

We, the undersigned members of the Board of Regents of The University of Texas, hereby ratify and approve all actions taken at this meeting to be reflected in the Minutes.

Signed this the 12th day of March, 1960, A. D.

Merton M. Minter
Chairman Merton M. Minter, M. D.

J. Lee Johnson, III
Vice-Chairman J. Lee Johnson, III

J. P. Bryan
Member, J. P. Bryan

Mrs. Charles Devall
Member, (Mrs.) Charles Devall

Thornton Hardie
Member, Thornton Hardie

W. W. Heath
Member, W. W. Heath

Wales H. Madden, Jr.
Member, Wales H. Madden, Jr.

A. G. McNeese, Jr.
Member, A. G. McNeese, Jr.

Joe C. Thompson
Member, Joe C. Thompson

3-12-60

MEETING NO. 587

MARCH 12, 1960. --The Board of Regents of The University of Texas convened in regular session on Saturday, March 12, 1960, at 10:00 a. m. , in the Regents' Room, (Main Building 209) Austin, Texas.

ATTENDANCE. --

<u>Present</u>	<u>Absent</u>
Chairman Minter, presiding	None
Vice-Chairman Johnson	
Regent Bryan	
Regent (Mrs.) Devall	
Regent Hardie	
Regent Heath	
Regent Madden	
Regent McNeese	
Regent Thompson	
President Wilson	
Secretary Thedford	

Also present among University personnel were:

Mr. Lanier Cox, Vice-President for Administrative Services
 Doctor J. C. Dolley, Vice-President for Fiscal Affairs
 Doctor A. J. Gill, Dean of Southwestern Medical School
 Doctor L. D. Haskew, Vice-President for Developmental Services
 Doctor Harry H. Ransom, Vice-President and Provost, Main University
 Mr. C. H. Sparenberg, Comptroller
 Mr. W. W. Stewart, Endowment Officer
 Doctor John Truslow, Executive Dean and Director of the Medical Branch

Mr. Carl Howard, Editor of The Daily Texan

(In addition to those present at the meeting of the Board, the following Institutional Heads were at the meetings of the Standing Committees on Friday morning, March 11:

Doctor R. Lee Clark, Jr., Director of M. D. Anderson Hospital and Tumor Institute
 Doctor John V. Olson, Dean of the Dental Branch
 Doctor J. R. Smiley, President of Texas Western College
 Doctor Grant Taylor, Dean of the Postgraduate School of Medicine)

3-12-60

APPROVAL OF MINUTES, JANUARY 22-23, 1960. --It was moved, duly seconded, and adopted that the Minutes of the regular meeting of the Board of Regents of The University of Texas, held in Austin, on January 23, 1960, be approved in the final form as circulated to each Regent by the Secretary.

COMMITTEE OF THE WHOLE

(The Committee of the Whole met on Friday afternoon, March 11, and for a short period on Saturday morning, March 12.)

Below is a report of the special items considered by the Committee of the Whole. Items referred by the Standing Committees to the Committee of the Whole are incorporated in the committee reports (Pages 5, 9, 25, and 29).

SUMMARY REPORTS OF INSTITUTIONAL HEADS (MEDICAL BRANCH, MAIN UNIVERSITY, TEXAS WESTERN COLLEGE). -- Though time had been provided, the institutional heads did not have any emergency items to be considered by the Committee of the Whole. At the January meeting it was agreed that it would be desirable to allow more time for the individual institutional heads to report to the Board. Accordingly, Doctors Truslow, Ransom, and Smiley reported to the Board, Doctors Clark, Gill, Olson, and Taylor being scheduled to report at the May meeting.

Doctor Truslow's report included comments on the geographical distribution of the senior class at the Medical Branch and of the indigent patients and indigent clinical visits, and comments on the faculty, the remodeling program, and the financial problems involved. With reference to the latter, he outlined the financial support received from The Sealy and Smith Foundation for the calendar year 1959. In connection with the remodeling program, he requested certain authorizations which were formally approved by the Committee of the Whole and which are included in committee reports on Pages 25, 29.

The report of Doctor Ransom revolved around the faculty and financial problems involved at the Main University. He concluded his report with an expression of commendation for the Texas Memorial Museum, calling attention to the Danciger collection on exhibit in the Regents' Room and enumerating various collections that were received too late to be reported in the March docket but which will be reported at the May meeting.

Doctor Smiley reported on activities at Texas Western College from the standpoint of financial problems.

POLICIES FOR PREPARING LEGISLATIVE BUDGET REQUEST (BIENNIUM 1961-63). -- Upon recommendation of the Administration, the following policies for preparing the legislative budget request for the 1961-63 biennium were approved:

In preparing the legislative budget request for the biennium beginning September 1, 1961, the instructions issued by the

Texas Commission on Higher Education, the Legislative Budget Board, and the Executive Budget Office shall be fully complied with. In preparing the submissions and in evaluating formulae rates, the appropriate policies set out below shall be observed. Rates stipulated are maximums not to be exceeded.

3-12-60

1. Salary Advances for the Teaching Staff

Ten per cent over institutional 1960-61 budgeted salaries, the entire amount to be included in the request for the first year of the biennium, with the following exceptions:

Main University - 15%. To improve relative position with AAU institutions.

Texas Western College - 20% over original budget draft for 1960-61. To recover a reasonable comparative position with other Texas institutions.

Dental Branch - No increase over 1960-61 budget.

2. Salary Advances for the Non-Teaching Staff

One step over institutional 1960-61 salaries, the entire amount to be included in the request for the first year of the biennium.

In the case of classified positions where the 1960-61 salary rate is below the minimum for the job classification, the salary rate is to be requested at the first step in the classification pay range, or, in the event that the resulting advance is less than 5%, at the second step in the pay range.

3. New Teaching Positions

Estimate requirements on the basis of a 16-1 student-teacher ratio at the Main University and on the basis of an 18-1 student-teacher ratio at Texas Western College.

At the medical and dental institutions, new positions to be few in number, and those requested should be fully justified.

4. New Non-Teaching Positions

Generally few; hold to a minimum and justify fully.

5. Maintenance and Equipment

Only such amounts as are needed, but not to exceed 10% over the amounts budgeted in 1960-61. At the Medical Branch in Galveston, in addition to the

3-12-60

amount requested under the 10% limitation, an additional amount may be added that will relieve use of National Fund for Medical Education funds for support of maintenance and equipment items in the instructional departments.

6. Special Equipment

Special Equipment includes capital outlay items which are of a nonrecurring nature; it excludes equipment items which constitute the normal expenditure of departmental funds for either additions or replacements. All Special Equipment requests must be fully justified.

7. Special Situations

- (a) Nonclassified Administrative Personnel. Salaries for these classifications to be recommended at rates which will keep the salaries competitive.
- (b) Medical Branch, Galveston. The request is to be based on the operation of the number of beds in use in 1960-61, including in the total such new beds as may become available as a result of the remodeling of Wards 5A and 5B in the John Sealy Hospital.
- (c) Main University. The request should include funds for sufficient new teaching positions to permit staffing for an over-all budgeted student-teacher ratio of 16-1.

AUTHORIZATION TO ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE, APPOINTEES TO THE DEVELOPMENT BOARD. --
At the Regents' meeting on January 23, 1960, the effective date authorized for the new composition of the Development Board was September 1, 1960. It was further authorized that a letter to that effect be directed to each present member; and, with the prior concurrence of The Ex-Students' Association, in the letters to those whose terms expire in 1962-64 there be included a statement that their appointments are to continue to the expiration date. This would mean there would be four appointments effective September 1, 1960, to be made by the Regents and two by The Ex-Students' Association.

Chairman Minter reported that in reply to his letters to the present members of the Development Board, all had consented to serve until the expiration of their terms.

Formal notice had been received from The Ex-Students' Association (1) that the Executive Council concurred in the proposed expiration dates of the present members of the Development Board, and (2) that the Executive Council had named a nominating committee to meet with a committee designated by the Regents to discuss the appointments by The Ex-Students' Association to the Development Board.

3-12-60

The Academic and Developmental Affairs Committee, acting through its Chairman, was authorized by the Committee of the Whole to work with the Nominating Committee of The Ex-Students' Association in order to coordinate geographical and other distribution of appointees to the Development Board to be made at the Regents' meeting in May.

PROGRESS REPORT RE COMMITTEE OF GOVERNING BOARDS. -- Mr. Heath, the Board's representative on The Committee of Governing Boards for State Colleges and Universities, reported that the Committee is scheduled to meet on March 22 for the purpose of adopting a budget for the ensuing two years. Mr. Heath was authorized to commit the Board to raise \$1500 in private funds for its share in the Committee's budget.

REPORTS OF STANDING COMMITTEES

At the request of Chairman Minter, the Committee Chairmen presented reports of the respective committees. Items in these reports that were previously acted on by the Committee of the Whole are so designated.

REPORT OF THE ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE (See Page 9 for adoption.) -- Committee Chairman Devall presented the following report of the Academic and Developmental Affairs Committee:

*Approval of Docket. -- The Docket for Central Administration dated March 2, 1960, to which President Wilson had incorporated the dockets from the component institutions was reviewed by the Academic and Developmental Affairs Committee and later was considered at the meeting of the Committee of the Whole and approved in the form attached. The approved docket (Attachment No. 2) is made a part of these minutes and is attached following Page L-21 of Attachment No. 1. The Academic and Developmental Affairs Committee approved the present form for reporting items in the docket.

Refurbishing of Regents' Room (Main Building 209). -- Committee Chairman Devall reported to the Academic and Developmental Affairs Committee that in accordance with authorization at the January meeting plans had gone forward for refurbishing the Regents' room with the desire that it will be completed in time for the June 1960 meeting.

*Waiver of Regents' Patent Policy, Two Contracts with The Texas Instruments, Inc., of Dallas, Texas; Study of Patent Policy Authorized. -- The Academic and Developmental Affairs Committee approved and the Committee of the Whole concurred in the Administration's recommendation to waive the Regents' Patent Policy to allow the Main University to

* Reported to Committee of the Whole.

3-12-60

enter into the following two contracts with The Texas Instruments, Inc., of Dallas, Texas:

1. A study of oxide-glass interaction by the Bureau of Engineering Research under the direction of Doctor E. J. Weiss, Associate Professor of Chemical Engineering.
2. A study of the feasibility of converting subsurface energy sources in place by the Electronic Materials Research Laboratory of the Department of Electrical Engineering under the direction of Doctor William H. Hartwig, Associate Professor of Electrical Engineering.

These proposed contracts carry a stipulation that "Title to patents for any invention or discovery made by employees of The University of Texas while specifically engaged in work for this contract shall belong to Texas Instruments." (The Administration pointed out that the project directors and the laboratories and the departments concerned recommend the waiver of the patent policy in these two instances.)

In return for this patent release, Texas Instruments will pay The University of Texas an additional sum equal to 10% of the costs of each contract. This additional payment will amount to \$413 in the first contract mentioned above and \$1,003.43 under the other contract. These payments will be made to the University without regard to whether any patents are obtained as a direct result of these contracts, and will be in lieu of any royalty under any patents which may be obtained.

Under these contracts both the employees and the University will assign all right, title and interest to any patents covered by the contracts to Texas Instruments. Such assignments will be executed by the University and by each professional employee prior to commencement of work under the contracts.

It was the understanding of the Regents that this waiver would not set a precedent and would not affect any other contracts and further that the Administration would undertake a complete restudy of the whole matter of patent and copyright policy and would make general recommendations to the Board at a subsequent meeting.

(When these two contracts have been fully executed, they will be reported in the President's docket. Permanent Minutes, Volume VII, Page 818.)

3-12-60

Closed-Circuit Television Instruction in Co-operating Colleges; Application to Federal Communications Commission and Acceptance of Grant from Ford Foundation Authorized, Main University. --The Academic and Developmental Affairs Committee considered the following proposal for closed-circuit television instruction in co-operating colleges as presented by the Administration to all Regents in the Material Supporting the Agenda:

For eighteen months the Administration has been exploring--with the aid of small grants from The Fund for the Advancement of Education and the United States Office of Education--a unique project in the exchange of professors, courses, and cultural events between several colleges by closed-circuit television. Plans are now sufficiently concrete, and prospects sufficiently promising, to warrant their presentation to the Board of Regents for reaction.

Eleven Texas colleges will be interconnected by a closed-circuit television system. The colleges are San Antonio Junior College, Trinity University, St. Mary's University, Incarnate Word College, Our Lady of the Lake College, Texas Lutheran College, Southwest Texas State College, St. Edwards University, Huston-Tillotson College, The University of Texas, and Southwestern University. Microwave will be used instead of cable, because of lower cost. This system will carry courses, recorded on videotape, which any college can take off the system and use on its own campus, strictly under its own regulations and procedures for granting credit, requiring additional work, and similar matters. Each college will furnish its own system for distributing the programs on its campus. No college will be obligated to use any course; it will select the ones it does desire to use. For example, the system would carry Doctor Walter Prescott Webb teaching "The Great Plains." Five colleges might choose to carry this course. The "menu" of courses each semester would be determined by an intercollege committee.

The colleges have agreed upon a "starter" list of eight courses, and have six more identified. (The first eight are all UT courses and professors which will be on closed-circuit on our campus anyway.) They have agreed to provide \$30,000 per year toward system operation, and to provide their own campus outlets.

The U. S. Office of Education has designated this a National Demonstration Project and has tentatively agreed to a three-year grant of \$275,000 to \$300,000 to the University to pay full costs of establishing the microwave system and defraying its operating costs. The system would belong to The University of Texas. The Ford Foundation has proffered a grant of \$139,120 to produce the eight courses agreed upon (this covers full salary of professors involved), and an oral indication has been given

3-12-60

that they will do the same for the additional six courses. This offer is contingent upon (a) the U. S. Office of Education grant, and (b) licensing by the Federal Communications Commission. These grants plus the college contributions will cover the estimated budget for the three-year operation.

The Federal Communications Commission has under consideration a request for rule-making which would permit licensing of the microwave system. A favorable outcome is not certain, but considered likely within thirty to sixty days.

The Administration has reviewed carefully the various issues involved in this type of co-operative endeavor and deems it worthwhile.

It is recommended by the Academic and Developmental Affairs Committee:

1. That the foregoing proposal be approved; provided that it complies with pertinent constitutional, statutory, and rider provisions.
2. That the proffered grant of \$139, 120 for 1960-61 and 1961-62 from the Ford Foundation to produce the eight courses agreed upon for this project be accepted with sincere appreciation. (This offer is contingent upon (a) a grant from the U. S. Office of Education of at least \$225, 000 for the capital construction necessary to put the eleven-college co-operative television network into operation, and (b) licensing by the Federal Communications Commission.)
3. That the Chairman of the Board be authorized to sign the necessary applications to the Federal Communications Commission for licensing the microwave system.

Progress Report on Science Development Program, Main University. -- Vice-President Ransom concisely outlined for the Academic and Developmental Affairs Committee the Science Development Program since April 1959 and indicated that a written report on this project would be prepared for the May meeting of the Board.

Post-Season Bowl Games, Policy Relating to (Main University). -- At a meeting of the Committee of the Whole on January 22, it was agreed that the Chairman name a committee to study the present policy regarding Post-season Bowl Games. Pursuant to this agreement, Chairman Minter named Mr. Madden to make a detailed study of this policy and to report to the Board. Mr. Madden presented a partial report to the Academic and Developmental Affairs Committee and stated that the final report would be made at the May meeting.

3-12-60

Progress Report, Faculty Supplementation Campaign, Texas Western College. --Mr. Hardie reported to the Academic and Developmental Affairs Committee the status of the Faculty Supplementation Campaign for Texas Western College. As soon as this campaign has been completed, a full report will be incorporated in the record.

Faculty Organization, Texas Western College. --At the January 1960 meeting Faculty Organization for Texas Western College was approved for final presentation and final action at the March meeting.

It is recommended by the Academic and Developmental Affairs Committee that final approval be given to Faculty Organization for Texas Western College as set out in the Permanent Minutes, Volume VII, Pages 421-425, and that it be incorporated in the Rules and Regulations of the Board of Regents for the Government of Texas Western College of The University of Texas which institutional supplement is to be presented for approval at an early date.

*Athletic Council (Structure and Membership), Main University. -- After the January meeting President Wilson had mailed to each Regent a report relating to the membership of athletic councils at the other Southwest Conference institutions. The Academic and Developmental Affairs Committee considered the structure of the Athletic Council at the Main University and reported to the Committee of the Whole its recommendation that the present structure of the Council be not changed. At the meeting of the Committee of the Whole, Mr. McNeese asked to be recorded as voting negatively, stating that he protested the present structure of the Athletic Council since he believed that the Athletic Council is improper in its membership because it includes an ex-student and a student, both of whom in this particular capacity have no responsibility to the Board of Regents and are not under the control of the Board.

Adoption of Report. -- The foregoing report of the Academic and Developmental Affairs Committee was adopted upon motion of Mrs. Devall, seconded by Mr. Madden. As outlined in the foregoing paragraph (Athletic Council, etc.), Mr. McNeese was recorded as opposed to that portion relating to the present membership structure of the Athletic Council at the Main University.

Appropriation from Etter Fund; Continuation of U. T. Record. -- Committee Chairman Devall moved the adoption of the following additional item of the Academic and Developmental Affairs Committee:

The Academic and Developmental Affairs Committee gave consideration to the factual data concerning the U. T. Record which was sent to each member of the Board by President's Memorandum P-5. The

* Reported to the Committee of the Whole.

3-12-60

Committee (1) recommends that an appropriation of \$27,000 from the funds of the Etter Estate be approved for the continued preparation, publication, and distribution of the U. T. Record for a three-year period commencing September 1, 1960. Any unexpended balance in the U. T. Record account as of August 31, 1960, shall be applied toward this appropriation, and the Endowment Officer shall arrange with the Vice-President for Developmental Services the transfer of other funds as needed, and (2) commends Vice-President Haskew on the success of this publication.

Adoption of Report. --Mr. Johnson seconded the motion which prevailed.

REPORT OF EXECUTIVE COMMITTEE--INTERIM ACTIONS (JANUARY 5-FEBRUARY 23, 1960). --It was moved by Committee Chairman Hardie that the Report of the Executive Committee as set out below and as submitted in the Material Supporting the Agenda be adopted:

During the period of January 5-February 23, 1960 only four items have been presented to and approved by the Executive Committee. These were budgetary items, as set out below, and were recommended by the respective institutional heads concerned, concurred in by President Wilson. Each item has been incorporated in the docket of the March 11-12, 1960 meeting.

1. Medical Branch. --Two items recommended by Executive Dean and Director Truslow. One is reported under Item No. 2, Page G-1, in the attached docket. Approval of the other item was received too late for the March docket and will be reported in the May docket.
2. M. D. Anderson Hospital and Tumor Institute. --One item recommended by Doctor Clark and reported under Item No. 4, Page A-1 of the attached docket.
3. Southwestern Medical School. --One item recommended by Dean Gill and reported under Item No. 2, Page S-2 of the attached docket.

The foregoing items are presented for ratification by the Board.

Adoption of Report. --Mrs. Devall seconded the motion which prevailed.

3-12-60

REPORT OF BUILDINGS AND GROUNDS COMMITTEE (See Page 26a for adoption.). --In submitting the Report of the Buildings and Grounds Committee, Committee Chairman Thompson called attention to each item considered. Separate motions were taken on items on which there was a division of opinion, and those items are so designated as are the items that were called to the attention of the Committee of the Whole.

The report submitted is:

*System-Wide - Renewal of Consulting Architect's Contract. -- The present agreement between the Board of Regents of The University of Texas, as Owner, and Jessen, Jessen, Millhouse, and Greeven, as Consulting Architect, covers the two-year period beginning September 1, 1958 and ending August 31, 1960. The part of this agreement relating to "Payment" for "Consulting Architect's Services on Campus Development Plans" was amended by the Board of Regents June 13, 1959, but the recommendation approved by the Board at that time did not contemplate any increase in the maximum amounts set out in the contract for work on "Campus Development Plans."

It is the strong recommendation of the Comptroller's Office and the President's Office that the term of this agreement be extended for a second two-year period, which would, of course, be the two-year period beginning September 1, 1960 and ending August 31, 1962. Both offices are very firmly of the opinion that termination of this contract at the end of this fiscal year would cause a considerable loss of time, money, and accumulated knowledge and experience. This recommendation contemplates that all other terms and conditions of this agreement, now in effect, would remain the same during the two-year extension.

Adoption: The foregoing recommendation was adopted upon motion of Mr. Thompson, seconded by Mr. Hardie. Mr. Johnson and Mr. Bryan voted "No."

Main University - Approval of Preliminary Plans for Remodeling of Old Printing Division Building. --At the Regents' Meeting held January 23, 1960, it was reported that cost estimates based on the preliminary plans for the Remodeling of the Old Printing Division Building, as prepared at that time, had been above the amount of the appropriation, and revised plans would be prepared and presented later with an estimated cost within the appropriation. These revised plans have now been prepared and approved by the Main University Faculty Building Committee, Chairman of the Radio-Television Department, Vice-President Haskew, Vice-President Ransom, Comptroller Sparenberg, and President Wilson. It is recommended that they be approved by the

* Adopted by separate motion.

3-12-60

Board and that the Associate Architect appointed at the last meeting, Barnes, Landes, and Goodman, be authorized to proceed with the preparation of working drawings and specifications.

Main University - Additional Appropriation and Award of Contract for Air Conditioning of Texas Memorial Museum. --

At the Regents' Meeting held January 23, 1960, authorization was given to Comptroller Sparenberg to advertise for bids for Air Conditioning of Texas Memorial Museum at the Main University. On February 24, 1960, these bids were received, opened, and tabulated as shown on Page 33. In order to accept the low bid on this project and pay Engineer's Fees thereon, it will be necessary that an additional appropriation be made to supplement the \$75,000.00 originally appropriated for this project. It is, therefore, recommended that \$20,000.00 be appropriated from the Unappropriated Balance of the Available University Fund to be added to Account No. 91220, Air Conditioning Texas Memorial Museum, and that a contract be awarded to the low bidder, Way Engineering Company, Inc., Austin, Texas, on the basis of that company's base bid in the amount of \$89,430.00. (Though not a written part of the report, it was stated at the meeting that the air conditioning of the museum would be completed around June 3, 1960.)

*Main University - Approval of Final Plans and Specifications for New Printing Division Building. -- At the Regents' Meeting held June 13, 1959, authorization was given to the Consulting Architect to prepare preliminary plans for the New Printing Division Building at the Main University, and the Associate Architect for this project, Baldrige and Saunders, was appointed on July 9, 1959. On August 1, 1959 an additional authorization of \$40,000.00 was approved for the building and a Committee was appointed to approve the preliminary plans; on October 3, 1959 the approval of the preliminary plans by the Committee was approved by the Board.

At the Regents' Meeting held January 23, 1960, it was reported that cost estimates based on the final plans and specifications for the New Printing Division Building at the Main University, as prepared at that time were above the appropriation and that it would be necessary for the plans to be revised in order to bring the project within the appropriation. Also, some other revisions were necessary in the mechanical and electrical work in the building. These revised plans and specifications have now been prepared and approved by the Main University Faculty Building Committee, Manager of the University Printing Division, Business Manager Landrum, Vice-President Ransom, Comptroller Sparenberg, and President Wilson. It is recommended that they

* Called to the attention of the Committee of the Whole; adopted by separate motion.

3-12-60

be approved by the Board and that Comptroller Sparenberg be authorized to advertise for bids to be presented to the Board for consideration at a later meeting.

Adoption: Upon motion of Mr. Hardie, seconded by Mr. Thompson, the foregoing report approving final plans and specifications for the New Printing Division Building, Main University, was approved. Mr. Heath and Mr. McNeese voted "No." (These negative votes are consistent with their previous record against proceeding with any new buildings until the ten-year master building plan has been received, except in cases where an emergency exists.)

Main University - Ratification of Purchase Order Issued for Electrical Equipment - Expansion of Utilities Distribution Systems. --In accordance with authorization given by the Board at the meeting held November 14, 1959, a purchase order has been issued covering electrical equipment to be used in connection with the Expansion of Utilities Distribution Systems at the Main University, as listed below:

Purchase Order to Simplex Time Recorder Company, San Antonio, Texas, in the amount of \$18,610.00, covering clock and bell carrier control system.

Before issuance of this purchase order bids were called for by the Main University Purchasing Office, and, after approval by the Comptroller, the purchase order was issued to the lowest acceptable bidder.

It is recommended that the Board ratify the action taken in issuing this purchase order.

Main University - Approval of Specifications for Movable Furniture and Equipment for Texas Union Building. -- Although the time of completion for the Addition to and Remodeling of the Texas Union Building at the Main University was set for January, 1961, according to the contract documents, it now appears that this project will be completed during the summer of 1960. Specifications for the movable furniture and equipment needed for the occupancy of the addition and remodeled area of this building have been completed in the Office of the Comptroller. These specifications have been approved by the Texas Union Building Committee and Vice-President Ransom. It is recommended that they be approved by the Board and that authorization be given to the Comptroller to advertise for bids to be presented for consideration at the next meeting of the Board.

Main University - Approval of Plans and Specifications for Repair of Roofs and Roof Decks, Main Building. --Among the projects approved out of the appropriation for Major Repair and Rehabilitation Projects at the Main University for 1959-60 was one for Repair of Roofs and Roof Decks,

Main Building, in the amount of \$25,000.00. Plans and specifications for this project have now been prepared by the Main University Physical Plant staff and approved by the Comptroller's Office. It is recommended that they be approved by the Board and that authorization be given to the Comptroller to advertise for bids and, with the concurrence of Vice-President Dolley, to award a contract within the amount of money appropriated.

Main University - Approval of Plans and Specifications for Tile Floors and Walls for Shower and Toilet Rooms in Gregory Gymnasium. -- Among the projects approved out of the appropriation for Major Repairs and Rehabilitation Projects at the Main University for 1958-59 was one for Tile Floors and Walls for Shower and Toilet Rooms in Gregory Gymnasium, in the amount of \$25,000.00. Plans and specifications for this project have now been prepared by the Main University Physical Plant staff and approved by the Comptroller's Office. It is recommended that they be approved by the Board and that authorization be given to the Comptroller to advertise for bids and, with the concurrence of Vice-President Dolley, to award a contract within the amount of money appropriated.

Main University - Approval of Plans and Specifications for Repair of Cornices and Roofs, Garrison Hall and Biological Laboratories. -- Among the projects approved out of the appropriation for Major Repair and Rehabilitation Projects at the Main University for 1959-60 was one for Repair of Cornice and Roof, Garrison Hall, in the amount of \$25,000.00, and one for Repair of Cornice and Roof, Biological Laboratories, in the amount of \$25,000.00. For the purpose of preparing plans and specifications and securing bids, these two projects have been combined although the Proposal Form includes both separate and combination proposals. Plans and specifications covering these projects have been prepared by the Main University Physical Plant staff and approved by the Comptroller's Office. It is recommended that they be approved by the Board and that authorization be given to the Comptroller to advertise for bids and, with the concurrence of Vice-President Dolley, to award a contract or contracts within the amount of money appropriated.

Main University - Littlefield Dormitory - Refurnishing of Student Rooms and Renovating Electrical Distribution System. -- Littlefield Dormitory was constructed in 1927, and the original furniture in the student rooms is still in use, although new kitchen equipment was installed in 1955-57, and in 1956-57 the living room area and dining room area were refurnished. With thirty-three years of use the furniture in the student rooms is very poor in comparison to that in our newer dormitories.

A study has been made of the best type of furniture to be used in these rooms, which are small rooms presently furnished with Murphy beds which fold into a closet. Several types of

3-12-60

furniture and arrangements for the rooms have been tested out, and it is the consensus that the best arrangement for these rooms will be a "trundle bed-study desk-book cabinet-chest arrangement" as now set up in one room. The estimated cost of all the new furniture is approximately \$53,000.00.

The electrical distribution system in this building is over-taxed at the present time. Members of the Main University Physical Plant staff have checked into this matter very carefully and feel that a new secondary distribution system and a number of circuits should be installed; also new outlets and student study light fixtures in the student rooms are needed. It is estimated that this work can be performed for about \$15,000.00.

In order to carry out the projects as outlined above, with the hope that all work can be completed by August 15, 1960, the following recommendations are made:

1. That the sum of \$70,000.00 be transferred from Account No. 4298, Division of Housing and Food Service - Major Repairs, Remodeling and Replacement, and Operating Reserve Fund, to two new appropriation accounts to be set up in the Main University Unexpended Plant Funds - General Funds section of the books to be entitled as follows:

\$15,000.00 - Renovation of Electrical Distribution System in Littlefield Dormitory

\$55,000.00 - Refurnishing of Student Rooms in Littlefield Dormitory

2. That the Director of Housing and Food Service and the Main University Business Manager, with the assistance of the Comptroller's Office, be authorized to prepare the specifications for the furniture required, and that the Main University Business Manager be authorized to advertise for bids and award contracts for the furniture within the amount appropriated.
3. That the Main University Physical Plant staff be authorized to prepare the plans and specifications for the renovation of the electrical distribution system, with authority to the Main University Business Manager either to advertise for bids and award whatever contracts are necessary, or to instruct the Main University Physical Plant staff to proceed with the necessary electrical work, whichever basis will be to the best interests of the University, all within the \$15,000.00 appropriated.

3-12-60

Main University - Appropriation for Structural Engineering Survey of Pearce Hall and Speech Building. --In connection with the preparation of recommendations in regard to the ten-year building program to be presented to the Board of Regents in the near future, the Main University Faculty Building Committee and others have discussed the question of the safety of Pearce Hall and Speech Building at the Main University for occupancy over the next ten years, since the decision in this matter would definitely affect the recommendations for the ten-year building program. These buildings were constructed in 1908 and 1904, respectively, although considerable money has been spent on them during the subsequent years. After inspections by the Main University Physical Plant staff, it was decided that a thorough survey should be made of these two structures by a Structural Engineer. It is, therefore, the recommendation of the Main University Faculty Building Committee, the Comptroller's Office, and the President's Office that Comptroller Sparenberg be given authority to engage the services of a Structural Engineer to make a structural engineering study of Pearce Hall and Speech Building, for the purpose of determining the safety of these two buildings for occupancy during the next ten years.

It is further recommended that an appropriation of \$3,500.00 be made from the Unappropriated Balance of the Available University Fund to cover the cost of this survey, it being understood that the cost will not exceed this sum and very likely will be less than this amount.

*Main University - Acquisition and Installation of Van de Graaff Tandem Accelerator and Related Equipment and Building to House this Equipment, and Method of Purchasing Van de Graaff Tandem Accelerator System. --After hearing discussions by Vice-Presidents Dolley, Haskew, and Ransom and Comptroller Sparenberg, it was agreed by the Buildings and Grounds Committee that the action taken by the Board on January 23, 1960 (see pages 5 and 6 of the Minutes) involved authorization for the Consulting Architects to start preliminary planning in regard to location and other related matters of the "Nuclear Science Building and Capital Equipment," but did not include any actual appropriation for this project from Permanent University Fund Bond money. It was further agreed by the Buildings and Grounds Committee that the information furnished by Comptroller Sparenberg, et al, justified approval of the recommendation by Doctor Kinsey and others that the Van de Graaff Tandem Accelerator and related equipment be purchased from the High Voltage Engineering Corporation of Burlington, Massachusetts, if, when, and as the project as a whole has been approved as an integral part of the ten-year building program. It was further agreed that the equipment, as

* Called to the attention of the Committee of the Whole.

3-12-60

distinguished from the building, should be bought, at the proper time, on a negotiated basis, rather than on a competitive bid basis. The Committee instructed Comptroller Sparenberg to continue negotiations with the High Voltage Engineering Corporation on a tentative basis, in regard to prices, cancellation provisions, etc., subject to eventual approval and appropriation for the project as a whole.

Main University - Acquisition of Archway Properties. -- Pursuant to the policies and procedures for acquisition of Archway properties which were adopted by the Board of Regents at the meeting of June 13, 1959, all sales contracts are to be submitted to the Board of Regents before closing.

a. It is recommended that the Business Manager of the Main University be authorized to sign a contract of sale for the Board of Regents of The University of Texas with Mrs. A. M. (Ilene) Felts in the amount of \$45,075.00 for the purchase of:

Lot No. 21 in Archway, a subdivision of Outlot No. 9, Division D, in the City of Austin, Travis County, Texas, as shown by a plat or map recorded in Volume 2, Page 208, of the Travis County plat records, together with all the improvements thereon.

It is further recommended that the Business Manager of the Main University have prepared a warrant in the amount of \$45,075.00 and deliver said warrant in exchange for a warranty deed and evidence of good title to said property.

The appraisal submitted by Mr. Legge on this property was \$44,200.00, and Mr. Forest Pearson, negotiator for the Archway properties, Mr. G. W. Landrum, Business Manager of the Main University, and Doctor J. C. Dolley, Vice-President for Fiscal Affairs, recommend approval of the Board of Regents to close this transaction at a total consideration of \$45,075.00, which is \$875.00 above the appraised value. It is felt that this is a good settlement for this property, and the amount recommended is the amount necessary to bring this matter to a conclusion through negotiation procedures.

Attention is called to special provisions in the proposed contract of sale which provide that the University shall lease the subject property to the Seller for a total consideration of \$1.00 to extend for the period from date of consummation through June 30, 1960. This provision is similar to provisions we have agreed to in other closings.

b. It is recommended that the Business Manager of the Main University be authorized to sign a contract of sale for the Board of Regents of The University of Texas with Mrs. Edna Padgett in the amount of \$16,310.00 for the purchase of:

Lot No. 23 in Archway, a subdivision of Outlot No. 9, Division D, in the City of Austin, Travis County, Texas,

3-12-60

as shown by a plat or map recorded in Volume 2, Page 208, of the Travis County plat records, together with all the improvements thereon.

It is further recommended that the Business Manager of the Main University have prepared a warrant in the amount of \$16,310.00 and deliver said warrant in exchange for a warranty deed and evidence of good title to said property.

The appraisal submitted by Mr. Legge on this property was \$16,250.00, and Mr. Forest Pearson, negotiator for the Archway properties, Mr. G. W. Landrum, Business Manager of the Main University, and Doctor J. C. Dolley, Vice-President for Fiscal Affairs, recommend approval of the Board of Regents to close this transaction at a total consideration of \$16,310.00, which includes the appraised figure plus \$60.00 to cover the necessary expenditures usual to the closing including revenue stamps.

Mr. Pearson has a letter from Mrs. Padgett agreeing to close this transaction at \$16,310.00 although at the present time there is no signed contract of sale.

c. It is recommended that the Business Manager of the Main University be authorized to sign a contract of sale for the Board of Regents of The University of Texas with Miss Ada Blackburn and Mrs. Alberta B. Murray in the amount of \$15,560.00 for the purchase of:

Lot No. 24 in Archway, a subdivision of Outlot No. 9, Division D, in the City of Austin, Travis County, Texas, as shown by a plat or map recorded in Volume 2, Page 208, of the Travis County plat records, together with all the improvements thereon.

It is further recommended that the Business Manager of the Main University have prepared a warrant in the amount of \$15,560.00 and deliver said warrant in exchange for a warranty deed and evidence of good title to said property.

The appraisal submitted by Mr. Legge on this property was \$15,000.00, and Mr. Forest Pearson, negotiator for the Archway properties, Mr. G. W. Landrum, Business Manager of the Main University, and Doctor J. C. Dolley, Vice-President for Fiscal Affairs, recommend approval of the Board of Regents to close this transaction at a total consideration of \$15,560.00, which is \$560.00 above the appraised price.

The reasons for the recommendation for closing this transaction at \$560.00 above the appraised price are:

1. The contract price includes the necessary expenses usual to the closing, including revenue stamps.

3-12-60

2. Approximately \$500.00 is included in this total consideration as an allowance to satisfy the owners for the estimated loss of income while they are moving their investment from one property to another.
3. Miss Blackburn, one of the co-owners of this property, has stated that she previously had to sell some property to the University under the Land Acquisition Program of the early 1920's.

Attention is called to a special provision to be included in the proposed contract of sale which provides that the seller agrees to rent this property from the University, and the University agrees to rent this property to the seller, through June 30, 1960, at a total consideration of \$1.00 for the period. This is in keeping with special conditions which have been agreed to on the acquisition of other properties in this block.

d. It is recommended that the Business Manager of the Main University be authorized to sign a contract of sale for the Board of Regents of The University of Texas with J. Carlyle Newberry, Executor of the Vena Newberry Estate, in the amount of \$28,000.00 for the purchase of:

Lot No. 17 in Archway, a subdivision of Outlot No. 9, Division D, in the City of Austin, Travis County, Texas, as shown by a plat or map recorded in Volume 2, Page 208, of the Travis County plat records, together with all the improvements thereon.

It is further recommended that the Business Manager of the Main University have prepared a warrant in the amount of \$28,000.00 and deliver said warrant in exchange for a warranty deed and evidence of good title to said property.

The appraisal submitted by Mr. Legge on this property was \$25,600.00. As you will recall, this property was offered to us at \$28,200.00 and was presented to the Board of Regents at the January meeting. The offer of \$28,200.00 was rejected. Mr. Forest Pearson, negotiator for the Archway properties, Mr. G. W. Landrum, Business Manager of the Main University, and Doctor J. C. Dolley, Vice-President for Fiscal Affairs, recommend approval of the Board of Regents to close this transaction at a total consideration of \$28,000.00, which is \$2,400.00 above the appraised price.

The reasons for this recommendation are as follows:

1. Mr. Pearson advises that the \$28,000.00 figure is the absolute minimum that the University is going to be able to negotiate with the Newberry Estate.

3-12-60

2. The University has been advised that if this figure is not acceptable, the Newberry Estate will withdraw from negotiations and will take their chances in Court.
3. Mr. Pearson recommends that if this offer is found not to be acceptable, proceedings should be begun immediately for condemnation.
4. It is Mr. Pearson's opinion that the University cannot properly defend a case for less than \$28,000.00 in Court. It is the opinion of Mr. Landrum and Doctor Dolley that the University would run the risk of having a jury award in excess of the \$28,000.00 figure.
5. There are no special provisions to the University's obtaining immediate possession of the property if the \$28,000.00 price is accepted.

e. For your consideration there is herewith presented an offer from Frank Reeder and James T. Watson, co-owners, to accept \$49,850.00 for the property described as follows:

Lots 9 and 10 and part of Lot No. 11 in Archway, a subdivision of Outlot No. 9, Division D, in the City of Austin, Travis County, Texas, as shown by a plat or map recorded in Volume 2, Page 208, of the Travis County plat records, together with all the improvements thereon.

The appraisal submitted by Mr. Legge on this property was \$42,500.00. The contract of sale submitted for your consideration is \$7,350.00 more than the appraised price. Mr. Forest Pearson, negotiator for the Archway properties, has recommended that this offer be accepted. It is his opinion that this is the lowest figure to which the owners will willingly agree in considering the land plus the considerable amount of improvements on the premises which had been placed in good repair. The University would find itself at a disadvantage if the price determination is left to a jury. Mr. Pearson feels that the University has all to lose and nothing to gain by going before a condemnation jury and supports his belief by his experience both in court and with real estate. Mr. Pearson has stated that the amount which the owners are willing to accept is more than he would like to see the University pay, but is a price less than would probably have to be paid if any other course is pursued.

Mr. Landrum and Doctor Dolley are inclined to agree with Mr. Pearson's recommendation although it is recommended at this time that action on this proposal be deferred until the May meeting of the Board of Regents. It is not felt that the offer should be rejected but that additional information should be available regarding the negotiations of the remaining

3-12-60

properties not under contract before a definite recommendation is made. It is believed that a recommendation can be made by the May meeting, and it is, therefore, recommended that the Board approve deferral of action until that time.

f. The request of Mr. Joe P. Callan, Jr., regarding the sale of his father's property in the Archway subdivision was referred to Mr. Forest Pearson, negotiator for the Archway properties, since the Board did not think it proper to take action at this time. The Secretary of the Board was instructed to so notify Mr. Callan. (This item (f) was added to the written report at the meeting of the Board.)

Medical Branch - Award of Contracts for Movable Furniture and Equipment for Edward Randall Pavilion. --In accordance with authorization given by the Regents at the meeting held January 23, 1960, bids were called for and were opened and tabulated on February 23, 1960, as shown on Page 33, for Movable Furniture and Equipment for the Edward Randall Pavilion at the Medical Branch. After careful and thorough consideration of the bids, it is recommended by Mr. Bobbitt and Mr. Walker of the Medical Branch, and Mr. W. C. Moore and Comptroller Sparenberg of the Comptroller's Office, that contract awards be made as follows:

Base Bid A - Shock-Therapy Beds and Mattresses:
Hill-Rom Company, Inc., Batesville, Indiana
(Low Bid - only Bid) \$ 4,260.00

Base Bid B - Mattresses and Box Springs:
The Abel Stationers, Austin, Texas
(Low Bid) \$ 3,799.00

Base Bid C - Other Movable Furniture and Equipment:
Titche-Goettinger Company, Dallas, Texas
(Lowest Acceptable Bid) \$30,161.79

Total Recommended Contract Awards \$38,220.79

M. D. Anderson Hospital and Tumor Institute and Dental Branch - Request from the Methodist Hospital, Texas Medical Center, Houston, Texas for Permission to Construct Temporary Parking Area for 115 Cars on University Property. -- The President of the Board of Trustees of The Methodist Hospital in the Texas Medical Center at Houston, Texas, has written the following letter to the Chairman of the Board of Regents of The University of Texas, under date of 4 March 1960:

"The Methodist Hospital will soon initiate a building program of 370 additional beds; and the construction of a power plant, laundry, and an 800-car parking

3-12-60

garage in partnership with St. Luke's Episcopal Hospital and Texas Children's Hospital.

"Parking facilities for patients' families and visitors are already limited and our expansion program will eliminate nearly all of our present parking spaces. Construction is scheduled to start in May of this year and we wish to construct temporary areas until our parking garage is completed in September 1961. Our Board of Trustees requests the Board of Regents of The University of Texas to give permission for the hospital to construct a temporary parking area for 115 cars on University property directly across Bertner Avenue from The Methodist Hospital. The suggested area is shown on the enclosed aerial photograph as "A" and on the enclosed drawing as Scheme "A." The area is approximately 180 feet by 210 feet in size.

"The hospital proposes to construct a shell topped lot with concrete wheel stops, and a concrete curbed approach. All improvements would be removed on or before 30 September 1961 and the area restored to its present condition. An alternate area is shown as "B" on the aerial photograph and Scheme "B" on the enclosed drawing. Areas A and B are approximately the same size in area and the same type facilities could be constructed on "B." Area A, however, would be much more convenient for hospital visitors.

"We sincerely appreciate the Board of Regents receiving this request and earnestly hope that it will receive favorable consideration."

After study of the proposal, it is recommended by Doctor Clark and Doctor Olson, which recommendation is concurred in by Comptroller Sparenberg, Vice-President Dolley, and President Wilson, that the permission requested by The Methodist Hospital be granted with the understanding that Scheme "A" will be used, and that no trees which might be on this area would be destroyed without the consent of the Central Administration of The University of Texas.

Main University - Repair and Remodeling of International House at 2500 Whitis Avenue. --It is believed to be desirable at this time to repair and remodel the house at 2500 Whitis Avenue, which is known as International House. The following recommendations, therefore, are made by President Wilson:

1. Appropriate \$30,000.00 from Account No. 4298 - Division of Housing and Food Service - Major Repairs, Remodeling and Replacement, and Operating Reserve to an account to be set up in

3-12-60

the Unexpended Plant Funds section of the Central Administration books to be entitled "Repair and Remodeling of International House. "

2. Authorize the Main University Physical Plant staff to prepare plans and specifications on this project.
3. Authorize Comptroller Sparenberg to approve these plans and specifications after their completion.
4. Authorize the Main University Physical Plant staff to perform the work necessary to effect this repair and remodeling, with the understanding that if any outside contracts are deemed necessary, the award of such contracts would be approved by the Comptroller.

Main University - Purchase of Alpha Chi Omega House. --
At this meeting a recommendation is being presented by the Regents' Buildings and Grounds Committee that certain repair and remodeling work be done on International House at 2500 Whitis Avenue, Austin, Texas, contingent upon the University's ability to purchase the Alpha Chi Omega House. Word has now been received that an agreement has been worked out with the Alpha Chi Omega Sorority, subject to Regents' approval, for the University to purchase the house and land at a price of \$115,000.00 plus closing costs, with possession by the University to be on or before July 1, 1960.

The Buildings and Grounds Committee recommends that the purchase of this property be made on the terms as set out above, with the money needed to come from Permanent University Fund Bond proceeds, and Business Manager Landrum be authorized to execute the necessary papers in this transaction. (Underscored portion added by the Board to the written report.)

Texas Western College - Proposal by Texas Western College to Pay Delinquent and Current Taxes on Delta Gamma Lodge Building. --At the November 14, 1959 meeting, the Board of Regents approved a recommendation that the lease with the Gamma Gamma House Association of Delta Gamma Sorority, covering certain land on the Texas Western College Campus, be cancelled, and that the University pay the Association \$10,000.00 for the lodge building which is now situated on this land, the payment to come from the balance remaining in the Constitutional Tax Construction Funds. This recommendation was made and approved with the understanding that it could be satisfactorily established that there was no lien of any kind on the lodge building.

President Smiley has submitted, through the Comptroller, a proposal for the consideration of the Regents' Buildings and Grounds Committee, that delinquent city and county taxes in

3-12-60

the amount of \$2,674.16, which were due through the end of 1959, plus the pro rata share of 1960 taxes, be paid from the same source of funds originally approved for the \$10,000.00 to be paid for the lodge building itself. The fact that these taxes were delinquent was not known to Doctor Smiley and Mr. Smith at the time the original recommendation was made.

It is the opinion of Central Administration and the Regents' Buildings and Grounds Committee that the University cannot legally pay these taxes; it is, therefore, recommended by the Buildings and Grounds Committee that title to this lodge building be accepted subject to these unpaid taxes.

Texas Western College - Prefabricated Building to House Refraction Chamber, Infrared Absorption Cell Test Area, Offices, Etc. -- President Smiley presented the following recommendations addressed to him by Mr. Francis L. Fugate, Contract Administrator, Schellenger Research Laboratory, Texas Western College:

"As you know, the Schellenger Research Laboratory is somewhat desperate for space in which to conduct some of the experimental work under our Government contracts. In particular this concerns an area in which to establish the refraction chamber which we have assembled under Contract DA 29-040-ORD-1237, and in which to test the infrared absorption cell which we are constructing under Contract DA 29-040-ORD-1625.

"The military authorities at White Sands Missile Range have tentatively agreed to provide us with a 'severable facility' for this purpose. This is under the provision that the college will provide the 'nonseverable' portion of the structure. In other words, this is a prefabricated structure which can be removed at the termination of the work.

"In actual practice, at the termination of our Government contracts one of two things will happen: Either the Government will turn the facility over to the college, or the College will have the opportunity to acquire the structure for a relatively small amount. The past history of such cases has been 10¢ on the dollar.

"Assuming a reasonably level area and available utilities, following is a breakdown of the costs involved:

\$ 2,644.00	non-severable (foundations, plumbing, etc. to be paid by College)
<u>17,682.80</u>	severable (building proper to be paid from Government funds)
\$20,326.80	TOTAL

3-12-60

"In other words, the College would have an immediate outlay of \$2,644.00 to provide these facilities for use of the Schellenger Research Laboratory.

"As you are perhaps aware, we are temporarily using several rooms in Annex No. 2. This building is not air-conditioned and it is doubtful if we will be able to use them during the summer months.

"We hope that we can get reasonably quick action on this matter, since the available government money must be committed before the end of this month, and there is urgent need to get to work on the projects involved in these two Government contracts. The current price of steel is another factor to be considered, since the prospects for future stability are not good in view of the past steel strike settlement. Estimated delivery on the completed building is 60 days from date of order."

President Smiley recommended, and the Buildings and Grounds Committee concurs, that the Board grant permission to proceed with this work. Doctor Smiley stated that the estimated costs would be approximately \$2,600.00 from Texas Western College Funds and \$18,000.00 from Government contract funds. He further stated that the proposed location of this "severable facility" was on the southern edge of the Campus across Wiggins Road from the site of the new Warehouse-Shops Building.

Medical Branch - Authorization to Proceed with Completion of Working Drawings and Specifications on Old Out-Patient Building and to Prepare Preliminary Plans for New Addition to Out-Patient Building. -- At the Meeting of the Board of Regents held April 16, 1959 the following motion was approved: "That the preliminary plans on the Repair and Remodeling of the Out-Patient Department Building, prepared by Page, Southerland, and Page, of Austin, Consulting Architects, be approved with the understanding that they will be modified if Legislative approval is not obtained for a new Out-Patient Building and that further work on the working drawings and specifications for this project by the Associate Architects, George Pierce and Abel B. Pierce, be suspended until the June meeting at which time a recommendation will be presented." Due to the various uncertainties and complications of the situation at the Medical Branch, with which the Board is familiar, the stop-order on the preparation of the working drawings and specifications for Remodeling of the old Out-Patient Building by Architects George Pierce and Abel B. Pierce has never been lifted up to this time.

At the October 3, 1959 meeting the Board of Regents approved the following recommendation of the Buildings and Grounds Committee:

"Medical Branch - Authorization for Consulting Architect to Prepare Preliminary Plans for Addition to Out-Patient Building. -- Action by the 56th Legislature permits

3-12-60

the Board of Regents to accept grants and gifts from private and Federal sources for the Addition to the Out-Patient Building. It is believed that from The Sealy and Smith Foundation and Hill-Burton and/or other Federal funds sufficient money can be obtained to provide for the construction of this much needed facility. Since it is necessary to have certain drawings or plans and cost estimates to present with the application for Hill-Burton funds, etc., it is recommended that authorization be given for the Consulting Architect to proceed with preliminary plans and cost estimates for the Addition to the Out-Patient Building at the Medical Branch, contingent upon allocation by The Sealy and Smith Foundation now of sufficient money to cover the Consulting Architect's Fees for these plans.

"It will be very difficult, if not impossible, to proceed with the working drawings and specifications for remodeling the old Out-Patient Building, with any degree of efficiency or intelligence, until it is rather definitely settled as to what the new addition will contain.

"Preliminary estimates of the cost of this project run from \$1,830,000.00, per the Hamilton report, to \$2,500,000.00, the latest estimate by Doctor Truslow."

The recommendation approved by the Board October 3, 1959 was contingent, as indicated above, on allocation by The Sealy and Smith Foundation now of \$25,000.00 to cover the Consulting Architect's fees for the preliminary plans and cost estimates for the proposed addition to the Out-Patient Building. According to information from the Medical Branch, this allocation by The Sealy and Smith Foundation has not yet been asked for or allocated.

Doctor Truslow is very anxious that the stop-order be lifted or removed by the Board on the work to be done by Pierce and Pierce on the working drawings and specifications for the remodeling of the old Out-Patient Building. After considerable discussion by Doctor Truslow and others before the Regents' Buildings and Grounds Committee, the Regents' Medical Affairs Committee, and the Regents' Committee of the Whole, it is recommended by the Regents' Buildings and Grounds Committee:

1. That the Consulting Architects, Jessen, Jessen, Millhouse, and Greeven, be authorized to proceed with the preparation of preliminary plans and cost estimates for the Addition to the Out-Patient Building at the Medical Branch, in accordance with the action taken October 3, 1959, with the exact source of their fees of \$25,000.00 or less to be determined later.
2. That Associate Architects George Pierce and Abel B. Pierce be authorized to proceed with the completion of their work on the working drawings and specifications for Remodeling of the old Out-Patient Building.

3-12-60

3. That Consulting Architects Jessen, Jessen, Millhouse, and Greeven and Associate Architects Pierce and Pierce be instructed to proceed with their work on the assumption that the New Addition to the Out-Patient Building will be built, and that the work of both firms be very thoroughly and carefully coordinated from now on.

Adoption of Report. -- Mr. Thompson moved that the portions of the foregoing report of the Buildings and Grounds Committee that had not been adopted by individual motions be adopted. Mr. Johnson seconded the motion which prevailed.

Preliminary Sketch of Outside Architecture, Undergraduate Library and Academic Center. -- Immediately following the report of the Buildings and Grounds Committee, Committee Chairman Thompson asked that the Board consider the Revised Sketch of Outside Architecture (Plan No. 6) for the Undergraduate Library and Academic Center. A discussion ensued after which the Board voted against approval of Plan No. 6 (the last rendering). Comptroller Sparenberg was requested to have Consulting Architect Jessen again present to the Board Preliminary Sketches Nos. 4, 5, and 6. (See Page 31.)

Ten-Year Master Plan for Physical Plant Development (P5, 5.1 System-Wide Policy, Committee of 75 Report). -- In compliance with System-Wide Policy P5, 5.1 (Permanent Minutes, Volume VI, Page 892), adopted as a result of the Committee of 75, a 10-year carefully worked out projection for physical plant development to take care of essential buildings and equipment projects is to be completed by April, 1960. In this connection and at the request of Mr. Thompson, Vice-President Haskew presented the following Overview of Plan of Presentation of the Master Plan for Physical Plant Development, and it was agreed that a meeting would be held in June to discuss this project:

1. Between now and June we shall present a series of background memos, taking up Main University first and then following with Texas Western, Medical Branch, Dental Branch, Southwestern Medical School, and M. D. Anderson in order. These memos will be designed to acquaint Board members with both facts and issues concerning various components of a master plan.
2. Then, at the June meeting, we shall be able to lay before the Buildings and Grounds Committee a complete set of proposals. Several of these will present alternatives. The proposals will be in terms of specific structures at certain locations, schedules for construction and financing of each, and perhaps some recommendations for land acquisition and for land disposal. It is hoped that the background memos will enable Board members to understand the pros and cons of various proposals.
3. After presentation, the Board will be able to spend considerable time in weighing the proposals before making the far-reaching decisions they will have to make finally. Perhaps three or four months should be spent in discussion and study before a Master Plan is adopted.

3-12-60

REPORT OF THE LAND AND INVESTMENT COMMITTEE (See Page 28 for adoption.) -- Vice-Chairman Johnson reported that the Land and Investment Committee approved the recommendations of the Administration (Attachment No. 1) with the following amendments thereto and comments on. (Attachment No. 1 was distributed to the Regents prior to the meeting.) Each of the amendments set out below was adopted by a separate motion following their presentation to the Board by Vice-Chairman Johnson:

1. Amendments

- a. Permanent University Fund Bonds, Series 1960 - Selection of Bond Counsel, Page L-8. -- Amend by deleting the last paragraph and substituting in lieu thereof the following:

It is recommended that the Board of Regents engage the firm of Vinson, Elkins, Weems & Searles as counsel for this 1960 Series of Permanent Fund Bonds, subject of course to acceptance by the firm. A firm agreement with the firm and the fee arrangement will be presented to the Board of Regents for approval at the May, 1960 meeting.

Adoption: Upon motion of Mr. Thompson, seconded by Mr. Heath, the foregoing amendment to the Administration's recommendations was approved.

- b. Main University - Proposal by Doctor Anson L. Clark for Establishment of Delta Upsilon Fund of The University of Texas, Page L-15. -- Amend by adding the following paragraph:

It is recommended that the proposal for establishment of the Delta Upsilon Fund be declined, with the understanding that the January 23 action of the Board remain in effect for acceptance of the fraternity house property if Doctor Clark wishes to convey the property as then proposed, without the Delta Upsilon Fund.

Adoption: The foregoing amendment to the Administration's recommendation was approved upon motion of Mr. Johnson, seconded by Mr. Heath.

3-12-60

2. Additional Comments

- a. George W. Brackenridge Loan Fund - Report on Court Decree Liberalizing Use of Fund, Page L-15. --The Land and Investment Committee requested Attorney Waldrep to go over the legal effect of the Court Decree. (A copy of this Final Judgment is in the Secretary's Files, Volume VII, Page 85*.) *Legal size volume.
- b. Main University - Estate of Hamah Smith Callaway - Offer of Texas State Teachers Association to Purchase Property Known as 1206 Guadalupe Street, Austin, Page L-16. --The proceeds from this sale will be an unrestricted fund and will be handled by Vice-President Dolley in the same manner as the Etter Fund.
- c. Remuneration for Easements (Rights of Way) to Counties and the State Highway Department. --The question has been raised as to why the University does not receive remuneration for rights of way to counties and to the State Highway Department in the same manner as any other taxpayer receives pay, since the State does pay taxes on University Lands.

It is the judgment of the Land and Investment Committee that the present policy of granting rights of way to counties and to the State Highway Department without remuneration be continued. When easements were first granted, roads on University Lands were very important; and in many areas they are still an important consideration. The present policy makes for better relations with the counties and the State Highway Department. Mr. Heath stated that he did not feel strongly about the matter and did not care to protest since the reasons set forth are good. He was merely looking at the matter from the standpoint of a taxpayer.

Adoption of Report. --It was moved by Mr. Johnson and seconded by Mr. Madden that the Report of the Land and Investment Committee with the foregoing amendments and comments be adopted. The motion prevailed, and this report (Attachment No. 1, Pages L-1 through L-21) is appended following Page 33 of the Minutes and is made a part of the Minutes.

3-12-60

REPORT OF THE MEDICAL AFFAIRS COMMITTEE (See Page 30 for adoption.) --Committee Chairman Bryan presented the following report of the Medical Affairs Committee. Those items that were considered by the Committee of the Whole are so designated:

Summary Report, Medical Branch. --Other than the items on the agenda of the Medical Affairs Committee, Doctor Truslow in a report before the Committee of the Whole included among other matters a request to meet with the State Health Board Committee, and a request relating to the remodeling of the old Out-Patient Building. The Committee of the Whole granted Doctor Truslow's request to meet with the State Health Board Committee on March 13 for the purpose of presenting the program planned for the Medical Branch for the next few years. The preliminary plans for the remodeling of the Out-Patient Building had been discussed by the Buildings and Grounds Committee; since this project is a joint responsibility of the Buildings and Grounds Committee and the Medical Affairs Committee, it was referred to the Committee of the Whole and approved. However, it was asked by Vice-President Dolley that it be included in the report of the Buildings and Grounds Committee. (Page 25)

Amendment to the Bylaws of the Medical Staff of The University of Texas Medical Branch Hospitals. -- Upon recommendation of Doctor Truslow, concurred in by President Wilson, the Medical Affairs Committee recommends that the following amendment to the Bylaws of the Medical Staff of The University of Texas Medical Branch Hospitals be adopted:

Amend Article VI, Section 2, by adding immediately after the paragraph Special Committees (Permanent Minutes Vol. V, Page 339) an additional paragraph to read:

The Cancer Committee shall consist of six members of the active Medical Staff appointed by the Chief-of-Staff, to include the Director of the Tumor Clinic, a surgeon, a gynecologist, an internist, a pediatrician, and a radiologist especially concerned with radiation therapy. The Cancer Committee shall act as a policy group to plan, supervise, and appraise the program of the John Sealy Hospital Tumor Clinic. All reports of this committee shall be to the Executive Committee.

3-12-60

This amendment was approved by the Medical Staff at its annual meeting on January 26, 1960, in order to meet the requirement of the American College of Surgeons and other accrediting agencies.

Waiver of Regents' Rule re Absence of Staff Members: Reassignment of Duties for Doctor Joe Koch. -- Upon recommendation of President Wilson, the Medical Affairs Committee recommends that Part Two of the Rules and Regulations for the Board of Regents for the Government of the University of Texas, Chapter 3, Section 13, Subsection 13.23 be waived and that Doctor Joe Koch, a third year resident in internal medicine, be relieved of his usual duties at the Medical Branch, and for the period of January 1, 1960 through March 31, 1960, be assigned to the Georgetown University Hospital Washington, D. C. for the purpose of specific training in the operation of the artificial kidney. This unit has been under the direction of Doctor Remmers, who has been called to active duty on April 1, 1960, and it is necessary to obtain a trained successor on short notice.

Summary of Funds Available, January 31, 1960, Postgraduate School of Medicine. -- On the following page (30a) is a summary of funds available as of January 31, 1960, for use by the Postgraduate School of Medicine, as presented in the Material Supporting the Agenda.

Adoption of Report. -- Upon motion of Mr. Madden, duly seconded, the foregoing report of the Medical Affairs Committee was accepted and the recommendations contained therein were adopted.

THE UNIVERSITY OF TEXAS
POSTGRADUATE SCHOOL OF MEDICINE

595

3-12-60

SUMMARY OF FUNDS AVAILABLE
JANUARY 31, 1960

	<u>Estimated Income</u>	<u>Receipts to Date</u>	<u>Excess of Receipts over Estimates</u>
Estimated Income:			
Legislative Appropriation	\$ 10,000.00	\$ 10,000.00	\$
Tuition Income	15,000.00	6,095.00	8,905.00*
Overhead	3,000.00	3,549.22	549.22
Grant, M. D. Anderson Foundation	25,000.00	25,000.00	
Grants, from Other Sources (See below)	<u>40,000.00</u>	<u>43,949.67</u>	<u>3,949.67</u>
Sub-Total Estimated Income	<u>\$ 93,000.00</u>	<u>\$ 88,593.89</u>	<u>\$ 4,406.11*</u>
Unappropriated Balance (Estimated)	39,400.00		
Unappropriated Surplus and Current Restricted Funds Balances (8-31-59)		<u>47,896.62</u>	<u>8,496.62</u>
Total Estimated Funds Available	<u>\$132,400.00</u>		
Actual Funds Available as of January 31, 1960		<u>\$136,490.51</u>	
Excess of funds available over budget Estimate			<u>\$ 4,090.51</u>

* Indicates estimate in excess of receipts.

Grants from Other Sources, restrictions indicated:

National Institute of Mental Health. Restricted to Psychiatry course sponsored at Memorial Hospital, Houston.	\$ 7,822.70
Office of Vocational Rehabilitation. Restricted to course on medical problems of the elderly.	516.25
Mike Hogg Foundation. Restricted for research and education	2,000.00
Warner-Chilcott Laboratories. Restricted for course in Gastroenterology.	3,000.00
Texas Medical Center. Restricted for teaching English to foreign born residents.	500.00
J. J. Truitt Trust. Restricted for course in Cardiology.	324.72
Merck, Sharp and Dohme. Restricted for extension teaching courses.	10,000.00
Lederle Laboratories. Restricted for "What Goes On" Publication.	<u>19,786.00</u>
Total Grants from Other Sources	<u>\$43,949.67</u>

OTHER MATTERS

596

3-12-60

SCHEDULED MEETINGS OF THE BOARD. --The Board has scheduled the following meetings:

May 13-14, 1960, in Galveston (approved at the January 1960 Meeting). -- The afternoon of May 14 will be devoted entirely to the consideration of the 1960-61 annual budgets.

June 1960. -- The June meeting will be principally for the consideration of (1) Ten-Year Master Plan for Physical Development and (2) Legislative Budget Request for Biennium 1961. The date is contingent upon the Administration completing its recommendations for the Legislative Budget Request and will be definitely set at the May meeting.

July 1960. -- The date for the July meeting will be set when the Board convenes in May.

ITEMS FOR THE RECORD. --The following actions or informal authorizations by the Committee of the Whole at the meetings indicated are reported for the record:

November 1959 Meeting: Additional Housing, Main University. -- At the meeting of the Committee of the Whole on November 13, 1959, the Administration after presenting certain alternatives was authorized to move ahead in the most expeditious and economical way to provide better housing for the colored students and to report back to the Board in detail. The informal recommendations at this meeting as well as those at the January meeting were contingent upon negotiations being consummated with outside individuals for the acquisition of a building and lot adjacent to University property.

January 1960 Meeting: (1) Negotiations for Purchases of Alpha Chi Omega House Authorized; (2) Other Additional Housing, Main University. -- The Committee of the Whole at its meeting on January 22, 1960, accepted the Administration's recommendations and authorized Business Manager Landrum to negotiate for the purchase of the Alpha Chi Omega house. The present International Center is to be remodeled and made into a dormitory for girls. The Committee of the Whole then extended its policy regarding housing for Negro students to include one section of Brackenridge Hall to be designated by the Administration and a new dormitory for girls, just authorized.

PRELIMINARY SKETCHES OF OUTSIDE ARCHITECTURE, UNDERGRADUATE LIBRARY AND ACADEMIC CENTER, MAIN UNIVERSITY (Continued from Page 26a.). --In compliance with the request of the Board following the adoption of the Buildings and Grounds Committee Report, Consulting Architect Jessen pointed out the differences in the outside architecture of Plans No. 4 and No. 6 for the Undergraduate Library and Academic Center.

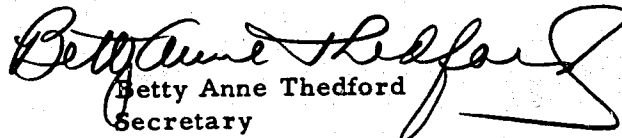
EXECUTIVE SESSION

3-12-60

Following the review by Consulting Architect Jessen of Preliminary Sketches No. 4 and No. 6 of the Outside Architecture of the Undergraduate Library and Academic Center, the Board went into Executive Session.

APPROVAL OF OUTSIDE ARCHITECTURE OF PRELIMINARY SKETCH NO. 6, UNDERGRADUATE LIBRARY AND ACADEMIC CENTER, MAIN UNIVERSITY. --(Plan No. 4 was adopted by the Board at its meeting in June 1959; Plan No. 6 was presented at this meeting pursuant to the request of the Board at the January 1960 meeting.) The Board rescinded its action of June 1959 and approved the outside architecture of Preliminary Sketch No. 6 for the Undergraduate Library and Academic Center.

ADJOURNMENT. --The Board adjourned at 11:55 a. m.


Betty Anne Thedford
Secretary

TABULATION OF BIDS

3-12-60

CONDITIONING OF TEXAS MEMORIAL MUSEUM, Main University, Austin, Texas

Bids Opened: 2:00 p. m. - February 24, 1960
Austin, Texas

<u>Contractor</u>	<u>Base Bid</u>	<u>Alternate No. 1</u>	<u>Bidder's Bond</u>
H. L. Arnold Co., Inc. Austin, Texas	\$92,743.00	-\$4,625.00	5% Bond
J. M. Boyer, Mechanical Contractor, Austin, Texas	91,819.00	- 4,469.00	5% Bond
R. O. Davis, Inc. Austin, Texas	99,500.00	- 2,200.00	5% Bond
Strandtmann Air Conditioning Austin, Texas	99,569.00	- 6,592.00	5% Bond
Way Engineering Co., Inc. Austin, Texas	89,430.00	- 4,200.00	5% Bond
Young and Pratt Austin, Texas	93,576.00	- 6,760.00	5% Bond

FURNITURE AND EQUIPMENT FOR EDWARD RANDALL PAVILION, Medical Branch, Galveston, Texas

Bids Received on or before: 10:30 a. m. - February 23, 1960
Austin, Texas

<u>Contractor</u>	<u>Check or Bond</u>	<u>Base Bid "A"</u>	<u>Base Bid "B"</u>	<u>Base Bid "C"</u>	<u>Combination "A-B-C"</u>
Abel Stationers Austin, Texas	5% Bond	No Bid	\$3,799.00	\$29,968.00	No Bid
Capital City Office Outfitters, Austin Texas	5% Bond	No Bid	No Bid	\$31,577.95	No Bid
Englander, Inc. Houston, Texas	\$500 Bond	No Bid	\$4,187.60	No Bid	No Bid
Hill-Rom Co., Inc. Batesville, Indiana	\$213 Bond	\$4,260.00	No Bid	No Bid	No Bid
Suniland Co. Houston, Texas	5% Bond	No Bid	*\$4,012.02	\$31,752.06	No Bid
Titche-Goettinger Co. Dallas, Texas	5% Bond	No Bid	No Bid	\$30,161.79	No Bid

As bid for 58 mattresses and 58 box springs rather than 70 mattresses and 58 box
springs as called for on the proposal.

3-12-60

PERMANENT UNIVERSITY FUND -- INVESTMENT MATTERS.--

REPORT OF PURCHASES AND SALES OF SECURITIES.--The following purchases and sales of
have been made for the Permanent University Fund since the meeting of January 22,
ask that the Board ratify and approve these transactions:

PURCHASE OF SECURITIES

CORPORATE BONDS

Security	Par Value of Bonds Purchased	Market Price At Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
Texas Electric Service Company 5-1/4% S. F. Debentures, dated 2/1/60, due 2/1/85	\$ 250,000	102.106 Net	\$ 255,265.00	5.10%
The Pacific Telephone and Tele- graph Company 5-1/8% Debentures, dated 2/1/60, due 2/1/93	500,000	101.198 Net	505,990.00	5.05
Duke Power Company First & Rfdg. Mortgage Bonds, 5-1/8% Series, dated 2/1/60, due 2/1/90	500,000	102.40 Net	512,000.00	4.97
Total Corporate Bonds Purchased	<u>\$1,250,000</u>		<u>1,273,255.00</u>	<u>5.03</u>

PREFERRED STOCKS

Security	No. of Shares Purchased			
R. J. Reynolds Tobacco Company Preferred Stock, 3.60% Series	500	77	\$ 38,733.50	4.65%

COMMON STOCKS

Republic National Bank of Dallas Common Capital Stock	400	79-1/4 Net	\$ 31,700.00	2.12%
Carolina Power & Light Company Common Stock	1,300	37-1/2(1200) 37 (100)	49,190.50	3.49
United States Steel Corporation Common Capital Stock	500	95-3/8	47,930.20	3.13
Texaco Inc. Capital Stock	600	79-1/2	47,981.70	3.25
General American Transportation Corporation Common Stock	800	62-1/4	50,161.84	3.35
Parke, Davis & Company Capital Stock	1,200	42-1/8(200) 42 (400) 41-5/8(500) 41-3/4(100)	50,691.55	3.31
United States Gypsum Company Common Stock	500	91-3/4(100) 91 (100) 90-1/4(200) 91-1/2(100)	45,715.49	3.45

brokerage commissions paid.

maturity for bonds; yield at present indicated dividend rate for stocks.

COMMON STOCKS (Continued)

3-12-60

600

Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
American Telephone & Telegraph Company Capital Stock	600	82-1/4	\$ 49,633.38	3.99%
Houston Lighting & Power Company Common Stock	800	66 (400) 66-3/4(400)	53,465.12	2.39
Minneapolis-Honeywell Regulator Company Common Stock	400	125 (100) 127-3/4(100) 126-3/4(100) 125-1/2(100)	50,706.51	1.58
Household Finance Corporation Common Stock	1,800	27-5/8(200) 28-1/4(200) 29 (100) 28-1/2(500) 30-1/2(100) 30-3/4(100) 31-1/2(100) 30 (100) 29-5/8(100) 29-1/2(100) 29-1/4(200)	52,966.33	4.08
The National Life & Accident Insurance Company Capital Stock	100	117 Net	11,700.00	0.51
E. I. du Pont de Nemours & Com- pany Common Stock	200	235-1/2(100) 236-3/8(100)	47,312.69	2.96
The Southern Company Common Stock	1,200	41 (900) 41-1/8(300)	49,711.68	3.38
Carolina Power & Light Company Common Stock	1,300	36-1/2(1100) 36-1/4(200)	47,884.01	3.58
General Motors Corporation Common Stock	1,000	46-3/8(400) 46-1/4(200) 46-1/8(400)	46,671.26	4.29
Sears, Roebuck & Company Common Stock	1,000	45-5/8(200) 45-1/2(300) 45-1/8(100) 45 (300) 44-3/4(100)	45,678.81	3.17
Corn Products Company Common Stock	1,000	49-5/8(800) 49-3/8(200)	50,012.86	4.00
R. J. Reynolds Tobacco Company Common Stock	900	58 (200) 57-7/8(200) 57-3/4(500)	52,453.08	3.77
General Electric Company Common Stock	600	88-1/2	53,387.10	2.25

* brokerage commissions paid.
 ** present indicated dividend rate.

COMMON STOCKS (Continued)

3-12-60 601

Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
Continental Oil Company Capital Stock	1,000	51-1/4(200) 50 (500) 51-1/2(200) 51-1/8(100)	\$ 51,103.17	3.33%
Total Common Stocks Purchased	<u>17,200</u>		<u>986,057.28</u>	<u>3.22</u>
Total Corporate Securities Purchased			<u>\$2,298,045.78</u>	<u>4.25%</u>

brokerage commissions paid.
present indicated dividend rate.

SALES OF SECURITIES

	Net Sales Proceeds#
92/100ths fractional share of Addressograph-Multigraph Corporation Common Stock received in 3% stock dividend.	\$103.66
32/100ths fractional share of The Dow Chemical Company Common Stock received in 2% stock dividend.	31.17
28/50ths fractional share of Texaco Inc. Capital Stock received in 2% stock dividend.	43.54
48/100ths fractional share of The Goodyear Tire & Rubber Company Common Stock received in 2% stock dividend.	20.16
20/100ths fractional share of Household Finance Corporation Common Common Stock received in 5% stock dividend.	5.70
40/50ths fractional share of International Paper Company Common Stock received in 2% stock dividend.	92.64
60/100ths fractional share of Monsanto Chemical Company Common Stock received in 2% stock dividend.	28.44
80/100ths fractional share of Gulf Oil Corporation Capital Stock received in 3% Stock dividend.	25.78

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

3-12-60

LEASES AND EASEMENTS.--The Land and Investment Committee has given consideration to the following applications for various leases and easements on University lands. All are at the standard rate unless otherwise stated, are on the University's standard forms, and have been approved as to form by the University Land and Trust Attorney and as to content by the University Endowment Officer. The Land and Investment Committee asks that the Board approve these applications and authorize the Chairman of the Board to execute the instruments involved:

POWER LINE EASEMENT NO. 1442, TEXAS ELECTRIC SERVICE COMPANY, ANDREWS COUNTY.--This application for a power line easement to Texas Electric Service Company covers 2,523.51 rods of electric distribution lines at \$0.50 per rod for the 10-year period beginning January 1, 1960 and ending December 31, 1969, located as follows: Section 20, Block 1; Section 7, Block 7; Section 1, Block 8; Sections 4 and 5, Block 11; Section 36, Block 11; Sections 15, 19, 20, 21, 22, 23 and 24, Block 12, Andrews County; and Section 29, Block 30, Crane County. Consideration of \$1,261.76 for the 10-year period has been received.

BUSINESS SITE EASEMENT NO. 1443, JACK CRUIKSHANK, REAGAN COUNTY (RENEWAL OF NO. 442).--This application for a business site easement to Jack Cruikshank covers a tract 300 feet by 300 feet in Section 34, Block 9, Reagan County, to be used as the site for a filling station for a period of one year beginning March 1, 1960 and ending February 28, 1961, with option to renew from year to year for 10 years from March 1, 1960, at an annual rental of \$100.00. Consideration of \$100.00 covering rental for the first year has been received.

PIPE LINE EASEMENT NO. 1444, SHELL PIPE LINE CORPORATION, UPTON AND REAGAN COUNTIES (RENEWAL OF NO. 439).--This application for a pipe line easement to Shell Pipe Line Corporation covers 7,465 rods of 10-5/8 - inch line at \$1.00 per rod for the 10-year period beginning March 16, 1960 and ending March 15, 1970, located as follows: Sections 7, 8, 9, 10, 11 and 12, Block 4; and Sections 4, 7, 8 and 9, Block 11, Upton County; and Sections 19, 20, 21, 22, 25, 26, 27 and 30, Block 1; Sections 8, 9, 10, 11, 12 and 18, Block 8; and Sections 13 and 14, Block 11, Reagan County. Consideration of \$7,465.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1445, PHILLIPS PETROLEUM COMPANY, ANDREWS AND ECTOR COUNTIES (RENEWAL OF NO. 444).--This application for a pipe line easement to Phillips Petroleum Company covers 42.9 rods of 6-5/8 - inch line at \$0.75 per rod and 74.0 rods of 4 1/2 - inch line at \$0.50 per rod for a 10-year period beginning March 1, 1960 and ending February 28, 1970, located in Section 4, Block 1; and Section 2, Block 4, Andrews County; and Section 4, Block 35, Ector County. This is a renewal of a line covered by Easement No. 444, having been 48.5 rods of 6-inch line, which has been converted to 42.9 rods of 6-5/8 - inch line. Two additional lines in connection with the original line are covered by the renewal, Easement No. 1445. Consideration of \$69.18 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1446, TEXAS-NEW MEXICO PIPE LINE COMPANY, CRANE AND UPTON COUNTIES.--This application for a pipe line easement to Texas-New Mexico Pipe Line Company covers 305 rods of 4 1/2 - inch line at \$0.50 per rod for a 10-year period beginning December 1, 1959 and ending November 30, 1969, located in Section 37, Block 10, Upton County; and Sections 21 and 32, Block 30, Crane County. Consideration of \$152.50 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1447, TEXAS-NEW MEXICO PIPE LINE COMPANY, ANDREWS COUNTY.--This application for a pipe line easement to Texas-New Mexico Pipe Line Company covers 246 rods of 4 1/2 - inch line at \$0.50 per rod for a 10-year period beginning December 1, 1959 and ending November 30, 1969, located in Section 36, Block 13; and Section 18, Block 14, Andrews County. Consideration of \$123.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1448, GULF OIL CORPORATION, CRANE COUNTY.--This application for a pipe line easement to Gulf Oil Corporation covers 169.7 rods of 6 - inch line at \$0.50 per rod for a 10-year period beginning January 1, 1960 and ending December 31, 1969, located in Section 3, Block 31, Crane County. Consideration of \$84.85 for the 10-year period has been received.

BUSINESS SITE EASEMENT NO. 1449, LEROY WARREN, ANDREWS COUNTY.--This application for a business site easement to Leroy Warren covers a tract 100 feet by 400 feet in Section 17, Block 13, Andrews County, to be used as the site for a beauty shop for a period of one year beginning February 1, 1960 and ending January 31, 1961, with option

renew from year to year for 10 years from February 1, 1960, at an annual rental of \$100.00. Consideration of \$100.00 covering rental for the first year has been received.

BUSINESS SITE EASEMENT NO. 1450, J. HOYT KNIVETON, PECOS COUNTY.--This application for a business site easement to J. Hoyt Kniveton covers a tract of 3.44 acres in Section 31, Block 16, Pecos County, to be used as a parking lot for oil well equipment for a period of one year beginning March 1, 1960 and ending February 28, 1961, with option to renew from year to year for 10 years from March 1, 1960, at an annual rental of \$100.00. Consideration of \$100.00 covering rental for the first year has been received.

POWER LINE EASEMENT NO. 1451, TEXAS ELECTRIC SERVICE COMPANY, ANDREWS, CRANE AND ECTOR COUNTIES.--This application for a power line easement to Texas Electric Service Company covers 1,594.29 rods of electric distribution lines at \$0.50 per rod for the 10-year period beginning February 1, 1960 and ending January 31, 1970, located as follows: Sections 13 and 24, Block 4; and Sections 10, 15, 16, 29, 30, 32, 35, 36 and 47, Block 9, Andrews County; Sections 2, 10 and 11, Block 31, Crane County; and Section 11, Block 35, Ector County. Consideration of \$797.15 for the 10-year period has been received.

POWER LINE EASEMENT NO. 1452, COMMUNITY PUBLIC SERVICE COMPANY, PECOS COUNTY.--This application for a power line easement to Community Public Service Company covers 76 rods of electric power lines at \$0.50 per rod for the 10-year period beginning February 1, 1960 and ending January 31, 1970, located in Section 34, Block 27; and Section 6, Block 28, Pecos County. Consideration of \$238.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1453, MAGNOLIA PIPE LINE COMPANY, ANDREWS COUNTY.--This application for a pipe line easement to Magnolia Pipe Line Company covers 988.3 rods of 4½-inch line at \$0.50 per rod and 158.5 rods of 3½-inch line and 304 rods of 2-inch line at \$0.25 per rod for a 10-year period beginning January 1, 1960 and ending December 31, 1969, located in Sections 5, 6 and 7, Block 1; Sections 13, 23, 24 and 25, Block 4; and Sections 7, 18, 19 and 30, Block 5, Andrews County. Consideration of \$609.78 for the 10-year period has been received.

SALT WATER DISPOSAL SITE EASEMENT NO. 1454, GULF OIL CORPORATION, ANDREWS COUNTY.--This application for a salt water disposal site easement to Gulf Oil Corporation covers a 5-acre site in Section 2, Block 5, Andrews County, on which is located Gulf's University "X" No. 1 Well, which is to be used for disposal and injection of salt water, brines and other waste products from Gulf's oil and gas wells on University Lands, including University Leases Nos. M-36230 and M-36231, and from the W/2 of Sec. 14, Blk. A-19, P.S.L., Andrews County of its L. L. Butler Lease. This easement is for a period of 10 years from the date of approval by the Board of Regents, the effective date of the easement, at a total consideration of \$500.00 for the 10-year period, which has been received.

HIGHWAY RIGHT OF WAY EASEMENT NO. 1455, COUNTY COMMISSIONERS' COURT OF EL PASO COUNTY, EL PASO COUNTY.--This application for a highway right of way easement to the County Commissioners' Court of El Paso County covers three parcels of land comprising 13.474 acres in Section 2, and 0.202 acres and 7.008 acres in Section 24, Block 1, El Paso County, for use as right of way for F. M. Road No. 793, which is to extend from the junction of F. M. Road No. 76 at Fabens to the junction of Interstate Highway No. 10. No consideration is involved in this easement.

ROAD RIGHT OF WAY EASEMENT NO. 1456, COUNTY OF CRANE, CRANE COUNTY.--This application for a road right of way easement to the County of Crane covers a strip of land comprising 43.07 acres in Sections 33, 34, 39 and 46, Block 30, Crane County, with the provision that the road to be constructed shall be fenced by the County of Crane. No consideration is involved in this easement.

ROAD RIGHT OF WAY EASEMENT NO. 1457, COUNTY OF CRANE, CRANE COUNTY.--This application for a road right of way easement to the County of Crane covers a strip of land comprising 79.07 acres in Sections 22, 23, 25, 26, 36, 37, 38 and 48, Block 30, Crane County, with the provision that the road to be constructed shall be fenced by the County of Crane. No consideration is involved in this easement.

ROAD RIGHT OF WAY EASEMENT NO. 1458, COUNTY OF CRANE, CRANE COUNTY.--This application for a road right of way easement to the County of Crane covers a strip of land comprising 24.61 acres in Sections 46, 47, and 48, Block 30, Crane County, with the provision that the road to be constructed shall be fenced by the County of Crane. No consideration is involved in this easement.

3-12-60 604

COMPRESSOR SITE EASEMENT NO. 1459, THE ATLANTIC REFINING COMPANY, ANDREWS COUNTY.--This application for an easement to The Atlantic Refining Company covers a 2-acre site in the N/2 of Section 9, Block 14, Andrews County, for the location of a compressor. This easement is for a period of 10 years beginning April 1, 1960 and ending March 31, 1970, at a total consideration of \$500 for the 10-year period, which has been received.

BUSINESS SITE EASEMENT NO. 1460, NOBLE HOLT, REAGAN COUNTY.--This application for a business site easement to Noble Holt covers a tract approximately 600 feet by 150 feet in Section 7, Block 11, Reagan County, on which is located a drive-in theater, which has been purchased by Mr. Holt from Stout and Goodwin, who formerly held this site under Business Site Easement No. 1088. This easement is for a period of 3 years beginning May 1, 1960 and ending April 30, 1963, at an annual rental of \$500.00 per year. Due to decrease in business and difficulties of operation, this easement is being recommended for a 3-year period rather than the usual 1-year period, with option to renew, as provided by most business site easements.

STATUS OF BUSINESS SITE EASEMENT NO. 1088, STOUT AND GOODWIN, REAGAN COUNTY.--This easement, approved by the Board of Regents May 30, 1958, covered a site in Section 7, Block 11, Reagan County, for the location of a drive-in theater, for a period of one year beginning May 1, 1958 and ending April 30, 1959, with option to extend and renew the lease from year to year for a period of 10 years from May 1, 1958, upon payment in advance of annual rental of \$1,000.00. Upon recommendation of the University Staff, the Board of Regents on August 1, 1959, approved the lessees' request to pay the annual rental of \$1,000.00 in monthly installments of \$200.00, plus interest, due to lessees' wish to keep this easement despite the decrease in volume of business. A total of \$400.00, plus interest, was paid under this arrangement. In November, 1959, a voluntary petition in bankruptcy was filed by Mr. S. E. Stout in connection with the drive-in theater located on the site covered by this easement, and the theater was purchased by Mr. Noble Holt, who held an easement on this site prior to Stout and Goodwin. The unpaid balance of \$600.00, plus interest of \$45.00, has been paid by Mr. Holt, thereby paying rental due through April 30, 1960. Issuance of a new easement to Mr. Holt on this site is recommended in this docket as Business Site Easement No. 1460. Approval of the above negotiations is recommended.

AMENDMENT OF FIELD NOTES OF HIGHWAY RIGHT OF WAY EASEMENT NO. 918, TEXAS STATE HIGHWAY COMMISSION, APPROVED BY BOARD OF REGENTS MARCH 16, 1957, EL PASO COUNTY.--At the request of the Texas Highway Department, it is recommended that field notes set forth in the instrument covering Highway Right of Way Easement No. 918, approved in favor of the Texas State Highway Commission by the Board of Regents on March 16, 1957, be superseded by amended field notes comprising a total of 72.970 acres in Section 24, Block L, El Paso County. The original field notes in the instrument comprised a total of 76.845 acres in Section 1, and Section 24, Block L, El Paso County.

AMENDMENT OF BUSINESS SITE EASEMENT NO. 1439, MANUEL PROVENCIO, EL PASO COUNTY.--The application of Manuel Provencio for a filling station site easement covering a 2-acre tract in Sections 1 and 24, Block L, El Paso County, was approved by the Board of Regents on January 23, 1960, under Easement No. 1439. It is recommended that Mr. Provencio be allowed to use the site under that easement for a trailer court, as well as for a filling station, at an additional consideration of \$50.00 annually, making the total annual rental \$300.00. Easement No. 1439 is for a one-year period beginning March 1, 1960 and ending February 28, 1961, with option to renew from year to year for 10 years from March 1, 1960. Consideration of \$50.00 has been received, in addition to \$250.00 which was received with the initial application for this easement, covering rental for the first year.

RELEASE TO UNIVERSITY OF 7.68 ACRES UNDER EASEMENT NO. 514 TO REAGAN COUNTY.--Reagan County has released to the University 7.68 acres of land in Section 9, Block 10, Reagan County, which has been used for park purposes under Easement No. 514. It is contemplated returning that acreage to Grazing Lease No. 749 (P. D. "Val" Gohmert), of which it was originally a part, when that grazing lease is renewed.

CALICHE PERMIT NO. 164, FRANK MONTGOMERY, ANDREWS COUNTY.--This application for a caliche permit to Frank Montgomery provides for the removal of 200 yards of caliche from Block 9, Andrews County, at the rate of \$0.25 per cubic yard. Consideration of \$50.00 has been received.

3-12-60 605

WATER CONTRACT NO. 88, THE ATLANTIC REFINING COMPANY (UNIT OPERATOR) AND OTHER WORKING INTEREST OWNERS, ANDREWS COUNTY.--This application for a water contract between The Atlantic Refining Company (Unit Operator) and other working interest owners of a proposed unitization agreement in the Block 9 (Wolfcamp) Field, Andrews County, will grant permission to produce non-potable water from certain University tracts in Block 9 to be unitized, upon approval by the Board for Lease of University Lands, for the purpose of a waterflooding-secondary recovery of oil program. Water produced and used for this project shall be from depths below the top of the Santa Rosa Formation, which are geologic sections considerably deeper than the source of currently developed potable water and therefore should not conflict with current University water policy. This contract shall be for so long as secondary recovery operations are conducted in the unitized area, and carries the right to lay water lines without charge within the boundaries of the unitized area as finally established, but which will constitute, for the most part, the following University land: Sections 9 through 16 and Sections 17 through 24, Block 9, Andrews County. No consideration is involved in this water contract.

PERMANENT UNIVERSITY FUND--BOND MATTERS.--

3-12-60

PERMANENT UNIVERSITY FUND BONDS, SERIES 1960 - SELECTION OF BOND COUNSEL.--
 The University staff expects to submit recommendations to the Board of Regents at its May, 1960 meeting for the issuance and sale of additional Permanent University Fund Bonds, these to be designated as Series 1960, and these recommendations will cover the amount of the issue and the time for advertising and sale. Meanwhile, so that preliminary work can be done, it is desirable that the Board of Regents now select bond counsel for this issue.

The firm of McCall, Parkhurst, Crowe, McCall & Horton has served as bond counsel for the Permanent Fund Refunding Bonds of 1958 and for the Series 1959 new bonds which have been issued, as well as for the 1949 Permanent University Fund Bonds and all other bond issues of the University in recent years. This firm has served as bond counsel for the Board of Directors of A. & M. College for their Permanent University Fund Refunding Bonds of 1958 and for their new Permanent University Fund issues of 1958 and 1959. Information to date indicates that A. & M. College will not be issuing Permanent University Fund Bonds in 1960, but we shall have definite information on this at a later date. Information indicates that the Board of Directors of A. & M. College will continue to use the firm of McCall, Parkhurst, Crowe, McCall & Horton on all of their Permanent University Fund bond issues.

Discussion by the Land and Investment Committee last year when counsel for the 1959 Series of Board of Regents Permanent Fund Bonds was made was to the effect that other firms should be given consideration from time to time on Board of Regents bond issues.

According to the information which the University staff has, law firms in the state engaged in bond counsel work are as follows:

McCall, Parkhurst, Crowe, McCall & Horton - Dallas
 Dumas, Huguenin & Boothman - Dallas
 Vinson, Elkins, Weems & Searles - Houston
 Dobbins, Howard & Smith - San Antonio
 Gibson & Spence - Austin

It is understood that the first three firms in this list furnish national market legal opinions on bond issues so that, so far as can be determined, the University would not be handicapped market wise in using either of the three firms. It is understood that the last two firms in the list cannot furnish national market opinions but would be in the position of having a national market opinion firm approve the issue with them.

Taking into consideration the past good service of McCall, Parkhurst, Crowe, McCall & Horton, the fact that this 1960 Series of bonds must necessarily follow the pattern of resolutions and procedure used for the Permanent Fund Bonds already outstanding, and the AAA rating on the bonds already outstanding and expected of course for the future issues, the University staff recommends that the Board of Regents engage the firm of McCall, Parkhurst, Crowe, McCall & Horton as bond counsel for the 1960 Series of Board of Regents Permanent University Fund Bonds. Other firms can still be considered for future University revenue bond issues and of course on other Permanent Fund issues after 1960, since under the recommendation the Board of Regents would not be committing itself to this firm for the remainder of the Permanent Fund issues. The fee to be charged by the firm for the 1960 Series and an agreement covering their services can be presented to the Board for its approval at the May meeting.

TRUST AND SPECIAL FUNDS -- INVESTMENT MATTERS.--

3-12-60

REPORT OF PURCHASES, REDEMPTIONS, EXCHANGE, AND SALES OF SECURITIES.--The following purchases, redemptions, exchange, and sales of securities have been made for the Trust and Special Funds since the meeting of January 22, 1960. We ask that the Board review and approve these transactions:

PURCHASE OF SECURITIES

	<u>Security</u>	<u>Principal Cost</u>
1/1/60	\$52,000 par value Dallas Power & Light Company First Mortgage Bonds, 5-1/4% Series, dated 12/1/59, due 12/1/89, purchased at 102.29 Net to yield 5.10% to maturity (Funds Grouped for Investment)	\$ 53,190.80
	\$1,000 par value Ditto (The James W. McLaughlin Fellowship Fund)	1,022.90
	\$11,000 par value Ditto (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	11,251.90
	\$54,000 par value U. S. 4% Treasury Bonds of 1969, dated 10/1/57, due 10/1/69, purchased at 95:8 (95.25) Net to yield 4.62% to maturity (The W. J. McDonald Observatory Fund)	51,435.00
	\$24,000 par value Ditto (Student Property Deposit Scholarship Fund)	22,860.00
	\$4,000 par value U. S. 2-1/2% Treasury Bonds, dated 2/15/54, due 11/15/61, purchased at 95:28 (95.875) to yield 4.89% to maturity (Murray Case Sells Foundation Student Loan Fund)	3,835.00
	\$30,000 par value Consolidated Edison Company of New York, Inc., First & Refunding Mortgage Bonds, 5-1/4% Series Q, dated 12/1/59, due 12/1/89, purchased at 100-3/8 plus 1/8 commission to yield 5.22% to maturity (Hogg Foundation: W. C. Hogg Estate Fund)	30,150.00
1/1/60	1,000 Shares Central & South West Company Common Stock, purchased at 33-1/2	33,857.50
	1,000 Shares Virginia Electric & Power Company Common Stock, purchased 800 at 37-7/8 and 200 at 37-3/4 (Hogg Foundation: W. C. Hogg Estate Fund)	38,229.28
	200 Shares The Southern Company Common Stock, purchased at 40	8,078.00
	200 Shares Standard Oil Company (New Jersey) Capital Stock, purchased at 47-3/4	9,635.76
	100 Shares United States Steel Corporation Common Capital Stock, purchased at 94-1/8 (Hogg Foundation: Varner Properties)	9,460.91
2/1/60	32/50ths fractional share Texaco Inc. Capital Stock (Funds Grouped for Investment)	49.75
2/1/60	\$70,000 par value Texas Electric Service Company 5-1/4% Sinking Fund Debentures, dated 2/1/60, due 2/1/85, purchased at 102.106 Net to yield 5.10% to maturity (Hogg Foundation: W. C. Hogg Estate Fund)	71,474.20
	\$58,000 par value Ditto (Hogg Foundation: Varner Properties)	59,221.48
	\$25,000 par value Ditto (University Cancer Foundation - M. D. Anderson Hospital and Tumor Institute)	25,526.50

PURCHASE OF SECURITIES
(Continued)

608

3-12-60

	<u>Security</u>	<u>Principal Cost</u>
	2-38/100ths fractional shares Gulf Oil Corporation Capital Stock (Funds Grouped for Investment)	\$ 76.77
	75 Shares American Home Products Corporation Capital Stock, purchased at 150-1/4	11,317.02
	100 Shares American Telephone & Telegraph Company Capital Stock, purchased at 83-1/8	8,359.81
	300 Shares Philadelphia Electric Company Common Stock, purchased at 49-3/8	14,943.57
	100 Shares Texaco Inc. Capital Stock, purchased at 75-7/8	7,634.09
	200 Shares Union Pacific Railroad Company Common Capital Stock, purchased at 29-5/8 (University Cancer Foundation - M. D. Anderson Hospital and Tumor Institute)	5,992.62
1/6/60	\$200,000 par value U. S. 4-3/4% Treasury Notes of Series C-1960, dated 8/1/59, due 8/15/60, purchased at 100:5 7/8 1/64 (100.171875) Net to yield 4.40% to maturity (Temporary Investments - Proceeds from Sale of Permanent University Fund Bonds)	200,343.75
1/17/60	\$50,000 par value The Pacific Telephone and Telegraph Company 5-1/8% Debentures, dated 2/1/60, due 2/1/93, purchased at 101.198 Net to yield 5.05% to maturity (Hogg Foundation: W. C. Hogg Estate Fund)	50,599.00
	\$25,000 par value Ditto (University Cancer Foundation - M. D. Anderson Hospital and Tumor Institute)	25,299.50

REDEMPTIONS OF SECURITIES

	<u>Security</u>	<u>Net Proceeds</u>
1/5/60	\$10,000 par value U. S. 2.76% Series K Savings Bonds, dated 6/1/54, due 6/1/66, redeemed as of 1/1/60 (Iona K. Young Loan Fund - Southwestern Medical School)	\$9,680.00
1/2/60	\$5,000 Full paid Certificate Bryan Building and Loan Association, Bryan, Texas	5,000.00
1/2/60	\$5,000 Investment Share Account, First Federal Savings and Loan Association, Amarillo, Texas	5,000.00
	\$5,000 Fully Paid Account, Cooperative Building and Loan Association, Tyler, Texas (Hogg Foundation: W. C. Hogg Estate Fund)	5,000.00

EXCHANGE OF SECURITIES

1/2/59	32 Shares Standard Oil Company (New Jersey) Capital Stock received in exchange for 26 shares of Humble Oil & Refining Company Capital Stock sent in on a 1-1/4 for 1 basis (Various Donors for Building and Equipment Fund - M. D. Anderson Hospital and Tumor Institute)	\$958.75(1)
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(1) Book value of 26 shares of Humble Oil & Refining Company
Capital Stock sent in for exchange.

SALES OF SECURITIES

609

3-12-60

SecurityNet Proceeds

11/2/59	100 Shares Book of the Month Club, Inc., Capital Stock, sold at 23 (College of Business Administration Foundation - J. Anderson Fitzgerald Special Scholarship Fund)	\$2,265.03
12/2/59	33-278/300ths shares of Commonwealth Edison Company Common Stock received in 2-1/3% stock dividend (On 102 shares held by Funds Grouped for Investment - \$135.96) (On 638 shares held by Hogg Foundation: W. C. Hogg Estate Fund - \$850.44) (On 408 shares held by Hogg Foundation: Varner Properties - \$543.85) (On 102 shares held by E. D. Farmer International Scholarship Fund - \$135.96) (On 204 shares held by Wilbur S. Davidson Educational Fund - \$271.93)	1,938.14
12/1/59	43/100ths fractional share of Addressograph-Multigraph Corporation Common Stock Received in 3% stock dividend on 281 shares held for two separate grants (222/281sts for Human Genetics Fund Grant - Unallocated - based on 222 shares held on grant for Dr. C. P. Oliver - \$38.28) (59/281sts for Human Genetics Fund Grant - Levels of Intelligence as Related to Learning Abilities - based on 59 shares held for budget for Dr. Ira Iscoe - \$10.17)	48.45
12/1/59	56/100ths fractional share The Dow Chemical Company Common Stock received in 2% stock dividend (Funds Grouped for Investment)	54.55
	12/100ths Ditto (Hogg Foundation: W. C. Hogg Estate Fund)	11.69
	12/100ths Ditto (Will C. Hogg Memorial Scholarships Fund)	11.69
	12/100ths Ditto (Wilbur S. Davidson Educational Fund)	11.69
12/16/59	2/4ths fractional share due in the exchange of 26 shares of Humble Oil & Refining Company Capital Stock for 32 shares of Standard Oil Company (New Jersey) Capital Stock (Various Donors for Building and Equipment Fund - M. D. Anderson Hospital and Tumor Institute)	25.06
1/6/60	420 Shares Fifteen Oil Company Capital Stock, sold at 11-1/4 (Temporary Investment - Hogg Foundation: Alice N. Hanszen Gift - Mental Hygiene Program)	4,644.62
1/1/60	30 Shares Republic National Bank of Dallas Common Capital Stock, sold at 79-1/2 Net less taxes (Southwestern Medical School)	2,383.91
1/2/60	1 Share Consolidated Natural Gas Company Capital Stock, sold at 46 (Geology Foundation: Robert H. Cuyler Memorial Scholarship Fund)	43.15
	100 Shares Western Natural Gas Company Common Stock, sold at 15-1/2 (University Cancer Foundation - M. D. Anderson Hospital and Tumor Institute)	1,523.90
1/2/60	12/50ths fractional share Texaco Inc. Capital Stock received in 2% stock dividend (Hogg Foundation: W. C. Hogg Estate Fund)	18.66

SALES OF SECURITIES
(Continued)

610

3-12-60

<u>Security</u>	<u>Net Proceeds</u>
1/2/59 18/50ths fractional share Texaco Inc. Capital Stock received in 2% stock dividend (E. D. Farmer International Scholarship Fund)	\$ 27.98
17/50ths Ditto (Thompson-Singleton Congenital Facial Deformity Clinic Fund - Medical Branch)	26.43
1/4/60 36/100ths fractional share The Goodyear Tire & Rubber Company Common Stock, received in 2% stock dividend (Funds Grouped for Investment)	15.13
24/100ths Ditto (Hogg Foundation: Varner Properties)	10.08
2/2/60 62/100ths fractional share Monsanto Chemical Company Common stock received in 2% stock dividend (Funds Grouped for Investment)	29.39
2/3/60 62/100ths fractional share Gulf Oil Corporation Capital Stock received in 3% stock dividend (Hogg Foundation: W. C. Hogg Estate Fund)	20.00
98/100ths Ditto (Rosalie B. Hite Fund for Cancer Research)	31.61
94/100ths Ditto (Wilbur S. Davidson Educational Fund)	30.32
2/8/60 4 Shares Kaiser Aluminum & Chemical Corporation Common Stock, sold at 47-3/4 (School of Law - The John Charles Townes Foundation - Unallotted)	184.75
2/1/60 30/100ths fractional share of Pittsburgh Plate Glass Company Capital Stock, received in 2% stock dividend (Hogg Foundation: W. C. Hogg Estate Fund)	21.79

TRUST AND SPECIAL FUNDS--GIFT, REQUEST AND ESTATE MATTERS.--

3-12-60

SOUTHWESTERN MEDICAL SCHOOL - ESTABLISHMENT OF IONA K. YOUNG SCHOLARSHIP ENDOWMENT FUND AND BAYLOR MEDICAL ALUMNI LIBRARY ASSOCIATION, INC. ENDOWMENT FUND.-- Upon recommendation of Dr. A. J. Gill, Dean of the Southwestern Medical School, approved by Dr. Logan Wilson, President, it is recommended that the following endowment funds be established in Funds Grouped for Investment, Central Administration Accounts, effective March 1, 1960:

1. Iona K. Young Scholarship Endowment Fund - \$3,300. This represents funds available in excess of the original corpus of the Iona K. Young Student Loan Fund, a fund of some years standing. Annual income will be available for award to needy and deserving students of high scholarship. Should no award be recommended, income will be added to principal of the fund.
2. Baylor Medical Alumni Library Association, Inc. Endowment Fund - \$14,000. This represents a portion of the fund set aside by the Baylor Medical Alumni Library Association, Inc., for purchase of special volumes for the Medical School Library. Income will be used for such purchases in future.

It is contemplated that the funds will function as endowment funds for a minimum period of ten years and possibly indefinitely.

MEDICAL BRANCH - VIOLA F. CORLEY ESTATE - SALE OF TWO PROPERTIES, MEXIA, TEXAS.--As reported to the Board at its meeting of January 23, 1960, the University owns a portion of the remainder interest in the Estate of Viola F. Corley, part of which is real estate in Mexia, Texas. The University has received through Miss Margaret Clark, one of the Trustees of the Estate, copies of offers of purchase of property in Mexia as follows:

Property at 205 East Commerce Street - \$8,000
(Recently appraised at \$8,500)
Property at 209 East Commerce Street - \$5,500
(Recently appraised at \$4,500 and
at \$8,000)

The University's interest in each property is an undivided 1/16th.

It is recommended that the University join the other remaindermen in approving the sales as listed, with the Chairman of the Board of Regents authorized to execute the deeds after approval as to form by the University Attorney and as to content by the Endowment Officer.

The University's portion of the proceeds of these sales will be added to the Viola Whatley Fontaine Corley Fund for the Encouragement of the Study of Psychiatry, a current restricted fund, established at the Medical Branch at Galveston at the January 23, 1960 meeting.

It is further recommended that the following resolution be adopted by the Board:

WHEREAS, the Board of Regents of The University of Texas owns an undivided one-sixteenth (1/16th) interest in certain properties in Mexia, Texas, pursuant to the Will of Viola F. Corley, deceased; and

WHEREAS, said Board of Regents and the other joint owners of said properties have received offers to purchase said properties as follows:

1. Offer from Fred Henderson to purchase the building and land known as 209 East Commerce Street, Mexia, Texas, for \$5,500.
2. Offer from John Gafford to purchase the building and land known as 205 East Commerce Street, Mexia, Texas, for \$8,000; and

3-12-60

WHEREAS, the acceptance of both offers is for the best interest of The University of Texas;

NOW, THEREFORE, BE IT RESOLVED, That both offers stated above be accepted as to the undivided one-sixteenth interests of the Board of Regents of The University of Texas, and that the Chairman of said Board of Regents be and he is hereby authorized and directed to execute proper deeds for and on behalf of said Board of Regents, upon payment of purchase price by the purchasers, and that the Secretary of the Board attest the deeds and affix the common seal.

M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE - ESTATE OF MARY ISABELLA LOVE, DECEASED - PROPOSED DISPOSITION OF MINERAL INTERESTS AND STEPS TO CLOSE ESTATE.-- Miss Mary Isabella Love of Nacogdoches died in 1956 having devised to M. D. Anderson Hospital and Tumor Institute her residue estate "to be used as a research fund to aid in the study of cancer of the blood and lymph glands" (see Minutes of June 1, 1956). Her will directed that such residue estate, both real and personal, be sold and converted into cash by the two independent executors of her estate, two of her brothers, with the net proceeds to be paid to M. D. Anderson Hospital and Tumor Institute. Real Estate and personal property in the estate were sold by the Executors within a reasonable time after Miss Love's death, except for some undivided mineral interests, and the University has already received from the Executors \$15,000 in cash which has been invested in Funds Grouped for Investment as an endowment account entitled "Mary Isabella Love Fund for Research of Cancer of the Blood". In addition to the mineral interests, the Executors still have on hand something over \$5,000 in cash for payment to the University but have not wanted to pay over this cash until the question of the mineral interests could be settled.

There are some 18 of these undivided non-producing mineral interests situated in Bailey, Cochran, Lamar and Lamb Counties, Texas, and in McCurtan and Pushmataha Counties, Oklahoma, with the remaining undivided minerals owned, generally speaking, by brothers and sisters of Miss Love. Total value shown for these interests in the Inventory and Appraisalment filed in the Probate Court of Nacogdoches County is \$516.86. The University has obtained an independent appraisal, believed to be as accurate as any that can be made under the circumstances, and this appraisalment shows a total value of \$1,816.88 for these minerals. So far as the University can determine, none of these interests is leased or in prospect for leasing, and there is no production or activity in the area that would make any of these interests other than rank wildcat. The interests of Miss Love's Estate on which the above valuations were based amounts to approximately 367 undivided mineral acres.

In the chain of title, there is a will and a contract that at least place some cloud on the title if the University were to hold these interests in its own name, primarily due to the fact that there was a provision for all of the heirs or owners to join in any disposition of the minerals. The Executors of the Estate had maintained that they should liquidate these interests under the directions in Miss Love's will; and that in addition to this consideration, the University's title, if obtained and held by the University, would be subject to serious question. This has been in response to a proposal from the University staff, early in the administration of the Estate, that the mineral interests come to the University and not be sold.

There is a reasonable prospect that relatives of Miss Love, with the approval of the Executors, will pay \$1,800 in cash for these interests, of course without any joinder by the University in a conveyance. In order to close the Estate and avoid further difficulties and possible litigation, it is recommended that the Board of Regents consent to sale of these interests by the Executors for \$1,800 cash and further authorize the Chairman of the Board of Regents thereafter to execute an appropriate receipt and release to the Executors on payment of the balance of the residue estate in cash to the Board for the benefit of M. D. Anderson Hospital and Tumor Institute.

3-12-60

MAIN UNIVERSITY - PROPOSAL BY DR. ANSON L. CLARK FOR ESTABLISHMENT OF DELTA UPSILON FUND OF THE UNIVERSITY OF TEXAS.--On January 23, 1960, the Board of Regents accepted a proposal from Dr. Anson L. Clark of Dallas under which Dr. Clark will convey to the Board of Regents an undivided 1/6th interest annually, beginning in 1960, in the property at 2510 Leon Street in Austin, which is the Texas Delta Upsilon Chapter House, and will change his will so that, in the event of his death prior to conveyance of the entire fee interest, free of debt, to the Board of Regents, any interest then unconveyed will pass to the Board of Regents. The property is valued at approximately \$300,000 and will be conveyed to the Board of Regents subject to a 99-year lease which Dr. Clark will make to Texas Delta Upsilon Foundation at rental of \$6,000 annually throughout the term of the lease. The rental will be divided between Dr. Clark and the Board of Regents so long as the property is jointly owned. Thereafter, of course, the University will receive the full rental of \$6,000 annually. Texas Delta Upsilon Foundation will operate the house, as it now does, for Texas Delta Upsilon Chapter. Provisions of the lease agreement between Dr. Clark and Texas Delta Upsilon Foundation must have the approval of the University and will provide for operation of the house according to University rules pertaining to fraternity houses and for all repairs, maintenance, and replacements to be done by the Texas Delta Upsilon Foundation and at its expense.

After acceptance of this proposal by the Board of Regents, Dr. Clark has now proposed that the Board of Regents enter into an agreement with Texas Delta Upsilon Foundation establishing an endowment fund to be known as the Delta Upsilon Fund and has stated that his conveyance of the property as proposed is contingent upon the establishment of the Delta Upsilon Fund. Since the Endowment Fund is a new condition imposed by Dr. Clark on the conveyance of the property to the Board of Regents, it is now in order to reconsider the Board's action on its acceptance of the property on January 23, 1960 in connection with its action on the Endowment Fund. The agreement covering the Delta Upsilon Fund would provide for acceptance by the University of gifts for the Fund, the management and investment of such funds, and the disbursement of income, and of principal if necessary, for repairs, additions, and replacements to the Texas Delta Upsilon Chapter House. Such disbursements would be made by the Board of Regents on its own judgment and discretion, but the Board would take into consideration recommendations and requests from Texas Delta Upsilon Foundation. This would be the first such endowment fund accepted by the Board of Regents.

See P.
591.

MAIN UNIVERSITY - ENGINEERING FOUNDATION - ESTABLISHMENT OF F. B. PLUMMER SCHOLARSHIP RECOGNITION FUND.--Upon recommendation of Dr. G. H. Fancher, Chairman of the Department of Petroleum Engineering, approved by Dr. W. W. Hagerty, Dean of the College of Engineering and Dr. H. H. Ransom, Vice-President and Provost, Main University, it is recommended that an account within the Engineering Foundation be established to be known as the F. B. Plummer Scholarship Recognition Fund in Funds Grouped for Investment. The money to establish the fund is currently on deposit in a savings and loan institution in Austin and will be transferred to the University as soon as possible after the next regular dividend is declared by the savings institution on June 30, 1960. The principal of the fund will be between \$900 and \$1,000 with income to be used under the provisions of the Trust Agreement establishing the fund. The gift will be reported in the docket of the Main University when funds are received. It is recommended that the funds be accepted in Funds Grouped for Investment with the Chairman of the Board of Regents authorized to sign the Trust Agreement upon receipt of the funds after approval as to form by the University Attorney and as to content by the Endowment Officer.

GEO. W. BRACKENRIDGE LOAN FUND - REPORT ON COURT DECREE LIBERALIZING USE OF FUND.--The Board of Regents on October 3, 1959, authorized the President to request the Attorney General of the State of Texas to file a suit under the cy pres doctrine for liberalization of the terms of the Geo. W. Brackenridge Loan Fund so as to make more women students eligible for loans and to authorize larger annual amounts for individual loans. Such petition was filed in the 126th District Court, Travis County, and on February 4, 1960, Judge Jack Roberts signed a Final Judgment in the matter liberalizing the fund as petitioned. (See copy of Final Judgment in Secretary's Files)
(Secretary's Files, Vol. VII, Page 85)

3-12-60

TRUST AND SPECIAL FUNDS--REAL ESTATE MATTERS.--

MAIN UNIVERSITY - ESTATE OF HAMAH SMITH CALLAWAY - OFFER OF TEXAS STATE TEACHERS ASSOCIATION TO PURCHASE PROPERTY KNOWN AS 1206 GUADALUPE STREET, AUSTIN.--Under the will of Mrs. Hamah Smith Callaway, widow of Dr. Morgan Callaway, long-time Professor of English, the home of 1206 Guadalupe was left, under Section III (1) as follows:

"(1) to the UNIVERSITY OF TEXAS, Austin, Texas, to be used by it in connection with its activities in Austin in the State of Texas (or the proceeds of the sale therefrom to be so used) I give the premises in which I am now living known and designated as 1206 Guadalupe Street, Austin, Texas;"

Mrs. Callaway died on January 4, 1958. The property was turned over to the University on September 1, 1958 after personal effects had been moved or disposed of by Dr. Ruby Smith, Mrs. Callaway's sister who was living with her at the time of her death.

The University had an appraisal made of the property as of September 17, 1958 by Mr. Fred C. Barkley of Austin, who gave a value of the land at \$60,750 and no value on the improvements. Advertisements were placed in the Austin paper and a sign on the property, and quotation of a price of \$65,000, less commission, for the land and improvements (an old two-story brick residence) was approved by the Board of Regents. One offer of \$40,000 was submitted to the Board of Regents on October 25, 1958 and declined.

At the December 12, 1958 meeting of the Board of Regents approval was given for demolition and salvage of the improvements. The University realized \$1,200 from this salvage as reported to the Board of Regents on March 14, 1959.

At the June 13, 1959 meeting of the Board of Regents, approval was given for a parking lot lease on this property to Mr. Joe Lundell for one year from August 1, 1959 at \$50 per month. As is customary in such University leases, it is subject to cancellation by the University on 60 days notice in the event of sale or of use by the University or a tenant of the property for purposes other than parking.

Since that time, in spite of many inquiries, no firm offer has developed for the property until recently when an offer for \$61,750 net (\$65,000 less 5% commission) was received from Mr. Charles H. Tennyson, Executive Secretary, on behalf of the Texas State Teachers Association whose executive offices are located in Austin at 12th and Guadalupe, quite near the subject property. Earnest money of \$3,000 has been received to bind the offer until the March, 1960 meeting of the Board of Regents.

There has been no significant change in the value of the property since Mr. Barkley's appraisal; and it is recommended that the offer be accepted by the Board of Regents and that the Chairman be authorized to execute the necessary instruments after approval as to form by the University Attorney and as to content by the Endowment Officer.

It is further recommended that the following resolution be adopted by the Board:

WHEREAS, the Board of Regents of The University of Texas, as Trustee under the will of Hamah Smith Callaway, deceased, is the owner of a certain lot or parcel of land in the City of Austin, Travis County, Texas, consisting of 11,107 square feet of land, more or less, and being the south 80 feet of Lots 5 and 6, Block 150 of the Original City of Austin, Travis County, Texas, which is known as 1206 Guadalupe Street,

3-12-60

and more specifically described in a deed, dated April 30, 1920, from Nannie A. Criser, a feme sole, to Morgan Callaway, Jr., recorded in Book 230, page 225 of the Deed Records of said county, to which deed and the record thereof reference is made; and

WHEREAS, the Texas State Teachers Association, whose offices are at 316 West 12th Street, Austin, Texas, has submitted an offer of Sixty One Thousand Seven Hundred Fifty Dollars (\$61,750.00) for the purchase of the above-described tract of land to be paid in cash, and it is the opinion of the Board of Regents of The University of Texas that such sale would be advantageous and that the offer of the Texas State Teachers Association should be accepted:

NOW, THEREFORE, BE IT RESOLVED, That upon receipt of the above-mentioned cash consideration the Chairman of the Board of Regents of The University of Texas, as Trustee under the will of Hamah Smith Callaway, deceased, be and he is hereby authorized and directed to execute and deliver a warranty deed conveying the above-described property to the Texas State Teachers Association and that the Secretary of the Board attest the deed and affix the common seal.

TEXAS WESTERN COLLEGE - COTTON ESTATE - PROPOSAL FROM CANADA DRY BEVERAGES CO. OF EL PASO FOR PURCHASE AND QUITCLAIM DEED TO PROPERTY IN SAME BLOCK.--The University has received a proposal from Canada Dry Beverages Co. of El Paso for the purchase of parts of Lots 17, 18 and 19 of Block 14, Cotton Addition, El Paso, Texas for a total consideration of \$300. The property is a triangular-shaped plot containing 0.0312 acres, bounded on one side by the railroad right of way, on another by Willow Street and on the third by an alley separating it from other property owned by Canada Dry Beverages Co. If the proposal is accepted by the Board of Regents, it is the intent of the Company to apply to the City Council of El Paso to close the alley between the two properties they will then own. The Cotton Trust has no other property in the vicinity. In the event the alley is closed by the City Council of El Paso, the Canada Dry Beverages Co. will pay to the University the additional sum of \$200.

In connection with preparation of the deed for parts of Lots 17, 18 and 19, above, it developed that Lots 7 through 14, Block 14, Cotton Addition, sold by the Board of Regents by two separate deeds to Eugene L. Liggett, Charles F. Brady and John P. Camp, and later acquired by Canada Dry Beverages Co., were incorrectly described in that deed. Canada Dry Beverages Co. has, therefore, asked for a quitclaim deed without additional cost to them, to correct the description of that deed.

Both proposals have been approved by the President and Business Manager of Texas Western, as well as by Regent Hardie, and it is recommended that the Board of Regents accept the proposals and authorize the Chairman to sign the necessary instruments upon approval as to form by the University Attorney and as to content by the Endowment Officer.

It is further recommended that the Board of Regents adopt the following resolution concerning this transaction:

WHEREAS, the Board of Regents of The University of Texas under deed from Walter B. Grant as sole surviving Executor and Trustee under the Will and Estate of Frank B. Cotton, is the owner of parts of Lots 17, 18 and 19, Block 14, Cotton Addition, City of El Paso, El Paso County, Texas more particularly described as follows:

3-12-60

Commencing at an iron pipe being the northeast corner of Lot 16 of Block 14, Cotton Addition;
 Thence N 37° 37' W, 18.00 LF to a point of beginning of the tract of land herein described;
 Thence S 52° 53' W, 63.68 feet to a point;
 Thence 75.74 feet along the arc of a curve to the right, being the easterly right-of-way of the E. P. & S. W. R. R., whose radius is 1397.50 feet and whose chord bears N 19° 37' 06" E a distance of 75.72 feet to a point;
 Thence S 37° 37' E, 40.99 feet to the point of beginning, containing 0.0312 acre of land more or less; and

WHEREAS, Canada Dry Beverages Co. of El Paso, Texas, has made an offer to purchase the above-described tract of land for the sum of Three Hundred Dollars (\$300.00), it being the opinion of the Board of Regents that said sale would be advantageous to Texas Western College of The University of Texas and the same should be accepted;

NOW, THEREFORE, BE IT RESOLVED, That upon receipt of the consideration the Chairman of the Board of Regents of The University of Texas for and on behalf of said Board of Regents for the use and benefit of Texas Western College of The University of Texas, be and he is hereby authorized and directed to execute and deliver a proper deed conveying the above-described tract of land to Canada Dry Beverages Co. of El Paso and the Secretary of the Board to attest the deed and affix the common seal; and

WHEREAS, by deed dated March 10, 1947, the Board of Regents of The University of Texas conveyed to Eugene L. Liggett, Charles F. Brady and John P. Camp Lots 15 and 16, Block 14, Cotton Addition, to the City of El Paso, Texas and by deed dated April 3, 1947, conveyed to the same grantees all that portion of Lots 8, 9, 10, 11, 12, 13 and 14, lying southeast of the E. P. & S. W. R. R. right-of-way in said Block 14; and

WHEREAS, it was the intention of the Board of Regents to convey by said deeds all of the land which it owned in said Block 14 lying between the west line of Willow Street and the north line of East Yandell Boulevard, the southeast line of the E. P. & S. W. R. R. Right-of-way, and the south line of the alley, which land was incorrectly described in said deeds and is correctly described as follows:

All lands in Block 14 of Cotton Addition to the City of El Paso, Texas, according to the first filed map of said addition, bounded as follows:

On the east by the west line of Willow Street, on the south by the north line of East Yandell Blvd., on the west by the east line of the E. P. & S. W. Railroad right-of-way and on the north by the south line of a 20 foot alley extending easterly and westerly through said block; and

WHEREAS, said land as correctly described has been continuously claimed and occupied by owners under said deeds of 1947; and

WHEREAS, Canada Dry Beverages Co. of El Paso, the present owner under said deeds, is desirous of perfecting its title to the land as correctly described and has asked that said Board of Regents quitclaim said land to Canada Dry Beverages Co. of El Paso;

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Chairman of the Board of Regents of The University of Texas for and on behalf of said Board of Regents for the use and benefit of Texas Western

3-12-60

College of The University of Texas, be and he is hereby authorized and directed to execute and deliver a proper quitclaim deed covering land as correctly described above to and in favor of Canada Dry Beverages Co. of El Paso and the Secretary of the Board to attest said deed and affix the common seal.

HOGG FOUNDATION: W. C. HOGG FUND - LEASE TO MATTESON SOUTHWEST CO. LTD. FOR OUTDOOR ADVERTISING SPACE, BECKER-MYER PROPERTY, TEXAS AND SMITH, HOUSTON, TEXAS.--At the March 14, 1959 meeting of the Board of Regents, the proposal was submitted from the Matteson Southwest Co. Ltd. for option to lease a portion of University property at Texas and Smith, Houston, for outdoor advertising which would in no way interfere with present use of the property. The Company offered \$100 for the option which was to run until March 1, 1960, and \$30 rental per month if the option is exercised. Approval was given by the Board of Regents.

In January, 1960, the University received notification of the intent of the Company to exercise the option; and the lease agreement, effective February 1, 1960 for a three-year term, has been signed by the Chairman of the Board in accordance with the earlier action. The lease is subject to cancellation by the University on sixty days' notice.

It is recommended that the Board of Regents ratify these actions.

HOGG FOUNDATION - PROPOSAL FOR LEASE OF ARKANSAS MINERAL PROPERTY NO. 4 TO ROBERT R. BROWN, JR.--The University, as Trustee of the Hogg Foundation, has received a proposal for an oil and gas lease to Robert R. Brown, Jr., El Dorado, Arkansas, of its undivided $\frac{7}{64}$ ths of the minerals under the SW/4 NW/4 Section 18, Township 16 South, Range 16 West, Union County, Arkansas, comprising approximately 40 acres, for the period February 2, 1960 through February 1, 1963, for a cash bonus of \$10 per mineral acre, plus one-eighth royalty on oil and gas produced. If no well is commenced on or before February 2, 1961, the lease will terminate unless delay rental of \$40 is paid before that date.

The University's interest of $\frac{7}{64}$ ths in the property is owned $\frac{3}{64}$ ths as Trustee under the Will of Tom Hogg, the Board of Regents having acquired by exchange Mrs. Margaret Wells Hogg's life interest in this mineral property in June, 1959, and $\frac{4}{64}$ ths as Trustee under the Will of W. C. Hogg. The University's total share of bonus is \$43.75, to be credited proportionally to the interest shown above. It is recommended that the Board of Regents approve the lease and authorize the Chairman to sign after approval as to form by the University Attorney and as to content by the Endowment Officer.

HOGG FOUNDATION: W. C. HOGG FUND - AGREEMENT AS TO DEPTHS RE WEST COLUMBIA ROYALTIES ACQUIRED FROM MISS IMA HOGG.--By deed dated February 26, 1958, but effective the first day of February, 1958, Miss Ima Hogg conveyed to the Board of Regents of The University of Texas, as Trustee of the Hogg Foundation: W. C. Hogg Memorial Fund, certain royalties and mineral interests in the West Columbia field, Brazoria County, for \$600,000, payable \$50,000 in cash and the remainder in a non-interest bearing note in the amount of \$550,000 payable in semi-annual installments of \$50,000 each. After certain gross income from these royalties and payment of the note, Miss Hogg reserved an oil payment of \$500,000 payable out of 50% of the royalties and reserved to herself all of her interests in minerals that may be produced from such lands from below the bases of the deepest subsurface strata which were producing oil, gas or other minerals at the effective date of the deed. It was understood with Miss Hogg at the time the transaction was closed, than when necessary information could be assembled, a final agreement between her and the Board of Regents would be signed setting out the producing depths and thus establishing her reservation under the deed.

3-12-60

It has been necessary to obtain information as to these producing depths from Texaco Inc. which operates practically all of the properties, and this information has been received just recently. Texaco of course does not, under the circumstances, certify this information as being correct for the purposes of such an agreement with Miss Hogg, but it is believed to be the best information available and satisfactory for use in the agreement. Referring to Minutes of March 15, 1958 in which the tracts are listed, the bases of the deepest subsurface strata which were producing oil on February 1, 1958 vary in depth from 1,550 feet to 5,998 feet as to the first ten tracts, this depth determination being made by tract rather than by the acreage as a whole. As to the three small tracts, numbered 11, 12 and 13 in the deed, there was no production on February 1, 1958, and there has been none since that date with the result that all of the oil, gas and other minerals under these three tracts are reserved to Miss Hogg under the terms of the deed and the proposed agreement.

It is recommended that the Board of Regents authorize the execution of the proposed agreement by its Chairman when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

ARCHER M. HUNTINGTON MUSEUM FUND - COMMISSION PAYABLE TO AGENTS ON RENTAL RECEIVED FROM CAMPSITE LEASES AND GRAZING LEASE ON HUNTINGTON LANDS IN GALVESTON COUNTY.--For several years the real estate firm of Kellner, Ayers & Schmitt of Texas City has served as agent for the University in handling campsite leases and the grazing lease on Huntington Lands at Texas City. Their commission charge has been five per cent (5%) of gross rentals collected, and they have now notified the University that it has been necessary for them to increase their commission rate to seven per cent (7%) on such accounts as campsite leases. They propose that the University pay them seven per cent (7%) on the campsite leases, effective April 1, 1960, with the former rate of five per cent (5%) on grazing lease rentals to continue. There are now approximately twenty-four (24) campsite leases, most of which are at rentals of \$50 or \$60 annually, from the former rate of \$50 annually, effective January 1, 1960. It is recommended that the Board of Regents authorize the continuation of the agency arrangement with Kellner, Ayers & Schmitt with increase of the commission rate on campsite lease rentals to seven per cent (7%). This arrangement is subject to cancellation by the University on reasonable notice.

ARCHER M. HUNTINGTON MUSEUM FUND - PROPOSED RENEWAL OF GRAZING LEASE ON HUNTINGTON LANDS, GALVESTON COUNTY, TO JOE M. AND H. C. ROBINSON.--The Huntington Lands in Galveston County have been under grazing lease to Joe M. and H. C. Robinson since 1949, first under a lease for two years at approximately 80 cents per acre and since 1951 under lease at \$1.00 per acre, which lease continues in force from year to year, beginning May 15, unless cancelled by either party at the end of a lease year (See Minutes of June 13, 1959). After negotiations with the Robinsons regarding a new lease and an increase in rental effective May 15, 1960, they have expressed a willingness to pay \$1.20 per acre annually for a three-year lease carrying an agreement for them to have prior right to negotiate for another lease at the end of the three-year term. Due to the fact that approximately one-third of the land is too low and marshy for any actual grazing use, it can be said that rental rate of \$1.20 per acre on the entire acreage leased is equivalent to about \$1.80 per acre for actual grazing land. There is a good possibility that the University could obtain a few more cents per acre from some other tenant, but the Robinsons have been good tenants, are thoroughly responsible, and are leasing from other owners tracts inside our acreage that are not fenced off. They have drilled four water wells on the property and expect to drill at least one more if they have a new lease. The acreage to be covered by the lease is approximately 3,355 acres which is practically all of the Huntington Lands except that on Wilson Point which is inaccessible for grazing use. The lease will carry satisfactory provisions for cancellation by the University in the event of sale or of lease for other purposes. It is recommended that the Board of Regents authorize the new three-year lease at \$1.20 per acre annually (total annual rental of approximately \$4,026 to the Robinsons, and that the Chairman of the Board be authorized to execute the instrument when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

REVENUE BOND FINANCING MATTERS.--

3-12-60

MAIN UNIVERSITY - AUTHORIZATION TO SUBMIT PRELIMINARY APPLICATION TO HOUSING AND HOME FINANCE AGENCY FOR CONSTRUCTION OF STUDENT HOUSING FACILITIES.--Upon recommendation of Mr. Graves W. Landrum, Business Manager, Main University, approved by Dr. Logan Wilson, President, it is recommended that the University Comptroller be authorized and directed to submit a preliminary application to the Housing and Home Finance Agency for construction at the Main University of a dormitory facility to house a minimum of 500 women; a dormitory facility to house a minimum of 500 men; and a housing facility to provide 100 apartment units for married students.

It is further recommended that the consulting architect be authorized to prepare the required schematics, plans, etc. that are necessary to the filing of such an application.

Present indications, as well as future estimates, show all the space recommended above could well be filled were it available by September, 1960.