

Meeting No. 960

THE MINUTES OF THE BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

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December 20, 2002

Austin, Texas

MEETING NO. 960

FRIDAY, DECEMBER 20, 2002.--The members of the Board of Regents of The University of Texas System convened via telephone conference call at 10:02 a.m. on Friday, December 20, 2002, on the Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following in attendance:

ATTENDANCE.--

Present  
Chairman Miller, presiding  
Vice-Chairman Clements  
Vice-Chairman Hunt  
Vice-Chairman Riter  
Regent Craven  
Regent Estrada  
Regent Krier  
Regent Oxford  
Regent Sanchez

Absent

Counsel and Secretary Frederick

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Miller called the meeting to order. He announced that the purpose of this special called meeting was to consider matters of sufficient urgency to require immediate consideration by the Board prior to the next regularly scheduled meeting on February 12-13, 2003.

1. U. T. Austin - The University of Texas Elementary Charter School: Authorization to Lease or Acquire 2.436 Acres of Land Located at 2200 East Sixth Street, Austin, Travis County, Texas; and Authorization for the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to Execute All Documents Related Thereto

The Board authorized the Executive Director of Real Estate and the Office of General Counsel to complete negotiations to lease or acquire 2.436 acres of land located at 2200 East Sixth Street in Austin, Travis County, Texas (described as being a portion of Blocks 1 and 2, Outlot 9, Division "A" and a portion of Block 2, Outlot 10, Division "A", Original City of Austin, Travis County, Texas), from Mr. Perry Lorenz, Austin, Texas, to be the initial site

for The University of Texas Elementary Charter School at The University of Texas at Austin for an amount not to exceed the fair market value of the transaction.

Further, the Board authorized the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to take all further actions needed to complete the acquisition and to execute all documents related thereto following approval from the Office of General Counsel.

On November 15, 2002, the State Board of Education granted a charter to The University of Texas Elementary Charter School at The University of Texas at Austin, scheduled to open in August 2003. In order to complete the construction process on time, it is anticipated that the owner will convey title to the University subject to an automatic right of reversion in the event that the University does not purchase the property within five years. Under this scenario, the University will pay an option fee of \$36,000 the first year, \$48,000 the second year, \$60,000 the third year, and \$48,000 for the fourth and fifth years. If the University decides to make the initial site the permanent site for the school, it can complete the transaction by exercising its option to purchase the site. The current fair market value of the property is estimated to be \$600,000. Prior to acquisition, the current owner will demolish all improvements on the site except one building that will be secured and isolated by a fence.

Chairman Miller said there were several economic and other operational advantages to handling the land acquisition in this manner and Vice Chancellor for Educational System Alignment Sharpe commended the diligent efforts by Executive Director of Real Estate Wilson and the Office of General Counsel in working with the City of Austin to approve the site plans.

2. U. T. Austin: Delegation to Approve and Execute Contract with the Cotton Bowl Athletic Association for Participation in the January 1, 2003, SBC Cotton Bowl Classic and Related Activities

The Board delegated authority to President Faulkner or his designee to approve and execute a contract between the Cotton Bowl Athletic Association and The University of Texas at Austin for participation in the January 1, 2003, SBC Cotton Bowl Classic and related activities. The major contract provisions are:

- a. U. T. Austin agrees to play in the SBC Cotton Bowl Classic in Dallas, Texas, on January 1, 2003, in the Cotton Bowl Stadium. U. T. Austin agrees to purchase a minimum of 12,500 tickets and will pay for all tickets and parking on or before January 31, 2003.

- b. Game receipts include ticket sales (less taxes), proceeds from radio and television broadcasts, net proceeds from program sales, net proceeds from the Bowl's merchandising program, and net proceeds from any sponsorship agreement to which the Bowl is a party. U. T. Austin and the Big Twelve Conference will receive 37.5% of game receipts with a guaranteed minimum of \$2.5 million. This amount will be paid by the Cotton Bowl Athletic Association to the Big Twelve Conference. The Big Twelve Conference then will pay approximately \$1.1 million to U. T. Austin for its participation expenses including, but not limited to, travel, lodging, meals, etc., for the team, band, cheerleaders, and athletics staff, equipment transfer, practice site arrangements, team and staff entertainment and promotion activities, and team awards. The remaining approximately \$1.4 million will be distributed equally among the Big Twelve athletics programs. The opposing institution and its conference also will receive 37.5% of game receipts. The Bowl will receive 25% of game receipts for its direct expenses.
- c. All radio and television broadcast rights belong to the Bowl. U. T. Austin will not, without prior written consent, reproduce for commercial use any portion of the game except in connection with coaches' shows, recruiting, alumni group meetings, and other noncommercial uses.
- d. U. T. Austin authorizes the Bowl to include the institution's name, slogans, logos, mascots, seals, and other identifying marks in the Bowl's merchandising program, provided such are used in conjunction with the name "Cotton Bowl Classic," the likeness of the Bowl's logo, or in conjunction with the name "SBC Cotton Bowl Classic" and provided such merchandise is obtained from a licensee of U. T. Austin. The Bowl has an exclusive licensing agreement for the distribution of products bearing the Bowl marks in conjunction with U. T. Austin marks, in the team hotel, and on the property of the Cotton Bowl and Fair Park. U. T. Austin agrees that it or any affiliated entity will not actively engage in the distribution or sale of such products in Dallas County in connection with the Bowl. The Bowl will allow U. T. Austin groups to use the Bowl mark on shirts or other related products if the company producing the products signs a Bowl License Agreement and reports and pays royalties on all products produced.

- e. U. T. Austin agrees to use the official title "SBC Cotton Bowl Classic" in all references to and in all promotion, printing, merchandise, and advertising for the game, and in any use of all or any part of the game.

ADJOURNMENT.--Chairman Miller announced that the purpose for which this meeting was called had been completed and the meeting was duly adjourned at 10:11 a.m.

/s/ Francie A. Frederick  
Counsel and Secretary to the Board

January 15, 2003