

J. L. ...

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

VOLUME XXXVI - D

Meeting No. 839

March 2, 1989

Austin, Texas

and

Meeting No. 840

April 6, 1989

El Paso, Texas

Meeting No. 840

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

Pages 1 - 91

April 6, 1989

El Paso, Texas

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 OF
 THE UNIVERSITY OF TEXAS SYSTEM
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MEETING NO. 840

THURSDAY, APRIL 6, 1989.--The members of the Board of Regents of The University of Texas System convened in regular session at 12:00 p.m. on Thursday, April 6, 1989, in Blumberg Auditorium of The University of Texas at El Paso Library, El Paso, Texas, with the following in attendance:

ATTENDANCE.--

Present

Chairman Beecherl, presiding
Vice-Chairman Barshop
Vice-Chairman Roden
Regent Blanton
Regent Cruikshank
Regent Loeffler
Regent Moncrief
Regent Ratliff

Absent

*Regent Ramirez
*Executive Vice Chancellor
Patrick

Executive Secretary Dilly

Chancellor Mark
Executive Vice Chancellor Duncan
Executive Vice Chancellor Mullins

Chairman Beecherl announced a quorum present and called the meeting to order.

RECESS TO EXECUTIVE SESSION.--Chairman Beecherl announced that the Board would recess to convene in Executive Session pursuant to Vernon's Texas Civil Statutes, Article 6252-17, Sections 2(e), (f) and (g) to consider those matters set out in the Material Supporting the Agenda: litigation, land acquisition and personnel matters.

RECONVENE.--At 1:30 p.m., the Board reconvened in open session.

WELCOME AND REPORT BY DR. DIANA S. NATALICIO, PRESIDENT OF THE UNIVERSITY OF TEXAS AT EL PASO.--Chairman Beecherl stated that the Board was pleased to be meeting on the campus of The University of Texas at El Paso and participating in the 75th Anniversary of this component of The University of Texas System. He then called on President Natalicio for her remarks regarding the host institution.

On behalf of the faculty, staff and students of U. T. El Paso, President Natalicio welcomed the members of the Board and other guests to El Paso. She noted that during its 75 year history U. T. El Paso has played a vital role in the growth of the City of El Paso and has made remarkable progress in the scope and quality of its academic and research programs.

*Regent Ramirez and Executive Vice Chancellor for Asset Management Patrick were excused because of previous commitments.

Dr. Natalicio introduced a videotape which outlined the institution's commitment to quality education and research programs and reviewed the enrollment growth, faculty recruitment efforts, economic development along the border, applied research programs with Juarez and student involvement in the Minority Research Center of Excellence in Materials Science. As U. T. El Paso approaches the 21st century, Dr. Natalicio reiterated that the institution will look forward to working with the City of El Paso and others to continue its tradition of service and to enhance its valuable research position in the State and Nation.

On behalf of the Board, Chairman Beecherl expressed appreciation to President Natalicio for this very informative report.

U. T. BOARD OF REGENTS: APPROVAL OF MINUTES OF REGULAR MEETING HELD ON FEBRUARY 9, 1989, AND SPECIAL MEETING HELD ON MARCH 2, 1989.--Upon motion of Regent Moncrief, seconded by Vice-Chairman Roden, the Minutes of the regular meeting of the Board of Regents of The University of Texas System held on February 9, 1989, in Austin, Texas, and the Minutes of the special meeting held on March 2, 1989, in Austin, Texas, were approved as distributed by the Executive Secretary. The official copies of these Minutes are recorded in the Permanent Minutes, Volume XXXVI, Pages 1528 - 2368.

SPECIAL ITEMS

1. U. T. Board of Regents - Regents' Rules and Regulations, Part One: Amendments to Chapter I, Section 7.15 (Duties of the Finance and Audit Committee) and Section 7.18 (Duties of the Buildings and Grounds Committee) and Authorization for the Executive Secretary to the Board to Make Editorial Changes Therein.--Upon recommendation of the Executive Committee, the Regents' Rules and Regulations, Part One, Chapter I, Section 7.15 (Duties of the Finance and Audit Committee) and Section 7.18 (Duties of the Buildings and Grounds Committee) were amended to read as set forth below and the Executive Secretary to the Board and the Office of General Counsel were authorized to make such additional editorial amendments in the Regents' Rules and Regulations as are required to ensure conformity with these amendments.

- 7.15 Duties of the Personnel and Audit Committee.--
The Personnel and Audit Committee shall:
- 7.151 Counsel with the Chancellor and recommend appropriate Board action with respect to any recommendations by the Chancellor related to the appointment, promotion, and dismissal of such System Administration Officers as report directly or indirectly to the Chancellor.
 - 7.152 Recommend to the Board all compensation for the System Administration and the rates of professional compensation.

- 7.153 Consider and recommend to the Board matters related to all employee personnel programs, fringe benefits, retirement programs, and labor relations in the System Administration and the component institutions.
 - 7.154 Obtain, review, and report to the Board on all State, System Administration, and institutional audit reports.
 - 7.155 Exercise supervision over post-auditing activities related to the conduct and administration of the System and component institutions.
 - 7.156 Transmit to the Chancellor, subject to the prior approval of the Board, such instructions as it deems necessary for the enforcement of sound accounting and auditing practices.
 - 7.157 Initiate System Administration and institutional audits as deemed necessary to ensure management control within The University of Texas System. (In this regard, the Chairman of the Personnel and Audit Committee shall have direct access to the person who occupies the position of chief auditor of the System.)
- 7.18 Duties of the Finance and Facilities Committee.--
The Finance and Facilities Committee shall:
- 7.181 Consider matters relating to the acquisition and use of the grounds and buildings of all campus and campus-related real property of The University of Texas System.
 - 7.182 Recommend to the Board the award of contracts to consulting and other architects; approve plans and accept bids for construction projects.
 - 7.183 Recommend to the Board the award and execution of construction and equipment contracts and approve progress reviews and beneficial occupancy of construction projects.
 - 7.184 Consider capital improvement requests and, with the prior approval of the Academic or Health Affairs Committee, make recommendations to the Board.
 - 7.185 Make recommendations to the Board with respect to the naming of University buildings, streets, roads, and other facilities including redesignation of existing facilities.
 - 7.186 Consider and make recommendations to the Board on all matters relating to the fiscal management of The University of Texas System Administration and each component institution of the System.

- 7.187 Following consultation with the Academic Affairs Committee and the Health Affairs Committee, consider and recommend to the Board the operating budgets of The University of Texas System Administration and each component institution of the System.
- 7.188 Following consultation with the Academic Affairs Committee and the Health Affairs Committee, consider and recommend to the Board biennial submissions of appropriation requests to the Legislative Budget Board and to the Governor as prepared by the System Administration and component institutions in accordance with Section 6 of Chapter II of Part Two of these Rules and Regulations.
- 7.189 Propose to the Board all appropriations of funds and all modifications of or additions to such appropriations.
- 7.18(10) Following consultation with the Academic Affairs Committee and the Health Affairs Committee, recommend to the Board matters which commit the U. T. System or any component thereof to operating expenditures in future fiscal years.
- 7.18(11) Consider and make recommendations to the Board concerning the availability of funds for, and application of funds to, capital improvement requests.

2. U. T. Board of Regents: Approval of Standing Committee Chairmen and Members of the Board for Lease of University Lands and Report of Appointments to the Standing Committees, Special Committees and Other Liaison Groups Effective Immediately.--In accordance with the requirements of the Regents' Rules and Regulations, Part One, Chapter I, Section 7, Chairman Beecherl requested concurrence by the Board of the chairmen of the Standing Committees and the members of the Board for Lease of University Lands as set forth below. Upon motion of Regent Cruikshank, seconded by Vice-Chairman Roden, unanimous approval was given to his request.

Chairman Beecherl's appointments to the Standing Committees, Special Committees and other liaison groups are set forth below. All are effective immediately.

1. STANDING COMMITTEES

Executive Committee

Mr. Louis A. Beecherl, Jr., Chairman
 Mr. Sam Barshop, Vice-Chairman
 Mr. Bill Roden, Vice-Chairman

Personnel and Audit Committee

Mr. Bill Roden, Chairman
 Mr. Sam Barshop
 Mr. Robert J. Cruikshank

Academic Affairs Committee

Mr. Sam Barshop, Chairman
Mr. Tom Loeffler
Mario E. Ramirez, M.D.
Mr. Shannon H. Ratliff

Health Affairs Committee

Mr. Jack S. Blanton, Chairman
Mr. W. A. "Tex" Moncrief, Jr.
Mario E. Ramirez, M.D.

Finance and Facilities Committee

Mr. W. A. "Tex" Moncrief, Jr., Chairman
Mr. Louis A. Beecherl, Jr.
Mr. Jack S. Blanton
Mr. Tom Loeffler

Land and Investment Committee

Mr. Shannon H. Ratliff, Chairman
Mr. Robert J. Cruikshank
Mr. Bill Roden

2. BOARD FOR LEASE OF UNIVERSITY LANDS

Mr. Sam Barshop
Mario E. Ramirez, M.D.

3. SPECIAL COMMITTEES

Endowment Lands - Collin County, Texas (U. T. Dallas)

Mr. Louis A. Beecherl, Jr., Chairman
Mr. Shannon H. Ratliff

Joint Conference Committee of Board of Regents of The University of Texas System and Trustees of Hermann Hospital

Mr. Jack S. Blanton, Chairman
Mr. W. A. "Tex" Moncrief, Jr.
Mario E. Ramirez, M.D.

Santa Rita Award

Mr. Jack S. Blanton, Chairman
Mr. Louis A. Beecherl, Jr.
Mr. Shannon H. Ratliff
Mr. Bill Roden

4. REGENTAL REPRESENTATIVES

Association of Governing Boards of Universities and Colleges

All Members of the Board of Regents

General Assembly of Inter-University Council - North Texas Region

Mr. Louis A. Beecherl, Jr.

The University of Texas at Austin Development Board
(Liaison)

Mr. Jack S. Blanton

Committee of Governing Boards, Texas Public Senior
Colleges and Universities

Mr. Jack S. Blanton

Ex-Students' Association - The University of Texas at
Austin (Liaison)

Mr. Shannon H. Ratliff

Joint Administrative Affairs Committee of Dallas
County Hospital District (U. T. Southwestern Medical
Center - Dallas)

Mr. Louis A. Beecherl, Jr.

Bexar County Hospital District, San Antonio, Texas
(Liaison) (U. T. Health Science Center - San Antonio)

Mr. Sam Barshop

RECESS FOR COMMITTEE MEETINGS AND COMMITTEE REPORTS TO THE BOARD.--At 1:45 p.m., the Board recessed for the meetings of the Standing Committees and Chairman Beecherl announced that at the conclusion of each committee meeting, the Board would reconvene to approve the report and recommendations of that committee.

The meetings of the Standing Committees were conducted in open session and the reports and recommendations thereof are set forth on the following pages.

REPORTS AND RECOMMENDATIONS OF STANDING COMMITTEES

REPORT OF EXECUTIVE COMMITTEE (Pages 7 - 12).--In compliance with Section 7.14 of Chapter I of Part One of the Regents' Rules and Regulations, Chairman Beecherl reported to the Board for ratification and approval all actions taken by the Executive Committee since the last meeting. Unless otherwise indicated, the recommendations of the Executive Committee were in all things approved as set forth below:

1. U. T. Arlington: Approval of an Increase in the Compulsory Student Services Fee Effective with the Fall Semester 1989 (Catalog Change) (Exec. Com. Letter 89-15).--In accordance with the recommendation of the Student Services Fee Advisory Committee at The University of Texas at Arlington and the Executive Committee, the Board approved an increase in the compulsory Student Services Fee from \$7.00 per semester credit hour with a maximum fee of \$84.00 to \$7.50 per semester credit hour with a maximum fee of \$90.00 per semester or summer session effective with the Fall Semester 1989.

This fee increase will make it possible to continue the level of services that have traditionally been funded and to provide additional staff and services related to student retention activities.

It was ordered that the next appropriate catalog published at U. T. Arlington be amended to conform to this action.

2. U. T. Austin - Economics Building Renovation (Project No. 102-589): Award of Contracts for Furniture and Furnishings to Wittigs dba Southwest Office Interiors, Austin, Texas; Office Pavilion Corporate Furnishings - Austin, Austin, Texas; Architectural Interior Services, A Division of Finger Office Furniture, Houston, Texas; CDM Contract Furnishings, Inc., Austin, Texas; Austin Business Furniture, Austin, Texas; and Carpet Services, Inc., Austin, Texas; and Authorization for the Chancellor to Sign the Contracts (Exec. Com. Letter 89-16).--Upon recommendation of the Executive Committee, the Board awarded contracts for furniture and furnishings for the Economics Building Renovation at The University of Texas at Austin to the following lowest responsive bidders:

Wittigs dba Southwest Office Interiors, Austin, Texas

Base Proposal "A" (Faculty Office Casework, Type "K")	\$117,330.06
Base Proposal "H" (Waiting Room Furniture)	<u>11,899.10</u>

Total Contract Award to Wittigs dba Southwest Office Interiors	\$129,229.16
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Office Pavilion Corporate Furnishings - Austin Austin, Texas	
Base Proposal "C" (Office Seating and Conference Tables)	\$108,547.01
Base Proposal "D" (TA/AI, Computer Lab and Secretarial Work Stations)	<u>113,950.93</u>
Total Contract Award to Office Pavilion Corporate Furnishings - Austin	\$222,497.94
Architectural Interior Services, A Division of Finger Office Furniture, Houston, Texas	
Base Proposal "E" (Bookcases)	59,669.34
Base Proposal "G" (Wood Carrels and Student Tables)	14,714.86
Base Proposal "J" (Stacking Chairs)	4,543.72
Base Proposal "K" (Seminar Chairs)	9,951.80
Base Proposal "L" (Student Activities Seating)	<u>4,778.88</u>
Total Contract Award to Archi- tectural Interior Services, A Division of Finger Office Furniture	93,658.60
CDM Contract Furnishings, Inc. Austin, Texas	
Base Proposal "F" (Steel Files)	31,561.79
Austin Business Furniture Austin, Texas	
Base Proposal "I" (Seminar Tables)	11,923.00
Carpet Services, Inc. Austin, Texas	
Base Proposal "M" (Carpet)	<u>1,410.00</u>
GRAND TOTAL CONTRACT AWARDS	\$490,280.49

Further, the Chancellor was authorized to sign the contracts awarding these bids based on the results of the Executive Committee circularization.

3. U. T. Austin - Research/Laboratory Facility at Permian Basin Center for Energy and Economic Diversification (Project No. 102-696): Award of Construction Contract to Rose & Sons, Inc., Abilene, Texas (Exec. Com. Letter 89-14).--The Executive Committee recommended and the Board awarded a construction contract to Rose & Sons, Inc., Abilene, Texas, the lowest responsive bidder for The University of Texas at Austin Research/Laboratory Facility at the Permian Basin Center for Energy and Economic Diversification in combination with facilities for the Texas Permian Basin Foundation, Inc. in a total contract amount of \$3,424,200.

The total project cost is composed of the following elements:

	<u>U. T. System</u>	<u>Permian Basin Foundation</u>	<u>Total</u>
Construction Cost	\$1,711,165	\$1,713,035	\$3,424,200
Fees & Administrative Expenses	160,356	161,312	321,668
Furniture & Equipment	127,979	472,021	600,000
Future Work		70,000	70,000
Miscellaneous Expenses	500	46,914	47,414
Project Contingency		63,718	63,718
Total Project Cost	\$2,000,000	\$2,527,000	\$4,527,000

4. U. T. Austin - E. P. Schoch Building Renovation (Project No. 102-595): Award of Contracts for Furniture and Furnishings to Wittigs dba Southwest Office Interiors, Austin, Texas; Office Pavilion Corporate Furnishings - Austin, Austin, Texas; Architectural Interior Services, A Division of Finger Office Furniture, Houston, Texas; Rockford Business Interiors, Austin, Texas; Barker Office Furniture, Inc., Austin, Texas; CDM Contract Furnishings, Inc., Austin, Texas; Rainen Business Interiors, Inc., Dallas, Texas; Austin Business Furniture, Austin, Texas; American Desk Manufacturing Company, Taylor, Texas; and Carpet Management Systems, San Antonio, Texas; and Authorization for the Chancellor to Sign the Contracts (Exec. Com. Letter 89-16).--Approval was given to award contracts for furniture and furnishings for the E. P. Schoch Building Renovation at The University of Texas at Austin to the following lowest responsive bidders:

Wittigs dba Southwest Office Interiors, Austin, Texas

Base Proposal "A"
(Faculty Office Casework, Type "K") \$ 62,659.09

Office Pavilion Corporate Furnishings - Austin Austin, Texas

Base Proposal "C"
(Faculty Office, Conference and TA/AI Seating) \$72,269.27

Base Proposal "E"
(Landscape Work Stations) 36,496.03

Total Contract Award to Office Pavilion Corporate Furnishings - Austin 108,765.30

Architectural Interior Services, A Division of Finger Office Furniture, Houston, Texas	
Base Proposal "D" (Bookcases)	\$75,649.55
Base Proposal "F" (Reading Room and Waiting Furniture)	27,404.83
Base Proposal "P" (Lab Stools)	<u>5,591.02</u>
Total Contract Award to Archi- tectural Interior Services, A Division of Finger Office Furniture	\$108,645.40
Rockford Business Interiors Austin, Texas	
Add Alternate Proposal "D-1" (Bookcases)	15,176.96
Barker Office Furniture, Inc. Austin, Texas	
Base Proposal "G" (Visitor Chairs)	23,341.40
CDM Contract Furnishings, Inc. Austin, Texas	
Base Proposal "H" (Steel Files)	21,218.11
Rainen Business Interiors, Inc. Dallas, Texas	
Base Proposal "J" (TA Desks)	15,896.80
Austin Business Furniture Austin, Texas	
Base Proposal "K" (Seminar Chairs)	14,702.50
Base Proposal "L" (Seminar Tables)	<u>12,146.00</u>
Total Contract Award to Austin Business Furniture	26,848.50
American Desk Manufacturing Company, Taylor, Texas	
Base Proposal "M" (Anthropology Bone Cabinets)	3,297.00
Base Proposal "N" (Lab Tables)	<u>9,095.00</u>
Total Contract Award to American Desk Manufacturing Company	12,392.00

Carpet Management Systems
San Antonio, Texas

Base Proposal "R"
(Carpet)

\$ 7,987.00

GRAND TOTAL CONTRACT AWARDS

\$402,930.56

Further, the Chancellor was authorized to sign the contracts awarding these bids based on the results of the Executive Committee circularization.

5. U. T. Southwestern Medical Center - Dallas - The Mary Nell and Ralph B. Rogers Magnetic Resonance Center (Project No. 303-674) - Magnet Rooms Finish-Out: Award of Construction Contract to Medical Environment Development Corporation (MEDCO), Dallas, Texas (Exec. Com. Letter 89-14).--The Board, upon recommendation of the Executive Committee, awarded a construction contract for the finish-out of the magnet rooms within The Mary Nell and Ralph B. Rogers Magnetic Resonance Center at The University of Texas Southwestern Medical Center at Dallas to the lowest responsive bidder, Medical Environment Development Corporation (MEDCO), Dallas, Texas, for the base bid in the amount of \$841,000.

The plans and specifications for the finish-out of the magnet rooms listed specific requirements regarding experience and expertise with this type of specialized construction. All bid proposals received were reviewed by the Project Architect, Harwood K. Smith & Partners, Dallas, Texas. The bid proposal of the apparent low bidder, Wegner Commercial Corporation, Dallas, Texas, did not meet the specified requirements for prior experience and was determined to be non-responsive. Upon recommendation of the Project Architect, the bid proposal was rejected. A review of the bid proposals from Medical Environment Development Corporation determined that this firm met the requirements and was the lowest responsive bidder.

6. U. T. Medical Branch - Galveston - Keiller Building Renovation and Reroofing (Project No. 601-664): Award of Construction Contract for Phase I Reroofing to Comex Corporation, Deer Park, Texas (Exec. Com. Letter 89-16).--The Executive Committee recommended and the Board awarded a construction contract for Phase I - Reroofing of the Keiller Building Renovation and Reroofing project at The University of Texas Medical Branch at Galveston to the lowest responsive bidder, Comex Corporation, Deer Park, Texas, for the Base Bid and Alternate Bid Nos. 1 and 4 in the amount of \$547,850.

The revised project cost for Phase I - Reroofing is composed of the following elements:

Construction Cost	\$547,850
Fees and Administrative Expenses	55,259
Miscellaneous Expenses	5,591
Project Contingency	<u>18,000</u>
Total Project Cost	\$626,700

7. U. T. Health Science Center - San Antonio - Research Building (Project No. 402-666): Award of Construction Contract to Lyda, Inc., San Antonio, Texas, and Authorization for Chancellor to Approve Increase in Construction Contract for Cyclotron Area (Exec. Com. Letter 89-16).--Upon recommendation of the Executive Committee, the Board:

- a. Awarded a construction contract for the Research Building at The University of Texas Health Science Center at San Antonio to the lowest responsive bidder, Lyda, Inc., San Antonio, Texas, for the Base Bid and Alternate Bid Nos. 1, 3, 5, 6 and 7 in the amount of \$15,311,000
- b. Authorized the Chancellor to approve an increase in the construction contract by awarding Alternate Bid No. 4 (construction of the cyclotron area) after selection of specific cyclotron equipment.

Alternate Bid No. 4 provides for the construction of the concrete walls and roof and other related items in the cyclotron area on the first level of the Research Building. Award of this alternate bid must be delayed until the cyclotron equipment manufacturer is selected and specific criteria for physical dimensions, shielding and utility connections can be determined. The specifications require the contractor to hold the bid price for Alternate No. 4 for up to six months.

The authorized project cost is composed of the following elements:

Construction Cost	\$15,311,000
Fees and Administrative Expenses	1,521,000
Furniture and Equipment	1,400,000
Future Work (cyclotron area construction, air balancing, utility connections, floodplain work)	1,193,000
Miscellaneous Expenses	75,000
Project Contingency	500,000
Total Project Cost	\$20,000,000

REPORT AND RECOMMENDATIONS OF THE PERSONNEL AND AUDIT COMMITTEE (Pages 13 - 25).--Committee Chairman Roden reported that the Personnel and Audit Committee had met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Personnel and Audit Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. System: Approval of Chancellor's Docket No. 45 (Catalog Change).--Upon recommendation of the Personnel and Audit Committee, the Board approved Chancellor's Docket No. 45 in the form distributed by the Executive Secretary. It is attached following Page 91 in the official copies of the Minutes and is made a part of the record of this meeting.

It was expressly authorized that any contracts or other documents or instruments approved therein had been or shall be executed by the appropriate officials of the respective institution involved.

It was ordered that any item included in the Docket that normally is published in the institutional catalog be reflected in the next appropriate catalog published by the respective institution.

Regent Ratliff abstained from voting on items within the Docket related to Exxon Corporation and Southwest Texas Electric Cooperative due to a possible conflict of interest.

2. U. T. System: Approval of Uniform Policies and Procedures for Discipline and Dismissal and Grievances of Employees.--In order to conform to recent court decisions and to bring uniformity to the procedures for processing employee disciplinary actions and grievances, the Board approved the Policies and Procedures for Discipline and Dismissal and Grievances of Employees set forth on Pages 14 - 23 as a required section in the Handbook of Operating Procedures for each component institution of The University of Texas System.

Further, the Board:

- a. Authorized the component institutions to provide for progressive disciplinary action such as oral or written warning, reprimand or probation as a part of these Policies and Procedures. Such progressive disciplinary action shall not be a necessary prerequisite to demotion, suspension without pay or dismissal and may be reviewed pursuant to the procedures relating to grievances.
- b. Stipulated that The University of Texas Health Center at Tyler need not utilize these Policies and Procedures as long as it is required to follow different procedures by order of the federal court in Hazel Roy, et al v. The University of Texas Health Center at Tyler, et al, No. TY-76-78-CA, United States District Court, Eastern District of Texas, Tyler Division.

POLICIES AND PROCEDURES
FOR DISCIPLINE AND DISMISSAL AND
GRIEVANCES OF EMPLOYEES

I. PURPOSE

It is the policy of The University of Texas [Name of Institution] to encourage fair, efficient and equitable solutions for problems arising out of the employment relationship and to meet the requirements of state and federal law.

II. SCOPE OF POLICY

A. Discipline and Dismissal Policy and Procedures

These policies and procedures are applicable to conduct or job performance of an employee that results in a decision to impose a disciplinary penalty of demotion, suspension without pay or dismissal. It does not apply to:

1. Institutional police, faculty or teaching staff who are subject to other approved discipline or dismissal procedures;
2. Suspension with pay pending investigation of allegations relating to an employee;
3. Decisions not to offer reappointment to persons whose appointment for a stated period of one year or less expires at the end of such period without the necessity of notice of nonrenewal as provided in the Rules and Regulations of the Board of Regents or the rules and regulations of the institution; or
4. Dismissal of employees
 - (a) who are appointed to positions without fixed term and under applicable rule or regulation serve at the pleasure of a specific administrative officer,
 - (b) who occupy positions that are dependent upon funding from a specific source and such funding is not received,
 - (c) as a result of a reorganization,
 - (d) because of financial exigency, or
 - (e) during the 180-day probationary period.

B. Grievance Policy and Procedures

These policies and procedures are available to all employees to present complaints related to wages, hours of work, working conditions, merit raises, job assignments, performance evaluations, reprimands, or the interpretation or application of a rule, regulation or policy.

III. DISCIPLINE AND DISMISSAL POLICY AND PROCEDURES

A. Requisite Standards of Conduct

Each employee is expected to acquaint themselves with performance criteria for their particular job and with all rules, procedures, and standards of conduct established by the Board of Regents of The University of Texas System, the institution and the employee's department or unit. An employee who does not fulfill the responsibilities set out by such performance criteria, rules, procedures and standards of conduct may be subject to adverse personnel action.

B. Conduct Which is Subject to Disciplinary Action

1. Work Performance

- (a) Failure of an employee to maintain satisfactory work performance standards can constitute good cause for disciplinary action including dismissal. The term "work performance" includes all aspects of an employee's work.
- (b) Work Performance is to be judged by the supervisor's evaluation of the quality and quantity of work performed by each employee. When, in the opinion of the supervisor, the work performance of an employee is below standard, the supervisor should take appropriate disciplinary action.

2. Misconduct

- (a) All employees are expected to maintain standards of conduct suitable and acceptable to the work environment. Disciplinary action, including dismissal, may be imposed for unacceptable conduct.
- (b) Examples of unacceptable conduct include, but are not limited to:
 - (1) falsification of time sheets, personnel records or other institutional records;
 - (2) neglect of duties, loafing or wasting time during working hours;
 - (3) smoking anywhere except in designated smoking areas;
 - (4) gambling, participating in lotteries or any other games of chance on the premises at any time;
 - (5) soliciting, collecting money or circulating petitions on the premises other than within the rules and regulations of the institution;

- (6) bringing intoxicants or drugs onto the premises of the institution, using intoxicants or drugs, having intoxicants or drugs in one's possession, or being under the influence of intoxicants or drugs on the premises at any time;
- (7) abuse or waste of tools, equipment, fixtures, property, supplies or goods of the institution;
- (8) creating or contributing to unhealthy or unsanitary conditions;
- (9) violations of safety rules or accepted safety practices;
- (10) failure to cooperate with supervisor or co-worker, impairment of function of work unit, or disruptive conduct;
- (11) disorderly conduct, horseplay, harassment of other employees (including sexual harassment) or use of abusive language on the premises;
- (12) fighting, encouraging a fight or threatening, attempting or causing injury to another person on the premises;
- (13) neglect of duty or failure to meet a reasonable and objective measure of efficiency and productivity;
- (14) theft, dishonesty or unauthorized use of institutional property including records and confidential information;
- (15) creating a condition hazardous to another person on the premises;
- (16) destroying or defacing institutional property or records or the property of a student or employee;
- (17) refusal of an employee to follow instructions or to perform designated work that may be required of an employee or refusal to adhere to established rules and regulations;
- (18) repeated tardiness or absence, absence without proper notification to the supervisor or without satisfactory reason or unavailability for work; and
- (19) violation of policies or rules of the institution or The University of Texas System.

C. Investigations

1. All incidents that involve the potential for disciplinary action shall be investigated by the employee's supervisor or other designated administrative official.

2. If the investigation results in evidence that establishes with reasonable certainty that the employee engaged in conduct which warrants disciplinary action, the supervisor shall follow the predisciplinary hearing procedures before seeking approval for the proposed disciplinary action.

D. Predisciplinary Hearings

1. Policy

An employee shall be informed of the basis for any proposed disciplinary action resulting in demotion, suspension without pay or dismissal and have an opportunity to respond before a final decision is made to take disciplinary action. The hearing serves as an opportunity to avoid mistaken decisions to impose discipline and is not intended to definitively resolve the propriety of the disciplinary action being considered.

2. Procedures

There is no prescribed form for this hearing. It should be informal. However, before reaching a final decision to impose discipline, the supervisor shall:

- (a) inform the employee, either in person or in writing, of the reasons for the proposed disciplinary action, the facts upon which the supervisor relies, the names of any persons who have made statements about the disciplinary incident and the content of such statements;
- (b) give the employee access to any documentary material which the supervisor has relied upon; and
- (c) give the employee an opportunity to respond to the charges either orally or in writing within a reasonable time and to persuade the supervisor that the evidence supporting the charges is not true.

If the supervisor is not persuaded that the evidence is untrue, the supervisor will review the evidence and proposed disciplinary action with the Director of Personnel or his or her delegate and will obtain the approval of the appropriate department head or administrative equivalent before proceeding to impose the disciplinary penalty.

E. Imposing the Disciplinary Penalty

1. Notice

Upon completing the predisciplinary hearing procedures and obtaining the approval of the appropriate department head or administrative equivalent, the supervisor shall inform the employee in writing of the following:

- (a) whether the disciplinary penalty is demotion, suspension without pay or dismissal;

- (b) the effective date of demotion or dismissal;
- (c) a specific period for a suspension without pay, not to exceed five (5) working days;
- (d) the specific incident, conduct, course of conduct, unsatisfactory work performance or other basis for the disciplinary penalty;
- (e) any previous efforts to make the employee aware of the need to change or improve work performance or conduct; and
- (f) reference to any relevant rule, regulation or policy.

The supervisor shall also inform the employee of the right to appeal the disciplinary action and provide them a copy of the appeal procedure.

2. Effect Upon Employee Benefits

- (a) An employee who is demoted or suspended without pay continues to accrue vacation and sick leave, to be covered by group insurance, and to be entitled to other employee benefit programs.
- (b) If a demotion or suspension without pay is appealed and it is determined that there was not good cause for the demotion or suspension, the employee shall be entitled to payment for wages lost as a result of the demotion or suspension.
- (c) If it is determined upon appeal that a dismissal was not for good cause, the employee shall be reinstated to the same or similar position and shall be entitled to payment of back wages less any unemployment benefits received by the employee after the date of dismissal. Employee benefits such as vacation and sick leave shall be credited back to the date of dismissal.

IV. PROCEDURE FOR APPEALING DISCIPLINARY ACTIONS

Disciplinary actions resulting in dismissal, suspension without pay, or demotion may be appealed by the affected employee pursuant to the process set out below. The time limits set forth in the appeal procedure must be adhered to by both the employee and the appropriate supervisory and administrative personnel unless extended for good cause by the Director of Personnel. The failure of the employee to process the appeal in a timely manner to the next level shall constitute a withdrawal of the appeal. The failure of supervisory or administrative personnel to timely respond to an appeal shall constitute authorization for the employee to process the appeal to the next step.

A. Step One

The employee may present a written appeal to the [title of administrative official] within five (5) working days from the date of the disciplinary action. The appeal shall contain a clear and concise statement of why the disciplinary action is inappropriate. Within ten (10) working days of the date of the appeal, a written decision shall be mailed to the employee.

B. Step Two*

The decision of the step one official may be appealed to the [title of administrative official] within five (5) working days of the date of the step one decision. The appeal must be in writing and shall state why the decision of the step one official is incorrect. A written decision on the appeal shall be mailed to the employee within ten (10) working days of the date of the appeal.

C. Step Three [Step Two]

If the employee is not satisfied with the step two [step one] decision, the employee may present a written request for a hearing before the vice president or administrative equivalent for the employee's department. The request for a hearing must state with particularity why the disciplinary action was inappropriate and/or why the decision of the step two [step one] official should be changed. The request must be made within five (5) working days following the date of the appealed decision. The vice president or administrative equivalent shall, in his or her discretion, either hear the appeal in person or appoint a delegate(s) to hear the appeal. The hearing shall be conducted pursuant to the procedure set out in Paragraph F below.

D. Step Four [Step Three]

If the employee is not satisfied with the step three [step two] decision, a written appeal may be made to the chief administrative officer of the institution within five (5) working days of the date of the step three [step two] decision and must state why such decision is incorrect. The review by the chief administrative officer shall be based solely upon the step three [step two] record and shall not include any new issue or evidence. Within a reasonable period of time, not to exceed thirty (30) days following the date of the appeal, a written decision shall be mailed to the employee. The decision of the chief administrative officer is final.

E. Records of Disciplinary Actions

Copies of all documents pertaining to disciplinary actions shall be filed in the employee's personnel file.

* Institutions may exclude Step Two and provide an appeal process of only three steps.

F. Step Three [Step Two] Hearing Procedure

1. Pre-Hearing Rules and Procedures

(a) Naming the Delegate(s)

If the vice president or administrative equivalent elects to appoint a delegate(s) to hear the appeal, the name or names will be furnished to the employee as soon as practical after the selection is made. If more than one person is appointed, one of such persons shall be designated to serve as chair in the notice to the employee.

(b) Challenges to Impartiality

An employee may challenge the fairness and impartiality of the vice president or administrative equivalent or an appointed delegate(s). The challenge must be in writing and must clearly state the factual basis for the challenge. A challenge of the vice president or administrative equivalent must be made within five (5) days of the date of the request for a hearing and a challenge of a delegate(s) must be made within five (5) days after the date of the notice appointing the delegate(s). It shall be up to the person challenged to determine whether he or she can serve with fairness and impartiality. If the challenged vice president or administrative equivalent determines that he or she cannot be fair and impartial in the consideration of the appeal, he or she shall appoint a delegate(s) to hear the appeal. If a challenged delegate(s) determines that he or she cannot be fair and impartial in the consideration of the appeal, the vice president or administrative equivalent shall appoint another delegate(s).

(c) Time Limits

The hearing shall be conducted as soon as practical, but not later than twenty (20) working days following the date of the appeal or the appointment of delegate(s).

(d) Discovery Rights and Document Exchange

(1) The employee may request institutional documents, records, or exhibits. Such request must accompany the step three [step two] written appeal. The requested records will be furnished if, in the opinion of the vice president or administrative equivalent or the designated chair, as the case may be, they are relevant to the appeal and are not made confidential by law.

(2) At least five (5) days prior to the time set for the hearing, the institutional representative for the appeal and the employee shall furnish each other with the names of the witnesses to be called, a summary of their expected testimony, and a copy of each document, record or exhibit to be introduced at the hearing.

2. Hearing Rules and Procedures

(a) Role of Hearing Chair

(1) The vice president or administrative equivalent or the delegate designated as chair shall preside at the hearing and ensure the order of presentation as well as decide on questions of relevancy. The chair shall also have the discretion to determine the form and scope of cross examination allowed during the hearing.

(2) Upon request, the chair may consult with and be advised by counsel during the hearing.

(b) Right to Representation

The employee has the right to be represented at the hearing by an attorney or other individual representative. If the employee is represented by an attorney or an individual from an employee organization that does not claim the right to strike, the institution may be represented by an attorney from the Office of General Counsel of The University of Texas System.

(c) Hearing Record

In all appeal hearings where the employee is represented by an attorney or an individual from an employee organization, a court reporter shall be furnished by the institution to transcribe the hearing and swear in witnesses. The party requesting a copy of the transcript of the proceedings shall be responsible for its cost. In all other appeal hearings the institution shall tape the hearing and make a copy of the tape available to the employee on request. The transcript of the court reporter or the tape of the proceedings shall be the official record of the hearing.

(d) Burden of Proof

The institution has the burden of proving by a preponderance of credible evidence that good cause exists for the disciplinary action and therefore shall have the right to open and close the proceedings.

(e) Order of Presentation and Right to Cross-Examination

(1) The hearing shall consist of opening statements on behalf of the institution and the employee and testimony by witnesses called by the institution and the employee, with both parties having the right to cross-examine witnesses and make closing statements.

(2) Relevant exhibits may be introduced by either party and the chair shall take notice of the employee's personnel record.

- (f) Institutional Employees as Witnesses
 - (1) Any employee can be asked to appear as a witness for either party.
 - (2) It shall be the duty of an employee requested to testify to do so as to any facts which may be relevant to the appeal.

3. Post-Hearing Rules and Procedure

- (a) The delegate(s) shall deliberate, prepare and forward written findings and recommendations to the vice president or administrative equivalent within ten (10) working days after the close of the hearing.
- (b) The vice president or administrative equivalent shall mail his or her decision to the employee within ten (10) working days following the receipt of the findings and recommendations from the delegate(s).
- (c) If the vice president or administrative equivalent has heard the appeal, he or she shall mail a written decision to the employee within ten (10) working days after the close of the hearing.

V. GRIEVANCE POLICY AND PROCEDURES

A. Scope of Grievance Policy

Complaints concerning wages, hours of work, working conditions, performance evaluations, merit raises, job assignments, reprimands or the interpretation or application of a rule, regulation or policy shall not be processed through the Discipline and Dismissal Appeal Procedure. Such complaints will be considered on an informal basis in order to allow prompt correction or explanation of the subject of the complaint.

- 1. Probationary Employees Included
The complaint of all employees including probationary employees will be considered pursuant to the procedure provided below.
- 2. Retaliation Prohibited
No employee will be penalized, disciplined or prejudiced for exercising the right to make a complaint, or for aiding another employee in the presentation of that complaint.

B. Procedure for Bringing a Grievance

- 1. The employee shall informally present the complaint to his or her supervisor or administrative equivalent for discussion, consideration and resolution within five (5) working days from the date of the action which is subject of the complaint.

2. If the complaint is not satisfactorily resolved by the supervisor or administrative equivalent within five (5) working days, the employee may present the complaint in writing to the appropriate department head or administrative equivalent for consideration and action. A written decision will be mailed to the employee within five (5) working days of receipt of the complaint.
3. If the employee is not satisfied with the decision of the department head or administrative equivalent a written appeal stating why the appealed decision is incorrect may be made to the appropriate dean, director or administrative equivalent within five (5) working days of the date of the appealed decision. Within ten (10) working days of the date of the appeal a written decision will be mailed to the employee.
4. Complaints not satisfactorily resolved by the dean, director or administrative equivalent may be appealed in writing to the appropriate vice president or administrative equivalent for the employee's department within five (5) working days of the date of the appealed decision. The appeal shall state why the appealed decision is not correct. Within a reasonable time, not to exceed thirty (30) days following receipt of the appeal, a written decision shall be mailed to the employee. This decision is final.
5. The written complaint and all decisions or responses regarding such complaint shall be a part of the personnel file of the employee.

3. U. T. System: Acceptance of Health Maintenance Organization (HMO) Contracts and Rates Effective September 1, 1989.--The Board, upon recommendation of the Personnel and Audit Committee, approved renewal contract rates to be effective September 1, 1989, for Health Maintenance Organizations (HMO) now contracting to provide The University of Texas System employees health care as specified below:

Kaiser Foundation Health Plan of Texas, Dallas, Texas (Kaiser, Dallas)

Pacificare Health Systems, Inc., Austin, Texas (Pacificare, Austin)

Pacificare of Texas, Inc., San Antonio, Texas (Pacificare, San Antonio)

Texas Health Network, Inc., Houston, Texas (Partners, Houston)

Prudential Health Care Plan, Inc., Austin, Texas (PruCare, Austin)

Prudential Health Care Plan, Inc., Houston, Texas (PruCare, Houston)

Southwest Health Plan, Inc., Dallas, Texas (Southwest, Dallas)

Texas Health Plans, Inc., Austin, Texas (Texas Health Plans, Austin)

Travelers Health Network of Austin, Inc., Austin, Texas (Travelers, Austin)

Travelers Health Network of Texas, Inc., Houston, Texas (Travelers, Houston)

Travelers Health Network of Texas, Inc., Irving, Texas (Travelers, Irving)

Travelers Health Network of Texas, Inc., San Antonio, Texas (Travelers, San Antonio).

The monthly rates for Fiscal Year 1990 are set out on Page 25 and the city listed in parentheses indicates the city in which that provider is offering coverage and thereby pre-defines the U. T. System component(s) to which that provider can offer coverage.

Renewal Contracts
Monthly Rates

	Kaiser (Dallas)	Pacificare (Austin)	Pacificare (San Antonio)
Employee	\$ 97.13	\$105.69	\$103.80
Employee/Spouse	233.11	228.29	224.21
Employee/Child(ren)	194.26	200.81	197.22
Employee/Family	291.39	287.48	282.34

	Partners (Houston)	PruCare (Austin)	PruCare (Houston)
Employee	\$118.68	\$121.53	\$119.34
Employee/Spouse	270.29	255.22	257.77
Employee/Child(ren)	213.39	244.26	227.68
Employee/Family	371.05	377.10	373.07

	Southwest (Dallas)	Tx Health Plans (Austin)	Travelers (Austin)
Employee	\$131.44	\$105.69	\$123.32
Employee/Spouse	297.07	221.95	276.97
Employee/Child(ren)	258.40	211.38	251.98
Employee/Family	383.43	348.78	381.71

	Travelers (Houston)	Travelers (Irving)	Travelers (San Antonio)
Employee	\$122.48	\$126.83	\$121.25
Employee/Spouse	275.60	285.35	272.31
Employee/Child(ren)	248.63	257.43	247.73
Employee/Family	393.92	407.86	375.28

REPORT AND RECOMMENDATIONS OF THE ACADEMIC AFFAIRS COMMITTEE (Pages 26 - 31).--Committee Chairman Barshop reported that the Academic Affairs Committee had met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Academic Affairs Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. Arlington: Authorization to Establish a Ph.D. Degree in Business Administration and to Submit the Program to the Coordinating Board for Approval (Catalog Change).--Authorization was granted to establish a Ph.D. degree in Business Administration at The University of Texas at Arlington and to submit the program to the Texas Higher Education Coordinating Board for approval.

This proposal will primarily change the title of the Ph.D. in Administration to the more widely accepted Business Administration degree title. The change in degree title will be accomplished with minor changes to the curriculum and no increase in cost to the State.

All students will complete a core program of course work in business administration and then specialize within a field in which they conduct research and complete a dissertation. Those specializations will be focused within one of the departments in the college: economics, finance and real estate, information systems and management sciences, management or marketing. The program will be administered by the graduate faculty of the College of Business Administration through a program committee and, for each student, a supervisory committee. Administrative oversight will be provided by a graduate advisor who also holds the title of Associate Dean.

No additional cost will be incurred as a direct result of implementing the program. The University anticipates replacing six existing courses with new courses but not creating any net addition to the course inventory. No new faculty will be required, and no additional resources of any other kind will be needed, either to change the degree title or to implement the quality enhancements.

This degree program is included in the U. T. Arlington strategic plan and is within the role and scope statement approved by the U. T. Board of Regents in June 1984.

Upon Coordinating Board approval, it was ordered that the next appropriate catalog published at U. T. Arlington be amended to reflect this action.

2. U. T. Austin: Establishment of a Ph.D. Degree in Public Policy and Authorization to Submit the Program to the Coordinating Board for Approval (Catalog Change).--Upon recommendation of the Academic Affairs Committee, the Board established a Ph.D. degree in Public Policy at The University of Texas at Austin and authorized submission of the program to the Texas Higher Education Coordinating Board for approval.

The Ph.D. in Public Policy, to be administered by the Lyndon B. Johnson (LBJ) School of Public Affairs, builds on a strong master's program and will be the only public policy research oriented doctoral program in Texas. This program will emphasize the use of formal quantitative methods of analyzing complicated public policy issues. Students will become public policy research professionals by mastering not only research methodologies and disciplinary specialization but also by developing an understanding of the constraints imposed on the researcher by bureaucracy and politics.

No additional faculty are needed for this program. No other courses except a doctoral seminar in research methods are to be created and no new facilities will be required. Additionally, no expansion of the library will be required and no additional State resources will be used for any other purpose associated with the program.

The State of Texas will benefit directly and immediately from the establishment of the program because the LBJ School of Public Affairs will be able to attract additional grant funds to support research which can be conducted by doctoral students. Not only will this bring additional funds to the State, but much of the research work is likely to be of direct benefit to Texas government.

The program is consistent with U. T. Austin's strategic plan and its role and scope statement approved by the U. T. Board of Regents in June 1984.

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

3. U. T. Austin: Permission for Dr. Charles W. Kreitler to Serve as a Member of the National Drinking Water Advisory Council of the Environmental Protection Agency (EPA) [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--Permission was given for Dr. Charles W. Kreitler, Research Scientist, Bureau of Economic Geology at The University of Texas at Austin, to serve as a member of the National Drinking Water Advisory Council of the Environmental Protection Agency (EPA).

Dr. Kreitler's service on this fifteen-member Council will be without additional compensation.

Dr. Kreitler's appointment to this Council is of benefit to the State of Texas, creates no conflict with his regular duties at U. T. Austin and is in accordance with approval requirements for positions of honor, trust, or profit provided in Article 6252-9a of Vernon's Texas Civil Statutes, and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

4. U. T. Austin: Initial Appointments to Endowed Academic Positions in the (a) College of Business Administration, (b) College of Engineering, (c) College of Fine Arts, (d) College of Liberal Arts and (e) College of Natural Sciences Effective as Indicated.--The Board approved the following initial appointments to endowed academic positions at The University of Texas at Austin effective September 1, 1989, unless otherwise indicated:

a. College of Business Administration

Dr. Seha M. Tinic, J. Ludwig Mosle Centennial Memorial Professor in Investments and Money Management, to the James A. Elkins Centennial Chair in Finance

Dr. Tinic will relinquish the J. Ludwig Mosle Centennial Memorial Professorship in Investments and Money Management on the effective date of the new appointment.

b. College of Engineering

(1) Dr. Karl Johan Astrom, Professor, University of Lund, Sweden, to the Second Cockrell Family Regents Chair in Engineering for one year only

(2) Dr. John K. Tien, Columbia University, New York, New York, to the Rashid Engineering Regents Chair

c. College of Fine Arts

Dr. Gilbert Rouget, former Professor and Head of Doctoral Studies in Ethnomusicology, University of Paris-X, Paris, France, to the M. K. Hage Centennial Visiting Professorship in Music for the period April 7-28, 1989

d. College of Liberal Arts

Professor Thomas F. Staley, Department of English, to The Chancellor's Council Centennial Professorship in the Book Arts

e. College of Natural Sciences

Dr. John T. Tate, Professor of Mathematics, Harvard University, to the Third Sid W. Richardson Foundation Regents Chair in Mathematics for the 1989-1990 academic year only.

5. U. T. Austin: Approval to Name Room 3.158 in the Chemical and Petroleum Engineering Building in the College of Engineering the Petroleum Engineering Alumni Room (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings).--In accordance with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, relating to the naming of facilities other than buildings, approval was given to name Room 3.158 in the Chemical and Petroleum Engineering Building in the College of Engineering at The University of Texas at Austin the Petroleum Engineering Alumni Room.

The naming of this room is in recognition of gifts received from several graduating classes from the Department of Engineering at U. T. Austin.

See Page 78 related to the establishment of the Petroleum Engineering Alumni Room Endowment.

6. U. T. Austin: Authorization to (a) Establish New Parking Permits and Classification Fees, (b) Establish a New Enforcement Fee and (c) Increase Existing Enforcement Fee Effective with the Fall Semester 1989 (Catalog Change).--Authorization was given to (a) establish new classes of parking permits and corresponding fees, (b) establish a new enforcement fee and (c) increase an existing enforcement fee at The University of Texas at Austin to be effective with the Fall Semester 1989 as set out below:

a. Parking Permits and Classification Fees

<u>Faculty/Staff Permits</u>	<u>1989-90 Fees</u>
Class A (unreserved)	\$26.00
Class D (disabled)	64.00
Class F (reserved)	64.00
Class M (motorcycle)	9.00
Class O (administrator)	96.00
<u>New Special Use Permits</u>	
Class E (exercise fitness programs)	13.00
Class R (recreational sports)	13.00
<u>Student Permits</u>	
Class A (health)	13.00
Class C (students)	13.00
Class D (disabled)	13.00
Class G (graduate students)	22.00
Class M (motorcycle)	9.00

Annual parking permit fees are prorated if purchased for only one semester or summer session.

b.	<u>Enforcement Fee</u>	1989-90 <u>Fee</u>
	Parking or operating a motor vehicle while privileges are suspended	\$25.00
c.	<u>Increase to Existing Enforcement Fee</u>	1989-90 <u>Fee</u>
	Failure to stop or heed instructions given by a University Police Officer	\$25.00

The new special use permits are voluntary and are for persons who participate in programs sponsored by the Department of Kinesiology and Health Education and the Division of Recreational Sports. The permits restrict permit holders to specified lots and specified times that are consistent with the schedules for the programs involved. The new enforcement fee and increase to an existing enforcement fee will assist the Police Department at U. T. Austin in enforcing the established parking and traffic regulations.

It was ordered that the next appropriate catalog published at U. T. Austin be amended to conform to this action.

7. U. T. Austin: Approval of Increases in Tuition Rates for the Graduate School of Business Effective with the Fall Semester 1989 (Catalog Change).--Upon recommendation of the Academic Affairs Committee, the Board approved increases in tuition rates for students in the Graduate School of Business at The University of Texas at Austin effective with the Fall Semester 1989 as set out below:

	<u>Rates for 1989-90/1990-91</u>
Resident Students	\$36.00 per semester credit hour
Nonresident and Foreign Students	\$152.00 per semester credit hour

It was ordered that the next appropriate catalog published at U. T. Austin be amended to reflect this action.

8. U. T. Dallas: Permission for Dr. Priscilla Detweiler to Serve as a Member of the Public Law 99-660 Texas Mental Health Services Planning Council [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--Permission was given for Dr. Priscilla Detweiler, Vice President for Administration and Student Affairs at The University of Texas at Dallas, to serve as a member of the Public Law 99-660 Texas Mental Health Services Planning Council.

Dr. Detweiler was appointed to this nine-member Council by the Chairman of the Board of the Texas Department of Mental Health and Mental Retardation and her service on this Council will be without additional compensation.

Dr. Detweiler's appointment to this Council is of benefit to the State of Texas, creates no conflict with her regular duties at U. T. Dallas and is in accordance with approval requirements for positions of honor, trust, or profit provided in Article 6252-9a of Vernon's Texas Civil Statutes, and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

9. U. T. San Antonio: Establishment of the College of Sciences and Engineering Advisory Council (Regents' Rules and Regulations, Part One, Chapter VII, Section 3).--The Board established the Advisory Council for the College of Sciences and Engineering at The University of Texas at San Antonio pursuant to the Regents' Rules and Regulations, Part One, Chapter VII, Section 3, with the understanding that initial nominees thereto will be submitted for approval at a future meeting.

REPORT AND RECOMMENDATIONS OF THE HEALTH AFFAIRS COMMITTEE (Pages 32 - 67).--Committee Chairman Blanton reported that the Health Affairs Committee had met in open session to consider those items on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, the actions set forth in the Minute Orders which follow were recommended by the Health Affairs Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. Southwestern Medical Center - Dallas: Charles Y.C. Pak, M.D., Ph.D., Appointed Initial Holder of The Charles Pak Distinguished Chair in Mineral Metabolism Effective Immediately.--The Board approved the appointment of Charles Y.C. Pak, M.D., Ph.D., Professor of Internal Medicine and Chief, Section on Mineral Metabolism, as initial holder of The Charles Pak Distinguished Chair in Mineral Metabolism at The University of Texas Southwestern Medical Center at Dallas effective immediately.

Dr. Pak will continue to hold the previously awarded Donald W. Seldin Professorship in Clinical Investigation.

See Page 83 related to the establishment of this Chair.

2. U. T. Southwestern Medical Center - Dallas: Permission for Dr. William Gonyea to Serve on the Anatomical Board of the State of Texas [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--Permission was granted for Dr. William Gonyea, Professor of Cell Biology and Anatomy at The University of Texas Southwestern Medical Center at Dallas, to continue to serve on the Anatomical Board of the State of Texas for a term to expire on February 28, 1991. His service in this capacity will be without remuneration.

Dr. Gonyea's appointment to this Board is of benefit to the State of Texas, creates no conflict with his regular duties and is in accordance with approval requirements for positions of honor, trust, or profit provided in Article 6252-9a of Vernon's Texas Civil Statutes and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

3. U. T. Southwestern Medical Center - Dallas: Approval to Name Four Laboratories (Rooms Y8.214, Y8.216, Y8.220 and Y8.222) as The Porter and Eveline Gifford Laboratories for Diabetes Research [Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings].--In accordance with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, relating to the naming of facilities other than buildings, approval was given to name four laboratories (Rooms Y8.214, Y8.216, Y8.220 and Y8.222) at The University of Texas Southwestern Medical Center at Dallas as The Porter and Eveline Gifford Laboratories for Diabetes Research.

The naming of these laboratories at U. T. Southwestern Medical Center - Dallas is an appropriate tribute to the Porter and Eveline Gifford family for their generosity and dedication to diabetes research.

4. U. T. Health Science Center - Houston: Appointment of Dr. Patricia A. Buffler as Ashbel Smith Professor Effective Immediately.--The Board, upon recommendation of the Health Affairs Committee, appointed Dr. Patricia A. Buffler, Professor of Epidemiology of the U. T. Public Health School - Houston at The University of Texas Health Science Center at Houston, as Ashbel Smith Professor effective immediately.

5. U. T. Health Science Center - Houston: Authorization to Name Room 3.244 (Library of the Medical School Department of Pediatrics) the Doris S. Simon Memorial Library for Pediatrics (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings).--Authorization was given to name Room 3.244, the library of the Medical School Department of Pediatrics at The University of Texas Health Science Center at Houston, the Doris S. Simon Memorial Library for Pediatrics in accordance with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, relating to the naming of facilities other than buildings.

The naming of this library for Mrs. Simon is a fitting memorial to her dedication to her family, her nursing career and the students and faculty at the U. T. Health Science Center - Houston.

6. U. T. Health Science Center - San Antonio: Approval of an Exception to Part One, Chapter III, Section 31, Subsection 31.1 of the Regents' Rules and Regulations (Retirement and Modified Service) to Allow Full-Time Employment of Dr. Donald J. Hanahan Through August 31, 1990.--Upon recommendation of the Health Affairs Committee, an exception was made to Part One, Chapter III, Section 31, Subsection 31.1 of the Regents' Rules and Regulations, relating to retirement and modified service, to permit the full-time employment beyond the mandatory retirement age of Dr. Donald J. Hanahan, Professor of Biochemistry at The University of Texas Health Science Center at San Antonio, through August 31, 1990.

7. U. T. Health Science Center - San Antonio: Development Board - Nominee Approved Thereto.--A nominee for membership to the Development Board at The University of Texas Health Science Center at San Antonio was approved for a three-year term to expire in 1991.

The name of the nominee will be reported for the record after he has been contacted and his acceptance has been received.

8. U. T. Health Science Center - San Antonio: Approval of Affiliation Agreement with El Paso County Community College District, El Paso, Texas.--Approval was given to the affiliation agreement set forth on Pages 34 - 38 by and between The University of Texas Health Science Center at San Antonio and the El Paso County Community College District, El Paso, Texas.

This agreement, executed by the appropriate officials of the institution and facility to be effective upon approval by the U. T. Board of Regents, will allow the faculty members of the U. T. Health Science Center - San Antonio to utilize the services of student dental assistants. Members of the faculty will receive the support

needed to conduct their research, and the community college students will receive additional training in dental areas as well as in research.

The El Paso County Community College District shall be responsible for planning and coordinating the educational program for the clinical instruction, and the U. T. Health Science Center - San Antonio faculty will conduct the program.

EPCC Contract #C02139

STATE OF TEXAS:
COUNTY OF EL PASO:
EL PASO COUNTY COMMUNITY COLLEGE DISTRICT:

AFFILIATION AGREEMENT
DENTAL ASSISTING PROGRAM

AGREEMENT made this 19th day of October, 19 88, between the Board of Trustees of the El Paso County Community College District, a political subdivision of the State of Texas, hereinafter referred to as "District" and The University of Texas Health Science Center at San Antonio, 7703 Floyd Curl Drive, San Antonio, Texas 78284-7894, hereinafter referred to as the "Externship Affiliate."

RECITALS

It is recognized that the District is authorized to enter into this agreement as a function of its governmental and educational powers granted and proscribed by the State of Texas.

Both parties acknowledge a public obligation to contribute to the education of dental assistants for the benefit of students and the community.

The District has established a program to educate and train dental assistants which requires the clinical facilities of the dental offices for laboratory practice.

The Externship Affiliate maintains clinical facilities suitable for the educational needs of the program in dental assisting.

It is mutually beneficial to both the District and the Externship Affiliate that students be afforded opportunities for clinical education prior to employment as dental assistants.

A G R E E M E N T

Term

1.01 The respective duties and obligations of the parties hereto shall commence upon the date of execution of this agreement.

1.02 This agreement will remain in effect until written termination by one or both parties is given. Either party may give written notice to the other party of its intention to terminate or revise this agreement thirty (30) days prior to student placement. Any notice of the intention to terminate shall state the effective date of termination, or in the event of revision of the agreement, the terms of the proposed revision and the proposed effective date of the revision. Said termination or the terms of any revision shall not be effective until such time as those students then enrolled have completed their externship.

Responsibilities of District

2.01 It shall be the responsibility of the District to plan and coordinate an approved educational program for the clinical instruction with the Externship Affiliate. The District will provide the Externship Affiliate with a specific educational program to be carried out at the office of the Externship Affiliate.

2.02 The District will provide administrative, supervisory, and counseling services to include student admissions, scheduling, attendance, and maintenance of achievement records for all students.

2.03 The District agrees that all of its students will abide by the policies and regulations of the Externship Affiliate while using its facilities.

2.04 Malpractice liability insurance shall be carried by District students and instructors for the entire period of this agreement, and a certificate of insurance will be provided to the Externship Affiliate indicating effective date, limits of coverage and other pertinent data. Such Affiliate has examined the policy currently in force and effect and finds the terms and limits and coverage acceptable.

Responsibilities of the Externship Affiliate

3.01 The Externship Affiliate will accept students in the Dental Assisting Program for education and training at its facilities. The Externship Affiliate will carry out the specific program established by the District and provided to the Externship Affiliate as set out in 2.01 above.

3.02 The Externship Affiliate shall designate a specific member of its staff to supervise the students in the office administration. The person so designated shall be the immediate supervisor of the students for office administrative duties, and shall be the person who is customarily responsible for office administration in the operation of the Externship Affiliate.

3.03 The Externship Affiliate shall designate a specific member of its staff to supervise the students in non-direct patient duties. The person so designated shall be the immediate supervisor of the students for non-direct patient duties, and

shall be the person who is customarily responsible for such duties in the operation of the Externship Affiliate.

3.04 The Externship Affiliate individually shall direct and supervise the student in the other facets of the educational programs as will be provided to the Externship Affiliate by the District.

Students

4.01 Each student shall provide the names of responsible parties to be notified in the event of illness or emergencies involving the student.

4.02 Each student shall possess the academic ability to profit from the clinical education and training provided at the Externship Affiliate.

Indemnity Against Loss

5.01 To the extent that the District is legally capable, the District shall indemnify and hold the Affiliate harmless for losses suffered by the Affiliate due to injuries proximately caused a third party by the negligent acts of students during their training at the Affiliate. Such indemnification shall not extend to losses suffered by the Affiliate due to injuries proximately caused a third party by the negligent acts of Affiliate personnel or other non-district personnel. It is expressly understood that it is not the intention or purpose of this District to create any liability against the Affiliate unless such liability is imposed by law and that this agreement in no way enlarges Affiliate's liability under law.

5.02 The Affiliate shall instruct its personnel that only duly authorized persons may instruct, order, or direct District students or instructors, and that unless so authorized such personnel shall not instruct, order or direct students or instructors. Personnel receiving such authorization shall be instructed that the students are undergoing a learning experience and shall not be expected, instructed, ordered or directed to perform functions beyond the level of training previously received

Place of Performance and
Law Governing Contract

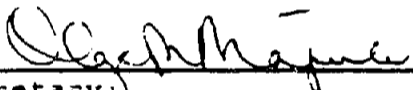
6.01 This agreement is to be performed in El Paso County, Texas, and construed and enforced in accordance with the law of the State of Texas.


EXECUTED at El Paso, Texas on the day and year above mentioned.

DISTRICT:

ATTEST:

EL PASO COUNTY COMMUNITY COLLEGE
DISTRICT

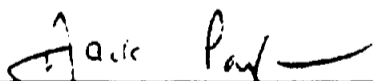

Secretary

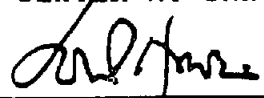
By: 
Jeanene K. Smith
President, Board of Trustees

EXTERNSHIP AFFILIATE:

ATTEST:

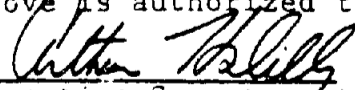
THE UNIVERSITY OF TEXAS HEALTH
SCIENCE CENTER AT SAN ANTONIO


Executive Director of
Institutional Services

By: 
John P. Howe, III, M.D.
President

Certificate of Approval

I hereby certify that the foregoing agreement was approved by the Board of Regents of The University of Texas System on the 6TH day of APRIL, 1989, and that the person whose signature appears above is authorized to execute such agreement on behalf of the Board.


Executive Secretary to the
Board of Regents of The
University of Texas System

9. U. T. M.D. Anderson Cancer Center: Approval of Affiliation Agreement with Methodist Hospital, Houston, Texas.--
The Board, upon recommendation of the Health Affairs Committee, approved the affiliation agreement set forth on Pages 39 - 46 by and between The University of Texas M.D. Anderson Cancer Center and the Methodist Hospital, Houston, Texas.

This agreement, executed by the appropriate officials of the institution and facility to be effective upon approval by the U. T. Board of Regents, will provide a program of directed clinical experience in radiation therapy technology procedures for students in the Methodist Hospital.

U. T. M.D. Anderson Cancer Center will be solely responsible for the educational experience of the students enrolled in the program, and the Methodist Hospital will provide clinical instructors and preceptors, space and support services for the program.

AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into by and between The University of Texas M. D. Anderson Cancer Center, a component of The University of Texas System, a Texas agency of higher education ("Cancer Center"), and the Methodist Hospital, a Texas nonprofit corporation ("Methodist"), and is effective the 1st day of September, 1988. As used in this Agreement, the term "Hospital" shall mean the hospital facility operated by Methodist.

W I T N E S S E T H:

WHEREAS, Cancer Center desires to develop and conduct an educational program that teaches and trains students in the field of radiation therapy technology (the "Program");

WHEREAS, Cancer Center further desires to provide a forum for its students that become enrolled in the Program (each a "Student" and collectively the "Students") to obtain training and clinical experience; and

WHEREAS, Methodist, through its radiotherapy department (the "Department"), can provide students with training and clinical experience in the field of radiation therapy technology and desires to participate in the Program in accordance with the provisions of this Agreement.

NOW, THEREFORE, in consideration of the premises set forth above and the mutual benefits, covenants, and agreements set forth below, the parties agree as follows:

ARTICLE I

PURPOSE

Section 1.1 Purpose. Cancer Center and Methodist hereby agree to cooperate for the purpose of conducting a directed practice experience in radiation therapy technology procedures for Students. As used in this Agreement, the term "directed practice experience" shall mean, with respect to each Student approved by Methodist pursuant to Section 2.4(a), four (4) calendar weeks of training provided to such Student in or through the Department in radiation therapy technology procedures.

ARTICLE II

RESPONSIBILITIES OF CANCER CENTER

Section 2.1 Development and Administration of the Program. Cancer Center shall be solely responsible for the entire educational experience of each Student and will ensure that each such Student receives the minimum number of hours of didactic instruction that is customarily recognized as essential to the education of a radiation therapy technologist and necessary to achieve accreditation of the Program. In connection therewith, Cancer Center shall, at its sole cost and expense, (i) develop, coordinate, and administer the Program in a manner consistent with Essentials and Guidelines of an Accredited Educational Program for the Radiation Therapy Technologists, (ii) develop a curriculum in respect of the Program that meets the requirements of clause (i) of this sentence, and (iii) establish and implement all procedures necessary to grade and evaluate the Students, to create and maintain academic records for such Students, and to determine graduation eligibility for such Students (including eligibility for a certificate of completion in radiation therapy technology).

Section 2.2 Directed Practice Experience. Cancer Center shall be responsible for developing policies and procedures to be implemented by Methodist during each Student's directed practice experience in accordance with the provisions of Article III.

Section 2.3 Program Director. Cancer Center shall appoint a full-time Cancer Center faculty member to be the "Program Director", which person must be a registered radiation therapy technologist and fully capable and qualified, in accordance with good radiation therapy technology practice, to monitor and evaluate each Student's directed practice experience. Subject at all times to the bylaws, policies, and rules of Methodist and its medical staff (such bylaws, policies, and rules being collectively referred to as "Hospital Policies"), the Program Director shall have overall responsibility to coordinate the Program and to ensure that the directed practice experience of each Student is being conducted in accordance with the policies and procedures developed by Cancer Center in accordance with the provisions of Section 2.2 and all appropriate accreditation standards. In connection therewith, the Program Director will carry out periodic scheduled visits to the Department and will notify Methodist in advance of such visits.

Section 2.4 Students Enrolled in the Program.

(a) Prior to the commencement of each academic semester that occurs during the term of this Agreement, Cancer Center and Methodist will agree upon the number of Students who will be assigned to the Department for directed practice experience during such semester; provided, that no Student shall receive instruction or clinical training through the Department, or be eligible therefor, until such Student has been specifically approved by Methodist (which approval may be granted or denied in Methodist's sole discretion). As a condition of approval of each Student, Cancer Center acknowledges that Methodist may require such Student (or, if appropriate, Cancer Center on behalf of such Student) to provide Methodist with such health records or other records or information in respect of such Student as are deemed appropriate or desirable by Methodist and may require such Student to submit a physical examination.

(b) In addition, prior to the commencement of each academic semester that occurs during the term of this Agreement, Cancer Center will provide Methodist and each Student approved by Methodist in accordance with paragraph (a) above with an updated "Student Handbook" that sets forth the responsibilities of each Student during such Student's designated practice experience and such other information that is agreed to between Cancer Center and Methodist. The parties agree that each Student is responsible for the purchase of all books, uniforms, and other materials deemed necessary by Cancer Center in connection with such Student's directed practice experience assignment and that Methodist shall have no responsibility to compensate the

Students for any services they render during their designated practice experience or to pay for any expenses incurred by such Students, Cancer Center faculty, or any other Cancer Center personnel participating in the Program (including, without limitation, medical expenses and expenses for meals, lodging, and transportation).

Section 2.5 Advisory Committee; Cancer Center Faculty. Within 60 days after the effective date of this Agreement, Cancer Center shall appoint an advisory committee whose membership is consistent with the guidelines promulgated by the Joint Review Committee on Education in Radiologic Technology, which committee shall meet no less than two (2) times during each calendar year. The primary responsibilities of this advisory committee are to review admissions' criteria and curriculum content in respect of the Program, correlate academic and clinical components of the Program, and to consider new avenues for the advancement of the Students. The advisory committee shall report to Methodist concerning its findings prior to each academic semester that occurs during the term of this Agreement. In addition, Cancer Center shall designate certain faculty of its radiation therapy technology department to serve as liaison between Methodist and Cancer Center and to correlate the clinical and academic experiences of the Students.

ARTICLE III

RESPONSIBILITIES OF METHODIST

Section 3.1 Clinical Instructors. Methodist shall appoint a registered radiation therapy technologist to be "Clinical Instructor", which person shall have responsibility to monitor the directed practice experience of the Students and to ensure that such Students are receiving training through the Department that is consistent with the curriculum developed by Cancer Center pursuant to Section 2.1 and the policies and procedures developed by Cancer Center pursuant to Section 2.2. The Clinical Instructor shall report from time to time to the Program Director and will attend, at Cancer Center's reasonable request, a minimum of two (2) scheduled meetings each year to assure correlation of didactic and clinical education of the Students.

Section 3.2 Clinical Preceptors. In addition to the Clinical Instructor, Methodist shall provide an adequate number of physicians (who are independent contractors), technologists, and other personnel as Methodist determines is necessary or desirable to implement and direct each Student's directed practice experience as outlined in the curriculum described in Section 2.1. Methodist shall designate certain of the persons referred to in the preceding sentence as "Clinical Preceptors". The Clinical Preceptors will be responsible for evaluating Students during their directed practice experience and for reporting from time to time to the Clinical Instructor. Methodist may increase from time to time the number of Clinical Preceptors.

Section 3.3 Space and Support Services. Methodist shall, at its sole cost and expense, provide such space and support services in the Hospital as Methodist determines is necessary or desirable in furtherance of each Student's directed practice experience.

Section 3.4 Other Duties. Methodist will use its reasonable efforts to assure that Students are not exploited in terms of duties normally expected of staff technologists and will notify Cancer Center, in writing, of any change

in Hospital Policies that Methodist determines might be in conflict with proper Student education. In addition, Methodist shall provide, at its customary charges, emergency care to Students who become ill or injured while at the Hospital and require such care.

Section 3.5 Hospital Policies. Notwithstanding anything in this Agreement to the contrary, in no event shall Methodist or its officers, directors, employees, agents, or contractors be required or obligated to provide space or services to any person or entity under this Agreement if provision of same would violate, conflict with, or be inconsistent with Hospital Policies or good medical practice as determined by Methodist.

ARTICLE IV

FINANCIAL SUPPORT

Section 4.1 Sources of Funding. The financial support of the Program will be provided through a combination of sources, including state funds, Student course fees, and participating fees.

Section 4.2 Methodist's Participating Fee. Methodist's participating fee, as one of the participants in Section 4.1 shall be the lesser of (i) 1/12th of the annual budget of the Program or (ii) \$6,686.00 which amount shall be payable by Methodist annually at a time agreed to by Cancer Center and Methodist. Any amount that Methodist is requested to pay in excess of its annual participating fee described in the preceding sentence must be agreed to by Methodist in writing. In addition, as a condition of Methodist's obligation to pay its annual participating fee, Cancer Center shall furnish to Methodist such information that Methodist may reasonably request from time to time regarding that annual budget of the Program for the year in question and actual operating figures for such year.

ARTICLE V

RELATIONSHIPS

Section 5.1 Independent Contractor. With respect to all services provided by Methodist pursuant to this Agreement, it is mutually understood and agreed that the relationship between Methodist and Cancer Center is that of an independent contractor, and nothing in this Agreement is intended nor shall be construed to create an employer/employee relationship or a partnership or joint venture relationship between the parties. In addition, Cancer Center acknowledges and agrees that the Students are not students, employees, agents, or contractors of Methodist.

Section 5.2 Withholdings, Taxes, and Employee Benefits. Cancer Center understands and agrees that the Program Director, the Students, and the Cancer Center faculty or other Cancer Center personnel who are participating in the Program shall not be deemed to be or treated as employees or agents of Methodist for any purpose whatsoever, and shall not be eligible to participate in any benefit program provided by Methodist for Methodist's employees. Methodist shall not be responsible for the payment of any wages, taxes, withholdings, penalties, fees, fringe benefits, and contributions to insurance, pension, workers' compensation, or other deferred compensation

plans with respect to the Students, the Cancer Center faculty, or the other Cancer Center personnel who are participating in the Program.

ARTICLE VI

INSURANCE

Section 6.1 Insurance of Cancer Center. Cancer Center shall secure and maintain, at all times during the term of this Agreement, at Cancer Center's sole cost and expense, professional liability insurance covering any acts or omissions that may occur in connection with the operation of the Program. In addition, Cancer Center shall secure and maintain on behalf of each Student, or cause each Student to secure and maintain, at no cost or expense to Methodist, liability insurance covering liabilities that may arise in connection with any negligence or other fault of such Student that occurs during each Student's directed practice experience.

Section 6.2 Evidence of Insurance Coverage. Cancer Center shall provide, and shall cause each Student to provide, to Methodist evidence of the insurance coverage described in Section 6.1 at Methodist's request. In addition, Cancer Center shall notify, and shall cause its Student to notify, Methodist immediately of any material change or cancellation in the insurance coverage described in Section 6.1.

ARTICLE VII

TERM AND TERMINATION

Section 7.1 Initial and Successive Terms. This Agreement shall remain in effect for an initial term of one (1) year and thereafter for successive one-year terms unless sooner terminated in accordance with the provisions of this Article VII.

Section 7.2 Optional Termination.

(a) Either party may terminate this Agreement at any time, with or without cause, by giving the other party at least 90 days' prior written notice.

(b) In addition, in the event that either party determines that the other party has breached, or has committed a default with respect to, a material provision of this Agreement and such breach or default remains uncorrected to a period of 30 days after receipt by the breaching or defaulting party of written notice of such breach or default, then the nonbreaching or nondefaulting party may, at its option, after the expiration of the aforesaid 30 day period, terminate this Agreement immediately by written notice to the other party (such termination to be effective upon the other party's receipt of such notice).

(c) Notwithstanding anything in this Section 7.2 to the contrary, upon the termination of this Agreement for any reason, Methodist will allow each Student approved by Methodist pursuant to Section 2.4(a) to complete the uncompleted portion of such Student's directed practice experience, if any, during the then current academic semester; provided that Cancer Center has not

breached or committed a default with respect to any material provision of this Agreement that remains uncorrected as of the date of such termination.

ARTICLE VIII

CONFIDENTIALITY AND INDEMNIFICATION

Section 8.1 Confidentiality. Cancer Center recognizes and acknowledges that, by virtue of entering into this Agreement, Cancer Center and the Students will have access to certain information of Methodist and its patients that is confidential. Cancer Center agrees that it will not, and that it shall instruct the Students that they should not, at any time either during or subsequent to the term of this Agreement, disclose to others any information that is designated as confidential by Methodist and that is not available to the general public (including, without limitation information with respect to Methodist's patients and the medical records of such patients).

Section 8.2 Indemnification. Cancer Center hereby agrees to the extent permitted by the Constitution and the laws of the State of Texas to protect, indemnify, and hold harmless Methodist and its officers, directors, employees, agents, affiliates, and contractors from and against any lost, cost, or liability arising out of or resulting from the negligence or other fault of any Student, any Cancer Center faculty member, or any other person provided or employed by Cancer Center to participate in the Program.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Compliance with Laws and Accreditation Standards. Cancer Center and Methodist agree that the services provided by each pursuant to this Agreement shall be provided in compliance with all applicable federal, state, and local laws, rules, and regulations, and with applicable standards of the Joint Review Committee on Education i.) Radiologic Technology Standards and the Joint Commission on Accreditation of Healthcare Organizations.

Section 9.2 Headings; Gender and Number. The Article and Section headings herein are used solely for convenience and shall not be deemed to limit the subject of such Articles or Sections or be considered in their interpretation. Any reference in this Agreement to an Article or Section is a reference to an Article or Section of this Agreement. Whenever the context of this Agreement requires, the gender of all words herein shall include the masculine, feminine and neuter and the plural of all words shall include the singular and plural.

Section 9.3 Severability. In the event any provision of this Agreement is held to be unenforceable or invalid for any reason, this Agreement shall remain in full force and effect and enforceable in accordance with its terms disregarding such unenforceable or invalid provision.

Section 9.4 Entire Agreement. This Agreement sets forth all of the representations, promises, agreements, conditions, and understandings between the parties relating to the subject matter of this Agreement, and supersedes any prior or contemporaneous representations, promises, agreements,

conditions, and understandings between the parties in any manner relating to the subject matter hereof.

Section 9.5 Notices. All notices, requests, demands, or other communications hereunder shall be in writing and shall be deemed to have been given or delivered if either personally delivered or mailed by registered mail, return receipt requested, postage prepaid to the following addresses:

If to Cancer Center: The University of Texas
 M. D. Anderson Cancer Center
 1515 Holcombe Blvd.
 Houston, Texas 77030
 Attention: James M. Bowen, Ph.D.
 Vice President for Academic
 Affairs

If to Methodist: The Methodist Hospital
 6565 Fannin
 Houston, Texas 77030
 Attention: Ted C. Gilbreath
 Vice President
 Patient Services

Section 9.6 Assignment. Neither party may assign, transfer, or subcontract any of such party's rights, duties, or obligations under this Agreement, in whole or in part, without the prior written consent of the other party. Subject to the preceding sentence, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their permitted successors and assigns.

Section 9.7 No Waiver. The failure of either party to insist at any time upon the strict observance or performance of any provision of this Agreement or to exercise any right or remedy as provided in this Agreement shall not impair any right or remedy of such party or be construed as a waiver or relinquishment thereof with respect to subsequent defaults or breaches. Every right and remedy given by this Agreement to the parties hereto may be exercised from time to time and as often as may be deemed expedient by the appropriate party.

Section 9.8 Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas.

Section 9.9 Further Assurances. Cancer Center and Methodist agree that each shall promptly and duly execute and deliver to the other such additional documents and assurances and take any and all other actions as either party may reasonably request in order to carry out the intent and purpose of this Agreement during the term hereof.

EXECUTED on this 15th day of September, 1988, effective as of the date first written above.

ATTEST:

BY: [Signature]

METHODIST HOSPITAL

BY: [Signature]

R. G. Girotto
Executive Vice President
Chief Operating Officer

ATTEST:

BY: [Signature]

THE UNIVERSITY OF TEXAS
M. D. ANDERSON CANCER CENTER

BY: [Signature]

James M. Bowen, Ph.D.
Vice President for Academic Affairs

BY: [Signature]

Charles A. LeMaistre, M.D.
President

FORM APPROVED:

BY: [Signature]

Office of General Counsel
The University of Texas System

APPROVED:

BY: [Signature]

Charles B. Mullins, M.D.
Executive Vice Chancellor for
Health Affairs
The University of Texas System

CERTIFICATE OF APPROVAL

I hereby certify that the foregoing Agreement was approved by the Board of Regents of The University of Texas System on the 6th day of April, 1988, and that the person whose signature appears above is authorized to execute such agreements on behalf of the Board.

[Signature]
Executive Secretary, Board of Regents
The University of Texas System

10. U. T. M.D. Anderson Cancer Center: Approval of Articles of Incorporation and Bylaws for M.D. Anderson Cancer Center Outreach Corporation.--Following opening remarks by President LeMaistre and a detailed discussion, the Board:

- a. Approved the Articles of Incorporation and Bylaws of the M.D. Anderson Cancer Center Outreach Corporation in a form substantially as set out on Pages 48 - 66 with the understanding that such approval includes the following concepts essential to the organization of the Corporation:
 - (1) The President of The University of Texas M.D. Anderson Cancer Center serves as the single member of the Corporation.
 - (2) The President of the U. T. M.D. Anderson Cancer Center has the authority to appoint all members of the Board of Directors and to designate the Chairman of the Board of Directors.
 - (3) The Corporation will have the authority to use the names, service marks, trademarks and other intellectual property of the U. T. M.D. Anderson Cancer Center only under licenses and/or sublicenses approved by the U. T. Board of Regents.
- b. Authorized nonsubstantive changes in the Articles of Incorporation and Bylaws following approval by the Executive Vice Chancellor for Health Affairs and the Office of General Counsel
- c. Authorized completion of the process for the final incorporation of the not-for-profit Corporation when in the judgement of the Chancellor, Executive Vice Chancellor for Health Affairs and Office of General Counsel the business plan, contract negotiations and legal review confirm that the not-for-profit Corporation presents the organizational structure most advantageous to the success of the outreach program. The implementation of the outreach program will require prior approval of the business plan and specific affiliation agreements and contracts by the U. T. Board of Regents.

Concepts (1) and (2) permit significant measures of control of the Corporation by the U. T. Board of Regents while at the same time permitting the Board to maintain an appropriate distance from the Corporation's independent activities.

Concept (3) requires that any authorization for the use of names, service marks, trademarks and other intellectual property of U. T. M.D. Anderson Cancer Center may be accomplished only under written licenses and other sublicenses from the U. T. Board of Regents.

The creation of M.D. Anderson Outreach, Inc. will hopefully enhance UTMDACC revenues by:

- Establishing joint ventures in selected markets like Orlando (e.g. the outpatient clinic in Florida is projected to net \$2 - 3 million annually to M.D. Anderson Outreach, Inc.)
- Providing additional referrals to UTMDACC (e.g. estimated at over \$4 million annually from Florida alone)
- Contracting for delivery of inpatient and outpatient management
- Utilizing existing UTMDACC reference laboratory services and
- Fostering additional philanthropy in distant areas not now available.

DRAFT 2/28/89

ARTICLES OF INCORPORATION

OF

M.D. ANDERSON CANCER CENTER OUTREACH CORPORATION

We, the undersigned natural persons, of the age of eighteen (18) years or more, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation (the "Corporation"):

ARTICLE I.

The name of the Corporation is M.D. ANDERSON CANCER CENTER OUTREACH CORPORATION.

ARTICLE II.

The Corporation is a non-profit corporation.

ARTICLE III.

The period of the Corporation's duration is perpetual.

ARTICLE IV.

The purposes for which the Corporation is organized and to be operated are charitable, educational, and scientific. In accomplishment of such purposes, the Corporation is to be administered solely for the benefit of The University of Texas M.D. Anderson Cancer Center (the "Beneficiary"), by providing, directly or indirectly, assistance and benefit, financial or otherwise, to the Beneficiary through whatever means are determined by the Board of Directors, including, but not limited to, making distributions or providing

services to the Beneficiary. In accomplishment of such purposes, the Corporation will emphasize clinical, educational, and scientific aspects of cancer care throughout the United States and in foreign countries, and will

(a) Establish and maintain comprehensive outpatient centers for cancer care, including without limitation general clinics and specialty clinics, offering ambulatory chemotherapy, diagnostic radiology, therapeutic radiology, clinical and pathology laboratories, and pharmacy;

(b) Establish and maintain inpatient cancer centers in various settings (such as a unit in an acute-care facility or as a freestanding unit on an acute-care campus);

(c) Enter into co-operative agreements with local medical centers, providing institutional services with respect to inpatient care for cancer patients;

(d) Enter into educational agreements with local medical centers or other institutions to enhance the training of technicians and allied health professionals in the care of cancer patients;

(e) Enter into agreements with The University of Texas M.D. Anderson Cancer Center for the use of necessary or appropriate services, facilities, equipment, personnel, programs, names, service marks, trademarks, intellectual property, and such other items that would further the purposes of the Corporation;

(f) Establish and maintain programs, including educational programs and services for physicians, educational programs for the public, and marketing programs, for the purposes of generating and enhancing referrals with respect to the services and facilities offered by The University of Texas M.D. Anderson Cancer Center; and

(g) Perform such other activities or functions that the Board deems appropriate or necessary for the accomplishment of the purposes of the Corporation.

The broadest discretion is vested in and conferred upon the Board of Directors for the accomplishment of these purposes, provided, however, that no contribution shall be made or distributed to or for any person, firm, corporation, or other entity that shall apply, directly or indirectly, such contributed funds for any purpose or purposes in violation of the Constitution and statutes of the United States or the State of Texas.

If (a) the Beneficiary ceases to be an organization described in Section 509(a) (1) or 509(a) (2) of the Code or

(b) the Beneficiary is dissolved or otherwise ceases to exist, the Board of Directors shall by written notice (evidencing at least a majority determination of the Board of Directors) administer the Corporation for the sole benefit of The University of Texas System (the "First Substitute Beneficiary"). If (a) the First Substitute Beneficiary is not or thereafter ceases to be an organization described in Section 509(a)(1) or 509(a)(2) of the Code or (b) the First Substitute Beneficiary is dissolved or otherwise ceases to exist, the Board of Directors shall by written notice (evidencing at least a majority determination of the Board of Directors) administer the Corporation for the sole benefit of the State of Texas (the "Second Substitute Beneficiary").

ARTICLE V.

The street address of the initial registered office of the Corporation is _____, and the name of its initial registered agent at such address is _____.

ARTICLE VI.

The initial number of Board of Directors is three (3), and the names and addresses of the persons who are to serve initially as Directors are:

<u>Name</u>	<u>Address</u>
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ARTICLE VII.

The name and street address of each incorporator is:

<u>Name</u>	<u>Address</u>
Mr. Hugh C. Wilfong II	2500 First City Tower 1001 Fannin Houston, Texas 77002-6760
Mr. Donald L. Howell	2800 First City Tower 1001 Fannin Houston, Texas 77002-6760
Mr. Robert M. Hopson	3400 First City Tower 1001 Fannin Houston, Texas 77002-6760

ARTICLE VIII.

Regardless of any other provisions of these Articles of Incorporation or the laws of the State of Texas, the Corporation shall not:

(1) Permit any part of the net earnings of the Corporation to inure to the benefit of any private individual (except that reasonable compensation may be paid for personal services rendered to or for the Corporation affecting one or more of its purposes);

(2) Devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise;

(3) Participate in, or intervene in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office; or

(4) Attempt to influence the outcome of any specific public election or to carry on, directly or indirectly, any voter registration drives.

ARTICLE IX.

If the Corporation is a private foundation within the meaning of Section 509(a) of the Code, the Corporation:

(1) Shall distribute its net income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code;

(2) Shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code;

(3) Shall not retain any excess business holdings as defined in Section 4943(c) of the Code;

(4) Shall not make any investments in such manner as to subject it to tax under Section 4944 of the Code; and

(5) Shall not make any taxable expenditures as defined in Section 4945(d) of the Code.

ARTICLE X.

Upon the dissolution of the Corporation, after payment or provision for payment of the Corporation's liabilities has been made, the Corporation's remaining assets shall be distributed exclusively to the Beneficiary or to the First Substitute Beneficiary in the event the First Substitute Beneficiary is selected pursuant to the provisions of ARTICLE IV or to the Second Substitute Beneficiary in the event the Second Substitute Beneficiary is selected pursuant to the provisions of Article IV. The amount of any distribution made under this ARTICLE TEN shall be determined by the Board of Directors.

ARTICLE XI.

References to the "Code" in these Articles of Incorporation are references to sections of the Internal Revenue Code of 1986 and corresponding provisions of any subsequent federal tax laws.

ARTICLE XII.

These Articles may be amended by the vote of the Member.

IN WITNESS WHEREOF, we have hereunto set our hands this
_____ day of _____, 1989.

Mr. Hugh C. Wilfong II

Mr. Donald L. Howell

Mr. Robert M. Hopson

VERIFICATION

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, _____, a notary public, do hereby certify that on this _____ day of _____, 1989, personally appeared before me MR. HUGH C. WILFONG II, who, being by me first duly sworn, declared that he is one of the persons who signed the foregoing document as an incorporator and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.

Notary Public in and for
Harris County, Texas

My commission expires:

VERIFICATION

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, _____, a notary public, do hereby certify that on this ____ day of _____, 1989, personally appeared before me MR. DONALD L. HOWELL, who, being by me first duly sworn, declared that she is one of the persons who signed the foregoing document as an incorporator and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.

Notary Public in and for
Harris County, Texas

My commission expires:

VERIFICATION

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, _____, a notary public, do hereby certify that on this ____ day of _____, 1989, personally appeared before me MR. ROBERT M. HOPSON, who, being by me first duly sworn, declared that he is one of the persons who signed the foregoing document as an incorporator and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.

Notary Public in and for
Harris County, Texas

My commission expires:

BYLAWS

OF

M.D. ANDERSON CANCER CENTER OUTREACH CORPORATION

ARTICLE I
STRUCTURE, MEMBER, AND PURPOSES

Section 1. Structure. The M.D. Anderson Cancer Center Outreach Corporation (the "Corporation") is a non-profit corporation organized under the laws of the State of Texas, which has a Member within the meaning of the Texas Non-Profit Corporation Act, Art. 1396, V.A.T.S. (the "Act"). The Articles of Incorporation of the Corporation (as amended from time to time, the "Articles of Incorporation") were filed in the office of the Secretary of the State of Texas on _____.

Section 2. Member. The Member of the Corporation shall be the President, as exists from time to time and acting in his official capacity, of The University of Texas M.D. Anderson Cancer Center (the "Cancer Center") or any organization succeeding to the assets and liabilities of the Cancer Center. In the event that the title of President of the Cancer Center is abolished, the Member of the Corporation shall be the highest-ranking person in the administration of the Cancer Center organization. In the event that the Cancer Center ceases to do business, the Member of the Corporation shall be the Board of Regents of the University of Texas System.

Section 3. Purposes. The purposes for which the Corporation is organized and to be operated are charitable, educational, and scientific, and, in accomplishment of such purposes, the Corporation is to be administered solely for the benefit of the Cancer Center. The Corporation shall have, without limitation, the following purposes:

- (a) Establish and maintain comprehensive outpatient centers for cancer care, including without limitation general clinics and specialty clinics, offering ambulatory chemotherapy, diagnostic radiology, therapeutic radiology, clinical and pathology laboratories, and pharmacy;

(b) Establish and maintain inpatient cancer centers in various settings (such as a unit in an acute-care facility or as a freestanding unit on an acute-care campus);

(c) Enter into co-operative agreements with local medical centers, providing institutional services with respect to inpatient care for cancer patients;

(d) Enter into educational agreements with local medical centers or other institutions to enhance the training of technicians and allied health professionals in the care of cancer patients;

(e) Enter into agreements with The University of Texas M.D. Anderson Cancer Center for the use of necessary or appropriate services, facilities, equipment, personnel, programs, names, service marks, trademarks, intellectual property, and such other items that would further the purposes of the Corporation;

(f) Establish and maintain programs, including educational programs and services for physicians, educational programs for the public, and marketing programs, for the purposes of generating and enhancing referrals with respect to the services and facilities offered by The University of Texas M.D. Anderson Cancer Center; and

(g) Perform such other activities or functions that the Board deems appropriate or necessary for the accomplishment of the purposes of the Corporation.

ARTICLE II ACTION BY MEMBER

Section 1. Appointments. The Member shall appoint Directors of the Corporation in accordance with the provisions of Article IV, Section 3 of these Bylaws (the "Bylaws") and certain Advisory Board members in accordance with the provisions of Article VII, Section 3 of these Bylaws.

Section 2. Other Actions by Member. The Member may remove from office with or without cause any person appointed by the Member to serve on the Board of Directors or on the Advisory Board.

Section 3. Annual Meeting of Member. The annual meeting of the Member shall be held at such time and place as shall be designated by resolution of the Board of Directors, or, if not so designated, on the _____ of the month of _____ of each year at the Corporation's registered office for the purpose of appointing Directors and certain Advisory Board members for the ensuing year and transacting such other business as may be properly brought before such annual meeting. No notice of such annual meetings shall be required.

Section 4. Special Meetings of Member. Special meetings of the Member shall be held whenever called by the Chairman of the Board, the Board of Directors, or the Member. Notice of special meetings shall be required. The Secretary shall give notice of each special meeting to the Member by delivering written notice to the Member either in person or by mail stating the place, day, and hour of the meeting and the purpose or purposes for which the meeting is called, not less than ten (10) days nor more than fifty (50) days before the date of the meeting.

Section 5. Voting. The Member may vote in person or by proxy executed in writing by the Member. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law.

Section 6. Conduct of Business. At meetings of the Member, matters pertaining to the Corporation's purposes shall be considered. The Chairman of the Board, if present, shall preside as chairman at meetings of the Member; and in such individual's absence a chairman shall be chosen by the Member. The Member shall fix the rules and procedures for its meetings, keep regular minutes of their meetings, and cause such minutes to be recorded in books kept for that purpose in the principal office of the Corporation.

ARTICLE III OFFICES

Section 1. Principal Place of Business. The principal place of business of the Corporation shall be located at _____ . The Corporation may have such other offices, either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

Section 2. Registered Office and Registered Agent. The Corporation shall have and continuously maintain in the State of Texas a registered office and a registered agent whose office is the Corporation's registered office, as required by the Act. The registered office may but need not be identical with the principal office of the Corporation in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors in accordance with applicable law.

ARTICLE IV
BOARD OF DIRECTORS

Section 1. Powers. The property, business, and affairs of the Corporation shall be managed and controlled by the Board of Directors, and subject to the restrictions imposed by law, the Articles of Incorporation, and these Bylaws, the Board of Directors shall exercise all of the powers of the Corporation.

Section 2. Number. The Board of Directors shall consist initially of the three (3) Directors named in the articles of incorporation of the Corporation initially filed with the Secretary of State of Texas. The number of Directors may be increased or decreased (provided such decrease does not have the effect of shortening the term of any incumbent Director) from time to time by amendment of the Bylaws in accordance with the provisions of Article X, provided that the number of Directors shall never be less than three (3).

Section 3. Appointment and Term. The Member shall appoint all Directors. Each person serving as a Director shall serve until the earlier to occur of (a) the next Annual Meeting (as defined in Article IV, Section 7 of these Bylaws), or (b) such Director's death, resignation, or removal as provided in these Bylaws.

Section 4. Removal. Any Director appointed by the Member may be removed from office, with or without cause, by the Member.

Section 5. Vacancies. Any vacancy occurring in the office of a Director, whether by death, resignation, removal, increase in the number of Directors, or otherwise, shall be filled by the Member.

Section 6. Meetings of Directors. The Directors may hold meetings, maintain an office, and keep the Corporation's books and records at such place or places within or without the State of Texas as the Board of Directors may from time to time determine; provided, however, that in the absence of any such determination, such place shall be the Corporation's principal office in the State of Texas.

Section 7. Annual Meetings. The annual meeting of the Board of Directors ("Annual Meeting") shall be held at such time and place as shall be designated from time to time by resolution of the Board of Directors, or, if not so designated, on the second _____ of the month of _____ of each year at the Corporation's registered office for the purpose of (a) electing officers for the ensuing year, and (b) transacting such other business as may be properly brought before such Annual Meeting. Notice of Annual Meetings shall not be required.

Section 8. Regular Meetings. Regular meetings of the Board of Directors ("Regular Meetings") shall be held quarterly at such times and places as shall be designated from time to time by resolution of the Board of Directors. Notice of Regular Meetings shall be required.

Section 9. Special Meetings. Special meetings of the Board of Directors ("Special Meetings") shall be held at such times and places as shall be designated from time to time by the Chairman or, on the written request of any Director, by the Secretary. Notice of Special Meetings shall be required.

Section 10. Notice of Meetings. The Secretary shall give notice of the time and place of each Regular and Special Meeting to each Director in person, or by mail, telegraph, or telephone, at least five (5) days before such meeting. Unless otherwise indicated in such notice, any and all matters pertaining to the Corporation's purposes may be considered and acted upon at such meeting. At any such meeting at which every Director shall be present even though without notice, any matter pertaining to the Corporation's purposes may be considered and acted upon.

Section 11. Quorum. A majority of the then acting Directors shall constitute a quorum for the consideration of

any matters pertaining to the Corporation's purposes. If at any meeting of the Board of Directors there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law, the Articles of Incorporation, or these Bylaws.

Section 12. Voting. A Director may vote in person or by proxy executed in writing by the Director. No proxy shall be valid after three (3) months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law.

Section 13. Conduct of Business. At meetings of the Board of Directors, matters pertaining to the Corporation's purposes shall be considered.

At all meetings of the Board of Directors, the Chairman of the Board shall preside, and in the absence of the Chairman of the Board, a chairman shall be chosen by the Board of Directors from among the Directors present.

The Secretary of the Corporation shall act as secretary of all meetings of the Board of Directors, but in the absence of the Secretary, the chairman may appoint any person to act as secretary of the meeting. The chairman of any meeting of the Board of Directors shall determine the order of business and the procedure at the meeting, including, without limitation, conduct of the discussion and the order of business.

Section 14. Compensation of Directors; Expenses. Persons serving as Directors shall not receive any salary or compensation for their services as Directors; provided, however, that nothing contained herein shall be construed as precluding any Director from receiving compensation in a reasonable amount for personal services rendered (other than services rendered as a Director) that are reasonable and necessary in carrying out the Corporation's purposes as the Board of Directors may from time to time determine. A Director shall be entitled to reimbursement for reasonable expenses incurred by him in carrying out his duties as a Director.

ARTICLE V
COMMITTEES

Section 1. Board Committees. The Board of Directors may from time to time designate members of the Board of Directors to constitute committees that shall have and may exercise such powers as a majority of the Board of Directors may determine in the resolution that creates the committee. The Board of Directors may appoint individuals who are not members of the Board of Directors to any committee; provided, however, that a majority of the committee members shall be members of the Board of Directors if such committee exercises the authority of the Board of Directors in the management of the Corporation.

Other committees, not having and exercising the authority of the Board of Directors in the management of the Corporation, may be designated and members appointed by a resolution adopted by the Board of Directors. Membership of such committees may, but need not, be limited to Directors.

Section 2. Procedures; Meetings; Quorum. Any committee created by the Board of Directors or these Bylaws, unless otherwise expressly provided herein, shall (a) have a chairman designated by the Board of Directors, (b) fix its own rules or procedures, (c) meet at such times and at such place or places as may be provided by such rules or by resolution of such committee or resolution of the Board of Directors, and (d) keep regular minutes of its meetings and cause such minutes to be recorded in books kept for that purpose in the principal office of the Corporation, and report the same to the Board of Directors at its next succeeding meeting. At every meeting of any such committee, the presence of a majority of all the members thereof shall constitute a quorum, and the affirmative vote of a majority of the members present shall be necessary for the adoption by it of any action, unless otherwise expressly provided in the committee's rules or procedures or these Bylaws or by the Board of Directors.

The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting of such committee and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint

the designated alternate Director to act at that meeting in the place of the absent or disqualified member.

ARTICLE VI
OFFICERS

Section 1. Number, Titles, and Term of Office. The officers of the Corporation shall consist of a Chairman of the Board, a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers and assistant officers as the Board of Directors may from time to time elect or appoint. Such other officers and assistant officers shall have such authority and responsibility as may be assigned to them by the Board of Directors. Any two (2) or more offices may be held by the same individual, except the offices of President and Secretary. Except for those officers elected pursuant to the Unanimous Consent of Directors in Lieu of Organizational Meeting (the "Organization Consent"), the term of office for each officer shall be until the next succeeding Annual Meeting at which officers are elected. The term of office for those officers elected pursuant to the Organization Consent shall be that period of time beginning on the date of the Organization Consent and ending on the date of the first Annual Meeting. In any event, a duly-elected officer shall serve in the office to which he or she is elected until his or her successor has been duly elected and qualified.

Section 2. Removal. Any officer or agent or member of a committee elected or appointed by the Board of Directors may be removed by the Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the individual so removed. Election or appointment of an officer or agent or member of a committee shall not of itself create contract rights.

Section 3. Vacancies. Any vacancy occurring in any office of the Corporation may be filled by the Board of Directors.

Section 4. Powers and Duties of the Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Member, the Board of Directors, and the Advisory Board and shall have such other powers and duties as may be assigned to such officer in these Bylaws or from time to time by the Board of Directors. The Chairman of the Board shall be appointed by the Member.

Section 5. Powers and Duties of the President. The President shall be the Chief Executive Officer of the Corporation. Subject to the control of the Board of Directors, the President shall have general executive charge, management, and control of the properties, business, and operations of the Corporation with all such powers as may be reasonably incident to such responsibilities; shall have the authority to agree upon and execute all leases, contracts, evidences of indebtedness, and other obligations in the name of the Corporation subject to the approval of the Board of Directors and the Executive Committee; and shall have such other powers and duties as may be designated in these Bylaws and as may be assigned to such officer from time to time by the Board of Directors.

Section 6. Powers and Duties of a Vice President. Each Vice President shall have such powers and duties as may be assigned to such officer by the Board of Directors including the performance of the duties of the President upon the death, absence, or resignation of the President or upon the President's inability to perform the duties of such office. Any action taken by a Vice President in the performance of the duties of the President shall be conclusive evidence of the absence or inability to act of the President at the time such action was taken.

Section 7. Powers and Duties of the Treasurer. The Treasurer shall have custody of all of the Corporation's funds and securities that come into such officer's hands. When necessary or proper, the Treasurer may endorse or cause to be endorsed, in the name and on behalf of the Corporation, checks, notes, and other obligations for collection and shall deposit or cause to be deposited the same to the credit of the Corporation in such bank or banks or depositories and in such manner as shall be designated and prescribed by the Board of Directors; may sign or cause to be signed all receipts and vouchers for payments made to the Corporation either alone or jointly with such other officer as may be designated by the Board of Directors; whenever required by the Board of Directors, shall render or cause to be rendered a statement of the cash account; shall enter or cause to be entered regularly in the Corporation's books to be kept by such officer for that purpose full and accurate accounts of all moneys received and paid out on account of the Corporation; shall perform all acts incident to the position of Treasurer subject to the control of the Board of Directors; and shall, if required by the Board of Directors,

give such bond for the faithful discharge of such officer's duties in such form as the Board of Directors may require.

Section 8. Powers and Duties of the Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors in books provided for that purpose; shall attend to the giving and serving of all notices; in furtherance of the Corporation's purposes and subject to the limitations contained in the Articles of Incorporation, may sign with the President in the name and on behalf of the Corporation and/or attest the signatures thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes, and other instruments of the Corporation; shall have charge of the Corporation's books, records, documents, and instruments, except the books of account and financial records and securities of which the Treasurer shall have custody and charge, and such other books and papers as the Board of Directors may direct, all of which shall be open at reasonable times to the inspection of any Director upon application at the Corporation's office during business hours; and shall in general perform all duties incident to the office of Secretary subject to the control of the Board of Directors.

ARTICLE VII ADVISORY BOARD

Section 1. Powers. The Corporation shall have an advisory board (the "Advisory Board"). The Advisory Board shall upon the request of the Board of Directors, advise and assist the Board of Directors on such matters as the Board of Directors may designate.

Section 2. Number. The Advisory Board shall consist of such persons appointed to the Advisory Board from time to time by the Board of Directors to constitute the Advisory Board. The number of Advisory Board members may be increased or decreased from time to time by the affirmative vote of a majority of the Board of Directors; provided that any such decrease or increase shall be in accordance with the provisions of applicable law, and provided further, to the extent practicable and allowable by applicable law.

Section 3. Appointment. The Board of Directors shall appoint persons to the Advisory Board by the affirmative vote of a majority of the Board of Directors.

Section 4. Term. All members of the Advisory Board shall be classified, with respect to the time for which they severally hold office, into three classes as nearly as equal in number as possible. The first class shall be originally appointed for a term expiring at the Annual Meeting to be held in 1989, the second class shall be originally elected for a term expiring in 1990, and the third class shall be originally elected for a term expiring at the Annual Meeting to be held in 1991, with Advisory Board members of each class to hold office in any event until their successors have been elected or appointed and qualified, or until their earlier death, resignation, or removal.

Section 5. Removal. Any Advisory Board member may be removed, with or without cause, by the Board of Directors.

Section 6. Vacancy. Any vacancy occurring in the Advisory Board shall be filled by the affirmative vote of the Board of Directors.

Section 7. Meetings. The Advisory Board may hold meetings at such time and place as the Advisory Board may from time to time determine; provided, however, in the absence of such determination, such place shall be the Corporation's principal office in the State of Texas.

Section 8. Notice of Meetings. The Secretary shall give notice to Advisory Board members of the time and place of each Advisory Board meeting as far in advance as practicable before such meeting. Unless otherwise indicated in such notice, any and all matters pertaining to the Advisory Board's purposes may be considered and acted upon at such meeting. At any meeting at which every Advisory Board member shall be present even though without notice, any matter pertaining to the Advisory Board's purposes may be considered and acted upon.

Section 9. Quorum. A majority of the then acting Advisory Board members shall constitute a quorum for the consideration of any matters pertaining to the Advisory Board's purposes. If at any meeting of the Advisory Board there is less than a quorum present, a majority of those present may adjourn the meeting from time to time.

Section 10. Voting. An Advisory Board member may vote in person or by proxy executed in writing by such individual.

Section 11. Conduct of Business. Unless the Board of Directors designates a chairman of the Advisory Board, the Chairman of the Board of Directors shall act as chairman of all meetings of the Advisory Board at which such individual is present; in the absence of a chairman designated by the Board of Directors and the Chairman of the Board of Directors, a chairman shall be chosen from among the Advisory Board members present. The chairman of any meeting of the Advisory Board shall determine the order of business and the procedure at the meeting, including, without limitation, conduct of the discussion and the order of business. The Advisory Board shall keep regular minutes of all its meetings and cause such minutes to be recorded in books kept for that purpose in the principal office of the Corporation, and shall report the same to the Board of Directors at its next succeeding meeting.

Members of the Board of Directors shall be invited to attend all meetings of the Advisory Board.

ARTICLE VIII
MISCELLANEOUS PROVISIONS

Section 1. Fiscal Year. The Corporation's fiscal year shall be as determined from time to time by the Board of Directors.

Section 2. Seal. The Corporation's seal, if any, shall be such as may be approved from time to time by the Board of Directors.

Section 3. Notice and Waiver of Notice. Whenever any notice is required to be given by mail under the provisions of these Bylaws, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed postpaid wrapper addressed to the person or Member entitled thereto at such person's post office address, as such appears in the records of the Corporation, and such notice shall be deemed to have been given on the date of such mailing. A waiver of notice in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to notice.

Section 4. Resignations. Any Director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by

the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 5. Action Without a Meeting by Member, Directors, or Committees; Telephone Meetings. Any action required by law or these Bylaws to be taken at a meeting of the Member, the Board of Directors, or any committee, or any action which may be taken at a meeting of the Member, the Board of Directors, or of any committee thereof may be taken without such a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all of the Member, Directors, or members of the committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote at a meeting, and may be stated as such in any document or instrument filed with the Secretary of State. Subject to the requirements of law for notice of meetings, unless otherwise restricted by the Articles of Incorporation or these Bylaws, Member, members of the Board of Directors, or members of any committee may participate in and hold a meeting of such Member, Board of Directors, or committee, as the case may be, by means of a conference telephone, or similar communications equipment by means of which all persons participating in the meeting can hear other, and participation in such meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

ARTICLE IX INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Corporation shall indemnify (which indemnification shall include, without limitation, advancing reasonable expenses) any person who is or was a Director, officer, employee, or agent of the Corporation (or any person who is or was serving at the request of the Corporation as a Director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise) to the fullest extent required or permitted by applicable law. In addition, the Corporation shall have the power to indemnify (which indemnification shall include, without limitation, advancing reasonable expenses) to the fullest extent permitted by law such other persons as the Board of Directors may determine from time to time. The Corporation shall have the power to purchase and maintain at its expense insurance on behalf of such persons to the fullest extent permitted by applicable law, whether or not the Corporation would have the power to indemnify such person under the foregoing provisions.

ARTICLE X AMENDMENTS

These Bylaws may be altered, amended, or repealed by the affirmative vote of the Member at any Annual Meeting of the Member, or at any Special Meeting if notice of the proposed amendment is contained in the notice of such Special Meeting.

11. U. T. Board of Regents: Statement by Regent Jack S. Blanton Regarding U. T. Components in Houston.--At the conclusion of the Health Affairs Committee meeting, Committee Chairman Blanton read the following statement with regard to The University of Texas System components in Houston:

Statement by Jack S. Blanton

First, let me confirm that the search for a new President for The University of Texas Health Science Center at Houston, which has been underway for some time, will be expedited and aggressively continued. The Advisory Committee, chaired by Executive Vice Chancellor Mullins, will meet very soon to continue its deliberations. You may be assured that the Advisory Committee is sensitive to the need to have new leadership for that component in place at the earliest possible moment.

With that decision let me emphasize that any thoughts which the U. T. Board of Regents may have had regarding a possible merger of the U. T. Health Science Center - Houston and The University of Texas M.D. Anderson Cancer Center in Houston have been put aside. There is agreement on the Board that for the foreseeable future the recognized missions of the Health Science Center and the Cancer Center will be best served by maintaining their current separate component status and having each of these components headed by a president as its chief administrative officer. The Board hopes that this reaffirmation of the existing organizational structure will put to rest the uncertainties that have existed.

The decision to continue with two components in Houston does not in any way diminish the Board's interest and determination to see that common logistical support services and even program elements are carefully coordinated and, where possible, integrated to ensure that these common services are delivered as efficiently and as economically as possible. We recognize that an interinstitutional committee is and has been working on this matter, and we expect that effort to continue.

Chairman Beecherl reiterated that the possible merger of these two components had been put to rest and encouraged Committee Chairman Blanton and Executive Vice Chancellor for Health Affairs Mullins to get a new president for the U. T. Health Science Center - Houston in place at the earliest possible moment.

REPORT AND RECOMMENDATIONS OF THE FINANCE AND FACILITIES COMMITTEE (Pages 68 - 70).--Committee Chairman Moncrief reported that the Finance and Facilities Committee had met in open session to consider those items on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, all actions set forth in the Minute Orders which follow were recommended by the Finance and Facilities Committee and approved in open session and without objection by the U. T. Board of Regents:

1. U. T. San Antonio: Campus Service and Access Roadway at the Arts Building Named Rhoderick Key Drive (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings).--In accordance with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, relating to the naming of facilities other than buildings and upon recommendation of the Academic Affairs and Finance and Facilities Committees, the Campus Service and Access Roadway at the Arts Building at The University of Texas at San Antonio was named Rhoderick Key Drive in honor of the late Dr. Rhoderick E. Key.

The naming of this roadway is in memory of Dr. Key's dedication and service to U. T. San Antonio and his success in uniting the San Antonio community and the U. T. San Antonio Fine Arts program.

2. U. T. Southwestern Medical Center - Dallas - Research Building - Phase I North Campus Expansion: Authorization for Project; Appointment of F&S Partners, Inc., Dallas, Texas, as Project Architect to Prepare Preliminary Plans; Authorization for Submission to the Coordinating Board; and Appropriation Therefor.--The Board, upon recommendation of the Health Affairs and Finance and Facilities Committees:
 - a. Authorized a project for the construction of the first phase of development on the North Campus of The University of Texas Southwestern Medical Center at Dallas to consist of a Research Building with support facilities and a Thermal Energy Building and utility infrastructure at an estimated total project cost of \$52,500,000, exclusive of institutional equipment
 - b. Appointed the firm of F&S Partners, Inc., Dallas, Texas, as Project Architect to prepare preliminary plans and a detailed cost estimate to be presented to the U. T. Board of Regents for consideration at a future meeting
 - c. Authorized submission of the project to the Texas Higher Education Coordinating Board
 - d. Appropriated \$1,500,000 from U. T. Southwestern Medical Center - Dallas Unexpended Plant Funds for fees and administrative expenses through preparation of preliminary plans.

In October 1987, the U. T. Board of Regents authorized the preparation of a Master Plan for the development of the 29.74 acres of land granted by the John D. and Catherine T. MacArthur Foundation, Chicago, Illinois, for future expansion of the U. T. Southwestern Medical Center - Dallas. The complete Master Plan was presented to the U. T. Board of Regents in December 1988.

The North Campus Development Phase I is the first construction in implementing the Master Plan and is the beginning of a campus expansion for research intensive space. This project will include an eight-level building containing 307,520 gross square feet of research laboratories and direct research support areas. The Research Building will be constructed over a three-level parking facility of 92,256 gross square feet. The project will also include the construction of a central thermal energy plant and utility distribution system, the entrance bridge, road network and site infrastructure to serve the buildings.

Funding for this project is \$20,000,000 from Permanent University Fund Bond Proceeds, \$10,000,000 from gifts and grants and \$22,000,000 from U. T. Southwestern Medical Center - Dallas Local Funds.

3. U. T. Southwestern Medical Center - Dallas - The Mary Nell and Ralph B. Rogers Magnetic Resonance Center (Project No. 303-674): Approval of Plaque Inscription. --Approval was given to the inscription set out below for a plaque to be placed on The Mary Nell and Ralph B. Rogers Magnetic Resonance Center at The University of Texas Southwestern Medical Center at Dallas. The inscription follows the standard pattern approved by the U. T. Board of Regents in June 1979.

THE MARY NELL AND RALPH B. ROGERS
MAGNETIC RESONANCE CENTER
1988

BOARD OF REGENTS

Jack S. Blanton, Chairman
Shannon H. Ratliff, Vice-Chairman
Bill Roden, Vice-Chairman
Robert B. Baldwin III
Sam Barshop
Louis A. Beecherl, Jr.
Jess Hay
W. A. "Tex" Moncrief, Jr.
Mario Yzaguirre

Hans Mark
Chancellor, The University
of Texas System
Kern Wildenthal
President, The University
of Texas Southwestern Medical
Center at Dallas

Harwood K. Smith and Partners
Project Architect
The Cadence Group, Inc.
Contractor

4. U. T. Southwestern Medical Center - Dallas - Charles C. Sprague Clinical Science Building (Project No. 303-598): Approval of Plaque Inscription.--Upon recommendation of the Finance and Facilities Committee, the Board approved the inscription set out below for a plaque to be placed on the Charles C. Sprague Clinical Science Building at The University of Texas Southwestern Medical Center at Dallas. The inscription follows the standard pattern approved by the U. T. Board of Regents in June 1979.

CHARLES C. SPRAGUE
CLINICAL SCIENCE BUILDING
1988

BOARD OF REGENTS

Jack S. Blanton, Chairman
Shannon H. Ratliff, Vice-Chairman
Bill Roden, Vice-Chairman
Robert B. Baldwin III
Sam Barshop
Louis A. Beecherl, Jr.
Jess Hay
W. A. "Tex" Moncrief, Jr.
Mario Yzaguirre

Hans Mark,
Chancellor, The University
of Texas System
Kern Wildenthal
President, The University
of Texas Southwestern Medical
Center at Dallas

Harper, Kemp, Clutts, and
Parker, Incorporated
Project Architect
Spaw-Glass Construction, Inc.
Contractor

REPORT AND RECOMMENDATIONS OF THE LAND AND INVESTMENT COMMITTEE (Pages 71 - 84).--Committee Chairman Ratliff reported that the Land and Investment Committee had met in open session to consider those matters on its agenda and to formulate recommendations for the U. T. Board of Regents. Unless otherwise indicated, all actions set forth in the Minute Orders which follow were recommended by the Land and Investment Committee and approved in open session and without objection by the U. T. Board of Regents.

The execution of documents authorized in this report will be in accordance with the Regents' Rules and Regulations, Part Two, Chapter IX, Section 1.3 as set forth below:

- 1.3 Authority to Execute Instruments Relating to Land and Mineral Interests.--The Chairman of the Board, the Vice-Chairmen, the Chancellor, or his or her delegate, and the Executive Vice Chancellor for Asset Management are each authorized to execute conveyances, deeds, surface and/or mineral leases, easements, rights-of-way, oil and gas division orders, and transfer orders, geophysical and material source permits, water contracts, pooling and unitization agreements, and any other instruments as may be necessary or appropriate from time to time, relating to the handling, management, control, and disposition of any real estate or mineral interest held or controlled by the Board as a part of the PUF or as a part of any trust or special fund.

I. PERMANENT UNIVERSITY FUND

INVESTMENT MATTERS

Report on Clearance of Monies to the Permanent University Fund for January and February 1989 and Report on Oil and Gas Development as of February 28, 1989.--The following reports with respect to (a) certain monies cleared to the Permanent University Fund for January and February 1989, and (b) Oil and Gas Development as of February 28, 1989, were submitted by the Executive Vice Chancellor for Asset Management:

	<u>January 1989</u>	<u>February 1989</u>	<u>Cumulative Through February of this Fiscal Year (1988-1989)</u>	<u>Cumulative Through February of Preceding Fiscal Year (1987-1988)</u>	<u>Per Cent Change</u>
Permanent University Fund					
Royalty					
Oil	\$3,079,885.74	\$ 3,730,822.47	\$ 20,591,446.71	\$28,556,683.04	-27.89%
Gas	1,765,734.73	2,104,446.35	10,259,231.24	11,917,982.70	-13.92%
Sulphur	25,000.00	33,797.86	145,724.36	65,091.65	123.88%
Water	41,684.90	53,727.34	349,990.54	292,782.01	19.54%
Brine	3,311.16	4,347.50	17,371.20	26,412.91	-34.23%
Trace Minerals	0.00	0.00	0.00	0.00	--
Rental					
Oil and Gas Leases	85,199.46	8,639.09	703,240.90	359,864.00	95.42%
Other	100.00	(1,853.54)	366.46	1,000.00	-63.35%
Sale of Sand, Gravel, Etc.	0.00	0.00	34,887.45	3,525.30	--
Total University Lands Receipts Before Bonuses	<u>5,000,915.99</u>	<u>5,933,927.07</u>	<u>32,102,258.86</u>	<u>41,223,341.61</u>	<u>-22.13%</u>
Bonuses					
Oil and Gas Lease Sales	0.00	0.00	2,554,807.73	3,567,241.98	--
Amendments and Extensions to Mineral Leases	0.00	0.00	641.11	0.00	--
Total University Lands Receipts	<u>5,000,915.99</u>	<u>5,933,927.07</u>	<u>34,657,707.70</u>	<u>44,790,583.59</u>	<u>-22.62%</u>
Gain or (Loss) on Sale of Securities	<u>\$3,607,850.54</u>	<u>\$12,555,123.76</u>	<u>\$ 80,651,077.46</u>	<u>\$36,715,627.65</u>	<u>119.66%</u>
TOTAL CLEARANCES	<u>\$8,608,766.53</u>	<u>\$18,489,050.83</u>	<u>\$115,308,785.16</u>	<u>\$81,506,211.24</u>	<u>41.47%</u>

Oil and Gas Development - February 28, 1989

Acreage Under Lease - 705,672

Number of Producing Acres - 457,485

Number of Producing Leases - 2,190

II. TRUST AND SPECIAL FUNDS

Gifts, Bequests and Estates

1. U. T. Arlington: Acceptance of Gift of 10 Undivided Acres Out of a 181.185 Acre Tract in Baylor County, Texas, from Mr. Ted B. Court, Arlington, Texas.--Upon recommendation of the Land and Investment Committee, the Board accepted a gift of real property being 10 undivided acres out of a 181.185 acre tract in Baylor County, Texas, from Mr. Ted B. Court, Arlington, Texas. Mr. Court has placed a value of \$500 per acre or \$5,000 on this gift.

Proceeds from the sale of the property are for the unrestricted use of the President of The University of Texas at Arlington.

2. U. T. Austin: Acceptance of Gift from Dr. Nasser I. Al-Rashid, Riyadh, Saudi Arabia, and Establishment of the Nasser I. Al-Rashid Friend of Alec Excellence Fund in the College of Engineering.--The Board accepted a \$10,000 gift from Dr. Nasser I. Al-Rashid, Riyadh, Saudi Arabia, and established the Nasser I. Al-Rashid Friend of Alec Excellence Fund in the College of Engineering at The University of Texas at Austin.

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

3. U. T. Austin: Acceptance of Grant from The David Bruton, Jr. Charitable Trust, Dallas, Texas; Allocation of Pledged Funds and Matching Funds from the Graduate Fellowships in the Fine and Performing Arts; and Establishment of the David Bruton, Jr. Endowment for Graduate Fellowships in the College of Fine Arts.--The Land and Investment Committee recommended and the Board accepted a \$125,000 grant from The David Bruton, Jr. Charitable Trust, Dallas, Texas, and established the David Bruton, Jr. Endowment for Graduate Fellowships in the College of Fine Arts at The University of Texas at Austin.

Further, \$250,000 in pledged funds and \$125,000 in matching funds will be allocated from the Graduate Fellowships in the Fine and Performing Arts and will be used to increase the endowment to a total of \$500,000.

Income earned from the endowment will be used to award merit based fellowships to incoming graduate students who are United States citizens.

4. U. T. Austin: Unnamed Endowed Academic Position in the Center for Australian Studies - Approval to Designate as the Caltex Professorship in Australian Studies.--In accordance with the donor's request, approval was given to designate the unnamed endowed academic position in the Center for Australian Studies at The University of Texas at Austin as the Caltex Professorship in Australian Studies.

5. U. T. Austin: George L. Clark Scholarship Fund - Eligibility for Matching Funds Under The Regents' Endowed Student Fellowship and Scholarship Program for Previously Approved Pledges.--The Board directed that \$23,529.50 in matching funds from The Regents' Endowed Student Fellowship and Scholarship Program be allocated to the George L. Clark Scholarship Fund at The University of Texas at Austin to increase this endowment to a total of \$932,968.02. These matching funds recognize the receipt of \$47,059 in pledge payments from a total of \$106,000 which are anticipated.
6. U. T. Austin: Class of 1962 Scholarship in the School of Law - Acceptance of Transfer of Funds and Redesignation as the Class of 1962 Endowed Presidential Scholarship in Law.--In accordance with the donors' request, the Board accepted a \$15,000 transfer of previously reported gifts from current restricted funds and redesignated the Class of 1962 Scholarship in the School of Law as the Class of 1962 Endowed Presidential Scholarship in Law at The University of Texas at Austin.
7. U. T. Austin: Acceptance of Gift from the Cockrell Foundation, Houston, Texas; Allocation of Funds from the College of Engineering Challenge Grant; and Establishment of the Virginia and Ernest Cockrell, Jr. Fellowships in Engineering in the College of Engineering.--The Land and Investment Committee recommended and the Board accepted a \$523,350 gift from the Cockrell Foundation, Houston, Texas, and established the Virginia and Ernest Cockrell, Jr. Fellowships in Engineering in the College of Engineering at The University of Texas at Austin.

Further, \$753,300 will be allocated from the College of Engineering Challenge Grant, received from an anonymous donor, and will be used to increase the endowment to a total of \$1,276,650.

Income earned from the endowment will be used to award fellowships to graduate students in the College of Engineering.

8. U. T. Austin: Acceptance of Gifts from Various Donors and Establishment of the Gloria J. Gonzalez Memorial Scholarship Fund.--Upon recommendation of the Land and Investment Committee, the Board accepted gifts totaling \$13,001.75 from various donors and established the Gloria J. Gonzalez Memorial Scholarship Fund at The University of Texas at Austin.

Income earned from the endowment will be used to award scholarships to undergraduate students of Hispanic background who are residents of Tarrant County, Texas, with preference given to residents of Fort Worth, Texas, and to those majoring in the Natural Sciences. The Scholarship shall be administered by the Office of Student Financial Services.

9. U. T. Austin: Approval to Accept Gift from Mrs. Mary Elizabeth Gregory, San Angelo, Texas, and to Establish The Mary Elizabeth Gregory Charitable Remainder Trust for Addition to the J. Nalle Gregory Professorship in Sedimentary Geology in the College of Natural Sciences.--
The Board accepted a \$400,000 gift from Mrs. Mary Elizabeth Gregory, San Angelo, Texas, and established The Mary Elizabeth Gregory Charitable Remainder Trust at The University of Texas at Austin.

The trust agreement provides for the payment of ten percent of the annual net fair market value of the trust assets or the actual income, whichever is less, to be paid quarterly to Mrs. Mary Elizabeth Gregory during her lifetime. In any year when the income is more than ten percent of the market value, excess income will be added to the corpus of the trust.

Upon the termination of the trust, the corpus and any accumulated or undistributed income of the trust will be added to the J. Nalle Gregory Professorship in Sedimentary Geology in the Department of Geological Sciences, College of Natural Sciences. At that time, the Professorship is to be redesignated as the J. Nalle Gregory Chair in Sedimentary Geology.

10. U. T. Austin: Hinds-Webb Scholarship Fund - Approval to Accept Bequest from the Estate of Mrs. Hermine B. Morten, Los Gatos, California.--Approval was given to accept a bequest of ten percent of the residual Estate of Mrs. Hermine B. Morten, Los Gatos, California, with distributions of \$26,998 received to date, for addition to the Hinds-Webb Scholarship Fund at The University of Texas at Austin.

11. U. T. Austin: Acceptance of Gift and Pledge from Dr. John E. Kasch, Rancho Santa Fe, California, and Corporate Matching Funds from the Amoco Foundation, Chicago, Illinois; Allocation of Funds from the College of Engineering Challenge Grant and Establishment of the John E. Kasch Endowed Faculty Fellowship in Engineering in the College of Engineering; and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--The Land and Investment Committee recommended and the Board accepted a \$3,634 gift and a \$10,902 pledge, payable by August 31, 1991, from Dr. John E. Kasch, Rancho Santa Fe, California, and \$14,536 in corporate matching funds from the Amoco Foundation, Chicago, Illinois, for a total of \$29,072 and established the John E. Kasch Endowed Faculty Fellowship in Engineering in the College of Engineering at The University of Texas at Austin.

Further, \$41,856 will be allocated from the College of Engineering Challenge Grant, which was received from an anonymous donor, and will be used to increase the endowment to a total of \$70,928.

Additionally, \$29,072 in matching funds will be allocated under The Regents' Endowed Teachers and Scholars Program and will be used to increase the endowment to a total of \$100,000.

12. U. T. Austin: Acceptance of Gift of Securities from the Dr. George Kozmetsky Family, Austin, Texas; Establishment of Four Endowments Titled Kozmetsky Family Endowed Research Fellowships; Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program; and Establishment of Two Endowments Titled the Kozmetsky Family Endowed Research Fellowships.--Upon recommendation of the Land and Investment Committee, the Board accepted a gift of Argonaut Group, Inc. common stock valued at \$226,250 from the Dr. George Kozmetsky family, Austin, Texas, and established four Kozmetsky Family Endowed Research Fellowships at The University of Texas at Austin.

Further, \$113,125 in matching funds will be allocated under The Regents' Endowed Teachers and Scholars Program and will be used to establish two additional Kozmetsky Family Endowed Research Fellowships. The donors request the right to submit alternate titles for each fellowship at a later date.

Income earned from each endowment will be used for salary supplements and related benefits, travel, research assistance, and expenses of the fellowship holders and for recruitment expenses when a Fellowship is vacant. These Fellowships shall be administered by the Institute for Constructive Capitalism (IC²).

13. U. T. Austin: Approval to Accept Gift and Pledge from Lackshin & Nathan, Houston, Texas, and to Allocate Law School Matching Funds and to Establish the Lackshin & Nathan Endowed Presidential Scholarship in Law in the School of Law.--Approval was given to accept a \$4,000 gift and an \$8,500 pledge, payable by August 31, 1991, from the law firm of Lackshin & Nathan, Houston, Texas, and \$12,500 in matching funds allocated by the Dean of the Law School for a total of \$25,000 and to establish the Lackshin & Nathan Endowed Presidential Scholarship in Law in the School of Law at The University of Texas at Austin in accordance with the Regents' Rules and Regulations. Funds in the amount of \$12,500 will be held and administered by The University of Texas Law School Foundation and \$12,500 will be held and administered by the U. T. Board of Regents.

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

14. U. T. Austin: Acceptance of Gift and Pledge from the Microprocessor Products Group of Motorola, Inc., Austin, Texas, and Establishment of the Motorola Endowed Scholarship in the College of Natural Sciences.--The Board accepted a \$5,000 gift and a \$20,000 pledge, payable by August 31, 1991, from the Microprocessor Products Group of Motorola, Inc., Austin, Texas, for a total of \$25,000 and established the Motorola Endowed Scholarship in the Department of Computer Sciences, College of Natural Sciences, at The University of Texas at Austin.

Income earned from the endowment will be used to award scholarships to deserving undergraduate students based on need and ability.

15. U. T. Austin: Acceptance of Gift from Mr. C. Wayne Nance, Houston, Texas, and Corporate Matching Funds from Tenneco, Inc., Houston, Texas, and Establishment of the C. Wayne Nance Friend of Alec Excellence Fund in the College of Engineering.--The Land and Investment Committee recommended and the Board accepted a \$10,000 gift from Mr. C. Wayne Nance, Houston, Texas, and corporate matching funds comprised of a \$3,500 gift and a \$6,500 pledge, payable by December 31, 1989, from Tenneco, Inc., Houston, Texas, for a total of \$20,000 and established the C. Wayne Nance Friend of Alec Excellence Fund in the College of Engineering at The University of Texas at Austin.

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

16. U. T. Austin: Acceptance of Gifts from Mr. Joseph D. Jamail, Houston, Texas, and Mr. Darrell K Royal, Austin, Texas, and Establishment of the Willie Nelson Endowed Presidential Scholarship in the College of Fine Arts.--Approval was given to accept gifts totalling \$35,000 from Mr. Joseph D. Jamail, Houston, Texas, and Mr. Darrell K Royal, Austin, Texas, and to establish the Willie Nelson Endowed Presidential Scholarship in the College of Fine Arts at The University of Texas at Austin.

Income earned from the endowment will be used for one or more awards to members of the Longhorn Band who are in good academic standing. The Scholarship shall be awarded annually through the College of Fine Arts Endowed Presidential Scholarship Committee, in consultation with the Director of the Longhorn Band.

17. U. T. Austin: Acceptance of Gift from Frances K. Patterson, M.D., Knoxville, Tennessee, and Establishment of the Carole L. Patterson Endowed Scholarship for Physically Disabled Female Students.--The Board, upon recommendation of the Land and Investment Committee, accepted a \$10,000 gift from Frances K. Patterson, M.D., Knoxville, Tennessee, and established the Carole L. Patterson Endowed Scholarship for Physically Disabled Female Students at The University of Texas at Austin.

Income earned from the endowment will be used for scholarship support of a physically disabled female student of any academic major.

18. U. T. Austin: Undesignated Professorship in the College of Natural Sciences - Acceptance of Additional Gift from the Pennzoil Company, Houston, Texas, and Designation as the Pennzoil Company Regents Professorship in Mathematics and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--Upon recommendation of the Land and Investment Committee, the Board accepted a \$50,000 gift from the Pennzoil Company, Houston, Texas, for addition to the undesignated professorship in the College of Natural Sciences at The University of Texas at Austin and designated the Professorship as the Pennzoil Company Regents Professorship in Mathematics.

This designation was made in accordance with the donors' request.

Further, \$25,000 in matching funds will be allocated under The Regents' Endowed Teachers and Scholars Program and will be used to increase the endowment to a total of \$175,000.

19. U. T. Austin: Acceptance of Gifts from Graduates of Petroleum Engineering Classes and Establishment of the Petroleum Engineering Alumni Room Endowment in the College of Engineering.--The Board accepted gifts totaling \$51,618.42 from graduates of the Petroleum Engineering classes of 1941, 1948, 1949, 1950, 1951, 1954, 1959 and 1978 and established the Petroleum Engineering Alumni Room Endowment in the College of Engineering at The University of Texas at Austin.

Income earned from the endowment will be used to maintain and improve equipment and to promote excellence in the Department of Petroleum Engineering.

See Page 29 related to naming Room 3.158 in the Chemical and Petroleum Engineering Building at U. T. Austin.

20. U. T. Austin: Acceptance of Gift and Pledge from Mr. and Mrs. Stanley D. Rosenberg, San Antonio, Texas; Allocation of Law School Matching Funds; and Establishment of the Stanley and Sandra Rosenberg Endowed Presidential Scholarship in Law in the School of Law.--The Land and Investment Committee recommended and the Board accepted a \$5,000 gift and a \$7,500 pledge, payable by December 31, 1991, from Mr. and Mrs. Stanley D. Rosenberg, San Antonio, Texas, and \$12,500 in matching funds allocated by the Dean of the Law School for a total of \$25,000 and established the Stanley and Sandra Rosenberg Endowed Presidential Scholarship in Law in the School of Law at The University of Texas at Austin in accordance with the Regents' Rules and Regulations. Funds in the amount of \$12,500 will be held and administered by The University of Texas Law School Foundation and \$12,500 will be held and administered by the U. T. Board of Regents.

Income earned from the endowment will be used to award a scholarship to the editor of the Texas Law Review when the editor attends summer school between the second and third years in law school. The receipt of this scholarship should not preclude the receipt of any other financial aid to the awardee.

21. U. T. Austin: Approval to Redesignate the Stanley D. Rosenberg Centennial Professorship in Real Estate in the College of Business Administration and the Graduate School of Business as the Stanley D. and Sandra J. Rosenberg Centennial Professorship in Real Estate and the Stanley D. Rosenberg Centennial Professorship in Property Law in the School of Law as the Stanley D. and Sandra Rosenberg Centennial Professorship in Property Law (No Publicity).--Approval was given to redesignate the Stanley D. Rosenberg Centennial Professorship in Real Estate in the College of Business Administration and the Graduate School of Business as the Stanley D. and Sandra J. Rosenberg Centennial Professorship in Real Estate and the Stanley D. Rosenberg Centennial

Professorship in Property Law in the School of Law as the Stanley D. and Sandra Rosenberg Centennial Professorship in Property Law at The University of Texas at Austin.

This redesignation was made in accordance with the donor's request.

It was requested that no publicity be given to this matter.

22. U. T. Austin: Acceptance of Gift from an Anonymous Donor and Establishment of the Reverend E. G. "Cap" Smith Endowed Scholarship in the Graduate School of Business.--The Board, upon recommendation of the Land and Investment Committee, accepted an \$11,000 gift from an anonymous donor and established the Reverend E. G. "Cap" Smith Endowed Scholarship in the Graduate School of Business at The University of Texas at Austin.

Income earned from the endowment will be used for awards to deserving minority graduate students in the field of marketing.

23. U. T. Austin: Acceptance of Gifts from Various Donors and Establishment of the Taro Tamura Memorial Fund for UT-Japan Collaboration in the College of Natural Sciences.--Upon recommendation of the Land and Investment Committee, the Board accepted \$14,200 in gifts from various donors and established the Taro Tamura Memorial Fund for UT-Japan Collaboration in the Department of Physics, College of Natural Sciences, at The University of Texas at Austin.

Income earned from the endowment will be used to promote international exchanges and to facilitate joint activities between scientists in the Department of Physics and in Japan.

24. U. T. Austin: Approval to Accept Gifts from Various Donors and to Allocate Law School Matching Funds and to Establish the Judge Homer Thornberry Endowed Presidential Scholarship in Law in the School of Law.--The Land and Investment Committee recommended and the Board accepted \$17,425 in gifts from various donors and \$12,500 in matching funds allocated by the Dean of the Law School for a total of \$29,925 and established the Judge Homer Thornberry Endowed Presidential Scholarship in Law in the School of Law at The University of Texas at Austin in accordance with the Regents' Rules and Regulations. Funds in the amount of \$17,425 will be held and administered by The University of Texas Law School Foundation and \$12,500 will be held and administered by the U. T. Board of Regents.

Income earned from the endowment will be used to award scholarships to worthy students based on financial need at the discretion of the Dean of the Law School.

25. U. T. Austin: Acceptance of Gift from Texas Instruments Incorporated, Dallas, Texas, and Establishment of the James Voss - Texas Instruments Regents Professorship in Australian Studies and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--- The Board accepted a \$100,000 gift from Texas Instruments Incorporated, Dallas, Texas, and established the James Voss - Texas Instruments Regents Professorship in Australian Studies at The University of Texas at Austin.

Further, \$100,000 in matching funds will be allocated under The Regents' Endowed Teachers and Scholars Program and will be used to increase the endowment to a total of \$200,000.

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

26. U. T. Austin: Approval to Accept Gifts from Mr. and Mrs. Stanley P. Wilson, Abilene, Texas, Corporate Matching Funds from Central and South West Corporation, Dallas, Texas, and Gifts from Various Donors; Allocation of Law School Matching Funds; and Establishment of the Stanley P. and Claudie P. Wilson Endowed Presidential Scholarship for Excellence in Trial Advocacy in the School of Law.---Approval was given to accept a \$4,000 gift from Mr. and Mrs. Stanley P. Wilson, Abilene, Texas, a \$10,000 gift and \$6,000 in corporate matching funds from Central and South West Corporation, Dallas, Texas, \$5,000 in gifts from various donors, and \$12,500 in matching funds allocated by the Dean of the Law School for a total of \$37,500 and to establish the Stanley P. and Claudie P. Wilson Endowed Presidential Scholarship for Excellence in Trial Advocacy in the School of Law at The University of Texas at Austin in accordance with the Regents' Rules and Regulations. Funds in the amount of \$25,000 will be held and administered by The University of Texas Law School Foundation and \$12,500 will be held and administered by the U. T. Board of Regents.

Income earned from the endowment will be used to award scholarships to one or more of the most promising second year advocates participating in the Board of Advocates Competitions at the School of Law. Recipients shall be approved by the Dean of the Law School or the Dean's designee without consideration of scholarship or financial assistance from any other source.

27. U. T. Austin: Acceptance of Gift and Pledges from Mr. William E. Young, Jr., Houston, Texas, and Establishment of the William E. Young, Jr. Endowed Scholarship in the College of Business Administration and Graduate School of Business.---Upon recommendation of the Land and Investment Committee, the Board accepted a \$1,500 gift and an \$8,500 pledge, payable by February 28, 1998, from Mr. William E. Young, Jr., Houston, Texas, for a total of \$10,000 and established the William E. Young, Jr. Endowed Scholarship in the College of Business Administration and the Graduate School of Business at The University of Texas at Austin.

Further, a pledge of a fully paid insurance policy on his life in the amount of \$65,000 from Mr. Young, with U. T. Austin as owner and irrevocable beneficiary, was accepted for addition to the William E. Young, Jr. Endowed Scholarship, once the insurance benefit is paid.

Income earned from the endowment will be reinvested in the corpus until such time as the minimum amount of \$10,000 is reached. Distributed income will then be awarded each semester to an upper division business student on the basis of financial need, academic achievement and future potential.

28. U. T. Austin: Acceptance of Gift of Real Property Being a Portion of Lots 7 and 8, Block 9, Division B of C. R. Johns Subdivision, Austin, Travis County, Texas, from Mr. Will B. Houston, Jr. and Mr. T. O. Murphey, Both of Austin, Texas.--The Board, upon recommendation of the Land and Investment Committee, accepted on behalf of The University of Texas at Austin a gift of real property being the "North 74.5 feet of Lots 7 and 8, Block '9,' Outlot 46, Division B of C. R. Johns Subdivision, a subdivision in Travis County, Texas, according to the map or plat of record in Volume 2, page 588 of the Deed Records of Travis County, Texas, and being the same land described in that certain deed described in Volume 3918, page 1799 of the Deed Records of Travis County, Texas," from Mr. Will B. Houston, Jr., and Mr. T. O. Murphey, both of Austin, Texas. This property contains 9,685 square feet or .2223 acre.

Proceeds from the sale of the property are to be added to the Tracor/Frank McBee, Jr. Scholarship Endowment at U. T. Austin, which was established by the U. T. Board of Regents at its August 1988 meeting.

29. U. T. Austin: Acceptance of Gift of Real Property Located in Block 2, New City Block 1700 (115 Agarita Street), San Antonio, Bexar County, Texas, from Milton Jacobs, M.D., San Antonio, Texas.--The Land and Investment Committee recommended and the Board accepted on behalf of The University of Texas at Austin a gift of real property subject to a life estate interest in Lots 17, 18, 19 and the west sixteen and two-thirds (16 2/3) feet of Lot 20, Block 2, New City Block 1700, situated within the corporate limits of the City of San Antonio, Bexar County, Texas, on which is located a 1600 square foot house at 115 Agarita Street, San Antonio, Texas, from Milton Jacobs, M.D., San Antonio, Texas. The land totals 20,875 square feet or .4792 acre. The 1987 tax valuation of the property is \$80,000 with \$53,600 attributable to the improvements and \$26,400 attributable to the land.

The property will be used by The University of Texas System components in San Antonio as a conference center or as a home for visiting faculty members for as long as it is economically feasible for the U. T. System to do so.

Dr. Jacobs will create by his Will a maintenance fund for the U. T. System in an amount not less than \$100,000, which will provide funds for taxes, insurance and maintenance on the property. When the property is eventually sold, any funds remaining in the maintenance fund will be added to proceeds from the sale and used for the benefit of U. T. Austin, in accordance with the terms of Dr. Jacobs' Will.

30. U. T. Austin: Approval to Accept Undivided Mineral Interests in 24.263 Net Mineral Acres, Beckham County, Oklahoma, from Lorraine I. Stengl, M.D., Wimberley, Texas.--Approval was given to accept a gift of undivided interests "in and to all the oil, gas and other minerals" in seven tracts of land totaling 24.263 net mineral acres out of 2170 gross acres in Beckham County, Oklahoma, from Lorraine I. Stengl, M.D., Wimberley, Texas, for the benefit of the Department of Zoology and the College of Natural Sciences at The University of Texas at Austin. The donor's appraised value of the property is \$6,500.

Income from the gift will go to the Lorraine I. Stengl Endowment Fund which was established by the U. T. Board of Regents at its August 1987 meeting.

31. U. T. Dallas: Acceptance of Gift from the Dallas Gem and Mineral Society, Inc., Dallas, Texas, and Establishment of the Dallas Gem and Mineral Society Endowed Scholarship Fund.--The Board accepted a \$16,000 gift from the Dallas Gem and Mineral Society, Inc., Dallas, Texas, and established the Dallas Gem and Mineral Society Endowed Scholarship Fund at The University of Texas at Dallas.

Income earned from the endowment will be used to award scholarships of at least \$250 per semester for full-time graduate or undergraduate students in good standing with preference given to students who demonstrate financial need. Twenty-five percent of the annual income earned on the endowed fund should be reinvested in the corpus and any income not awarded will be returned to the corpus. The scholarship program is to be administered by the Geosciences Program in the School of Natural Sciences and Mathematics.

32. U. T. El Paso: Acceptance of Gifts from the El Paso Committee of the Texas Sesquicentennial, El Paso, Texas, and Establishment of the Texas Sesquicentennial Endowment for the Centennial Museum.--Upon recommendation of the Land and Investment Committee, the Board accepted gifts totalling \$114,237.46 from the El Paso Committee of the Texas Sesquicentennial, El Paso, Texas, and established the Texas Sesquicentennial Endowment for the Centennial Museum at The University of Texas at El Paso.

Income earned from the endowment will be used to provide unrestricted resources to improve the overall programs and operations of the El Paso Centennial Museum.

33. U. T. Southwestern Medical Center - Dallas: Approval to Accept Bequest from the Estate of Mrs. Beatrice M. Elias, New York, New York, and Remainder Interest in The Beatrice and Miguel Elias Charitable Trust.--Approval was given to accept a bequest of \$10,000 and twenty percent of the residual Estate of Mrs. Beatrice M. Elias, New York, New York, comprised of cash and mineral interests, valued at approximately \$2,000,000, and a twenty percent remainder interest in The Beatrice and Miguel Elias Charitable Trust, valued at approximately \$170,000, for a total of \$2,180,000 for use in research in any field or fields in the realm of medicine at The University of Texas Southwestern Medical Center at Dallas. A final report will be made at a later date.

34. U. T. Southwestern Medical Center - Dallas: Acceptance of Remainder Interest in the William K. Manning Testamentary Trust, Dallas, Texas, and Establishment of the William K. Manning Endowment Fund for Research in Emphysema.--The Board, upon recommendation of the Land and Investment Committee, accepted a twenty-five percent remainder interest in the William K. Manning Testamentary Trust, Dallas, Texas, comprised of cash and a small mineral interest, with distributions totalling \$75,000 received to date, and established the William K. Manning Endowment Fund for Research in Emphysema at The University of Texas Southwestern Medical Center at Dallas.

Income earned from the endowment will be used for emphysema research purposes. If emphysema is eliminated as a disease, the income may then be used for research into the nature and treatment of other diseases.

35. U. T. Southwestern Medical Center - Dallas: Mineral Metabolism Endowed Chair Fund - Acceptance of Additional Gifts from Various Donors and Pledges from Mr. Cecil Green, Dallas, Texas, an Anonymous Donor and the Southwestern Medical Foundation, Dallas, Texas, and Redesignation as The Charles Pak Distinguished Chair in Mineral Metabolism and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--The Land and Investment Committee recommended and the Board accepted gifts of \$740,000 from various donors, a \$50,000 pledge from Mr. Cecil Green, Dallas, Texas, a \$160,000 pledge from an anonymous donor and a \$50,000 pledge from the Southwestern Medical Foundation, Dallas, Texas (to be held in trust at the Southwestern Medical Foundation), all pledges payable by December 31, 1989, for a total of \$1,000,000 for addition to the Mineral Metabolism Endowed Chair Fund. The Fund was redesignated as The Charles Pak Distinguished Chair in Mineral Metabolism at The University of Texas Southwestern Medical Center at Dallas.

Further, the actual income which will be earned on the \$740,000 in gifts and \$210,000 in pledges, as received, will be certified for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code.

See Page 32 related to an appointment to this Chair.

36. U. T. Southwestern Medical Center - Dallas: Approval to Accept Gifts from Various Donors and to Establish the Southwestern Medical School Alumni Association Lifetime Gifts Endowment Fund.--Approval was given to accept gifts totalling \$270,734.70 from various donors and to establish the Southwestern Medical School Alumni Association Lifetime Gifts Endowment Fund at The University of Texas Southwestern Medical Center at Dallas.

Income earned from the endowment will be used by the U. T. Southwestern Medical School - Dallas and the Board of Trustees of the Alumni Association to meet critical institutional needs. One critical need that has already been identified is student financial aid.

37. U. T. Southwestern Medical Center - Dallas: Establishment of the S. Edward Sulkin Endowment Fund.--At the request of the Southwestern Medical Foundation (an external foundation), the Board established the S. Edward Sulkin Endowment Fund at The University of Texas Southwestern Medical Center at Dallas in accordance with the Regents' Rules and Regulations. The funding for the Endowment Fund will be retained by the Southwestern Medical Foundation and will be administered per the agreement between the Foundation and the U. T. Board of Regents.

Income earned from the endowment will be used to support a lecture series in microbiology at the U. T. Southwestern Medical Center - Dallas.

38. U. T. Health Science Center - San Antonio: Acceptance of Gift from Mrs. Alfred Schenker, Lakewood, New Jersey, and Establishment of the Alfred Schenker Lectureship Program in Gastroenterology.--Upon recommendation of the Land and Investment Committee, the Board accepted a \$10,000 gift from Mrs. Alfred Schenker, Lakewood, New Jersey, and established a quasi-endowment at The University of Texas Health Science Center at San Antonio to be named the Alfred Schenker Lectureship Program in Gastroenterology.

Income earned from the endowment will be used to support a lectureship program in the Department of Medicine, Division of Gastroenterology.

39. U. T. M.D. Anderson Cancer Center: Approval to Accept Gift of Real Property Being 5 Acres Out of the Nicholas Boyce Survey (Lot No. 29, Section II of Turkey Run Subdivision), Bastrop County, Texas, from Dr. Thomas J. Slaga and Mrs. Mary E. Slaga, Austin, Texas.--The Board accepted a gift of real property being 5 acres out of the Nicholas Boyce Survey and also known as Lot No. 29, Section II of that subdivision known as Turkey Run, Bastrop County, Texas, from Dr. Thomas J. Slaga and Mrs. Mary E. Slaga, Austin, Texas, for the benefit of The University of Texas M.D. Anderson Cancer Center. The appraised value of the property is \$20,000.

Proceeds from the sale of the property are for the capital campaign for the new laboratory at the U. T. M.D. Anderson Science Park - Research Division in Smithville, Texas.

RECONVENE.--At 2:20 p.m., the Board reconvened as a committee of the whole to consider those items remaining on the agenda.

ITEMS FOR THE RECORD

1. U. T. Dallas - Estate of Robert Plant Armstrong: Report on Foreclosure of Real Property Located at 4119 Rock Creek Drive in Dallas, Dallas County, Texas.--At its October 1988 meeting, the U. T. Board of Regents accepted a bequest of approximately \$200,000, comprised of a second lien note, art and cash, from the Estate of Dr. Robert Plant Armstrong, Dallas, Texas, on behalf of the School of Arts and Humanities at The University of Texas at Dallas.

The Office of Asset Management reported that Mr. Michael Shane Rosen, Dallas, Texas, the obligor on the second lien note for the property located at 4119 Rock Creek Drive, Dallas, Dallas County, Texas, executed a Modification and Extension Agreement on July 25, 1988. Under the terms of the Modification and Extension Agreement, the note balance of \$176,007.38 was modified to include a \$900 per month payment beginning May 9, 1988, through September 9, 1988, and then a return to the former payment of \$2,036.44 per month until April 9, 2000, with any unpaid principal and interest due at that time. Mr. Rosen defaulted in making the modified payments and foreclosure proceedings under terms of the second lien deed of trust were instituted by the Office of General Counsel.

At the foreclosure sale held on Tuesday, December 6, 1988, U. T. System representatives purchased the property subject to the first lien note and deed of trust. The bid price, based on a recent appraisal of \$213,000, was \$130,300. The amount outstanding on the first lien note was approximately \$82,700. Payments on the first lien note reflecting an original principal balance of \$83,500 are currently being paid by U. T. Dallas on this real property pending its disposition by sale or lease.

2. U. T. Dallas: Student Apartment Project with Worthing Central Corporation, Dallas, Texas, as Prior Lessee and Waterview Park, Ltd., Dallas, Texas, as Lessee - Report of Approval and Execution of Documents Related Thereto.--At its February 1989 meeting, the U. T. Board of Regents delegated authority to the Executive Committee to approve and to the Chairman of the Board to execute revised versions of documents (first approved by the Board in October 1987) related to the construction of a Student Apartment Project at The University of Texas at Dallas by the Worthing Central Corporation, Dallas, Texas, or its successor, Waterview Park, Ltd., Dallas, Texas.

It was reported for the record that, following distribution of the draft revised documents, the Executive Committee met via telephone conference call on February 24, 1989, and approved the following:

- a. Amended and Restated Ground Lease
- b. Amended and Restated Property Operating Agreement
- c. Memorandum of Amended and Restated Ground Lease.

Following approval, these documents were executed by Chairman Blanton on behalf of the U. T. Board of Regents. Private financing for the project has been obtained, and construction of the student apartment project is now in process with anticipated completion in time for occupancy in September 1989.

EXECUTIVE SESSION OF THE BOARD OF REGENTS

Chairman Beecherl reported that the Board had met in Executive Session in the John H. McNeely Room of the UTEP Library to discuss matters in accordance with Article 6252-17, Sections 2(e), (f) and (g) of Vernon's Texas Civil Statutes. In response to Chairman Beecherl's inquiry regarding the wishes of the Board, the following actions were taken:

1. U. T. M.D. Anderson Cancer Center: Settlement of Medical Liability Litigation - Rosemary Ives, et al.--Regent Blanton moved that the Chancellor and the Office of General Counsel be authorized to settle on behalf of The University of Texas M.D. Anderson Cancer Center the medical liability lawsuit filed by Rosemary Ives, et al, in accordance with the proposal presented in Executive Session.

Regent Ratliff seconded the motion which carried without objection.

2. U. T. Health Science Center - Houston: Settlement of Medical Liability Litigation - Tom Jones.--Chairman Beecherl noted that the item related to the proposed settlement of medical liability litigation at The University of Texas Health Science Center at Houston was developed after the Material Supporting the Agenda was distributed but was included in the posting with the Secretary of State.

Upon motion of Regent Blanton, seconded by Regents Ratliff and Cruikshank, the Board authorized the Chancellor and the Office of General Counsel to settle on behalf of the U. T. Health Science Center - Houston the medical liability lawsuit filed by Tom Jones in accordance with the proposal presented in Executive Session.

3. U. T. Austin - Brackenridge Tract: Authorization for Office of Asset Management to Finalize Negotiations with City of Austin for the Brackenridge Development Agreement and Associated Amendments to the Lease Agreement for Lions Municipal Golf Course and Authorization for Executive Vice Chancellor for Asset Management to Execute All Documents Related Thereto.--Chairman Beecherl reported that the third and final item considered in Executive Session related to the real estate matters associated with the proposed development of the Brackenridge Tract on behalf of The University of Texas at Austin. He called on Regent Ratliff, Chairman of the Land and Investment Committee, who announced that Dr. Stan Friedman, President of the West Austin Neighborhood Group, and Mrs. Mary Arnold, Chairman of the Austin Planning Commission, had requested time to discuss the progress of the negotiations on the proposed development of the Brackenridge Tract.

Dr. Friedman expressed appreciation to the Board for the opportunity to discuss the Tract's development and pointed out that, after almost two months of negotiations, neither of the U. T. System development options was acceptable without further changes. He noted that the City of Austin negotiating committee could not comfortably go to the Austin City Council with either proposal and stated that the negotiating committee could accept Option II of the proposal only if it included the following modifications:

- (1) A maximum of 1.7 million square feet of development with a reasonable mix of uses including residential, commercial and office.
- (2) A maximum height of 5 stories, not to exceed 65 feet.
- (3) No development on the Town Lake Tract until construction begins on a north bound MoPac access ramp from Lake Austin Boulevard.
- (4) A total building setback of 225 feet from Town Lake. The first 175 feet would be landscaped and have a maximum of 15% impervious coverage. The next 50 feet would have an impervious coverage of 30% and include no buildings.
- (5) Maximum impervious coverage of 75% on the Town Lake Tract not included in the setback areas.

Dr. Friedman emphasized that the recommended changes are necessary to protect residential areas from the effects of over-development, preserve the aesthetic value of the lakeside area, protect the water quality in Town Lake and realistically manage the traffic problems associated with the development plan.

In response to Dr. Friedman's comments, Regent Ratliff asked if he understood Dr. Friedman to say that the neighborhood group would not sign the agreement unless these five items were included in it. Mr. Ratliff pointed out that impervious coverage and setbacks are matters that should not be negotiated in a Board meeting and stated that "If these are ultimata to the Board, I don't know what the Board will do but I know what my recommendation would be. It will be to terminate these discussions and notify the City what we have determined." He further stated, "We have a severe time problem and I am here to find out if we can make a deal -- I mean signed, sealed and delivered -- in the next 20 days or not."

Regent Barshop endorsed Regent Ratliff's comments and stated that he had heard about 17 different propositions. He commented that every time the U. T. System takes a step backward to accommodate the City of Austin then the City takes two or three giant steps in the other direction. Regent Barshop reiterated that the Board has a fiduciary responsibility to increase the endowment income from that Tract and that the Board must protect the financial interests of the U. T. System.

Mrs. Arnold emphasized that there had been a very cooperative working relationship between the City of Austin representatives and U. T. System officials and stated that the City of Austin negotiating committee is most anxious to protect the environment and to work with the University on the future development of the Brackenridge Tract.

Regent Ratliff stated that the Board had made it clear all along that the U. T. System needed and must have certainty. He pointed out that Item 3 under the negotiating committee's modifications to Option II absolutely destroys that certainty. Mr. Ratliff reiterated that the U. T. System could never agree to postpone development until construction of the ramp is started because that would eliminate the certainty that the University needs.

Vice Chancellor and General Counsel Farabee stated that it is important to understand that the issues raised by Dr. Friedman could be accomplished if both parties agreed to the 15-year option (Option I) proposed by the U. T. System. Because the Town Lake section would be off limits to development for the length of the agreement, the issue of the MoPac access ramp would be moot. If the City of Austin chooses Option I, that plan would meet the requirements of the neighborhood group. Mr. Farabee noted that there is always a price in negotiating and that, in this case, is a shorter golf course lease.

Chairman Beecherl warned that failure to reach an agreement by the end of this legislative session would result in the U. T. System cancelling the golf course lease and proceeding with development on its own. He acknowledged that the University had negotiated in good faith and had worked on this matter for three years and that was long enough.

Following these presentations, Chairman Beecherl inquired as to whether there was any action from the floor on this matter. In response to that inquiry, Regent Ratliff moved that the Office of Asset Management be authorized to finalize negotiations with the City of Austin for the Brackenridge Development Agreement ("Agreement") pertaining to the Brackenridge Tract at The University of Texas at Austin and associated amendments to the Lease Agreement for the Lions Municipal Golf Course ("Lease"), within the parameters which follow for either of one of two options to be selected by the City:

OPTION I

- a. Fifteen Year Primary Term: The Agreement and the Lease shall have coincidental terms ending fifteen years from the effective date of the Agreement.
- b. Three Five Year Option Periods: The terms of both the Agreement and the Lease shall be automatically extended for a maximum of three consecutive option periods of five years each, unless notice of cancellation is provided in writing by either party not less than 180 days prior to the end of the primary term or an existing option period of the Agreement or the Lease.

c. Negotiation: In the event of a notice to cancel as provided above, Agreement shall provide for negotiation at mutually convenient times during the 180 days prior to termination as to any terms, rentals and/or conditions which might be mutually agreed upon for a continuation of the Lease and Agreement.

d. Golf Lease Rental: The amended lease shall have the following schedule of minimum rents net of all expenses (together with any percentage rent as currently provided):

Primary term

Years 1 through 5	\$200,000 per year
Years 6 through 10	\$240,000 per year
Years 11 through 15	\$288,000 per year

Option Period 1

Years 16 through 20	\$345,600 per year
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Option Period 2

Years 21 through 25	\$414,720 per year
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Option Period 3

Years 26 through 30	\$497,664 per year
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e. Permitted Development: During the primary term and any option terms of the Agreement, the University shall be entitled to develop the Boat Town, Park Street, Safeway, Deep Eddy and Stratford Tracts totaling approximately 121.5 acres for non-University purposes according to the criteria outlined in Executive Session and in substantially the form of the March 28, 1989, draft version of Agreement and the U. T. Land Development Code and manuals. The golf course and Town Lake Tracts will not be developed for non-University purposes during the primary term or any operative option term of the Agreement and Lease.

OPTION II

a. Thirty Year Primary Term: The Agreement and the Lease shall have coincidental terms ending thirty years from the effective date of the Agreement.

b. Three Five Year Option Periods: The terms of both the Agreement and the Lease shall be automatically extended for a maximum of three consecutive option periods of five years each, unless notice of cancellation is provided in writing by either party not less than 180 days prior to the end of the primary term or an existing option period of the Agreement or the Lease.

c. Negotiation: In the event of notice to cancel as provided above, Agreement shall provide for negotiation at mutually convenient times during the 180 days prior to termination as to any terms, rentals and/or conditions which might be mutually agreed upon for continuation of the Lease and Agreement.

- d. Golf Lease Rental: The amended Lease shall have the following schedule of minimum rents net of all expenses (together with any percentage rent as currently provided):

Primary Term

Years 1 through 5	\$200,000 per year
Years 6 through 10	\$240,000 per year
Years 11 through 15	\$288,000 per year
Years 16 through 20	\$345,600 per year
Years 21 through 25	\$414,720 per year
Years 26 through 30	\$497,664 per year

Option Period 1

Years 31 through 35	\$597,197 per year
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Option Period 2

Years 36 through 40	\$716,636 per year
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Option Period 3

Years 41 through 45	\$859,963 per year
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- e. Permitted Development: During the primary term and any option terms of the Agreement, the University shall be entitled to develop the Boat Town, Park Street, Safeway, Deep Eddy, Town Lake and Stratford Tracts totaling approximately 196 acres for non-University purposes according to the criteria outlined in Executive Session and in substantially the form of the March 28, 1989, draft version of Agreement and the U. T. Land Development Code and manuals. The golf course and Brackenridge Field Laboratory Tracts will not be developed for non-University purposes during the primary term or operative option term of the Agreement and Lease. The Colorado Apartment site will not be developed for non-University purposes prior to ten years following the effective date of the Agreement. The Brackenridge Apartment site will not be developed for non-University purposes prior to twenty years following the effective date of the Agreement.

Regent Ratliff further moved that, upon completion of negotiations and approval by the Vice Chancellor and General Counsel, the Executive Vice Chancellor for Asset Management be authorized to execute on behalf of The University of Texas System all documents required to finalize the Agreement and any amendments required to the Lease.

Regent Moncrief seconded the motions which prevailed by unanimous vote.

REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS

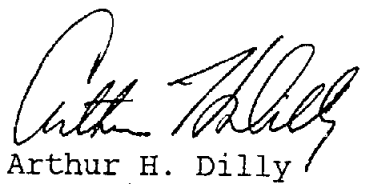
Regent Barshop, a member of the Board for Lease of University Lands, reported that the Board for Lease had not met since the last Board of Regents' meeting in February 1989. He noted that the new U. T. Regent on the Board for Lease is Mario E. Ramirez, M.D., who replaced Mr. Mario Yzaguirre. Regent Barshop reported that Mr. Lowry Mays, Regental member from Texas A&M University, will continue to serve on the Board for Lease along with Land Commissioner Garry Mauro and himself.

FOUNDATION MATTERS

Ima Hogg Foundation, The Robertson-Poth Foundation, and Winedale Stagecoach Inn Fund: Election of Officers and Approval of Minutes.--In accordance with Section 5 of Chapter VII of Part One of the Regents' Rules and Regulations, the Board of Regents recessed its meeting to meet independently in its capacity as the Board of Trustees for the Ima Hogg Foundation, The Robertson-Poth Foundation and the Winedale Stagecoach Inn Fund for the purpose of electing officers and approving Minutes of the preceding meeting. The Minutes of these meetings and the officers elected at this meeting are recorded in the files of these foundations located in the Office of Endowments and Trusts of the U. T. System Administration and in the Office of the Board of Regents.

SCHEDULED MEETING.--Chairman Beecherl announced that the next meeting of the U. T. Board of Regents is scheduled for June 8, 1989. He noted Regent Blanton's suggestion that, if the Legislature approves the merger of Pan American University with The University of Texas System, the meeting be held in Edinburg or McAllen. That suggestion met with the approval of the Board and Executive Secretary Dilly was directed to inquire further regarding this possibility.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 2:50 p.m.



Arthur H. Dilly
Executive Secretary

April 13, 1989