique, software, design, drawing or data relating to LICENSED SUBJECT MATTER or LICENSED FIELD which is not disclosed in a patent within the PATENT RIGHTS, but which is necessary or useful for practicing LICENSED SUBJECT MATTERS.

2.4 LICENSED FIELD shall mean porphyrins, expanded porphyrins and other porphyrin-like substances, and methods of making and using them.

2.5 LICENSED TERRITORY shall mean the world.

2.6 LICENSED PRODUCT shall mean any product comprising LICENSED SUBJECT MATTER pursuant to this Agreement, including COMPOSITE PRODUCTS.

2.7 COMPOSITE PRODUCTS shall mean any product SOLD by LICENSEE with active ingredients comprising both LICENSED SUBJECT MATTER within PATENT RIGHTS and active ingredients other than LICENSED SUBJECT MATTER.

2.8 SALE or SOLD shall mean the transfer or disposition of a LICENSED PRODUCT for value to a party other than LICENSEE or a SUBSIDIARY.

2.9 SUBSIDIARY 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.

2.10 NET SALES shall mean the gross revenues (whether or not in cash) actually received by LICENSEE from the SALE of LICENSED PRODUCTS less sales, V.A.T. and/or use taxes, duties and similar governmental assessments actually paid, transportation, packing, shipping insurance and amounts allowed or credited due to returns (not to exceed the original billing or invoice amount).

### 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 that to its knowledge 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. However, as to exclusivity, BOARD hereby discloses that Baylor Research Foundation is (and has the right of) a joint owner of the invention and patent application designated UTSB:439. BOARD is not aware that any additional rights or licenses are necessary for LICENSEE to exercise its license rights.

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 nonexclusive rights relative thereto for use for government purposes, as well as statutory "march-in rights." This Agreement is explicitly made subject to such Government rights. To the extent there is any conflict between any such rights and this Agreement, such Government rights shall prevail.

3.3 BOARD makes no representations other than those specified in this Agreement, and specifically, MAKES NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

#### IV. LICENSE

4.1 BOARD hereby grants to LICENSEE an exclusive, royalty-bearing license to manufacture, have manufactured, use, have used, and/or sell or have sold LICENSED PRODUCTS within LICENSED TERRITORY. This grant shall be subject to the payment by LICENSEE to BOARD of all consideration as provided by this Agreement, and shall be further subject to rights retained by the BOARD to:

(a) Publish the general scientific findings from research done by the UNIVERSITY related to LICENSED SUBJECT MATTER; and

(b) Use any information contained in LICENSED SUBJECT MATTER for research, teaching, and other educationally-related purposes; provided that none of the foregoing is done for any commercial purpose.

4.2 LICENSEE shall have the right to extend the license granted herein to any SUBSIDIARY provided that such SUBSIDIARY consents to be bound by this Agreement to the same extent as LICENSEE (provided that the foregoing does not and is not intended to create redundant or double obligations regarding royalties, reimbursement, marketing efforts or any other matter).

4.3 LICENSEE shall have the right to grant sublicenses consistent with this Agreement provided that, with respect to BOARD, LICENSEE shall be responsible for (and entitled to credit for) the operations of its sublicensees relevant to this Agreement as if such operations were carried out by LICENSEE provided that matters dealt with in Section 5 in respect of such sublicenses shall be governed by the terms of Section 5. 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. LICENSEE will have the right to delete portions it considers confidential. Upon termination of this Agreement under Section 6.2 any and all existing sublicenses granted by LICENSEE shall be assigned to BOARD as their terms permit, or shall terminate (if their terms don't so permit).

4.4 BOARD shall have the right at any time after two (2) years from the date of this Agreement and as its sole remedy for any alleged want of diligence to terminate the exclusivity of the license granted herein as to those national jurisdictions of the LICENSED TERRITORY in which LICENSEE has not commercialized or is not actively attempting to commercialize an invention hereunder if LICENSEE, within ninety (90) days after written notice from BOARD as to such intended termination of exclusivity, fails to provide written evidence of present, attempted or anticipated commercialization in a manner and on a schedule reasonably commensurate with the scope of LICENSED TERRITORY and LICENSEE'S resources. Evidence provided by LICENSEE that it has an ongoing and active or anticipated research, development, manufacturing, marketing or licensing program as appropriate, directed toward production and sale of products based on the invention disclosed and claimed in PATENT RIGHTS shall be deemed satisfactory evidence. BOARD agrees that in the discretion of LICENSEE commercialization efforts may be directed first to industrialized nations of the world commencing with the United States of America, and only subsequently to other regions as reasonably and commercially practicable; that particular fields within the LICENSED FIELD and portions of the LICENSED TERRITORY may in the discretion of LICENSEE best be commercialized by sublicense; and that LICENSEE may in the exercise of prudent business judgment elect to defer commercialization efforts in particular fields until the LICENSED SUBJECT MATTER has undergone substantial and appropriate further development; the burden of establishing prudent business judgment will lie with LICENSEE in all cases. In the event of any termination of exclusivity under this Section or Section 7.1, BOARD agrees to negotiate in good faith with LICENSEE to adjust the terms hereof to reflect LICENSEE'S diminished rights (including, without limitation, royalty rates), with relation back to the date of termination of exclusivity; provided, however, that pending the completion of such negotiation LICENSEE'S

obligations shall be as provided hereunder for the case of exclusivity; and LICENSEE shall have the benefit of any more favorable terms granted by BOARD to any subsequent non-exclusive licensee of LICENSED SUBJECT MATTER in those national jurisdictions where exclusivity is terminated.

## V. PAYMENTS AND REPORTS

5.1 Subject to the other terms of this Article V and in consideration of rights granted by BOARD to LICENSEE under this AGREEMENT, LICENSEE agrees to pay BOARD the following:

(a) A running royalty as provided in paragraph 5.2 in the case of SALES by LICENSEE or its SUBSIDIARIES; and

(b) In the case that LICENSEE receives revenues from any sublicensee that is not a SUBSIDIARY, the lesser of one half of the gross revenues (which may include but are not limited to royalties on the SALE of LICENSED PRODUCTS by the sublicensee) received by LICENSEE from any sublicensee in consideration of sublicense under PATENT RIGHTS or the royalty that would be due were sublicensee sales made by LICENSEE; provided that BOARD shall receive hereunder not less than three (3) percent (subject to reduction under Section 5.3).

5.2 Subject to Section 5.3, royalty on NET SALES by LICENSEE and any SUBSIDIARY shall be:

(a) Five (5) percent of NET SALES in respect of LICENSED PRODUCTS SOLD for use as a human therapeutic (including without limitation in radioimmunotherapy or photodynamic therapy); and

(b) Three (3) percent of NET SALES in respect of LICENSED PRODUCTS SOLD for other applications (including without limitation in vitro inactivation of infectious agents, magnetic resonance imaging (MRI) and in vitro diagnostics).

5.3 During each calendar year, each royalty rate mentioned in either Section 5.1 or 5.2 (including without limitation the minimum rate specified in the last clause of Section 5.1(b)) shall be reduced one percentage point for each \$15,000,000 in the aggregate of (i) NET SALES of LICENSEE and its SUBSIDIARIES in that calendar year and (ii) SALES by sublicensees reported to LICENSEE in that calendar year; provided, however, that no such royalty rate shall be reduced so as to be less than one (1) percent. For example, immediately after the first \$15,000,000 has been achieved during a calendar year, the rates under Section 5.2(a) and (b) will be four (4) and two (2) percent, respectively, and the minimum rate in Section 5.1(b) will be two (2) percent for the remainder of that year, unless further reduced thereafter.

5.4 In the case of COMPOSITE PRODUCTS prior to the calculation of royalty due thereon NET SALES shall be multiplied by a fraction whose numerator is the cost of active ingredients within PATENT RIGHTS and whose denominator is the cost of all active ingredients within such COMPOSITE PRODUCT. The resulting number shall represent the NET SALES price basis for calculation of royalties due on COMPOSITE PRODUCTS.

5.5 After seven (7) years from the effective date of this Agreement, no royalty or share of sublicense shall be due for manufacture, use or sale of LICENSED PRODUCTS for consumption in a national jurisdiction of LICENSED TERRITORY where such manufacture, use and sale could have been conducted in such national jurisdiction without infringing a valid issued patent within PATENT RIGHTS in such national jurisdiction.

5.6 Only one royalty shall be payable on each unit of LICENSED PRODUCT SOLD calculated at the applicable rate specified in this Agreement irrespective of the number of patents within PATENT RIGHTS whose claims would be infringed but for this License Agreement.

5.7 During the term of this Agreement and for one (1) year thereafter LICENSEE shall keep complete and accurate records of its and (as reported to it) its sublicensee's NET SALES of LICENSED PRODUCTS and COMPOSITE PRODUCTS under the license granted in this agreement in sufficient detail to enable the royalties payable hereunder to be determined. LICENSEE shall permit an independent certified public accountant (hired by the BOARD and reasonably acceptable to LICENSEE), at BOARD'S expense, to periodically (but no more than once per year) 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; provided such accountant is bound in confidence and may not disclose any such information except to the BOARD as necessary to show underpayment. In the event that the amounts due to BOARD have been underpaid, LICENSEE shall pay the cost of such examination, the due amount, and accrued interest thereon at the prevailing prime rate for commercial loans.

5.8 Within forty-five (45) days after March 31, June 30, September 30 and December 31, LICENSEE shall deliver to BOARD at the address listed in paragraph 14.2 a true and accurate report, giving such particulars of the business conducted by LICENSEE during the preceding calendar quarter 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 SOLD; (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. LICENSEE shall impose on sublicensees, mutatis mutandis, similar reporting and payment obligations and shall provide to BOARD similar reports from sublicensees as they relate to BOARD'S entitlements under paragraph 5.1(b) to the extent received during such quarter or thereafter up until fifteen (15) business days prior to the due date for the report on LICENSEE'S SALES. Simultaneously with its report on such sublicensee activity, LICENSEE shall pay to BOARD amounts due under paragraph 5.1(b).

5.9 Upon the request of BOARD but not more often than once per calendar year, LICENSEE shall deliver to BOARD 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 coming year.

5.10 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 at Austin and mailed to: Executive Vice President and Provost, The University of Texas at Austin, Texas, 78712-1111, Attention: Patricia C. Ohlendorf.

## VI. TERM AND TERMINATION

6.1 The term of this Agreement shall extend from the EFFECTIVE DATE set forth hereinabove to the end of term of the last to expire of the patents, that have been or may be issued within the PATENT RIGHTS.

6.2 This Agreement will earlier terminate:

(a) automatically if LICENSEE shall enter liquidating bankruptcy and/or if the business of LICENSEE shall be placed in the hands of a receiver, assignee, or trustee, whether by voluntary act of LICENSEE or otherwise; provided that if it is involuntary, termination shall not take place unless the act is not reversed within ninety (90) days.

(b) upon ninety (90) days written notice if LICENSEE shall be materially in breach or default of any obligation under this License 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.

(c) upon the mutual written agreement of the parties.

(d) upon thirty (30) days written notice given by LICENSEE with or without cause.

6.3 Upon any termination of this Agreement, nothing herein shall be construed to release any party from any liability for any obligation incurred through the effective date of termination (e.g., confidentiality, payment of then accrued royalties and reimbursement of patent expenses incurred prior to such date) or for any breach of this Agreement prior to the effective date of such termination. LICENSEE may, after the effective date of such termination, sell all LICENSED PRODUCT and COMPOSITE PRODUCT and parts therefor that it has on hand at the date of termination, provided that it pays earned royalty thereon as provided in this Agreement.

## VII. INFRINGEMENT BY THIRD PARTIES

7.1 LICENSEE shall have the first right to enforce or have enforced at no expense to BOARD any PATENT RIGHTS to the extent exclusively licensed hereunder against infringement by third parties and shall be entitled to retain recovery from such enforcement. Upon LICENSEE'S undertaking to pay all expenditures reasonably incurred by BOARD, to the extent allowed by law, BOARD shall reasonably cooperate in any such enforcement and, as necessary, join as a party therein. After first deducting its costs and expenses incurred in respect of enforcement (to the extent not otherwise awarded by settlement or a court), LICENSEE shall pay BOARD royalty (calculated per Section 5.1(b)) on the balance of any monetary recovery to the extent such monetary recovery is held to be a reasonable royalty or damages in lieu thereof. In the event that LICENSEE does not file suit against or commence settlement negotiations with a substantial infringer of BOARD'S PATENT RIGHTS within six (6) months of receipt of a written demand from BOARD that LICENSEE bring suit, then the parties will consult with one another in an effort to determine whether a reasonably prudent licensee would institute litigation to enforce the patent in question in light of all relevant business and economic factors (including, but not limited to, the projected cost of such litigation, the likelihood of success on the merits, the probable amount of any damage award, the prospects for satisfaction of any judgment against the alleged infringer, the possibility of counterclaims against LICENSEE and BOARD, the diversion of LICENSEE'S human and economic resources, the impact of any possible adverse outcome on LICENSEE and the effect any publicity might have on LICENSEE'S and BOARD'S respective reputations and goodwill). To the extent allowed by the laws and constitution of the State of Texas, if the parties cannot agree, the determination will be made by a mutually and reasonably acceptable third party consultant. If after such process, it is determined that a suit should be filed and LICENSEE does not file suit or commence settlement negotiations forthwith against the substantial infringer, then BOARD shall have the right to enforce any patent licensed hereunder on behalf of itself and LICENSEE (BOARD retaining all recoveries from such enforcement). If the BOARD institutes suit or commences settlement negotiations and is successful, it may terminate the exclusivity of the license for the infringed field of use in the national jurisdiction where the suit was brought.

## VIII. ASSIGNMENT

This Agreement may be assigned by LICENSEE only in connection with an acquisition of LICENSEE (by whatever means) or the sale or merger of substantially all of its related business to or with another, or otherwise only with the consent of BOARD, not to be unreasonably withheld. BOARD may assign its right to receive payments hereunder but not otherwise assign this Agreement.

## IX. PATENT MARKING

To the extent reasonable and practical regarding products, LICENSEE agrees to mark permanently and legibly all products and documentation manufactured and sold by it under this Agreement with such patent notice as is required under Title 35, United States Code.

## X. INDEMNIFICATION; INFRINGEMENT SUIT CREDIT

10.1 Subject to Section 10.2, LICENSEE shall hold harmless and indemnify BOARD, SYSTEM, UNIVERSITY, its Regents, officers, employees and agents from and against any claims demands, 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 of its officers, employees, agents or representatives.

10.2 The BOARD shall promptly notify LICENSEE in writing of any claim or suit or threat thereof brought against BOARD in respect of which indemnification may be sought and, to the extent allowed by law, shall reasonably cooperate with LICENSEE in defending or settling any such claim or suit. To the extent allowed by law, no settlement of any claim, suit or threat thereof received by BOARD and for which the BOARD will seek indemnification, shall be made without the prior written approval of LICENSEE. To the extent allowed by law, BOARD will permit LICENSEE to defend BOARD against any such claim, suit or threat thereof and LICENSEE shall have sole control over the defense, subject to BOARD'S right to select its own counsel to review the matter for BOARD at BOARD'S sole cost and expense.

10.3 If infringement is alleged against LICENSEE or any person or entity entitled to indemnity under Section 10.1 above, and if all such claims specifically concern LICENSED SUBJECT MATTER, LICENSEE may suspend those royalties due BOARD under Section 5 from SALES of LICENSED PRODUCTS in any national jurisdiction in which suit is brought, and pay such amounts into an escrow account established by LICENSEE until such situation is resolved. Should a Patent with PATENT RIGHTS under which such royalties are payable be held invalid, the accrued royalties shall be retained by LICENSEE to offset litigation expenses; and, should litigation or settlement result in the requirement that LICENSEE pay royalties or other monies to a third party, the Parties hereunder agree in good faith to renegotiate the royalties due BOARD with the goal of reducing the royalty paid accordingly. In the event the validity of a Patent within PATENT RIGHTS is upheld, the accrued royalties shall be paid to UNIVERSITY. Any damages or attorneys' fees awarded or received in settlement of such suit shall be retained by LICENSEE in satisfaction of its litigation expenses.

## XI. USE OF BOARD'S OR COMPONENT'S NAME

LICENSEE shall not, unless as required by any law or governmental regulation, use the name of The University of Texas at Austin, BOARD, SYSTEM, or Regents without express written consent.

## XII. CONFIDENTIAL INFORMATION; KNOW-HOW

12.1 The parties may wish, from time to time, in connection with performance under this Agreement, to disclose confidential information (including KNOW-HOW) to each other. Subject to the rights of LICENSEE under this Agreement, each party agrees not to use (other than for purposes contemplated by this Agreement) and will use reasonable efforts to prevent the disclosure to third parties of any of the other party's confidential information for a period of three (3) years from receipt thereof, provided that the recipient party's obligation hereunder shall not apply to information that the recipient party can show:

(a) is not disclosed in writing or reduced to writing and so marked with an appropriate confidentiality legend within thirty (30) days of disclosure;

- thereof;
- (b) is already in the recipient party's possession at the time of disclosure
  - (c) is or later becomes part of the public domain through no fault of the recipient party;
  - (d) is received from a third party having no obligations of confidentiality to the disclosing party, provided that the recipient party complies with any restrictions imposed by the third party;
  - (e) is independently developed by the recipient party;
  - (f) is required by law or regulation to be disclosed (including, without limitation, in connection with FDA filings), provided that the recipient party uses reasonable efforts to restrict disclosure and to obtain confidential treatment; or
  - (g) is made available by the disclosing party to a third party without similar restrictions.

12.2 The foregoing shall not affect or limit LICENSEE'S right to fully exercise the licenses granted under this Agreement and LICENSEE and its sublicensees shall be fully entitled to use KNOW-HOW in support thereof.

### XIII. PATENT AND INVENTIONS

LICENSEE shall reimburse BOARD for all reasonable expenses incurred by BOARD thus far (and not previously reimbursed) and, subject to the following terms, in the future in searching, preparing, filing, prosecuting and maintaining patent applications and patents relating to PATENT RIGHTS. If after consultation with BOARD, LICENSEE determines that a patent application should be filed for LICENSED SUBJECT MATTER, BOARD will prepare and file appropriate patent applications, and LICENSEE will reimburse the cost of searching, preparing, filing, prosecuting and maintaining same and any resulting patent. BOARD will confer and consult with LICENSEE in respect of searching, preparation, filing, prosecution and maintenance of patent applications and patents subject to reimbursement by LICENSEE, and will promptly provide to LICENSEE a copy of any applications on which LICENSEE has paid the costs of filing, as well as copies of any documents received or filed during the prosecution thereof. After such consultation LICENSEE may give notice to BOARD of its election to forego or cease participation in searching, preparing, filing, prosecution or maintenance of any such patent application or patent, whereupon LICENSEE shall be freed of its reimbursement obligation in respect of future activities regarding such application or patent and the application or patent involved shall thereafter form no part of PATENT RIGHTS; provided that LICENSEE may reinstate it as part of PATENT RIGHTS by paying one and one-half (1½) times the costs it failed to reimburse upon BOARD'S written consent. Reimbursements due BOARD hereunder shall be paid by LICENSEE within thirty (30) days of its receipt of a bill from BOARD.

### XIV. GENERAL

14.1 This Agreement and those certain agreements between the parties entitled "Agreement in respect of Option and Certain Patent Expenses..." and "Sponsored Research Agreement" constitute the entire and only agreements between the parties relating to LICENSED SUBJECT MATTER and all other prior negotiations, representations, understandings and agreements 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 License Agreement shall be given by prepaid, first class, certified mail, return receipt requested, effective upon receipt, addressed in the case of BOARD to:

BOARD OF REGENTS  
The University of Texas System  
210 West 7th Street  
Austin, Texas 78701  
Attention: Dudley R. Doble, Jr.

with a copy to:

Executive Vice-President and Provost  
The University of Texas at Austin  
Main Building 201  
Austin, Texas, 78712-1111  
Attention: Patricia C. Ohlendorf

or in the case of LICENSEE to:

c/o Kleiner Perkins Caufield & Byers  
2200 Geng Road, Suite 205  
Palo Alto, CA 94303  
Attention: Richard A. Miller

or such other address as may be given from time to time under the terms of this notice provision.

14.3 Each party shall comply with all applicable federal, state and local laws and regulations in connection with its activities pursuant to this Agreement.

14.4 This License 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 or LICENSEE to enforce a right under this agreement shall not act as a waiver of that right or the ability to 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 the remainder of this Agreement.

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this AGREEMENT.

BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

PHARMACYCLICS, INC.

By \_\_\_\_\_  
Executive Vice Chancellor  
for Asset management

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

APPROVED AS TO CONTENT:

By \_\_\_\_\_  
Name \_\_\_\_\_  
Executive Vice President  
and Provost  
The University of Texas at Austin

APPROVED AS TO FORM:

By \_\_\_\_\_  
Name \_\_\_\_\_  
Dudley R. Dobie, Jr.  
Office of the General Counsel

APPENDIX II

INVESTOR REPRESENTATION LETTER

June 27, 1991

Richard A. Miller, M.D.  
Pharmacyclics, Inc.  
c/o Kleiner Perkins Caufield & Byers  
Two Embarcadero Place  
2200 Geng Road  
Palo Alto, California 94303

Dear Dr. Miller:

It is our understanding that in consideration of entering into an Agreement in Respect of Option and Certain Patent Expenses dated July 1, 1991, Pharmacyclics, Inc., a Delaware corporation (the "Company"), shall issue to the Board of Regents of the University of Texas System (the "Board") 33,163 shares of its common stock (the "Securities"). The Board, as a condition to the issuance of the Securities, hereby agrees to the following:

1. Representations and Warranties. The Board hereby represents and warrants to the Company, as of the date hereof, as follows:

(a) Purchase Entirely for Own Account. The Securities to be received by the Board will be acquired for investment for the Board's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that the Board has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Investor Representation Letter, the Board further represents that it does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to any of the Securities. The Board represents that it has full power and authority to make these representations and warranties.

(b) Disclosure of Information. The Board believes it has received all the information it considers necessary or appropriate for deciding whether to invest in the Securities. The Board further represents that it has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Securities.

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Richard A. Miller, M.D.  
June 27, 1991

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(c) Investment Experience. The Board acknowledges that it is able to fend for itself, can bear the economic risk of its investment and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Securities.

(d) Restricted Securities. The Board understands that the Securities it is receiving are characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act of 1933, as amended (the "Act"), only in certain limited circumstances. In this connection, the Board represents that it is familiar with SEC Rule 144, as presently in effect, and understands the resale limitations imposed thereby and by the Act.

2. "Market Stand-Off" Agreement. The Board agrees to enter into a "Market Stand-Off" Agreement with the Company as follows:

(a) In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the 1933 Act, including the Company's initial public offering, the Board shall not sell, make any short sale of, loan, hypothecate, pledge, grant any option for the purchase of, or otherwise dispose or transfer for value or otherwise agree to engage in any of the foregoing transactions with respect to the Securities without the prior written consent of the Company or its underwriters. Such limitations shall be in effect for such period of time from and after the effective date of such registration statement as may be requested by the Company or such underwriters; provided, however, that in no event shall such period exceed one hundred-eighty (180) days. The limitations of this Section 3 shall remain in effect for the two-year period immediately following the effective date of the Company's initial public offering and shall thereafter terminate and cease to have any force or effect.

(b) The Board shall be subject to the market stand-off provisions of this Section 2 provided and only if the officers and directors of the Company are also subject to similar arrangements.

Richard A. Miller, M.D.  
June 27, 1991

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(c) In the event any stock dividend, stock split, recapitalization or other change affecting the Company's outstanding Common Stock effected without receipt of consideration, then any new, substituted or additional securities distributed with respect to the Securities shall be immediately subject to the provisions of this Section 2 to the same extent the Securities is at such time covered by such provisions.

(d) In order to enforce the limitations of this Section 2, the Company may impose stop-transfer instructions with respect to the Securities until the end of the applicable stand-off period.

Dated: \_\_\_\_\_, 1991

THE BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ACCEPTED AND AGREED TO:  
  
PHARMACYCLICS, INC.

By: \_\_\_\_\_  
Richard A. Miller, M.D.  
President

2. U. T. Austin: Recommendation for Approval of Dr. Jeffrey A. Hubbell to Purchase Equity Interest in Trancel Corporation (Formerly Cell Biotech Inc.), Los Angeles, California.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that the U. T. Board of Regents approve the purchase by Dr. Jeffrey A. Hubbell, Assistant Professor in the Department of Chemical Engineering at The University of Texas at Austin, of an equity interest in Trancel Corporation (formerly Cell Biotech Inc.), Los Angeles, California.

#### BACKGROUND INFORMATION

Trancel Corporation (Trancel), formerly Cell Biotech Inc., is a California corporation with principal offices in Los Angeles, California. The University entered into a Patent and Technology License Agreement with Trancel effective September 1, 1990, with the U. T. Board of Regents' approval through the June 1991 docket. The agreement grants Trancel an exclusive, worldwide, royalty-bearing license under technology created at U. T. Austin by Dr. Hubbell in the field of chemical modification to promote animal cell adhesion. Trancel may fund further basic research relating to the technology.

Trancel has offered Dr. Hubbell the opportunity to purchase 15,000 shares of Trancel's common stock as partial compensation for consulting services to be rendered by Dr. Hubbell. President Cunningham and the U. T. Austin Administration have determined that purchase of the stock by Dr. Hubbell will not result in a conflict with his academic and research responsibilities to U. T. Austin.

The proposed acquisition of equity interest by Dr. Hubbell in Trancel is permitted with the U. T. Board of Regents' approval through the agenda pursuant to Section 51.912, Texas Education Code, and the U. T. System Intellectual Property Policy, Part Two, Chapter V, Section 2, Subsection 2.4, Subdivision 2.462 of the Regents' Rules and Regulations.

V. OTHER MATTERS

1. U. T. System: Recommendation to Adopt the Medical/Dental Self-Insurance Fund Investment Policy Statement.--

RECOMMENDATION

The Chancellor, with the concurrence of the Executive Vice Chancellor for Asset Management and the Vice Chancellor for Business Affairs, recommends adoption of The University of Texas System Medical/Dental Self-Insurance Fund Investment Policy Statement as set out on Pages AMC 86 - 89.

BACKGROUND INFORMATION

The University of Texas System Medical/Dental Self-Insurance Fund was established by the U. T. Board of Regents at the June 1990 meeting to allow for the investment of funds contributed by employees and appropriated by the state for the purpose of contributing to the employees' insurance coverage. The proposed investment policy statement will provide investment guidelines and restrictions for the Office of Asset Management in the investment of these funds.

THE UNIVERSITY OF TEXAS SYSTEM  
MEDICAL/DENTAL SELF-INSURANCE FUND  
INVESTMENT POLICY STATEMENT

FUND CHARACTERISTICS

The Texas Insurance Code authorizes the governing boards of institutions of higher education to self-insure the benefit programs provided for employees under the Texas State College and University Employees Uniform Insurance Benefits Act, Article 3.50-3, Insurance Code, Section 4(d). The University of Texas System Medical/Dental Self-Insurance Fund was established by the U. T. Board of Regents to allow for the investment of the funds contributed by employees and appropriated by the state for the purpose of contributing to the employees' insurance coverage.

RESPONSIBILITY AND MANAGEMENT OF THE FUND

Fiduciary responsibility for the Fund rests with the Board of Regents of The University of Texas System. The Office of the Executive Vice Chancellor for Asset Management administers the investment of the Fund. Specific investment decisions are handled by the investment staff of the Office of Asset Management. The Board retains an Investment Advisory Committee to provide counsel concerning portfolio and economic issues.

## CONFLICT OF INTEREST

Members of the Board and the Investment Advisory Committee are frequently persons of wide-ranging business interests. Therefore, a prudent, independent investment decision process may result in investments in firms or organizations with which a member of the Board or the Investment Advisory Committee is affiliated. Affiliation shall be interpreted within this section to mean an employee, officer, director, or owner of five percent or more of the voting stock of a firm or organization. The investment staff may invest in such securities. However, the following restrictions shall apply:

- A member of the Board or the Investment Advisory Committee shall not direct nor participate in the decision to purchase or sell securities of a firm with which such member is affiliated.
- Investments will not be purchased from or sold to a member of the Board or the Investment Advisory Committee.

## INVESTMENT OBJECTIVES

The primary investment objective is to maintain and appreciate the total value of the Fund, over time, through capital appreciation and income generation. Management of the Fund attempts to meet this objective by maximizing the return on the Fund's investments, consistent with an appropriate level of risk and subject to maintaining adequate cash equivalent short-term investments to meet potential near-term claim payments. Additionally, the Fund shall be diversified at all times to provide reasonable assurance that investment in a single security or industry will not have an excessive impact on the Fund.

## ASSET MIX

Asset mix is the primary determinant of the Fund's performance and may be changed from time to time based on changes in the Fund and the economic and security market outlook. In recognition of the size and purpose of this Fund, equity securities will not be purchased. Therefore, the maturity schedule of the securities held will be a primary asset mix decision. A significant objective of asset mix decisions for this Fund will be to ensure that the Fund is able to meet claim payments without suffering principal exposure.

## PERFORMANCE GOALS

To accomplish the investment objectives for the Fund, specific performance goals exist for the total Fund, as well as separate categories of assets. Achievement of these goals is most appropriately determined over a full market cycle time period, generally four to five years.

Specific performance goals for the Fund are:

- Bonds - Performance equal to or greater than the Shearson Lehman Government/Corporate Bond Index or other appropriate bond index.
- Short-term investments - Performance equal to or greater than the 91-day Treasury Bill rate.
- Total Fund Return - Performance equal to or greater than that of other comparable funds.

Active trading of bonds is necessary to prevent deterioration of portfolio market value and may result in the realization of book losses from time to time.



## PERFORMANCE MEASUREMENT

The investment performance of the Fund will be measured by the Office of Asset Management using an accepted method and compared against the stated investment objectives of the Fund. Such measurement will occur at least annually and will contain data on the results of the total Fund and major classes of investment assets.

## INVESTMENT GUIDELINES

The Fund must be invested at all times in strict compliance with the Texas Trust Code (Subtitle B, Title 9, Texas Property Code) and other applicable law. The primary and constant standard for making investment decisions is the "Prudent Person Rule."

Investment restrictions include the following:

- All investments must be U. S. dollar denominated unless held by an investment manager retained to manage an international portfolio.
- No investments may be made in securities of the South African government, government agencies, or firms.
- Commercial paper must be rated in the two highest quality classes by Moody's Investors Service, Inc. (P1 or P2), or Standard & Poor's Corporation (A1 or A2).
- Negotiable certificates of deposit must be with a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps.
- Bankers' Acceptances must be guaranteed by an accepting bank with a minimum certificate of deposit rating of 1 by Duff & Phelps.
- Repurchase Agreements and Reverse Repurchase Agreements must be with a domestic dealer selected by the Federal Reserve as a primary dealer in U. S. Treasury securities; or a bank that is associated with a holding company meeting the commercial paper rating criteria specified above or that has a certificate of deposit rating of 1 or better by Duff & Phelps.
- Corporate bonds and preferred stocks must be rated a minimum of Baa3 by Moody's Investors Service, Inc., or BBB- by Standard & Poor's Corporation, respectively, when purchased unless approved by the Executive Vice Chancellor for Asset Management. Bonds rated below A3 or A- shall not constitute an excessive portion of the total bond portfolio. Unrated bonds or preferred stocks may be purchased prior to review by the Asset Management Committee if, in the opinion of the System's investment staff, they are at least equal in quality to publicly offered securities eligible for purchase. The cost of bonds or preferred stocks rated below Baa3 or BBB-, unrated bonds, and unrated preferred stocks which have been purchased but have not been reviewed by the Asset Management Committee may not exceed 1% of the book value of the Fund.
- No common stocks may be purchased.
- No securities may be purchased or held which would jeopardize the Fund's tax exempt status.
- No securities may be purchased on margin or leverage.
- No transactions in short sales will be made.
- No financial futures and options may be purchased.

- Investment policies of any unaffiliated liquid investment fund must be reviewed and approved by the Executive Vice Chancellor for Asset Management prior to investment of Fund monies in such liquid investment fund. No requirement exists that such funds conform to the above restrictions.

#### FUND ADMINISTRATION

Administration of the Fund is recognized as vital to Fund stability and fulfillment of objectives. Areas of emphasis shall include record keeping, internal controls, protection of assets, cash management, and processing efficiency.

Transaction and accounting records shall be complete and prepared on a timely basis with consideration at all times to the adequacy of an audit trail.

Internal controls will assure responsible separation of duties and diminish the real and prospective burden on individual employees.

Custody of the Fund's assets shall be in compliance with applicable law and arranged to provide as much security, trading speed, and flexibility as possible. Adequate insurance levels will be maintained by any custodian or transportation agent employed by the Fund.

The daily cash position will be monitored to insure that non-interest bearing cash is minimized. The collection time of all dividend and interest payments will be accelerated to the extent possible.

Operational efficiency is imperative, and computer capabilities shall be extensively used to reduce manual processing and duplication of activities.

System investment and administrative staff will conduct business for the Fund with organizations which, after review, are believed to exercise professional integrity and have financial substance judged adequate in light of the size and nature of the business involved. Normal business entertainment of the staff is recognized as a customary medium for conducting this type of business. Acceptance of material gifts from unaffiliated vendors is prohibited.

Additionally, transactions to purchase or sell securities shall be entered into on the basis of "best execution," which normally means best realized net price for the security. Commissions may be paid for investment services rendered to the Fund including securities research.

#### INVESTOR RESPONSIBILITY

The primary basis for all investment decisions is the "Prudent Person Rule" (see Investment Guidelines). The Fund shall not be invested to achieve temporal benefits for any purpose including use of its economic power to advance social or political purposes.

2. U. T. System: Recommendation for Approval of Successor Paying Agency/Registrar Agreements and Authorization for Executive Vice Chancellor for Asset Management to Execute Agreements.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Asset Management that the Successor Paying Agency/Registrar Agreements with Texas Commerce Bank National Association, Houston, Texas, set out on Pages AMC 91 - 154, be approved and that the Executive Vice Chancellor for Asset Management be authorized to execute the Successor Paying Agency/Registrar Agreements for the following bond issues: Board of Regents of The University of Texas System, The University of Texas at Austin Housing Revenue Bonds, Series 1967; Board of Regents of The University of Texas System, The University of Texas at El Paso Student Union Revenue Bonds, Series A and B of 1967; and Board of Regents of The University of Texas System, The University of Texas at El Paso Revenue Bonds, Series 1969.

#### BACKGROUND INFORMATION

No written agreements existed between the U. T. Board of Regents and the original paying agent/registrar, Texas Commerce Bank National Association, El Paso, Texas, for the three above-referenced bond issues. Texas Commerce Bank National Association, Houston, Texas, is now the successor paying agent/registrar and requires documentation of these agreements. All fees for the above-referenced bond issues were negotiated and paid in August of 1986.

SUCCESSOR PAYING AGENCY REGISTRAR AGREEMENT

THIS SUCCESSOR PAYING AGENCY REGISTRAR AGREEMENT entered into as of April 1, 1990 (hereinafter designated as the "Agreement"), by and between The Board of Regents of The University of Texas System (hereinafter referred to as the "Issuer"), and Texas Commerce Bank National Association, a national bank organized and existing under the laws of the United States of America, with its principal offices in Houston, Texas (hereinafter together with any successor designated as the "Bank");

W I T N E S S E T H:

WHEREAS, the Issuer previously has issued the \$3,158,000 Board of Regents of The University of Texas System, The University of Texas at El Paso Student Union Revenue Bond, Series A and B of 1967 (the "Bonds") in accordance with the Bond Resolution, dated December 7, 1967, attached hereto as Exhibit "A" and incorporated herein for all purposes (the "Bond Resolution");

WHEREAS, the Issuer now desires to appoint a successor paying agent for the Bonds, and the Bank desires to serve as the successor paying agent for the Bonds; and

WHEREAS, upon further discussion and negotiation the Bank has agreed, subject to the terms and conditions below, to perform the paying agent functions for the Bonds.

(1)

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants herein contained, and subject to the conditions herein set forth, the Issuer and the Bank agree as follows:

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS  
OF GENERAL APPLICATION

SECTION 1.01. Definitions

The terms defined in this Article shall have the meanings set out below unless the context requires a different meaning:

a. "Agreement" means this instrument as originally executed or as it may from time to time be supplemented, modified, or amended.

b. "Bank" means the entity named as the "Bank" in the first paragraph of this instrument or a successor Bank selected in accordance with the applicable provisions of this Agreement.

c. "Board" means The Board of Regents of The University of Texas System.

d. "Bond Order" means the Resolution authorizing issuance of the \$3,158,000 Board of Regents of The University of Texas System, The University of Texas at El Paso Student Union Revenue Bond, Series A and B of 1967 adopted by the Board substantially in the form attached hereto as Exhibit "A" and incorporated herein for all purposes.

e. "Bonds" means the \$3,158,000 Board of Regents of The University of Texas System, The University of Texas at El Paso Student Union Revenue Bond, Series A and B of 1967.

(2)

f. "Bearer" when used with respect to any Bond, means the Person in possession of any bond or coupon of the Bonds.

g. "Interest Payment Date" means that Stated Maturity of an installment of interest on any Bonds.

h. "Issuer" means Board of Regents of The University of Texas System.

i. "Maturity" when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein provided, whether at the Stated Maturity or call for redemption or otherwise.

j. "Person" means any entity, individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any governmental agency or political subdivision.

k. "Redemption Date" when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms thereof.

l. "Redemption Price" when used with respect to any Bond to be redeemed means the price at which it is to be redeemed pursuant to terms thereof, excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

m. "Stated Maturity" when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

(3)

SECTION 1.02. Written Communication

Any request, demand, authorization, direction, notice, consent, waiver, or other written communication provided or permitted by this Agreement to be made upon, given or furnished to, or filed with (a) the Issuer, shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Issuer addressed: Board of Regents of the University of Texas System, Office of Finance, 210 W. 6th St., Austin, Texas, 78701, or at any other address previously furnished to the Bank in writing by the Issuer, and (b) the Bank, shall be sufficient for every purpose hereunder if in writing and mailed first-class postage prepaid (and properly referred to this Agreement or the Bonds) to the Bank addressed to it at P. O. Box 4631, Houston, Texas 77210, Attention: Corporate Trust Department, or at any other address previously furnished to the Issuer in writing by the Bank.

SECTION 1.03. Notices to Bearer

Where this Agreement provides for notice to Bearers of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if published in a financial journal in the City of New York or publication of general circulation in the United States of America or in Austin, Texas.

SECTION 1.04. Captions

The Article and Section captions herein are for convenience only and shall not affect the construction hereof.

SECTION 1.05. Successors and Assigns

All covenants and agreements in this Agreement by the Issuer and the Bank shall bind its successors and assigns.

SECTION 1.06. Severability Clause

In case any provision of this Agreement or in the Bonds or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby.

SECTION 1.07. Benefits of Agreement

Nothing in this Agreement or in the Bonds, express or implied, shall give to any Person other than the Bearers and the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim under this Agreement.

SECTION 1.08. Governing Law

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

ARTICLE TWO

PAYMENT OF BONDS

SECTION 2.01. Payment of Interest

Interest on any Bond, which is payable on any Interest Payment Date, shall be paid to the Bearer upon presentation and surrender to the Bank of the coupon due on or before the date of presentation and surrender, solely from funds collected from the Issuer for such purpose. Coupons presented and surrendered before payable date will be paid on payable date.

(5)



SECTION 2.02. Payment of Principal and Redemption Price

Principal (or the Redemption Price, if applicable) of each Bond shall be paid by the Bank to the Bearer at the Maturity thereof, but solely from funds collected from the Issuer for such purpose, upon surrender of such Bond to the Bank.

SECTION 2.03. Issuer to Deposit Funds

The Issuer will duly and punctually pay the principal (or the Redemption Price, if applicable) of and interest on the Bonds in accordance with their terms and shall deposit with the Bank on or before each Stated Maturity of interest on Bonds and each Maturity of Bonds money sufficient to pay the principal (or the Redemption Price, if applicable) of and interest on the Bonds when due.

SECTION 2.04. Persons Deemed Owners

The Issuer, the Bank, and any agent of the Issuer or the Bank may treat the Person who has possession of any Bond as the owner of such Bond for the purpose of receiving payment of the principal (or the Redemption Price, if applicable) of and interest on such Bond and for all other purposes whatsoever whether or not such Bond be overdue, and, to the extent permitted by law, neither the Issuer, the Bank, nor any such agent shall be affected by notice to the contrary.

ARTICLE THREE

REDEMPTION OF BONDS

SECTION 3.01. General Applicability of Article

Bonds which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise provided by the Bond Resolution) in accordance with this Article.

(6)

SECTION 3.02 Election to Redeem; Notice to Bank

The exercise by the Issuer of its option to redeem any Bonds prior to maturity shall be evidenced by an order of the Board consistent with the provisions of the Bond Resolution. In case of any redemption, at the election of the Issuer, of less than all of the outstanding Bonds, the Issuer, at least 30 days prior to the Redemption Date (unless a shorter notice shall be satisfactory to the Bank), shall notify the Bank of such Redemption Date and of the principal amount of Bonds of each Stated Maturity to be redeemed.

SECTION 3.03. Notice of Redemption

Notice of redemption shall be prepared by the Issuer and given by the Bank in the name and at the expense of the Issuer not less than 30 nor more than 60 days prior to the Redemption Date as required by the Bond Resolution and in accordance with Section 1.03 herein.

All notices of redemption shall include a statement as to:

- A. the Redemption Date,
- B. the Redemption Price,
- C. the principal amount of Bonds to be redeemed, and, if less than all outstanding Bonds are to be redeemed, the identification (and, in case of partial redemption, the principal amounts) of the Bonds to be redeemed,

(7)

- D. the fact that on the Redemption Date the Redemption Price of each of the Bonds to be redeemed will become due and payable and that the interest thereon shall cease to accrue from and after said date, and
- E. the fact that the Bonds to be redeemed are to be surrendered for payment of the Redemption Price at the principal corporate trust office of the Bank, and the address of such office.

#### ARTICLE FOUR

#### MISCELLANEOUS

##### SECTION 4.01. Surety Bond

The Issuer hereby accepts the Bank's current blanket bond for lost, stolen, or destroyed certificates and any future substitute blanket bond for lost, stolen, or destroyed certificates that the Bank may arrange, and agrees that the coverage under any such blanket bond is acceptable to it and meets the Issuer's requirements as to security or indemnity. The bank need not notify the Issuer of any changes in the security or other company giving such bond or the terms of any such bond. The blanket bond then utilized for the purpose of lost, stolen or destroyed certificates by the Bank is available for inspection by the Issuer on request

##### SECTION 4.02. Transaction Information to Issuer

The Bank will furnish the Issuer periodic information as to the principal of and interest on the Bonds it has paid, as well as cash balances remaining in the account to be paid upon request.

ARTICLE FIVE

RIGHTS AND OBLIGATIONS OF BANK

SECTION 5.01. Certain Duties and Responsibilities

A. The Bank (a) shall exercise reasonable care in the performance of its duties as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Bank, and (b) in the absence of bad faith on its part, may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Bank and conforming to the requirements of this Agreement, but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Bank, shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement.

B. No provision of this Agreement shall be construed to relieve the Bank from liability for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct except that (a) this Subsection shall not be construed to limit the effect of Subsection A of this Section; and (b) the Bank shall not be liable for any error of judgement made in good faith by any officer thereof, unless it shall be proved that the Bank was grossly negligent in ascertaining the pertinent facts.

C. The Issuer hereby releases and holds Texas Commerce Bank Houston harmless, to the extent permitted by law, from any and all claims, liabilities, causes of action, damages, including attorneys fees and expenses, and including any consequential, incidental or punitive damages that might arise in connection with any acts or omissions of Texas Commerce Bank - El Paso which may have occurred prior to the date of this Agreement in connection with any and all earlier payments of the Issuer's Bonds. Therefore, Texas Commerce Bank - El Paso will be held liable exclusively regarding all such acts or omissions.

D. Whether or not therein expressly so provided, every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to the Bank shall be subject to the provisions of this Section.

SECTION 5.02. Certain Rights of Bank

Except as otherwise provided in Section 5.01 hereof:

A. the Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order bond, coupon, or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties;

B. the Bank may consult with legal counsel and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted by the Bank hereunder in good faith and in reliance thereon;

C. the Bank shall not be bound to make any investigation into the facts of matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, coupon, or other paper or document, but the Bank, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Bank shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records, and premises of the Issuer, personally or by agent or attorney; and

D. the Bank may execute any of the trusts or powers hereunder or perform any of the duties hereunder either directly or by or through agents or attorneys, and the Bank shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed hereunder with due care by it.

SECTION 5.03. May Hold Bonds

The Bank, in its individual or any other capacity, may become the owner or pledgee of Bonds and otherwise deal with the Issuer with the same rights it would have if it were not serving as paying agent, or in other capacity hereunder.

SECTION 5.04. Money Deposited with Bank

Money deposited by the Issuer with the Bank for payment of the principal (or Redemption Price, if applicable) of or interest on any Bonds shall be segregated from other funds of the Bank and the Issuer and shall be held in trust for the benefit of the Bearers of such Bonds.

All money deposited with the Bank hereunder shall be secured in the manner and to the fullest extent required by law for the security of funds of the Issuer.

Any money deposited with the Bank for the payment of the principal, premium (if any) or interest on any Bond and remaining unclaimed for three years from the date such amounts have become due and payable shall be reported and disposed of by the Registrar in accordance with the provisions of Texas law including to the extent applicable, Title 6 of the Texas Property Code, as amended.

The Bank shall be under no liability for interest on any money received by it hereunder.

This Agreement relates solely to money deposited for the purposes described herein, and the parties agree that the Bank may serve as depository for other funds of the Issuer, act as Trustee under indentures authorizing other bond transactions, or act in any other capacity not in conflict with its duties hereunder.

SECTION 5.05. Indemnity Clause

The Issuer agrees, to hold Texas Commerce Bank Houston harmless against, any loss, liability, or expense incurred without gross negligence or bad faith on its part, arising out of or in connection with the acts or omissions in the performance of paying agent services on the part of Texas Commerce Bank-El Paso as stated in Section 5.01 C. Texas Commerce Bank-El Paso will be held liable exclusively for any such acts or omissions.

SECTION 5.06. Resignation and Removal

The Bank may resign from its duties hereunder at any time by giving not less than 30 days written notice thereof to the Issuer and not within 45 days of an interest payment date.

The Bank may be removed from its duties hereunder at any time with or without cause of this order designating a successor upon not less than 30 days notice; provided, however, that no such removal shall become effective until such successor shall have accepted the duties of the Bank hereunder by written instrument.



Upon the effective date of such resignation or removal (or earlier date designated by the Issuer in case of resignation) the Bank shall, upon payment of all its fees, charges, and expenses then due, transfer and deliver to or upon the order of the Issuer all funds, records, and Bonds held by it (except any Bonds owned by the Bank as Bearer), under this Agreement.

If the Bank shall resign or be removed, the Issuer shall by order of the Board promptly appoint and engage a successor to act in the place of the Bank hereunder, which appointment shall be effective as of the effective date of the resignation or removal of the Bank. Such successor shall immediately give notice of its substitution hereunder in the name and at the expense of the Issuer to the Bearers, including the name of the successor to the Bank and the address of its principal office.

SECTION 5.07. Merger, Conversion, Consolidation, or Succession

Any corporation into which the Bank may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank hereunder without the execution or filing of any paper or any further act on the part of either of the parties hereto.

SECTION 5.08. Bank Not a Trustee

This Agreement shall not be construed to require the Bank to enforce any remedy which any Bearer may have against the Issuer during any default or event of default under any agreement between any Bearer and the Issuer, including the Bond Resolution, or to act as trustee for such Bearer.

SECTION 5.09. Bank Not Responsible for Bonds

The Bank shall not be accountable for the use of any Bonds or for the use on application of the proceeds thereof.

SECTION 5.10. Interpleader

The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its persons as well as funds on deposit, in either the District Court of Harris County, Texas, or the United States Federal District Court for the Southern District of Texas, waive personal service of any process, and agree that service of process by certified or registered mail, return receipt requested, to the address set forth in this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction to determine the rights of any Person claiming interest herein.

SECTION 5.11. Bank's Funds Not Used

No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

The Bank shall in no event be liable to the Issuer, any Bearer, or any other Person for any amount due on any Bond from its own funds.

SECTION 5.12. Counterparts

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, and their respective seals to be hereunto fixed and attested, all as of the day and year first above written.

By X \_\_\_\_\_

ATTEST:

Address: \_\_\_\_\_

\_\_\_\_\_  
(SEAL)

TEXAS COMMERCE BANK NATIONAL  
ASSOCIATION

By \_\_\_\_\_

ATTEST:

Address: P. O. Box 4631  
Houston, Texas 77210  
Attn: Corporate Trust  
Department

\_\_\_\_\_  
Title \_\_\_\_\_

(SEAL)

THE STATE OF TEXAS

COUNTY OF HARRIS

X This instrument was acknowledged before me on \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_ as \_\_\_\_\_ of \_\_\_\_\_.

(NOTARY SEAL)

\_\_\_\_\_  
Notary Public in and for the State  
of Texas

My Commission Expires: \_\_\_\_\_

THE STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_ as \_\_\_\_\_ of Texas Commerce Bank National Association, on behalf of said Texas Commerce Bank National Association.

(NOTARY SEAL)

\_\_\_\_\_  
Notary Public in and for the State  
of Texas

My Commission Expires: \_\_\_\_\_

CERTIFICATE FOR RESOLUTION AUTHORIZING THE  
ISSUANCE OF BONDS

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THE STATE OF TEXAS :  
THE UNIVERSITY OF TEXAS SYSTEM :

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

1. The Board of Regents of The University of Texas System convened in REGULAR MEETING ON THE 7TH DAY OF DECEMBER, 1967, in Houston, Texas, and the roll was called of the duly constituted officers and members of said Board, to-wit:

Mr. Frank C. Erwin, Jr., Chairman	Mrs. J. Lee Johnson, III
Mr. Jack S. Josey, Vice Chairman	Mr. Joe M. Kilgore
Mr. W. H. Bauer	Rabbi Levi Olan
Mr. John Peace	Dr. E. T. Ximenes
Mr. Frank Ikard	Betty Anne Thedford, Secretary

and all of said persons were present, except the following absentees: Mrs. Johnson and Mr. Peace, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

RESOLUTION AUTHORIZING THE ISSUANCE OF THE UNIVERSITY  
OF TEXAS AT EL PASO STUDENT UNION REVENUE BONDS,  
SERIES A AND B OF 1967, AGGREGATING \$3,158,000

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

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

NOES: None.

2. That a true, full and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Board's minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said Board's minutes of said Meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of said Board as indicated therein; that each of the officers and members of said Board was duly and sufficiently notified officially or personally, in advance, of the time, place, and purpose of aforesaid Meeting; and that said Resolution would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose; and that said Meeting was open to the public as required by law.

SIGNED AND SEALED the 7th day of December, 1967.

15/ Betty Anne Thedford  
Secretary  
(SEAL)

15/ Frank C. Erwin, Jr.  
Chairman

Section 7. That the Series B Bonds scheduled to mature during the years, respectively, set forth below shall bear interest from their date, until maturity or redemption, at the following rates per annum:

maturities 1969 through 81, 6.00 %  
maturities 1982 through \_\_\_\_\_, 5.80 %  
maturities 1983 through 1987, 5.00 %  
maturities 1988 through 1992, 5.10 %  
maturities 1993 through 2001, 5.20 %

Said interest shall be evidenced by interest coupons which shall appertain to said Series B Bonds, and which shall be payable on April 1, 1968, and semi-annually thereafter on each October 1 and April 1.

Section 8. (a) That the Series B Bonds, all being coupon bonds, and also any coupon bonds which may in the future be printed, executed, and exchanged as herein provided for the single Series A Bond, and all interest coupons appertaining thereto, shall be payable, shall have the characteristics, and shall be signed and executed (and said coupon bonds shall be sealed), all as provided, and in the manner indicated, in the FORM OF COUPON BOND set forth in this Resolution.

(b) That the form of said coupon bonds, including the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be printed and endorsed on each of said bonds, and the form of the aforesaid interest coupons which shall appear in and be attached initially to each of said coupon bonds, shall be respectively, substantially as follows:

FORM OF COUPON BOND:

NO. \_\_\_\_\_

\$\_\_\_\_,0

UNITED STATES OF AMERICA  
STATE OF TEXAS  
THE UNIVERSITY OF TEXAS AT EL PASO  
STUDENT UNION BUILDING REVENUE BOND, SERIES \_\_ OF 1967

ON OCTOBER 1, \_\_\_\_\_, the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, for and on behalf of THE UNIVERSITY OF TEXAS AT EL PASO promises to pay to bearer the principal amount of

\_\_\_\_\_ THOUSAND DOLLARS

and to pay interest thereon, from the date hereof, at the rate of \_\_\_\_\_% per annum, evidenced by interest coupons payable \_\_\_\_\_ 1, 19\_\_\_\_, and semi-annually thereafter on each APRIL 1 and OCTOBER 1 while this bond is outstanding. The principal of this bond and the interest coupons appertaining hereto shall be payable to bearer, in lawful money of the United States of America, without exchange or collection charges to the bearer, upon presentation and surrender of this bond or proper interest coupon at the EL PASO NATIONAL BANK, EL PASO, TEXAS, or, at the option of the bearer, at the CHASE MANHATTAN BANK (NATIONAL ASSOCIATION), NEW YORK, NEW YORK, which places shall be the paying agents for this Series of Bonds.

THIS BOND is one of a Series of negotiable, serial, coupon bonds dated OCTOBER 1, 1967, issued in the principal amount of \$\_\_\_\_\_ in accordance with Article 2909c, Vernon's Annotated Texas Statutes, and authorized pursuant to a Resolution duly adopted by said Board.

SUCCESSOR PAYING AGENCY REGISTRAR AGREEMENT

THIS SUCCESSOR PAYING AGENCY REGISTRAR AGREEMENT entered into as of April 1, 1990 (hereinafter designated as the "Agreement"), by and between The Board of Regents of The University of Texas System (hereinafter referred to as the "Issuer"), and Texas Commerce Bank National Association, a national bank organized and existing under the laws of the United States of America, with its principal offices in Houston, Texas (hereinafter together with any successor designated as the "Bank");

W I T N E S S E T H:

WHEREAS, the Issuer previously has issued the \$8,500,000 Board of Regents of The University of Texas System, The University of Texas at El Paso Revenue Bonds, Series 1969 (the "Bonds") in accordance with the Bond Resolution, dated May 2, 1969, attached hereto as Exhibit "A" and incorporated herein for all purposes (the "Bond Resolution");

WHEREAS, the Issuer now desires to appoint a successor paying agent for the Bonds, and the Bank desires to serve as the successor paying agent for the Bonds; and

WHEREAS, upon further discussion and negotiation the Bank has agreed, subject to the terms and conditions below, to perform the paying agent functions for the Bonds.

(1)



NOW, THEREFORE, for and in consideration of the premises and the mutual covenants herein contained, and subject to the conditions herein set forth, the Issuer and the Bank agree as follows:

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS  
OF GENERAL APPLICATION

SECTION 1.01. Definitions

The terms defined in this Article shall have the meanings set out below unless the context requires a different meaning:

a. "Agreement" means this instrument as originally executed or as it may from time to time be supplemented, modified, or amended.

b. "Bank" means the entity named as the "Bank" in the first paragraph of this instrument or a successor Bank selected in accordance with the applicable provisions of this Agreement.

c. "Board" means The Board of Regents of The University of Texas System.

d. "Bond Order" means the Resolution authorizing issuance of the \$8,500,000 Board of Regents of The University of Texas System, The University of Texas at El Paso Revenue Bonds, Series 1969 adopted by the Board substantially in the form attached hereto as Exhibit "A" and incorporated herein for all purposes.

e. "Bonds" means the \$8,500,000 Board of Regents of The University of Texas System, The University of Texas at El Paso Revenue Bonds, Series 1969.

(2)

f. "Bearer" when used with respect to any Bond, means the Person in possession of any bond or coupon of the Bonds.

g. "Interest Payment Date" means that Stated Maturity of an installment of interest on any Bonds.

h. "Issuer" means Board of Regents of The University of Texas System.

i. "Maturity" when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein provided, whether at the Stated Maturity or call for redemption or otherwise.

j. "Person" means any entity, individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any governmental agency or political subdivision.

k. "Redemption Date" when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms thereof.

l. "Redemption Price" when used with respect to any Bond to be redeemed means the price at which it is to be redeemed pursuant to terms thereof, excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

m. "Stated Maturity" when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

SECTION 1.02. Written Communication

Any request, demand, authorization, direction, notice, consent, waiver, or other written communication provided or permitted by this Agreement to be made upon, given or furnished to, or filed with (a) the Issuer, shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Issuer addressed: Board of Regents of the University of Texas System, Office of Finance, 210 W. 6th St., Austin, Texas, 78701, or at any other address previously furnished to the Bank in writing by the Issuer, and (b) the Bank, shall be sufficient for every purpose hereunder if in writing and mailed first-class postage prepaid (and properly referred to this Agreement or the Bonds) to the Bank addressed to it at P. O. Box 4631, Houston, Texas 77210, Attention: Corporate Trust Department, or at any other address previously furnished to the Issuer in writing by the Bank.

SECTION 1.03. Notices to Bearer

Where this Agreement provides for notice to Bearers of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if published in a financial journal in the City of New York or publication of general circulation in the United States of America or in Austin, Texas.

SECTION 1.04. Captions

The Article and Section captions herein are for convenience only and shall not affect the construction hereof.

SECTION 1.05. Successors and Assigns

All covenants and agreements in this Agreement by the Issuer and the Bank shall bind its successors and assigns.

SECTION 1.06. Severability Clause

In case any provision of this Agreement or in the Bonds or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby.

SECTION 1.07. Benefits of Agreement

Nothing in this Agreement or in the Bonds, express or implied, shall give to any Person other than the Bearers and the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim under this Agreement.

SECTION 1.08. Governing Law

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

ARTICLE TWO

PAYMENT OF BONDS

SECTION 2.01. Payment of Interest

Interest on any Bond, which is payable on any Interest Payment Date, shall be paid to the Bearer upon presentation and surrender to the Bank of the coupon due on or before the date of presentation and surrender, solely from funds collected from the Issuer for such purpose. Coupons presented and surrendered before payable date will be paid on payable date.

SECTION 2.02. Payment of Principal and Redemption Price

Principal (or the Redemption Price, if applicable) of each Bond shall be paid by the Bank to the Bearer at the Maturity thereof, but solely from funds collected from the Issuer for such purpose, upon surrender of such Bond to the Bank.

SECTION 2.03. Issuer to Deposit Funds

The Issuer will duly and punctually pay the principal (or the Redemption Price, if applicable) of and interest on the Bonds in accordance with their terms and shall deposit with the Bank on or before each Stated Maturity of interest on Bonds and each Maturity of Bonds money sufficient to pay the principal (or the Redemption Price, if applicable) of and interest on the Bonds when due.

SECTION 2.04. Persons Deemed Owners

The Issuer, the Bank, and any agent of the Issuer or the Bank may treat the Person who has possession of any Bond as the owner of such Bond for the purpose of receiving payment of the principal (or the Redemption Price, if applicable) of and interest on such Bond and for all other purposes whatsoever whether or not such Bond be overdue, and, to the extent permitted by law, neither the Issuer, the Bank, nor any such agent shall be affected by notice to the contrary.

ARTICLE THREE

REDEMPTION OF BONDS

SECTION 3.01. General Applicability of Article

Bonds which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise provided by the Bond Resolution) in accordance with this Article.

(6)

SECTION 3.02 Election to Redeem; Notice to Bank

The exercise by the Issuer of its option to redeem any Bonds prior to maturity shall be evidenced by an order of the Board consistent with the provisions of the Bond Resolution. In case of any redemption, at the election of the Issuer, of less than all of the outstanding Bonds, the Issuer, at least 30 days prior to the Redemption Date (unless a shorter notice shall be satisfactory to the Bank), shall notify the Bank of such Redemption Date and of the principal amount of Bonds of each Stated Maturity to be redeemed.

SECTION 3.03. Notice of Redemption

Notice of redemption shall be prepared by the Issuer and given by the Bank in the name and at the expense of the Issuer not less than 30 nor more than 60 days prior to the Redemption Date as required by the Bond Resolution and in accordance with Section 1.03 herein.

All notices of redemption shall include a statement as to:

- A. the Redemption Date,
- B. the Redemption Price,
- C. the principal amount of Bonds to be redeemed, and, if less than all outstanding Bonds are to be redeemed, the identification (and, in case of partial redemption, the principal amounts) of the Bonds to be redeemed,

(7)

- D. the fact that on the Redemption Date the Redemption Price of each of the Bonds to be redeemed will become due and payable and that the interest thereon shall cease to accrue from and after said date, and
- E. the fact that the Bonds to be redeemed are to be surrendered for payment of the Redemption Price at the principal corporate trust office of the Bank, and the address of such office.

#### ARTICLE FOUR

#### MISCELLANEOUS

##### SECTION 4.01. Surety Bond

The Issuer hereby accepts the Bank's current blanket bond for lost, stolen, or destroyed certificates and any future substitute blanket bond for lost, stolen, or destroyed certificates that the Bank may arrange, and agrees that the coverage under any such blanket bond is acceptable to it and meets the Issuer's requirements as to security or indemnity. The bank need not notify the Issuer of any changes in the security or other company giving such bond or the terms of any such bond. The blanket bond then utilized for the purpose of lost, stolen or destroyed certificates by the Bank is available for inspection by the Issuer on request

##### SECTION 4.02. Transaction Information to Issuer

The Bank will furnish the Issuer periodic information as to the principal of and interest on the Bonds it has paid, as well as cash balances remaining in the account to be paid upon request.

ARTICLE FIVE

RIGHTS AND OBLIGATIONS OF BANK

SECTION 5.01. Certain Duties and Responsibilities

A. The Bank (a) shall exercise reasonable care in the performance of its duties as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Bank, and (b) in the absence of bad faith on its part, may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Bank and conforming to the requirements of this Agreement, but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Bank, shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement.

B. No provision of this Agreement shall be construed to relieve the Bank from liability for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct except that (a) this Subsection shall not be construed to limit the effect of Subsection A of this Section; and (b) the Bank shall not be liable for any error of judgement made in good faith by any officer thereof, unless it shall be proved that the Bank was grossly negligent in ascertaining the pertinent facts.



C. The Issuer hereby releases and holds Texas Commerce Bank Houston harmless, to the extent permitted by law, from any and all claims, liabilities, causes of action, damages, including attorneys fees and expenses, and including any consequential, incidental or punitive damages that might arise in connection with any acts or omissions of Texas Commerce Bank - El Paso which may have occurred prior to the date of this Agreement in connection with any and all earlier payments of the Issuer's Bonds. Therefore, Texas Commerce Bank - El Paso will be held liable exclusively regarding all such acts or omissions.

D. Whether or not therein expressly so provided, every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to the Bank shall be subject to the provisions of this Section.

SECTION 5.02. Certain Rights of Bank

Except as otherwise provided in Section 5.01 hereof:

A. the Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order bond, coupon, or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties;

B. the Bank may consult with legal counsel and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted by the Bank hereunder in good faith and in reliance thereon;

C. the Bank shall not be bound to make any investigation into the facts of matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, coupon, or other paper or document, but the Bank, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Bank shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records, and premises of the Issuer, personally or by agent or attorney; and

D. the Bank may execute any of the trusts or powers hereunder or perform any of the duties hereunder either directly or by or through agents or attorneys, and the Bank shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed hereunder with due care by it.

SECTION 5.03. May Hold Bonds

The Bank, in its individual or any other capacity, may become the owner or pledgee of Bonds and otherwise deal with the Issuer with the same rights it would have if it were not serving as paying agent, or in other capacity hereunder.

SECTION 5.04. Money Deposited with Bank

Money deposited by the Issuer with the Bank for payment of the principal (or Redemption Price, if applicable) of or interest on any Bonds shall be segregated from other funds of the Bank and the Issuer and shall be held in trust for the benefit of the Bearers of such Bonds.

All money deposited with the Bank hereunder shall be secured in the manner and to the fullest extent required by law for the security of funds of the Issuer.

Any money deposited with the Bank for the payment of the principal, premium (if any) or interest on any Bond and remaining unclaimed for three years from the date such amounts have become due and payable shall be reported and disposed of by the Registrar in accordance with the provisions of Texas law including to the extent applicable, Title 6 of the Texas Property Code, as amended.

The Bank shall be under no liability for interest on any money received by it hereunder.

This Agreement relates solely to money deposited for the purposes described herein, and the parties agree that the Bank may serve as depository for other funds of the Issuer, act as Trustee under indentures authorizing other bond transactions, or act in any other capacity not in conflict with its duties hereunder.

SECTION 5.05. Indemnity Clause

The Issuer agrees, to hold Texas Commerce Bank Houston harmless against, any loss, liability, or expense incurred without gross negligence or bad faith on its part, arising out of or in connection with the acts or omissions in the performance of paying agent services on the part of Texas Commerce Bank-El Paso as stated in Section 5.01 C. Texas Commerce Bank-El Paso will be held liable exclusively for any such acts or omissions.

SECTION 5.06. Resignation and Removal

The Bank may resign from its duties hereunder at any time by giving not less than 30 days written notice thereof to the Issuer and not within 45 days of an interest payment date.

The Bank may be removed from its duties hereunder at any time with or without cause of this order designating a successor upon not less than 30 days notice; provided, however, that no such removal shall become effective until such successor shall have accepted the duties of the Bank hereunder by written instrument.

Upon the effective date of such resignation or removal (or earlier date designated by the Issuer in case of resignation) the Bank shall, upon payment of all its fees, charges, and expenses then due, transfer and deliver to or upon the order of the Issuer all funds, records, and Bonds held by it (except any Bonds owned by the Bank as Bearer), under this Agreement.

If the Bank shall resign or be removed, the Issuer shall by order of the Board promptly appoint and engage a successor to act in the place of the Bank hereunder, which appointment shall be effective as of the effective date of the resignation or removal of the Bank. Such successor shall immediately give notice of its substitution hereunder in the name and at the expense of the Issuer to the Bearers, including the name of the successor to the Bank and the address of its principal office.

SECTION 5.07. Merger, Conversion, Consolidation, or Succession

Any corporation into which the Bank may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank hereunder without the execution or filing of any paper or any further act on the part of either of the parties hereto.

SECTION 5.08. Bank Not a Trustee

This Agreement shall not be construed to require the Bank to enforce any remedy which any Bearer may have against the Issuer during any default or event of default under any agreement between any Bearer and the Issuer, including the Bond Resolution, or to act as trustee for such Bearer.

SECTION 5.09. Bank Not Responsible for Bonds

The Bank shall not be accountable for the use of any Bonds or for the use on application of the proceeds thereof.

SECTION 5.10. Interpleader

The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its persons as well as funds on deposit, in either the District Court of Harris County, Texas, or the United States Federal District Court for the Southern District of Texas, waive personal service of any process, and agree that service of process by certified or registered mail, return receipt requested, to the address set forth in this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction to determine the rights of any Person claiming interest herein.

SECTION 5.11. Bank's Funds Not Used

No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

The Bank shall in no event be liable to the Issuer, any Bearer, or any other Person for any amount due on any Bond from its own funds.

SECTION 5.12. Counterparts

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, and their respective seals to be hereunto fixed and attested, all as of the day and year first above written.

By X \_\_\_\_\_

ATTEST:

Address: \_\_\_\_\_

\_\_\_\_\_  
(SEAL)

TEXAS COMMERCE BANK NATIONAL ASSOCIATION

By \_\_\_\_\_

ATTEST:

Address: P. O. Box 4631  
Houston, Texas 77210  
Attn: Corporate Trust  
Department

\_\_\_\_\_

Title \_\_\_\_\_

(SEAL)



THE STATE OF TEXAS

COUNTY OF HARRIS

X This instrument was acknowledged before me on \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_ as \_\_\_\_\_ of \_\_\_\_\_.

(NOTARY SEAL)

\_\_\_\_\_  
Notary Public in and for the State  
of Texas

My Commission Expires: \_\_\_\_\_

THE STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_ as \_\_\_\_\_ of Texas Commerce Bank National Association, on behalf of said Texas Commerce Bank National Association.

(NOTARY SEAL)

\_\_\_\_\_  
Notary Public in and for the State  
of Texas

My Commission Expires: \_\_\_\_\_

CERTIFICATE FOR RESOLUTION AUTHORIZING  
THE ISSUANCE OF BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM, THE UNIVER-  
SITY OF TEXAS AT EL PASO, BUILDING REVE-  
NUE BONDS, SERIES 1969, \$8,500,000

THE STATE OF TEXAS :  
COUNTY OF TRAVIS :  
THE UNIVERSITY OF TEXAS SYSTEM:

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

1. The Board of Regents of The University of Texas System convened in REGULAR MEETING ON THE 2nd DAY OF MAY, 1969, in Arlington, Texas, and the roll was called of the duly constituted officers and members of said Board, to-wit:

Mr. Frank C. Erwin, Jr., Mr. Joe M. Kilgore  
Chairman

Mr. Jack S. Josey, Mr. John Peace  
Vice Chairman

Mr. W. H. Bauer Mr. Dan C. Williams

Mr. Jenkins Garrett Dr. E. T. Ximenes

Mr. Frank Ikard Betty Anne Thedford,  
Secretary

and all of said persons were present, except the following absentees:

thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting:  
a written

and to pay interest thereon, from the date hereof, at the rate of \_\_\_\_\_% per annum, evidenced by interest coupons payable NOVEMBER 1, 1969, and semi-annually thereafter on each MAY 1 and NOVEMBER 1 while this bond is outstanding. The principal of this bond and the interest coupons appertaining hereto shall be payable to bearer, in lawful money of the United States of America, without exchange or collection charges to the bearer, upon presentation and surrender of this bond or proper interest coupon at the El Paso National Bank, El Paso, Texas, or, at the option of the bearer, at the Bankers Trust Company, New York, New York, which places shall be the paying agents for this Series of bonds.

THIS BOND is one of a Series of negotiable, serial, coupon bonds, dated MAY 1, 1969, issued in the principal amount of \$8,500,000 in accordance with Article 2909c, Vernon's Annotated Texas Statutes, as amended, and authorized pursuant to a Resolution duly adopted by said Board, for the purpose of PAYING THE COST OF CONSTRUCTING, ACQUIRING, IMPROVING, AND

if any, as will accrue or mature on the November 1 or May 1 immediately following. The paying agents shall totally destroy all paid bonds and coupons and furnish the Board with an appropriate certificate of destruction covering the bonds and coupons thus destroyed.

Section 22. (a) That all money in all Funds created by this Resolution, to the extent not invested, shall be secured in the manner prescribed by law for securing funds of The University of Texas System, in principal amounts at all times not less than the amounts of money credited to such Funds, respectively.

(b) That whenever the total amount in the Interest and Redemption Fund and the Reserve Fund shall be equivalent to (1) the aggregate principal amount of Bonds and Additional Bonds, if any, outstanding, plus (2) the aggregate amount of all unpaid coupons thereto appertaining unmatured and matured, no further payments need be made into the Interest and Redemption Fund or the Reserve Fund. In determining the amount of Bonds or Additional Bonds outstanding, there shall be subtracted the amount of any Bonds or Additional Bonds which shall have been duly called for redemption and for which funds shall have been deposited with the paying agents sufficient

ORIGINALS SENT TO MISS THEDFORD ON MAY 5, 1969.

BID FORM

April 28, 1969

Date

To : The Board of Regents of The University of Texas System

Address : Care of Floyd O. Shelton, Executive Director  
Office of Investments, Trusts and Lands  
The University of Texas System  
P. O. Box 7968  
Austin, Texas 78712

Gentlemen:

In accordance with your letter of April 16, 1969, we bid for our selection as Paying Agent for the \$8,500,000 Board of Regents of The University of Texas System, The University of Texas at El Paso, Building Revenue Bonds, Series 1969 (1,700 bonds in the denomination of \$5,000 each) as follows:

- (1) We will charge the Board of Regents 20 ¢ per coupon paid and \$1.75 ¢ per bond paid.\*
- (2) We will pay to the Board of Regents the sum of \$ \_\_\_\_\_ and will make no charge to the Board of Regents for the payment of said coupons or bonds.\*

\* NOTE TO BIDDER: Either Paragraph (1) or Paragraph (2) should be used.

We understand that if we are selected as Paying Agent, we shall as provided in the Resolution authorizing the bonds, totally destroy paid bonds and coupons and furnish the Board of Regents with an appropriate certificate of destruction covering the bonds and coupons thus destroyed.

If we are selected as Paying Agent, the following New York bank will be named Co-paying Agent: Bankers Trust Company

El Paso National Bank

Name of Bank

By 

W. R. SQUIRES, JR.

Vice President & Senior Trust Officer

Title

P. O. Drawer 140, El Paso, Texas 79999

Address

SUCCESSOR PAYING AGENCY REGISTRAR AGREEMENT

THIS SUCCESSOR PAYING AGENCY REGISTRAR AGREEMENT entered into as of April 1, 1990 (hereinafter designated as the "Agreement"), by and between The Board of Regents of The University of Texas System (hereinafter referred to as the "Issuer"), and Texas Commerce Bank National Association, a national bank organized and existing under the laws of the United States of America, with its principal offices in Houston, Texas (hereinafter together with any successor designated as the "Bank");

W I T N E S S E T H:

WHEREAS, the Issuer previously has issued the \$16,500,000 Board of Regents of The University of Texas System, The University of Texas at Austin Housing Revenue Bonds, Series 1967 (the "Bonds") in accordance with the Bond Resolution, dated February 23, 1967, attached hereto as Exhibit "A" and incorporated herein for all purposes (the "Bond Resolution");

WHEREAS, the Issuer now desires to appoint a successor paying agent for the Bonds, and the Bank desires to serve as the successor paying agent for the Bonds; and

WHEREAS, upon further discussion and negotiation the Bank has agreed, subject to the terms and conditions below, to perform the paying agent functions for the Bonds.

(1)

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants herein contained, and subject to the conditions herein set forth, the Issuer and the Bank agree as follows:

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS  
OF GENERAL APPLICATION

SECTION 1.01. Definitions

The terms defined in this Article shall have the meanings set out below unless the context requires a different meaning:

a. "Agreement" means this instrument as originally executed or as it may from time to time be supplemented, modified, or amended.

b. "Bank" means the entity named as the "Bank" in the first paragraph of this instrument or a successor Bank selected in accordance with the applicable provisions of this Agreement.

c. "Board" means The Board or Regents of The University of Texas System.

d. "Bond Order" means the Resolution authorizing issuance of the \$16,500,000 Board of Regents of The University of Texas System, The University of Texas at Austin Housing Revenue Bonds, Series 1967 adopted by the Board substantially in the form attached hereto as Exhibit "A" and incorporated herein for all purposes.

e. "Bonds" means the \$16,500,000 Board of Regents of The University of Texas System, The University of Texas at Austin Housing Revenue Bonds, Series 1967.

(2)

f. "Bearer" when used with respect to any Bond, means the Person in possession of any bond or coupon of the Bonds.

g. "Interest Payment Date" means that Stated Maturity of an installment of interest on any Bonds.

h. "Issuer" means Board of Regents of The University of Texas System.

i. "Maturity" when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein provided, whether at the Stated Maturity or call for redemption or otherwise.

j. "Person" means any entity, individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any governmental agency or political subdivision.

k. "Redemption Date" when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms thereof.

l. "Redemption Price" when used with respect to any Bond to be redeemed means the price at which it is to be redeemed pursuant to terms thereof, excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

m. "Stated Maturity" when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond as the fixed date on which the principal of such Bond or such installment of interest is due and payable.



SECTION 1.02. Written Communication

Any request, demand, authorization, direction, notice, consent, waiver, or other written communication provided or permitted by this Agreement to be made upon, given or furnished to, or filed with (a) the Issuer, shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Issuer addressed: Board of Regents of the University of Texas System, Office of Finance, 210 W. 6th St., Austin, Texas, 78701, or at any other address previously furnished to the Bank in writing by the Issuer, and (b) the Bank, shall be sufficient for every purpose hereunder if in writing and mailed first-class postage prepaid (and properly referred to this Agreement or the Bonds) to the Bank addressed to it at P. O. Box 4631, Houston, Texas 77210, Attention: Corporate Trust Department, or at any other address previously furnished to the Issuer in writing by the Bank.

SECTION 1.03. Notices to Bearer

Where this Agreement provides for notice to Bearers of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if published in a financial journal in the City of New York or publication of general circulation in the United States of America or in Austin, Texas.

SECTION 1.04. Captions

The Article and Section captions herein are for convenience only and shall not affect the construction hereof.

SECTION 1.05. Successors and Assigns

All covenants and agreements in this Agreement by the Issuer and the Bank shall bind its successors and assigns.

SECTION 1.06. Severability Clause

In case any provision of this Agreement or in the Bonds or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby.

SECTION 1.07. Benefits of Agreement

Nothing in this Agreement or in the Bonds, express or implied, shall give to any Person other than the Bearers and the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim under this Agreement.

SECTION 1.08. Governing Law

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

ARTICLE TWO

PAYMENT OF BONDS

SECTION 2.01. Payment of Interest

Interest on any Bond, which is payable on any Interest Payment Date, shall be paid to the Bearer upon presentation and surrender to the Bank of the coupon due on or before the date of presentation and surrender, solely from funds collected from the Issuer for such purpose. Coupons presented and surrendered before payable date will be paid on payable date.

SECTION 2.02. Payment of Principal and Redemption Price

Principal (or the Redemption Price, if applicable) of each Bond shall be paid by the Bank to the Bearer at the Maturity thereof, but solely from funds collected from the Issuer for such purpose, upon surrender of such Bond to the Bank.

SECTION 2.03. Issuer to Deposit Funds

The Issuer will duly and punctually pay the principal (or the Redemption Price, if applicable) of and interest on the Bonds in accordance with their terms and shall deposit with the Bank on or before each Stated Maturity of interest on Bonds and each Maturity of Bonds money sufficient to pay the principal (or the Redemption Price, if applicable) of and interest on the Bonds when due.

SECTION 2.04. Persons Deemed Owners

The Issuer, the Bank, and any agent of the Issuer or the Bank may treat the Person who has possession of any Bond as the owner of such Bond for the purpose of receiving payment of the principal (or the Redemption Price, if applicable) of and interest on such Bond and for all other purposes whatsoever whether or not such Bond be overdue, and, to the extent permitted by law, neither the Issuer, the Bank, nor any such agent shall be affected by notice to the contrary.

ARTICLE THREE

REDEMPTION OF BONDS

SECTION 3.01. General Applicability of Article

Bonds which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise provided by the Bond Resolution) in accordance with this Article.

(6)

SECTION 3.02 Election to Redeem; Notice to Bank

The exercise by the Issuer of its option to redeem any Bonds prior to maturity shall be evidenced by an order of the Board consistent with the provisions of the Bond Resolution. In case of any redemption, at the election of the Issuer, of less than all of the outstanding Bonds, the Issuer, at least 30 days prior to the Redemption Date (unless a shorter notice shall be satisfactory to the Bank), shall notify the Bank of such Redemption Date and of the principal amount of Bonds of each Stated Maturity to be redeemed.

SECTION 3.03. Notice of Redemption

Notice of redemption shall be prepared by the Issuer and given by the Bank in the name and at the expense of the Issuer not less than 30 nor more than 60 days prior to the Redemption Date as required by the Bond Resolution and in accordance with Section 1.03 herein.

All notices of redemption shall include a statement as to:

- A. the Redemption Date,
- B. the Redemption Price,
- C. the principal amount of Bonds to be redeemed, and, if less than all outstanding Bonds are to be redeemed, the identification (and, in case of partial redemption, the principal amounts) of the Bonds to be redeemed,

(7)

- D. the fact that on the Redemption Date the Redemption Price of each of the Bonds to be redeemed will become due and payable and that the interest thereon shall cease to accrue from and after said date, and
- E. the fact that the Bonds to be redeemed are to be surrendered for payment of the Redemption Price at the principal corporate trust office of the Bank, and the address of such office.

#### ARTICLE FOUR

#### MISCELLANEOUS

##### SECTION 4.01. Surety Bond

The Issuer hereby accepts the Bank's current blanket bond for lost, stolen, or destroyed certificates and any future substitute blanket bond for lost, stolen, or destroyed certificates that the Bank may arrange, and agrees that the coverage under any such blanket bond is acceptable to it and meets the Issuer's requirements as to security or indemnity. The bank need not notify the Issuer of any changes in the security or other company giving such bond or the terms of any such bond. The blanket bond then utilized for the purpose of lost, stolen or destroyed certificates by the Bank is available for inspection by the Issuer on request

##### SECTION 4.02. Transaction Information to Issuer

The Bank will furnish the Issuer periodic information as to the principal of and interest on the Bonds it has paid, as well as cash balances remaining in the account to be paid upon request.

ARTICLE FIVE  
RIGHTS AND OBLIGATIONS OF BANK

SECTION 5.01. Certain Duties and Responsibilities

A. The Bank (a) shall exercise reasonable care in the performance of its duties as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Bank, and (b) in the absence of bad faith on its part, may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Bank and conforming to the requirements of this Agreement, but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Bank, shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement.

B. No provision of this Agreement shall be construed to relieve the Bank from liability for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct except that (a) this Subsection shall not be construed to limit the effect of Subsection A of this Section; and (b) the Bank shall not be liable for any error of judgement made in good faith by any officer thereof, unless it shall be proved that the Bank was grossly negligent in ascertaining the pertinent facts.

C. The Issuer hereby releases and holds Texas Commerce Bank Houston harmless, to the extent permitted by law, from any and all claims, liabilities, causes of action, damages, including attorneys fees and expenses, and including any consequential, incidental or punitive damages that might arise in connection with any acts or omissions of Texas Commerce Bank - El Paso which may have occurred prior to the date of this Agreement in connection with any and all earlier payments of the Issuer's Bonds. Therefore, Texas Commerce Bank - El Paso will be held liable exclusively regarding all such acts or omissions.

D. Whether or not therein expressly so provided, every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to the Bank shall be subject to the provisions of this Section.

SECTION 5.02. Certain Rights of Bank

Except as otherwise provided in Section 5.01 hereof:

A. the Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order bond, coupon, or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties;

B. the Bank may consult with legal counsel and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted by the Bank hereunder in good faith and in reliance thereon;

C. the Bank shall not be bound to make any investigation into the facts of matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, coupon, or other paper or document, but the Bank, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Bank shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records, and premises of the Issuer, personally or by agent or attorney; and

D. the Bank may execute any of the trusts or powers hereunder or perform any of the duties hereunder either directly or by or through agents or attorneys, and the Bank shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed hereunder with due care by it.



SECTION 5.03. May Hold Bonds

The Bank, in its individual or any other capacity, may become the owner or pledgee of Bonds and otherwise deal with the Issuer with the same rights it would have if it were not serving as paying agent, or in other capacity hereunder.

SECTION 5.04. Money Deposited with Bank

Money deposited by the Issuer with the Bank for payment of the principal (or Redemption Price, if applicable) of or interest on any Bonds shall be segregated from other funds of the Bank and the Issuer and shall be held in trust for the benefit of the Bearers of such Bonds.

All money deposited with the Bank hereunder shall be secured in the manner and to the fullest extent required by law for the security of funds of the Issuer.

Any money deposited with the Bank for the payment of the principal, premium (if any) or interest on any Bond and remaining unclaimed for three years from the date such amounts have become due and payable shall be reported and disposed of by the Registrar in accordance with the provisions of Texas law including to the extent applicable, Title 6 of the Texas Property Code, as amended.

The Bank shall be under no liability for interest on any money received by it hereunder.

This Agreement relates solely to money deposited for the purposes described herein, and the parties agree that the Bank may serve as depository for other funds of the Issuer, act as Trustee under indentures authorizing other bond transactions, or act in any other capacity not in conflict with its duties hereunder.

SECTION 5.05. Indemnity Clause

The Issuer agrees, to hold Texas Commerce Bank Houston harmless against, any loss, liability, or expense incurred without gross negligence or bad faith on its part, arising out of or in connection with the acts or omissions in the performance of paying agent services on the part of Texas Commerce Bank-El Paso as stated in Section 5.01 C. Texas Commerce Bank-El Paso will be held liable exclusively for any such acts or omissions.

SECTION 5.06. Resignation and Removal

The Bank may resign from its duties hereunder at any time by giving not less than 30 days written notice thereof to the Issuer and not within 45 days of an interest payment date.

The Bank may be removed from its duties hereunder at any time with or without cause of this order designating a successor upon not less than 30 days notice; provided, however, that no such removal shall become effective until such successor shall have accepted the duties of the Bank hereunder by written instrument.

Upon the effective date of such resignation or removal (or earlier date designated by the Issuer in case of resignation) the Bank shall, upon payment of all its fees, charges, and expenses then due, transfer and deliver to or upon the order of the Issuer all funds, records, and Bonds held by it (except any Bonds owned by the Bank as Bearer), under this Agreement.

If the Bank shall resign or be removed, the Issuer shall by order of the Board promptly appoint and engage a successor to act in the place of the Bank hereunder, which appointment shall be effective as of the effective date of the resignation or removal of the Bank. Such successor shall immediately give notice of its substitution hereunder in the name and at the expense of the Issuer to the Bearers, including the name of the successor to the Bank and the address of its principal office.

SECTION 5.07. Merger, Conversion, Consolidation, or Succession

Any corporation into which the Bank may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank hereunder without the execution or filing of any paper or any further act on the part of either of the parties hereto.

SECTION 5.08. Bank Not a Trustee

This Agreement shall not be construed to require the Bank to enforce any remedy which any Bearer may have against the Issuer during any default or event of default under any agreement between any Bearer and the Issuer, including the Bond Resolution, or to act as trustee for such Bearer.

SECTION 5.09. Bank Not Responsible for Bonds

The Bank shall not be accountable for the use of any Bonds or for the use on application of the proceeds thereof.

SECTION 5.10. Interpleader

The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its persons as well as funds on deposit, in either the District Court of Harris County, Texas, or the United States Federal District Court for the Southern District of Texas, waive personal service of any process, and agree that service of process by certified or registered mail, return receipt requested, to the address set forth in this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction to determine the rights of any Person claiming interest herein.

SECTION 5.11. Bank's Funds Not Used

No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

The Bank shall in no event be liable to the Issuer, any Bearer, or any other Person for any amount due on any Bond from its own funds.

SECTION 5.12. Counterparts

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, and their respective seals to be hereunto fixed and attested, all as of the day and year first above written.

By X \_\_\_\_\_

ATTEST:

Address: \_\_\_\_\_

\_\_\_\_\_  
(SEAL)

TEXAS COMMERCE BANK NATIONAL  
ASSOCIATION

By \_\_\_\_\_

ATTEST:

Address: P. O. Box 4631  
Houston, Texas 77210  
Attn: Corporate Trust  
Department

\_\_\_\_\_  
Title \_\_\_\_\_

(SEAL)

THE STATE OF TEXAS

COUNTY OF HARRIS

X This instrument was acknowledged before me on

\_\_\_\_\_, 19\_\_\_\_, by\_\_\_\_\_

as\_\_\_\_\_ of\_\_\_\_\_.

(NOTARY SEAL)

\_\_\_\_\_  
Notary Public in and for the State  
of Texas

My Commission Expires:\_\_\_\_\_

THE STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on

\_\_\_\_\_, 19\_\_\_\_, by\_\_\_\_\_

as\_\_\_\_\_ of Texas Commerce Bank National  
Association, on behalf of said Texas Commerce Bank National  
Association.

(NOTARY SEAL)

\_\_\_\_\_  
Notary Public in and for the State  
of Texas

My Commission Expires:\_\_\_\_\_

EXHIBIT A

CERTIFICATE FOR RESOLUTION AUTHORIZING THE  
ISSUANCE OF BONDS

THE STATE OF TEXAS :  
COUNTY OF TRAVIS :  
THE UNIVERSITY OF TEXAS :

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

1. The Board of Regents of said University convened in SPECIAL MEETING ON THE 23RD DAY OF FEBRUARY, 1967, on the Campus of said University, in the City of Austin, Travis County, Texas, and the roll was called of the duly constituted officers and members of said Board, to-wit:

Mr. Frank C. Erwin, Jr., Chairman	Mr. W. W. Heath
Mr. Jack S. Josey, Vice Chairman	Mr. Frank Ikard
Mr. W. H. Bauer	Mrs. J. Lee Johnson, III
Mr. Walter P. Brennan	Rabbi Levi Olan
Dr. H. F. Connally, Jr.	Betty Anne Thedford, Secretary

and all of said persons were present, except the following absentees: Bauer, Ikard, Johnson and Olan, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

RESOLUTION AUTHORIZING THE ISSUANCE OF BONDS

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

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

NOES: None.

2. That a true, full and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Board's minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said Board's minutes of said Meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of said Board as indicated therein; that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid Meeting; and that said Resolution would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose.

SIGNED AND SEALED the 23<sup>rd</sup> day of February, 1967.

1/3 Betty Anne Thedford 1/3 Frank C. Erwin Jr.  
Secretary Chairman

(SEAL)



November 1, 1967, and semi-annually thereafter on May 1 and November 1 of each year until said principal sum is paid, but until the maturity hereof only upon presentation and surrender of the interest coupons hereto appertaining as they severally become due. Both the principal of and the interest on this bond shall be payable to the bearer in lawful money of the United States of America, without exchange or collection charges to the bearer, at El Paso National Bank, El Paso, Texas, or, at the option of the holder, at Bankers Trust Company, New York, New York, or, at Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois.

This bond is one of a duly authorized series of bonds of like tenor and effect except as to serial number, rate of interest, maturity and right of prior redemption numbered One (1) to Three Thousand Three Hundred (3,300), both inclusive, in the denomination of Five Thousand (\$5,000.00) Dollars each, aggregating Sixteen Million Five Hundred Thousand (\$16,500,000.00) Dollars, issued pursuant to a resolution adopted by the Board of Regents for the purpose of providing the funds for the construction and equipment of dormitory and dining facilities for approximately 3,000 students on the campus of The University of Texas, in Austin, Travis County, Texas.

The bonds of this issue are issued under the laws of the State of Texas, and are equally and ratably secured by and are payable both as to principal and interest from (1) a first lien on and pledge of the gross revenues of the University Housing System and (2) a lien on and pledge of the gross revenues of the Encumbered Facilities, subject only to the prior liens securing the Encumbered Facilities Bonds. The University Housing System is defined in the resolution authorizing the bonds to

BID FORM

February 15, 1967  
Date

To: The Board of Regents of  
The University of Texas

Address: Care of Floyd O. Shelton, Executive Director  
Office of Investments, Trusts and Lands  
The University of Texas  
Main Building 205  
Austin, Texas 78712

Gentlemen:

In accordance with the Notice to Texas Banks, dated February 8, 1967, we bid for our selection as Paying Agent for the \$16,500,000 Board of Regents of The University of Texas Housing System Revenue Bonds, Series 1967 (3,300 bonds in the denomination of \$5,000 each) as follows:

- (1) We will charge the Board of Regents 2¢  
per coupon paid and 10¢ per bond paid.\*
- (2) We will pay to the Board of Regents the sum of  
\$            and will make no charge to the Board  
of Regents for the payment of said coupons or bonds.\*

\*(NOTE TO BIDDER: Either Paragraph (1) or  
Paragraph (2) should be used.)

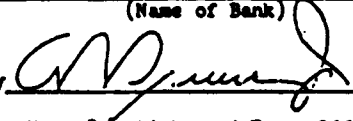
We understand that if we are selected as Paying Agent we shall, in accordance with Section 17 (a) of the Resolution authorizing said bonds, totally destroy paid bonds and coupons and furnish the Board of Regents with an appropriate certificate of destruction covering the bonds and coupons thus destroyed.

If we are selected as Texas Paying Agent, the following are to be named as Co-Paying Agents:

New York Paying Agent: Bankers Trust Co

Chicago Paying Agent: Continental Illinois National Bank and Trust  
Company of Chicago

El Paso National Bank  
(Name of Bank)

By   
Vice President and Trust Officer  
(Title)

P.O. Drawer 140 El Paso, Texas 79941  
(Address)

and at the places and manner prescribed in such Bond, and that it will, at the times and in the manner prescribed herein, deposit or cause to be deposited, from the revenues pledged, the amounts of money specified herein. All bonds and coupons, when paid, shall be totally destroyed by the Banks of Payment and a certificate or certificates to such effect shall be furnished the Board by the Banks of Payment.

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

(c) It lawfully owns and is lawfully possessed of the land upon which the University Housing System is located and it has a good and indefeasible estate in such land in fee simple; it warrants that it has, and will defend, the title to the said land and every part thereof and improvements thereon, for the benefit of the holders and owners of the Bonds against the claims and demands of all persons whomsoever; that the Project will be constructed in accordance with the plans herein approved and adopted; it is lawfully qualified to pledge the revenues herein pledged in the manner prescribed herein, and has lawfully exercised such right.

(d) It will from time to time, and before the same become delinquent, pay and discharge all taxes, assessments and

**Executive Session  
of the Board**

BOARD OF REGENTS  
EXECUTIVE SESSION  
Pursuant to Vernon's Texas Civil Statutes  
Article 6252-17, Sections 2(e), (f) and (g)

Date: August 8, 1991

Time: Following the meeting of the Asset Management  
Committee

Place: Regents' Conference Room and Regents' Meeting Room  
Ninth Floor, Ashbel Smith Hall

1. Pending and/or Contemplated Litigation - Section 2(e)
  - 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 Claim
  - d. U. T. Health Science Center - Houston: Proposed Settlement of Medical Liability Claim
2. Land Acquisition, Purchase, Exchange, Lease or Value of Real Property and Negotiated Contracts for Prospective Gifts or Donations - Section 2(f)
3. Personnel Matters [Section 2(g)] Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees