

O.C.

Meeting No. 768

THE MINUTES OF THE BOARD OF REGENTS
OF

THE UNIVERSITY OF TEXAS SYSTEM

Corrected: Pg. 4, 53, 127, 128, 129

Pages 1-139

~~Errors: pg. 5, 43,
check spelling of deficiency P. 20.~~

May 29-30, 1980

*namy
Pg. 117, 128, 121
What about yellow
sheets?*

Galveston, Texas

*pg. 5, 43,
45, 46, 51, 54,
58, 60, 121*

60

P. 53 - insert figures

THURSDAY, MAY 29, 1980.--The Board of Regents met at 1:30 p. m. on Thursday, May 29, 1980, in the Caduceus Room on the sixth floor of the Administration Building of The University of Texas Medical Branch at Galveston, Galveston, Texas, with the following in attendance:

ATTENDANCE. --Present

Chairman Williams, presiding ✓
 Vice-Chairman Law ✓
 Regent (Mrs.) Blumberg ✓
 Regent Fly ✓
 Regent Hay ✓
 Regent Newton ✓
 Regent Richards ✓
 Regent Sterling ✓

Absent^a

Regent Powell ✓

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Secretary Thedford

Chancellor Walker**

Chairman Williams ✓ called the meeting to order.

WELCOME AND REPORT BY WILLIAM C. LEVIN, M.D., PRESIDENT OF THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON. -- FILE NO. 17
Chairman Williams ✓ recognized William C. Levin, M.D., President of The DOCUMENT _____
 University of Texas Medical Branch at Galveston (the host institution), and REMARKS _____
 thanked him for the delightful and informative tour of the Galveston Medical Branch which the Regents had taken that morning.

On behalf of the students, faculty and administration, President Levin welcomed the members of the Board of Regents and other guests to Galveston. He then presented an updated version of the multimedia film which had been viewed by the Regents in its original form at the Board of Regents' meeting last held in Galveston in April 1978. [A film used to inform the alumni of the progress and development of GMB.]

Following the film, President Levin reminded the Regents that the primary objective of the Galveston Medical Branch had always been the education of health care professionals and that the second and third missions were research and delivery of health care, both of which contributed to the ultimate goal of education. He further outlined what he considered some of the major problems facing GMB in the 1980's, emphasizing cost, building needs, and recruiting of dedicated faculty.

President Levin called attention to the packet containing an informational brochure for new employees and the faculty at the Galveston Medical Branch which had been distributed prior to the meeting. [No written report was filed.]

*Regent Powell ✓ was excused from the meeting since he had made a commitment prior to the date the Regents' meeting was scheduled.

**Chancellor Walker was excused from the meeting on Thursday because of illness, but was in attendance on Friday, May 30.

On behalf of the Board of Regents, Chairman Williams thanked President Levin for the overview and report on the Galveston Medical Branch and for his cooperation in providing the facilities for the Board while in Galveston.

CHANCELLOR WALKER. -- Chairman Williams reported that Chancellor Walker had been in the hospital at the Galveston Medical Branch since Saturday (May 24) suffering from a back problem. He stated that the doctors would not permit Chancellor Walker to come to the meeting today but that he would very likely be able to attend the meeting on Friday.

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RECESS FOR MEETING OF BUILDINGS AND GROUNDS COMMITTEE. -- Chairman Williams announced that the Board would recess for the meeting of the Buildings and Grounds Committee (Pages 48-63) and would reconvene as a Board at 9:00 a. m. on Friday, May 30, 1980.

* * * * *

Friday, May 30, 1980

At 9:00 a. m., the Board reassembled in the Caduceus Room, sixth floor, Administration Building at The University of Texas Medical Branch at Galveston with the same Regents in attendance as at the meeting on Thursday, May 29. Chancellor Walker was also in attendance at this meeting.

BOARD OF REGENTS: APPROVAL OF MINUTES OF REGULAR MEETING ON APRIL 10-11, 1980. -- Upon motion of Regent Sterling duly seconded, the Minutes of the regular meeting of the Board of Regents of The University of Texas System held on April 10-11, 1980, were approved in the form distributed by Secretary Thedford. The official copy of these Minutes is recorded in the Permanent Minutes, Volume XXVII, Pages 2654-3211.

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ATTENDANCE

INTRODUCTION OF STUDENTS AND FACULTY MEMBERS, DR. COURTNEY TOWNSEND, SR., CHAIRMAN OF THE GALVESTON MEDICAL BRANCH DEVELOPMENT BOARD, AND PRESIDENT-EMERITUS TRUMAN G. BLOCKER, JR. -- Chairman Williams called on the chief administrative officers of the component institutions to introduce their respective faculty and student representatives:

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U. T. Arlington

President Nedderman introduced:

Faculty Representative: Dr. Thomas Kindel, Chairman
Faculty Senate for 1979-80

Student Representatives: Mr. Greg Miller, President
Student Congress
Ms. Jodee Sharp, Vice President
Student Congress
Mr. Darrell Dunn, Editor, Student
Publications
Mr. Ricky Windle, Student Publi-
cations

U. T. Austin

President Flawn introduced:

Faculty Representative:

Dr. James W. Daniel, Chairman
Faculty Senate

Student Representatives:

Mr. Mark Cassidy, President
Senior CabinetMr. John Havens, Assistant to the
Editor, The Daily TexanMs. Diane Ballard, Reporter
The Daily TexanU. T. Dallas

President Jordan introduced:

Student Representatives:

Mr. Mike Ringley, President
Student CongressMr. Mark Moring, Vice President
Student CongressMs. Sue Kirk, Secretary, Student
CongressMr. Narayan Shrestha, Representative
Student CongressU. T. San Antonio

President Wagener introduced:

Student Representative:

Mr. Ronald K. Garcia, President
Student Representative AssemblyU. T. Tyler

President Stewart introduced:

Faculty Representative:

Dr. W. Allen Martin, Sociology
Faculty MemberGalveston Medical Branch

President Levin introduced:

Faculty Representative:

Donna Barlow, RN, MS, Associate
Professor of Nursing

Student Representative:

Ms. Sally Imig, Senior, Under-
graduate Nursing Program

Others:

Dr. Alvin LeBlanc, Associate
Vice President for Hospital
Affairs

Houston Health Science Center

President Bulger introduced:

Student Representative: Mr. Henry Graze, Member of Student Intercouncil Committee; Student, Graduate School of Biomedical Sciences

San Antonio Health Science Center

President Harrison introduced:

Faculty Representative: Dr. Peter J. Sheridan, Assistant Professor of Anatomy

Student Representative: Ms. Judy Willis, President, Student Body Organization; Nursing School

University Cancer Center

President LeMaistre introduced:

Faculty Representative: Guy Newell, M.D., Director of Cancer Prevention

Student Representative: Mr. Jeffrey Morris, Medical Student

In addition to the student and faculty representatives from the Galveston Medical Branch, President Levin introduced Dr. Courtney Townsend, Sr., of Paris, Texas, Chairman of the Galveston Medical Branch Development Board.

Chairman Williams recognized President-Emeritus Truman G. Blocker, Jr., and expressed delight for everyone that he could be with us.

APARTMENT REVENUE Bonds, Series 1979

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT ARLINGTON, STUDENT APARTMENT REVENUE BOND, SERIES 1980, IN THE AMOUNT OF \$2,792,000: (1) RESOLUTION AUTHORIZING ISSUANCE OF BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT ARLINGTON, STUDENT APARTMENT REVENUE BOND, SERIES 1980, IN THE AMOUNT OF \$2,792,000 AND AWARDED THE SALE OF THE BOND TO THE UNITED STATES OF AMERICA, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; (2) DESIGNATION OF CITY NATIONAL BANK OF AUSTIN, AUSTIN, TEXAS, AND CHEMICAL BANK, NEW YORK, NEW YORK, "ALTERNATE BANK OF PAYMENT" (COLLECTIVELY) [FORMERLY REFERRED TO AS BANKS OF PAYMENT]; AND (3) AWARD OF CONTRACT TO PRINT THE BOND TO HART GRAPHICS, INC., AUSTIN, TEXAS. -- The Board of Regents at its July 25-26, 1979 meeting authorized the sale of Board of Regents of The University of Texas System, The University of Texas at Arlington, Apartment Revenue Bonds in an approximate amount of \$1,800,000. These bonds were to be used for the construction of a new apartment complex consisting of four fully furnished apartment buildings. However, System Administration reported that since that authorization it had been determined that six buildings were needed and

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the Office of Facilities Planning and Construction had applied to the U. S. Department of Housing and Urban Development for \$2,792,000 at an annual interest rate of 3% for this purpose; this amount had been reserved by HUD for the construction of student housing for 260 single students at U. T. Arlington.

System Administration further reported that the Office of Investments and Trusts had negotiated for banks of payment and for the printing of the bond. It was noted that the banks of payment would only be used in the event HUD sold the bond.

Whereupon, the following written Resolution (Pages 6-27)* was duly introduced for consideration of the Board of Regents and read in full. It was then duly moved by Regent Law and seconded by Regent (Mrs.) Blumberg that said Resolution be adopted; and after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: All members of said Board listed present on Page 1 voted "Aye."

NOES: None

The adoption of this Resolution authorized issuance of Board of Regents of The University of Texas System, The University of Texas at Arlington, Student Apartment Revenue Bond, Series 1980, in the amount of \$2,792,000 and awarded the sale of the bond to The United States of America, Department of Housing and Urban Development at an annual interest rate of 3% (Page 7).

Upon motion of Regent Sterling, seconded by Regent Law, the City National Bank of Austin, Austin, Texas, and Chemical Bank, New York, New York, were designated "Alternate Bank of Payment" (collectively) for Board of Regents of The University of Texas System, The University of Texas at Arlington, Student Apartment Revenue Bond, Series 1980, in the amount of \$2,792,000 (Pages 7, 13) in the event HUD sells the bond. If HUD sells the bond, the paying agency fee will be in accordance with the normal rate at the time the bond is sold.

Hart Graphics, Inc., Austin, Texas, upon motion of Regent Hay, seconded by Regent Sterling, was unanimously awarded a contract to print the Board of Regents of The University of Texas System, The University of Texas at Arlington, Student Apartment Revenue Bond, Series 1980, in the amount of \$2,792,000. The bond is to be printed according to specifications for the approximate sum of \$360.

*An exact copy of the Resolution furnished by Bond Counsel.

RESOLUTION AUTHORIZING THE ISSUANCE OF BOARD OF REGENTS OF
THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT
ARLINGTON, STUDENT APARTMENT REVENUE BOND, SERIES 1980,
\$2,792,000

WHEREAS, the Board of Regents of The University of Texas System is authorized to issue the Bond hereinafter authorized pursuant to Chapter 55, Texas Education Code.

THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM:

Section 1. BOND AUTHORIZED. That there is hereby authorized to be issued initially hereunder a single revenue bond, without coupons, payable in installments, in the denomination and principal amount of \$2,792,000, to be designated as "BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT ARLINGTON, STUDENT APARTMENT REVENUE BOND, SERIES 1980," FOR THE PURPOSE OF PROVIDING FUNDS TO ACQUIRE, CONSTRUCT, AND EQUIP STUDENT APARTMENT BUILDINGS ON THE CAMPUS OF THE UNIVERSITY OF TEXAS AT ARLINGTON (the "Bond").

Section 2. CHARACTERISTICS OF BOND. That the Bond shall be dated, be payable, be subject to prepayment, be executed, signed and sealed, bear interest, and have the characteristics as follows, and said Bond and the Comptroller's Certificate to be printed thereon and the Payment Record to be attached thereto, shall be substantially in the forms, respectively, as follows:

(FORM OF SINGLE BOND)

NO. R-1

\$2,792,000

UNITED STATES OF AMERICA
STATE OF TEXAS
BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM,
THE UNIVERSITY OF TEXAS AT ARLINGTON,
STUDENT APARTMENT REVENUE BOND,
SERIES 1980

THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM (the "Board"), FOR AND ON BEHALF OF THE UNIVERSITY OF TEXAS AT ARLINGTON, promises to pay to the order of THE UNITED STATES OF AMERICA, SECRETARY OF HOUSING AND URBAN DEVELOPMENT, or his or her successor (the "Payee") or to his or her registered assigns (the "Alternate Payee"), but solely from the sources hereinafter specified, the aggregate principal amount of TWO MILLION SEVEN HUNDRED NINETY TWO THOUSAND DOLLARS (\$2,792,000), in principal installments, on MARCH 1 and SEPTEMBER 1 of each of the years, as follows:

<u>DATE</u>	<u>PRINCIPAL INSTALLMENT</u>	<u>DATE</u>	<u>PRINCIPAL INSTALLMENT</u>
March 1, 1983	\$ 22,000	September 1, 1983	\$ 20,000
March 1, 1984	20,000	September 1, 1984	20,000
March 1, 1985	20,000	September 1, 1985	20,000
March 1, 1986	20,000	September 1, 1986	20,000
March 1, 1987	25,000	September 1, 1987	20,000
March 1, 1988	25,000	September 1, 1988	25,000
March 1, 1989	25,000	September 1, 1989	25,000
March 1, 1990	25,000	September 1, 1990	25,000
March 1, 1991	25,000	September 1, 1991	30,000
March 1, 1992	25,000	September 1, 1992	25,000
March 1, 1993	30,000	September 1, 1993	25,000
March 1, 1994	30,000	September 1, 1994	30,000
March 1, 1995	30,000	September 1, 1995	30,000
March 1, 1996	30,000	September 1, 1996	30,000

<u>DATE</u>	<u>PRINCIPAL INSTALLMENT</u>	<u>DATE</u>	<u>PRINCIPAL INSTALLMENT</u>
March 1, 1997	\$30,000	September 1, 1997	\$35,000
March 1, 1998	30,000	September 1, 1998	30,000
March 1, 1999	35,000	September 1, 1999	35,000
March 1, 2000	30,000	September 1, 2000	35,000
March 1, 2001	35,000	September 1, 2001	35,000
March 1, 2002	35,000	September 1, 2002	40,000
March 1, 2003	35,000	September 1, 2003	40,000
March 1, 2004	35,000	September 1, 2004	40,000
March 1, 2005	40,000	September 1, 2005	40,000
March 1, 2006	40,000	September 1, 2006	45,000
March 1, 2007	40,000	September 1, 2007	40,000
March 1, 2008	45,000	September 1, 2008	45,000
March 1, 2009	45,000	September 1, 2009	45,000
March 1, 2010	45,000	September 1, 2010	50,000
March 1, 2011	45,000	September 1, 2011	50,000
March 1, 2012	45,000	September 1, 2012	50,000
March 1, 2013	50,000	September 1, 2013	50,000
March 1, 2014	50,000	September 1, 2014	50,000
March 1, 2015	55,000	September 1, 2015	55,000
March 1, 2016	55,000	September 1, 2016	55,000
March 1, 2017	55,000	September 1, 2017	55,000
March 1, 2018	60,000	September 1, 2018	60,000
March 1, 2019	60,000	September 1, 2019	60,000
March 1, 2020	60,000		

and to pay interest from March 1, 1980, on the balance of said principal amount from time to time remaining unpaid, at the rate of THREE PER CENTUM (3%) per annum, with said interest being payable on SEPTEMBER 1, 1980, and semiannually thereafter on MARCH 1 and SEPTEMBER 1 of each year until all of the principal amount hereof has been paid.

BOTH PRINCIPAL of and interest on this bond shall be payable in any coin or currency which on the respective dates of payment of such principal and interest is legal tender for the payment of debts due the United States of America. During the time that the Payee is registered owner of this Bond, payment of the principal installments and interest due shall be made at the Federal Reserve Bank of Richmond, Richmond, Virginia, or such other fiscal agent as the Payee shall designate in writing (the "Fiscal Agent"). During such time as the Alternate Payee is registered owner hereof, said payments shall be made at Chemical Bank, New York, New York, or at the option of the Alternate Payee, at the City National Bank of Austin, Austin, Texas (collectively the "Alternate Bank of Payment"). Payments of principal and interest, including prepayments of installments of principal as hereinafter provided, shall be noted on the Payment Record made a part of this Bond, and if payment is made at the office of the Fiscal Agent or an Alternate Bank of Payment, written notice of the making of such notations shall be promptly sent to said Board of Regents (the "Board") by the Fiscal Agent or an Alternate Bank of Payment, and such payment shall fully discharge the obligation of the Board hereon to the extent of the payments so made. Upon final payment of the principal and interest, this Bond shall be submitted to the Board by the Fiscal Agent or an Alternate Bank of Payment for cancellation.

IF THE DATE FOR PAYMENT of the principal of, premium, if any, or interest on this Bond shall be a Saturday, a Sunday, a legal holiday, or a day on which banking institutions in the city where the Fiscal Agent, or an Alternate Bank of Payment, as appropriate, is located or authorized by law or executive

order to close, then the date for such payment shall be the next succeeding day which is not such a day; payment on such date shall have the same force and effect as if made on the original date of payment; and no interest shall accrue from the original date of payment to said date.

THIS BOND CONSTITUTES AN ENTIRE SERIES, dated as of MARCH 1, 1980, issued for the purpose of providing funds to acquire, construct, and equip student apartment buildings on the campus of The University of Texas at Arlington (the "Project"), in accordance with the Constitution and laws of the State of Texas, and Chapter 55, Texas Education Code, and pursuant to a Resolution duly and lawfully adopted by the Board of Regents of The University of Texas System (the "Resolution").

THIS BOND is payable from and secured by an irrevocable first lien on and pledge of the Net Revenues derived from the operation of the Project (the "Net Revenues"), all as more specifically described in the Resolution, to which reference is hereby made for full particulars. No representation is made herein with respect to the anticipated sufficiency of the Net Revenues. No part of the physical property of the Project is encumbered by any lien or security interest for the benefit of the owner of this Bond.

THE OBLIGATION to pay the principal of, premium, if any, and interest on this Bond from the sources described herein is solely and exclusively a special obligation of the Board. No other entity, including the State of Texas, any agency or political subdivision thereof other than the Board, or any other public body, is obligated, directly, indirectly, contingently, or in any other matter, to pay such principal, premium, or interest from any source whatsoever. No breach by the Board of such obligation shall impose any liability on any entity other than the Board. The holder hereof shall never have the right to demand payment of this Bond or the interest hereon out of any funds raised or to be raised by taxation.

THE BOARD EXPRESSLY RESERVES THE RIGHT TO ISSUE ADDITIONAL BONDS payable from the Net Revenues, and any such additional bonds may be on a parity, as to the Net Revenues, with this Bond. However, such additional parity bonds may be issued only pursuant to and subject to the restrictions, covenants, and limitations contained in the Resolution, to which reference is made for all particulars, and to all the provisions of the Resolution the owner or holder of this Bond by the acceptance thereof expressly assents.

UPON 90 DAYS' WRITTEN NOTICE TO THE BOARD, the Board shall cause to be prepared, executed, and delivered, at the request of the registered owner of this Bond, at the sole cost and expense of the Board, definitive coupon bonds, payable to bearer, registrable as to principal only, in the denomination of Five Thousand Dollars (\$5,000) each, as more fully described in the Resolution, in a principal amount equal to the principal amount remaining unpaid on this Bond. The coupon bonds so delivered shall mature on the same dates and in the amounts of the unpaid principal installments evidenced by this Bond, and shall have interest coupons attached representing all unpaid semiannual installments of interest due or to become due on such bonds. Such definitive coupon bonds shall be approved by the Attorney General of the State of Texas and registered and delivered by the Comptroller of Public Accounts of the State of Texas to the registered owner of this bond upon surrender of this Bond and its cancellation by said Comptroller of Public Accounts.

order to close, then the date for such payment shall be the next succeeding day which is not such a day; payment on such date shall have the same force and effect as if made on the original date of payment; and no interest shall accrue from the original date of payment to said date.

THIS BOND CONSTITUTES AN ENTIRE SERIES, dated as of MARCH 1, 1980, issued for the purpose of providing funds to acquire, construct, and equip student apartment buildings on the campus of The University of Texas at Arlington (the "Project"), in accordance with the Constitution and laws of the State of Texas, and Chapter 55, Texas Education Code, and pursuant to a Resolution duly and lawfully adopted by the Board of Regents of The University of Texas System (the "Resolution").

THIS BOND is payable from and secured by an irrevocable first lien on and pledge of the Net Revenues derived from the operation of the Project (the "Net Revenues"), all as more specifically described in the Resolution, to which reference is hereby made for full particulars. No representation is made herein with respect to the anticipated sufficiency of the Net Revenues. No part of the physical property of the Project is encumbered by any lien or security interest for the benefit of the owner of this Bond.

THE OBLIGATION to pay the principal of, premium, if any, and interest on this Bond from the sources described herein is solely and exclusively a special obligation of the Board. No other entity, including the State of Texas, any agency or political subdivision thereof other than the Board, or any other public body, is obligated, directly, indirectly, contingently, or in any other matter, to pay such principal, premium, or interest from any source whatsoever. No breach by the Board of such obligation shall impose any liability on any entity other than the Board. The holder hereof shall never have the right to demand payment of this Bond or the interest hereon out of any funds raised or to be raised by taxation.

THE BOARD EXPRESSLY RESERVES THE RIGHT TO ISSUE ADDITIONAL BONDS payable from the Net Revenues, and any such additional bonds may be on a parity, as to the Net Revenues, with this Bond. However, such additional parity bonds may be issued only pursuant to and subject to the restrictions, covenants, and limitations contained in the Resolution, to which reference is made for all particulars, and to all the provisions of the Resolution the owner or holder of this Bond by the acceptance thereof expressly assents.

UPON 90 DAYS' WRITTEN NOTICE TO THE BOARD, the Board shall cause to be prepared, executed, and delivered, at the request of the registered owner of this Bond, at the sole cost and expense of the Board, definitive coupon bonds, payable to bearer, registrable as to principal only, in the denomination of Five Thousand Dollars (\$5,000) each, as more fully described in the Resolution, in a principal amount equal to the principal amount remaining unpaid on this Bond. The coupon bonds so delivered shall mature on the same dates and in the amounts of the unpaid principal installments evidenced by this Bond, and shall have interest coupons attached representing all unpaid semiannual installments of interest due or to become due on such bonds. Such definitive coupon bonds shall be approved by the Attorney General of the State of Texas and registered and delivered by the Comptroller of Public Accounts of the State of Texas to the registered owner of this bond upon surrender of this Bond and its cancellation by said Comptroller of Public Accounts.

THE BOARD RESERVES THE RIGHT and shall have the option to prepay or redeem on September 1, 1990, and on any interest payment date thereafter, all principal installments then remaining unpaid, or any portion thereof as it may determine, in inverse order of their due dates, at the principal amount thereof plus accrued interest to the date of prepayment and a premium on the principal of such undue installments as follows: 3% if redeemed September 1, 1990, through March 1, 1995, inclusive; 2 1/2% if redeemed September 1, 1995, through March 1, 2000, inclusive; 2% if redeemed September 1, 2000, through March 1, 2005, inclusive; 1 1/2% if redeemed September 1, 2005, through March 1, 2010, inclusive; 1% if redeemed September 1, 2010, through March 1, 2015, inclusive; and 0% if redeemed September 1, 2015, or thereafter. Notice of any such optional prepayment shall be given not less than 30 days prior to the prepayment date by mailing to the registered owner of this Bond, by certified or registered mail, a notice fixing such prepayment date, the amount of principal to be prepaid, and the premium, if any. Prior to the date fixed for such prepayment, funds shall be placed with the Fiscal Agent or an Alternate Bank of Payment sufficient to pay the installment or installments to be paid and the accrued interest thereon, plus any premium required. Upon the happening of the above conditions, the installment or installments thus provided for shall not thereafter bear interest. Notwithstanding the foregoing provisions, so long as the Payee is the registered owner of this Bond, all or any part of this Bond may be prepaid or redeemed as provided above, but without the payment of any premium whatsoever.

THIS BOND MAY BE ASSIGNED, and upon any such assignment the assignor agrees and covenants to immediately notify the Board in writing by certified or registered mail, and every such assignee shall take this Bond subject to such condition.

IF THIS BOND is lost, stolen, destroyed, damaged, or mutilated, any Bond issued in replacement thereof is subject to approval of the Attorney General of the State of Texas. The Board agrees that, upon receipt of satisfactory indemnity, proof of ownership, and all expenses to be incurred in connection therewith, the Board will cooperate with the owner of this Bond in complying with the procedures necessary to obtain a replacement Bond. All expenses involved in the replacement of this Bond will be borne by the owner of this Bond.

IT IS HEREBY DECLARED AND REPRESENTED that, in issuing this Bond, while any part of the principal of or interest on this Bond is outstanding and unpaid, the Board has covenanted and agreed to operate and maintain continuously the Project, and the facilities and services afforded by the same, and to establish and continuously maintain therefor rental rates, fees, and other charges sufficient to pay the reasonable operation and maintenance expenses thereof, the principal of and interest on this Bond, and to establish and maintain adequate reserves as is more fully provided in the Resolution; and that it has established and will maintain in force such rules as shall be necessary to assure maximum use of the Project.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required to exist, to have happened, or to have been performed precedent to and in the issuance of this Bond, do exist, have happened, and have been performed in regular and due time, form, and manner, as required by the Constitution and laws of the State of Texas, and that this Bond does not exceed any constitutional or statutory limitation, and that provision has been made for the payment of the principal and interest on this Bond by an irrevocable pledge, as aforesaid, of the Net Revenues.

IN WITNESS WHEREOF, the Board has caused its official seal to be impressed, or placed in facsimile, hereon and this Bond to be signed with the facsimile signatures of the Chairman and the Secretary of the Board.

XXXXX
Secretary, Board of Regents,
The University of Texas
System

XXXXX
Chairman, Board of Regents,
The University of Texas
System

(SEAL)

(FORM OF CERTIFICATE OF COMPTROLLER OF
PUBLIC ACCOUNTS OF THE STATE OF TEXAS)

OFFICE OF THE COMPTROLLER

REGISTER NO. _____

THE STATE OF TEXAS

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this bond has been examined by him as required by law, and that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding special obligation upon the Board of Regents of The University of Texas System, payable from the Net Revenues pledged to its payment by and in the Resolution authorizing same; and said Bond has this day been registered by me.

WITNESS MY HAND SEAL OF OFFICE _____

Comptroller of Public Accounts
of the State of Texas

(SEAL)

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the Registered Owner last listed below sells, assigns, and transfers the within BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT ARLINGTON, STUDENT APARTMENT REVENUE BOND, SERIES 1980, to the Assignee last listed below, and hereby authorizes the transfer of this Bond on the Registration Books of said Board of Regents.

REGISTERED OWNER

ASSIGNEE

_____	_____
_____	_____
_____	_____
_____	_____

(FORM OF PAYMENT RECORD)

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM
THE UNIVERSITY OF TEXAS AT ARLINGTON
STUDENT APARTMENT REVENUE BOND
SERIES 1980

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due	Interest Payment	Date Paid	Name of Bank of Payment, Authorized Official, and Title

(enter (enter (leave (leave (leave (leave blank)
 (dates (amounts) (blank) (blank) (blank) (blank)
 (for
 (prin-
 (cipal
 (and in-
 (terest)

(NOTE TO PRINTER: Leave one-half inch space between each due date, etc., for manual interlining, if necessary; also, half a page at end for any explanation that might be required.)

(NOTE TO PRINTER: The following should be a separate sheet.)

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM
 THE UNIVERSITY OF TEXAS AT ARLINGTON
 STUDENT APARTMENT REVENUE BOND
 SERIES 1980

SCHEDULE "B"

Principal installments on which payments have been made prior to maturity

Principal Due Date	Amount	Principal Payment	Balance	Date Paid	Name of Bank of Payment, Authorized Official, and Title

(END OF FORM OF REGISTERED BONDS)

Section 3. CONVERSION OF BOND. (a) The Board specifically covenants and agrees that within ninety (90) days after the receipt by the Board of the written request of the registered owner of the Bond, the Board shall have printed, executed and exchanged for such Bond, negotiable coupon bonds, of type composition printed on paper of customary weight and strength, payable to bearer, numbered consecutively from 1 upward, in the denomination of \$5,000 each, in an aggregate principal amount equal to the then unpaid principal amount of such Bond, and having serial and annual maturities on the dates and in the amounts corresponding with the then unpaid principal installments of such Bond, bearing interest at the same rate and payable at the same times as such Bond, with bearer interest coupons annexed to such coupon bonds payable semiannually from and after the date to which interest on such Bond shall have been paid, and with the principal

of such coupon bonds being subject to redemption prior to maturity, at the option of the Board, at the same times and at the same prices as such Bond. All expenses of printing, executing, and exchanging any such Bond shall be paid by the Board from any of its funds on hand lawfully available for such purpose, provided, however, that if no other funds are on hand lawfully available therefor, then such expenses shall be paid from the Gross Revenues, hereinafter defined, as an item of Current Expense of the Project.

(b) It is further covenanted and agreed that no additional resolutions or orders need be adopted by the Board so as to accomplish the foregoing conversion and exchange of the Bond for coupon bonds, and the Board and the officials of the Board, including the Chairman and the Secretary thereof, upon the request of the registered owner of the Bond, as provided herein, shall have the appropriate coupon bonds and coupons printed, executed, issued, and exchanged for the Bond in the manner prescribed herein. The coupon bonds to be exchanged for the Bond shall be submitted by the Chairman of the Board, or some officer acting under his authority, to the Attorney General of the State of Texas for examination, and if said Attorney General finds that such coupon bonds have been printed, executed, and issued as provided by this Resolution, then he shall approve them. After such approval said coupon bonds shall be registered by the Comptroller of Public Accounts of the State of Texas. Upon registration of said coupon bonds, the Comptroller of Public Accounts (or a deputy designated in writing to act for the Comptroller) shall manually sign the Comptroller's certificate of registration prescribed herein to be printed on the back of each coupon bond, and the seal of said Comptroller shall be affixed on each such coupon bond. It is further provided, however, that the Comptroller of Public Accounts shall not register any such coupon bonds until the Bond being converted shall have been surrendered to and cancelled by said Comptroller, and upon such surrender and cancellation, the Comptroller shall register and deliver said coupon bonds in exchange for the Bond being converted.

Section 4. COUPON BONDS. That any coupon bonds which may in the future be printed, executed, and exchanged as herein provided for the single Bond, and the interest coupons appertaining thereto, shall be payable, be dated, be subject to redemption prior to maturity, be executed and signed, (and said bonds shall be sealed), bear interest, and have the characteristics as hereinbefore prescribed and as follows, and said coupon bonds, the coupons to be attached thereto, and the Comptroller's Certificate to be printed thereon, shall be substantially in the forms, respectively, as follows:

(FORM OF COUPON BOND)

NO. _____ \$5,000

UNITED STATES OF AMERICA
STATE OF TEXAS
BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM,
THE UNIVERSITY OF TEXAS AT ARLINGTON,
STUDENT APARTMENT REVENUE BOND,
SERIES 1980

ON _____ 1, _____, THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM (the "Board"), for and on behalf of The University of Texas at Arlington, hereby PROMISES TO PAY TO BEARER, OR, IF THIS BOND BE REGISTERED AS TO PRINCIPAL, THEN TO THE REGISTERED OWNER, but solely from the Net Revenues hereafter specified, the principal sum of

FIVE THOUSAND DOLLARS

(\$5,000), and to pay interest thereon from, _____, at the rate of three per cent (3%) per annum, interest payable semiannually on each March 1 and September 1 of each year while this Bond is outstanding. Both principal of and interest on this Bond shall be payable in any coin or currency of the United States of America which on the respective dates of payment of such principal and interest is legal tender for the payment of debts due the United States of America, at CHEMICAL BANK, YORK* NEW YORK, or at the option of the holder, at the CITY NATIONAL BANK OF AUSTIN, AUSTIN, TEXAS, (hereinafter collectively referred to as the "Bank of Payment"). The principal hereof shall be payable only upon presentation and surrender of this Bond, and interest hereon falling due on and prior to the maturity of this Bond shall be payable only upon presentation and surrender of the interest coupons hereto attached as such coupons severally become due.

THE DATE OF THIS BOND, in conformity with the Resolution, hereinafter defined, is March 1, 1980.

THIS BOND IS ONE OF A SERIES OF BONDS of like tenor and effect, except as to serial number, maturity, and option of prior redemption, originally issued in the principal amount of \$2,792,000, pursuant to a Resolution adopted by the Board (the "Resolution"), for the purpose of providing funds to acquire, construct, and equip student apartment buildings on the campus of The University of Texas at Arlington (the "Project"), all issued under the Constitution and laws of the State of Texas, including particularly Chapter 55, Texas Education Code, as amended.

IF THE DATE FOR PAYMENT of the principal of, premium, if any, or interest on this Bond shall be a Saturday, a Sunday, a legal holiday, or a day on which banking institutions in the city where the appropriate Bank of Payment is located or authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a day; payment on such date shall have the same force and effect as if made on the original date of payment; and no interest shall accrue from the original date of payment to said date.

THIS BOND is payable from and secured by an irrevocable first lien on and pledge of the Net Revenues derived from the operation of the Project (the "Net Revenues"), all as provided in the Resolution, to which reference is hereby made for full particulars. No representation is made herein with respect to the anticipated sufficiency of the Net Revenues. No part of the physical property of the Project is encumbered by any lien or security interest for the benefit of the owner of this Bond.

THE OBLIGATION to pay the principal of, premium, if any, and interest on this Bond from the sources described herein is solely and exclusively a special obligation of the Board. No other entity, including the State of Texas, any agency or political subdivision thereof other than the Board, or any other public body, is obligated, directly, indirectly, contingently, or in any other matter, to pay such principal, premium, or interest from any source whatsoever. No breach by the Board of such obligation shall impose any liability on any entity other than the Board. The holder hereof shall never have the right to demand payment of this Bond or of the interest hereon out of any funds raised or to be raised by taxation.

THIS BOND AND THE INTEREST COUPONS APPURTENANT HERETO are and shall be negotiable instruments in accordance with the laws of the State of Texas, and shall be transferable by delivery unless registered as to principal in the owner's name upon books of the Board to be kept for that purpose at the office of the Chief

*sic

Financial Officer of the University of Texas at Arlington, as Registrar, such registration to be noted hereon. After such registration, no transfer of this Bond shall be valid unless made on said books at the request of the registered owner hereof, or his duly authorized agent, and similarly noted hereon; but this Bond may be discharged from registration by being in like manner transferred to bearer, whereupon transferability by delivery shall be restored; and this Bond may again and from time to time be registered or made payable to bearer as before. Such registration, however, shall not affect the negotiability of the interest coupons appurtenant to this Bond, and payment to bearer shall fully discharge the Board with respect to the interest therein mentioned whether or not any such interest coupons be overdue.

THE BOARD EXPRESSLY RESERVES THE RIGHT TO ISSUE ADDITIONAL BONDS payable from the Net Revenues, and any such additional Bonds may be on a parity, as to the Net Revenues, with the Bonds of this series. However, such additional parity may be issued only pursuant to and subject to the restrictions, covenants, and limitations contained in the Resolution, to which reference is made for all particulars and to all the provisions of the Resolution the owner or holder of this Bond by the acceptance thereof expressly assents.

ON SEPTEMBER 1, 1990, and on any interest payment date the Board expressly reserves the right to redeem the outstanding Bonds of the Series, prior to maturity, in whole, or in part in inverse numerical order, at par and accrued interest to the date fixed for redemption, plus a premium on the principal amount of each Bond, as follows: 3% if redeemed September 1, 1990, through March 1, 1995, inclusive; 2 1/2% if redeemed September 1, 1995, through March 1, 2000, inclusive; 2% if redeemed September 1, 2000, through March 1, 2005, inclusive; 1 1/2% if redeemed September 1, 2005, through March 1, 2010, inclusive; 1% if redeemed September 1, 2010, through March 1, 2015, inclusive; and 0% if redeemed September 1, 2015, or thereafter. If the Board elects to redeem all or any part of the Bonds on any such redemption date, it shall cause written notice of such redemption to be published once in a newspaper or journal which regularly publishes financial news and notices, in the City of New York, New York or in the City of Austin, Texas, with such publication to be at least 30 days prior to the date fixed for redemption. If because of temporary or permanent suspension of the publication or general circulation of such newspapers or journals, it is impossible or impractical to publish such notice in the manner provided herein, then such publication in lieu thereof as shall be made with the approval of the Bank of Payment shall constitute a sufficient publication of notice. A similar notice shall be mailed by the Board, postage prepaid, not less than 30 days prior to the redemption date, to each registered owner of the Bonds to be redeemed, addressed to such owner at its address appearing on the bond registration books maintained by the Board. Such notice shall also be mailed to any bondholders who have filed written instructions with the Board as to the name and address to which such notice shall be mailed. Failure to mail or receive any such notice, or any defect therein or in the mailing thereof, shall not effect the validity of any proceedings for the redemption of such Bonds. Notwithstanding the foregoing, published notice need not be given in the event that all Bonds to be redeemed are held by a single owner and written notice by certified or registered mail is given to such owner not less than 30 days before the date fixed for redemption. By the date fixed for any such redemption, due provisions shall be made with the Bank of Payment for the payment of the principal amount of the Bonds which are to be so redeemed, accrued interest thereon to the date fixed for redemption, and any required premium (collectively, the "Redemption Price"). If provision for such

payment is made, all as provided above, the Bonds, which are to be redeemed thereby automatically shall be deemed to have been redeemed prior to their scheduled maturity, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the bearer or registered owner to receive the Redemption Price from the Bank of Payment out of the funds provided for such payment. Upon presentation and surrender of such Bonds to a Bank of Payment together with all coupons appertaining thereto maturing after said redemption date, such Bonds shall be paid at the Redemption Price aforesaid, except that interest coupons, if any, which shall mature on or before said redemption date shall be paid only upon presentation and surrender of such coupons.

IF THIS BOND, or any interest coupon appertaining hereto, is lost, stolen, destroyed, damaged, or mutilated, any Bond or coupon issued in replacement thereof is subject to approval of the Attorney General of the State of Texas. The Board agrees that, upon receipt of satisfactory indemnity, proof of ownership, and all expenses to be incurred in connection therewith, the Board will cooperate with the owner of this Bond in complying with the procedures necessary to obtain a replacement Bond and coupons. All expenses involved in the replacement of this Bond or coupons will be borne by the owner of this Bond.

IT IS HEREBY DECLARED AND REPRESENTED that, in issuing this Bond and the series of bonds of which it is a part, while any part of the principal of or interest on said series of bonds is outstanding and unpaid, the Board has covenanted and agreed to operate and maintain continuously the Project, and the facilities and services afforded by the same, and to establish and continuously maintain therefor rental rates, fees, and other charges sufficient to pay the reasonable operation and maintenance expenses thereof, the principal of and interest on the Bonds as each bond matures and as such interest falls due, and to establish and maintain adequate reserves as is more fully provided in the Resolution; and that it has established and will maintain in force such rules as shall be necessary to assure maximum use of the Project.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required to be done precedent to and in the issuance of this Bond and the other Bonds of the series of which this Bond is one, in order to make them valid and binding special obligations of the Board, have been properly done and performed, and have happened in regular and due time, form, and manner as required by law; that the Net Revenues have been pledged irrevocably, as provided in the Resolution, to the payment of the principal of, premium, if any, and interest on this Bond and the other bonds of said series; and that the entire series of bonds of which this Bond is a part does not exceed any constitutional or statutory limitation.

IN TESTIMONY WHEREOF, the Board has caused its official seal to be impressed, or placed in facsimile, hereon, and this Bond and the interest coupons appertaining hereto to be signed with the facsimile signatures of the Chairman and the Secretary of the Board.

XXXXX

 Secretary, Board of Regents,
 The University of Texas
 System

XXXXX

 Chairman, Board of Regents
 The University of Texas
 System

(SEAL)

registered as to principal, show the address of each such owner. The holder of any of such Bonds may have such Bonds registered in his name on said books, and such registration shall be noted on each such Bond by the Registrar. The registered owner of any such Bonds registered as to principal shall have the right to have the same discharged from registration and made payable to bearer, in which case transferability by delivery shall be restored, and thereafter the principal of such Bonds, when due, shall be payable to the person presenting the same. Any such Bond made payable to bearer may be registered again in the name of the holder with the same effect as upon the first registration thereof. Successive registrations and discharges from registration as aforesaid may be made from time to time as desired. Registration as to principal of such Bonds shall not affect the negotiability of the interest coupons appertaining thereto, but title to each such coupon shall continue to pass by delivery and it shall remain payable to bearer. Such registrations and discharges from the registration shall be made under such reasonable regulations as the Board may prescribe and for which the Board may make a charge sufficient to reimburse it for any tax or governmental charge required with respect thereto, all such charges to be paid by the party requesting such registration or discharge from registration as a condition precedent to the exercise of such privilege.

(b) No transfer of any such Bond registered as to principal shall be valid unless made on said books at the request of the registered owner, or his duly authorized agent, and such registration noted upon such Bond. Upon presentation to the Registrar of any such Bond registered as to principal, accompanied by a written instrument of transfer in a form approved by the Registrar, executed by the registered owner thereof or by his duly authorized agent, such Bonds shall be transferred upon such books.

(c) The Board and the Bank of Payment may treat the bearer of any such Bond which shall not at the time be registered as to principal and the bearer of any interest coupon appertaining to any such Bond, whether or not such Bond shall be so registered as the absolute owner of such Bond or coupon, as the case may be, for the purpose of receiving payment of, or on account of, such Bond or interest coupon and for all other purposes, and neither the Board nor the Bank of Payment shall be affected by any notice to the contrary.

(d) The Board and the Bank of Payment shall treat the person in whose name any such Bond shall be registered* as the absolute owner thereof for the purpose of receiving payment of, or on account of, the principal of such bond and for all other purposes except to receive payment of interest represented by outstanding coupons, and neither the Board nor any bank of payment shall be affected by any notice to the contrary.

Section 8. DEFINITIONS. In this Resolution the following terms as used herein shall have the meanings hereinafter set forth, unless the text hereof specifically indicates otherwise, and in addition to definitions in Section 6 hereof:

Additional Bonds: the additional parity bonds (when and if issued) which the Board expressly reserves the right to issue in the Bonds and Sections 18 and 19, of this Resolution.

Bank of Payment: Chemical Bank, New York, New York, and the City National Bank of Austin, Austin, Texas.

*sic

Board of Regents or Board: the Board of Regents of The University of Texas System.

Bonds: Collectively, the Bond or Bonds authorized by this Resolution.

Current Expenses: All necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance, and all other expenses incident to the operation of the Project, but excluding depreciation, all general administrative expenses of the University and the Board, and the payment into the System Repair and Replacement Reserve Account, hereinafter provided for.

Gross Revenues: All revenues and income derived from the operation and/or ownership of the Project, and all interest income derived from the investment of moneys credited to each Fund created by Section 9 of this Resolution.

Net Revenues: All Gross Revenues after deducting therefrom only the Current Expenses.

Project: A new apartment complex on the campus of the University consisting of six fully furnished apartment buildings designed to accommodate approximately 260 students, together with all extensions and improvements thereto and replacements thereof hereafter constructed or acquired.

Resolution: this Resolution authorizing the Bonds.

University: The University of Texas at Arlington, in Arlington, Texas.

Section 9. (a) That the Bonds and any Additional Bonds, and the interest thereon, are and shall be secured by and payable from an irrevocable first lien on and pledge of the Net Revenues of the Project, and such Net Revenues are further pledged to the establishment and maintenance of the Funds created by this Resolution.

(b) That there are hereby created and established the following Funds:

(1) The Project Gross Revenue Fund (herein called the "Gross Revenue Fund" or the "Revenue Fund"), which shall be established as a separate account on the books of the University, and to which all Gross Revenues shall be credited excepting interest income derived from all Funds created hereunder other than the Revenue Fund. All Current Expenses of the Project shall be paid from the Gross Revenue Fund, as a first charge against same.

(2) The Project Revenue Bonds Interest and Sinking Fund (herein called the "Interest and Sinking Fund"), which shall be established as a separate fund at an official depository of the University (which must be a member of the Federal Deposit Insurance Corporation).

(3) The Project Revenue Bonds Reserve Fund (herein called the "Reserve Fund"), which shall be established as a separate fund at an official depository of the University (which must be a member of the Federal Deposit Insurance Corporation).

(4) The Project Repair and Replacement Fund (herein called the "Repair and Replacement Fund"), which shall be established as a separate account on the books of the University.

The Interest and Sinking Fund and the Reserve Fund shall constitute trust funds which shall be held in trust for the benefit of the holders of the Bonds and Additional Bonds. The Revenue Fund, and Repair and Replacement Fund, shall constitute trust funds which shall be used solely as provided in this Resolution until all of the Bonds and Additional Bonds have been retired.

(c) That money in any Fund established pursuant to this Resolution may, at the option of the Board, be placed in time deposits secured by obligations hereinafter described, or be invested in direct obligations of the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligation or in obligations of Federal governmental agencies, including, but not limited to, evidences of indebtedness issued, insured, or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, United States Postal Service, Farmers Home Administration, Federal Home Loan Mortgage Association, Small Business Administration, Federal Housing Association, or Participation Certificates in the Federal Assets Financing Trust; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund will be available at the proper time or times. Such investments shall be valued in terms of current market value as of the last day of August of each year. Interest and income derived from such deposits and investments shall be credited to the Fund from which the deposit or investment was made and shall be used only for the purpose or purposes for which such Fund is required or permitted to be used. Such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds or Additional Bonds.

Section 10. That money in all Funds created by this Resolution, to the extent not invested, shall be secured in the manner prescribed by law for securing funds of the Board, in principal amounts at all times not less than the amounts of money credited to such Funds, respectively.

Section 11. (a) That immediately after the delivery of the Bonds the Board shall deposit all accrued interest, plus the sum of \$125,640 received from the sale and delivery of the Bonds to the credit of the Interest and Sinking Fund, which shall which shall*be used to pay part of the interest during the period of construction of the Project.

(b) That the Board shall transfer or cause to be transferred from the Net Revenues in the Revenue Fund and deposit, or cause to be deposited, to the credit of the Interest and Sinking Fund the amounts, at the times, as follows:

(i) on or before August 25, 1980, and semiannually on or before the 25th day of each February and August thereafter, such amounts, as will be sufficient, together with other amounts, if any, then on hand in the Interest and Sinking Fund and available for such purpose, to pay the interest scheduled to accrue and come due on the Bonds on the next succeeding interest payment date; and

(ii) on or before February 25, 1983, and semiannually on or before the 25th day of each August and February thereafter, such amounts as will be sufficient, together with other amounts, if any, then on hand in the Interest and Sinking Fund and available for such purpose, to pay the principal scheduled to mature and come due on the Bonds on the next succeeding March or September 1.

Section 12. On or before the last day of the first complete fiscal year of The University of Texas System next following the fiscal year during which the Project is completed and placed in operation, and on or before the last day of each fiscal year thereafter, but subject and subordinate to making the above required deposits into the Interest and Sinking Fund, the Board shall deposit or cause to be deposited, from Net Revenues in the Revenue Fund, to the credit of the Reserve Fund an amount not less than 1/4th of the average annual principal and interest requirements of the Bonds, until the Reserve Fund contains an amount of money and investments equal in market value to the average annual principal and interest requirements of all then outstanding Bonds and Additional Bonds (the "Required Amount"). So long as the money and investments in the Reserve Fund are not less in market value than a Required Amount equal to the average annual principal and interest requirements of all then outstanding Bonds and Additional Bonds, no deposits shall be made into the Reserve Fund; but if the Reserve Fund at any time contains less than said Required Amount in market value, then, subject and subordinate to making the required deposits to the credit of the Interest and Sinking Fund, the Board shall transfer or cause to be transferred from the Net Revenues in the Revenue Fund and deposit, or cause to be deposited to the credit of the Reserve Fund, on or before the last day of each fiscal year thereafter, a sum at least equal to 1/4th of the average annual principal and interest requirements of all then outstanding Bonds and Additional Bonds, until the Reserve Fund is restored to said Required Amount in market value. So long as the Reserve Fund contains said Required Amount, in market value, all investment interest and income derived from the Reserve Fund shall be deposited as received to the credit of the Interest and Sinking Fund.

Section 13. When the Required Amount in market value has been accumulated in the Reserve Fund as required by Section 12, and subject to making the required deposits to the credit of the Interest and Sinking Fund and the Reserve Fund, the Board shall cause an amount equal to 10% of the value of the furnishings and moveable equipment of the Project, and any facilities constructed with proceeds from Additional Bonds, to be deposited to the credit of the Repair and Replacement Fund during each fiscal year, provided that no such deposit shall be required so long as an amount equal to 100% of such value has been accumulated therein. The Board shall have the right to draw on and use the monies in the Repair and Replacement Fund for the purpose of paying the cost of unusual or extraordinary maintenance or repairs, renewals, or replacements, and the renovating or replacement of the furniture and equipment not paid as part of the ordinary and normal Current Expenses of the Project, and any facilities constructed with proceeds from Additional Bonds; provided, however, that in the event the funds and investments in the Reserve Fund shall ever be reduced below the Required Amount in market value, funds on deposit in the Repair and Replacement Fund shall be transferred to the Reserve Fund to the extent required to cause the Reserve Fund to contain the Required Amount in market value.

Section 14. All Net Revenues in the Gross Revenue Fund in excess of those required to make the foregoing prescribed deposits may be used by the Board for any lawful purpose;

provided, however, that, if on any occasion there are not sufficient Net Revenues to make the required deposits into the Interest and Sinking Fund and the Reserve Fund, then such deficiency shall be made up as soon as possible from the next available Net Revenues, or from any other sources available for such purposes.

Section 15. On or before the 25th day of August, 1980, and on or before the 25th day of each February and of each August thereafter while any of the Bonds or Additional Bonds, or coupons appertaining thereto, is outstanding and unpaid, there shall be made available to the place of payment, out of the Interest and Sinking Fund, or the Reserve Fund or other Funds if necessary, money sufficient to pay such interest on and such principal of the Bonds and Additional Bonds as will accrue or mature on the September 1 or March 1 immediately following.

Section 16. That whenever the total sum in the Interest and Sinking Fund and Reserve Fund shall be equivalent to (1) the aggregate principal amount of all Bonds and Additional Bonds plus (2) the aggregate amount of all unpaid coupons thereto appertaining, unmatured and matured, no further payments need be made into the Interest and Sinking Fund or Reserve Fund. In determining the amount of Bonds and Additional Bonds outstanding, there shall be subtracted the amount of any Bonds or Additional Bonds which shall have been duly called for redemption and for which funds shall have been deposited with the place of payment sufficient for such redemption.

Section 17. That the Bonds and any Additional Bonds, and the interest coupons appertaining thereto, will constitute special obligations of the Board payable solely from the Net Revenues, and the holders of the Bonds and Additional Bonds, and the coupons appertaining thereto, shall never have the right to demand payment out of funds raised or to be raised by taxation.

Section 18. (a) The Board reserves and shall have the right and power to issue in one or more series "Additional Bonds" for any purpose authorized by law, including the refunding of any bonds or other obligations, which Additional Bonds, when issued, shall be secured by and payable from a lien on and pledge of the Net Revenues equally and ratably with, and in the same manner and to the same extent as, the Bonds and any other then outstanding Additional Bonds; and the Additional Bonds permitted by this Section, when issued, shall be payable from and secured by the Interest and Sinking Fund and the Reserve Fund and shall be in all respects of equal dignity and on a parity with the Bonds and any other then outstanding Additional Bonds. Each resolution under which Additional Bonds are issued shall provide and require that, in addition to the amounts required by the provisions of this Resolution and the provisions of any other resolution or resolutions authorizing Additional Bonds to be deposited to the credit of the Interest and Sinking Fund, the Board shall transfer from the Gross Revenue Fund and deposit to the credit of the Interest and Sinking Fund at least such amounts as are required for the payment of all principal of and interest on said Additional Bonds then being issued, as the same come due; and that the aggregate amount to be accumulated and maintained in the Reserve Fund shall be increased (if and to the extent necessary) to an amount not less than the average annual principal and interest requirements of all Bonds and Additional Bonds which will be outstanding after the issuance and delivery of the then proposed Additional Bonds; and that the required additional amount shall be so accumulated by the deposit in the Reserve Fund of all or any part of said required additional amount in cash immediately after the delivery of the then

proposed Additional Bonds, or, at the option of the Board, by the deposit, from Net Revenues, of said required additional amount (or any balance of said required additional amount not deposited in cash as permitted above) in annual installments, made on or before the last day of each fiscal year, commencing with the fiscal year in which the Board adopted the resolution authorizing the issuance of the then proposed Additional Bonds, of not less than 1/4th of said required additional amount (or 1/4th of the balance of said required additional amount not deposited in cash as permitted above).

(b) All calculations of average annual principal and interest requirements made pursuant to this Section are made as of and from the date of the Additional Bonds then proposed to be issued.

(c) The principal of and interest on all Additional Bonds must be scheduled to mature or be paid on March 1 or September 1.

(d) Any improvements and/or additions to the Project acquired or constructed through the issuance of Additional Bonds shall be a part of the Project and the revenues or fees charged for the use thereof shall be Gross Revenues.

Section 19. Additional Bonds shall be issued only in accordance with this Resolution, but notwithstanding any provisions of this Resolution to the contrary, no installment, Series, or issue of Additional Bonds shall be issued or delivered unless:

(a) The Senior Financial Officer of the University signs a written certificate to the effect that the Board is not in default as to any covenant, condition, or obligation in connection with all outstanding Bonds and Additional Bonds, and the resolutions authorizing same, and that the Interest and Sinking Fund and the Reserve Fund each contains the amount then required to be therein.

(b) The State Auditor of the State of Texas, or any certified public accountant, signs a written certificate to the effect that, during either the next preceding University of Texas System fiscal year, or any twelve consecutive calendar month period ending not more than ninety days prior to the adoption of the resolution authorizing the issuance of the then proposed Additional Bonds, the Net Revenues of the Project were at least equal to 1.25 times the average annual principal and interest requirements of all Bonds and Additional Bonds which were then outstanding during such period.

(c) The Senior Financial Officer of the University signs a written certificate to the effect that the annual Net Revenues of the Project, including Net Revenues attributable to any facilities acquired or constructed with the proceeds of such Additional Bonds, are estimated to be at least equal to the greater of (i) the actual principal and interest requirements or (ii) 1.25 times the average annual principal and interest requirements, of all Bonds and Additional Bonds to be outstanding after the delivery of the then proposed Additional Bonds, during each University of Texas System fiscal year, respectively, while said Bonds or Additional Bonds are outstanding, commencing with the next complete fiscal year after delivery of the then proposed Additional Bonds, or in case any facilities are added to the Project by the resolution authorizing the then proposed Additional Bonds, commencing with the first complete fiscal year after such facilities are estimated to be placed in operation, provided that in the case

of (ii), above, said Net Revenues also must be estimated to be at least equal to the actual principal and interest requirements of such Bonds and Additional Bonds during each complete fiscal year after delivery of the then proposed Additional Bonds.

Section 20. The Board covenants and agrees that so long as any Bonds or Additional Bonds are outstanding it will not sell or otherwise dispose of the Project, or any significant part thereof, and, except as provided for in this Resolution in connection with Additional Bonds, it will not create or permit to be created any charge or lien on the Net Revenues ranking equal or prior to the lien of the Bonds and Additional Bonds. Notwithstanding the foregoing, the Board may at any time permanently abandon the use of, or sell at fair market value, any part of the Project, provided that:

(a) It is then in full compliance with all covenants and undertakings in connection with all of the Bonds and Additional Bonds then outstanding;

(b) It will, in the event of sale, apply the proceeds to either (i) redemption of outstanding Bonds or Additional Bonds or (ii) replacement of the facility so disposed of by another facility which shall be incorporated into the Project;

(c) It certifies, prior to any abandonment of use, that the Net Revenues of the remaining Project will satisfy the historical* and future earnings tests required in this Resolution for the issuance of Additional Bonds; or

(d) It certifies prior to any abandonment of use, that the facility to be abandoned is no longer economically capable of producing Net Revenues.

Section 21. That it is hereby covenanted and agreed by the Board that while any Bonds or Additional Bonds or interest coupons appertaining thereto is outstanding and unpaid:

(a) It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution and in each and every Bond and Additional Bond executed and delivered hereunder, that it will promptly pay or cause to be paid from the Net Revenues the principal of and interest on every Bond and Additional Bond issued hereunder, on the dates and at the places and manner prescribed in such Bond and Additional Bond and that it will, at the times and in the manner prescribed herein, deposit or cause to be deposited, from the Net Revenues, the amounts of money specified herein.

(b) It is duly authorized under the laws of the State of Texas to create and issue the Bonds; that all action on its part for the creation and issuance of the Bonds has been duly, lawfully, and effectively taken, and that the Bonds in the hands of the holders and owners thereof will be valid and enforceable special obligations of the Board in accordance with their terms and the terms of this Resolution.

(c) It lawfully owns and is lawfully possessed of the land upon which the Project will be located and it has a good and indefeasible estate in such land in fee simple; it warrants that it has, and will defend, the title to the said land and every part thereof and improvements thereon, for the benefit of the holders and owners of the Bonds and Additional Bonds against the claims and demands of all persons whomsoever; that the Project will be constructed in accordance with the plans

*sic

approved by the Board; it is lawfully qualified to pledge the revenues herein pledged in the manner prescribed herein, and has lawfully exercised such right.

(d) It will from time to time, and before the same become delinquent, pay and discharge all taxes, assessments, and governmental charges, if any, which shall be lawfully imposed upon it, or upon the Project that it will pay all lawful claims for rents, royalties, labor, materials, and supplies which, if unpaid, might by law become a lien or charge upon said structures, or any part of them, the lien of which would be prior to or interfere with the lien hereof, so that the priority of the lien granted hereunder shall be fully preserved in the manner provided herein, and that it will not create or suffer to be created any mechanic's, laborers, materialmen's, or other lien or charge which might or could be prior to the lien hereof, or do or suffer any matter or thing whereby the lien hereof might or could be impaired; provided, however, that no such tax, assessment, or charge, and no such claim which might be used as the basis of a mechanic's, laborer's, materialman's, or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the Board.

(e) It will not do or suffer any act or thing whereby the Project or any part thereof, might or could be impaired, and that it will at all times maintain, preserve, and keep the real and tangible property of said facilities and every part thereof in good condition, repair, and working order and maintain, preserve, and keep all structures and equipment pertaining thereto and every part and parcel thereof in good condition, repair, and working order.

(f) That it will continuously*and efficiently operate and maintain in good condition and at a reasonable cost the Project and the facilities and services offered by same.

(g) That it will establish and continuously maintain service charges and rates which shall be sufficient to pay all Current Expenses of the Project to pay the principal of and interest on the Bonds and Additional Bonds as such principal and interest mature, and to establish and maintain the Reserve Fund, as required herein, and the said charges and rates shall be revised from time to time in order that the proceeds thereof will be fully sufficient to furnish funds for said purposes.

(h) That it will establish and maintain in force such parietal rules and regulations as shall be necessary to insure, as nearly as possible, maximum use and occupancy of the Project.

(i) (1) With respect to the Project the Board shall procure fire and extended coverage insurance and boiler insurance on the buildings and contents thereof. The foregoing fire and extended coverage insurance and boiler insurance shall be maintained so long as any of the Bonds or Additional Bonds is outstanding and such fire and extended coverage insurance shall be in amounts at least sufficient to provide for full recovery on each building and the contents thereof whenever a loss from perils insured against does not exceed eighty per cent (80%) of the full insurable value thereof. Such insurance shall be carried with a reliable insurance company or companies. In lieu of providing fire and extended coverage insurance as required above, the Board may, at its option, provide the equivalent of such insurance under its University-Wide Fire and Extended Coverage Insurance Policy, subject to a deductible provision which is reasonable in amount, provided the Board establishes and maintains a special account containing funds which are at least sufficient to offset said deductible amount and which are

immediately available for such purpose. Boiler insurance covering any boilers servicing the Project shall be carried in a minimum amount of \$50,000. Upon the happening of any loss or damage covered by such insurance from one or more of said clauses, the Board shall make due proof of loss and shall do all things necessary or desirable to cause the insuring companies to make payment in full directly to the Board. The proceeds of insurance covering such property, together with any other funds necessary and available for such purpose, shall be used forthwith by the Board for repairing the property damaged or replacing the property destroyed; provided, however, that if said insurance proceeds and other funds are insufficient for such purpose, then said insurance proceeds pertaining to the Project shall be deposited in a special and separate trust fund, at an official depository of the Board, to be designated the Insurance Account. The Insurance Account shall be held until such time as other funds become available which, together with the Insurance Account, will be sufficient to make the repairs or replacements originally required.

(j) Upon receipt of the proceeds of sale of any of the Bonds, the Board shall, if such insurance is not already in force, to the extent permitted by law, procure and maintain, so long as any of the Bonds are outstanding, Public Liability Insurance with limits of not less than \$100,000 for one person and \$300,000 for more than one person involved in one accident to protect the Board from claims for bodily injury and/or death which may arise from the University's operations, including any use or occupancy of its grounds, structures and vehicles, and including any non-owned vehicles operated for the benefit of the University. To the extent permitted by law, the Board shall also maintain Vehicle Property Damage Insurance with limits of not less than \$10,000.

(k) That, at all times when the aggregate amount of funds and/or investments in the Reserve Fund are not at least equal to the total average annual principal and interest requirements on the Bonds and Additional Bonds the Board will procure and maintain use and occupancy insurance on the Project System in an amount sufficient to enable the Board to deposit in the Interest and Sinking Fund, out of the proceeds of such insurance, an amount equal to the sum that normally would have been available for deposit in the Interest and Sinking Fund from said facilities during the time they are wholly or partially nonrevenue-producing as a result of loss of use or occupancy caused by the perils covered by fire and extended coverage insurance.

(l) That the Bonds and Additional Bonds shall not constitute an indebtedness of the State of Texas, the Board, or of the University of Texas at Arlington such as is prohibited under the statutes authorizing their issuance; but shall be secured by an irrevocable pledge of the Net Revenues as provided in this Resolution.

(m) That it shall cause to be kept proper books, records, and accounts (separate and apart from all other records and accounts) in which complete and correct entries shall be made of all transactions relating to the Project and the facilities and services afforded therein; and that the Board shall furnish to any holder of any of the Bonds or Additional Bonds, upon the written request of such holder, not less than ninety (90) days after the close of each fiscal year, complete operating and income statements of the Project in reasonable detail covering such period, together with a certificate signed by the Comptroller of the University stating that the Board has complied with the requirements of this paragraph of this Resolution with respect to the maintenance of insurance, and

not less than one hundred twenty (120) days after the close of each fiscal year, the same certified by the proper state auditing official.

(n) That any holder or holders of twenty-five (25%) per centum in aggregate amount of the Bonds and Additional Bonds at the time then outstanding, shall have the right at all reasonable times to inspect the Project and all records, accounts, and data of the Board relating thereto.

(o) That the Board covenants to and with the purchaser of the Bonds that it will make no use of the proceeds of the Bonds at any time throughout the term of this issue of Bonds which, if such use had been reasonably expected on the date of delivery of the Bonds to any payment for the Bonds by the purchasers, would have caused the Bonds to be arbitrage bonds within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, or any regulations or rulings pertaining thereto and by this covenant the Board is obligated to comply with the requirements of the aforesaid Section 103(c) and all applicable and pertinent Department of the Treasury regulations relating to arbitrage bonds. The Board further covenants that the proceeds of the Bonds will not otherwise be used directly or indirectly so as to cause all or any part of the Bonds to be or become arbitrage bonds within the meaning of the aforesaid Section 103(c), or any regulations or rulings pertaining thereto.

Section 22. That there shall be created in a depository of the University a special account which shall be entitled "Project Construction Fund" (hereinafter called the "Construction Fund"), into which shall be deposited the proceeds from the sale of the Bonds, less (1) the amount of accrued interest plus \$125,640 received on the sale of such Bonds, which shall be deposited in the Interest and Sinking Fund; and (2) the amount required to pay Bond issuance expenses. In addition to such proceeds, any amount of lawfully available money which, together with the proceeds of the Bonds, will be sufficient to complete the acquisition, construction, and equipment of the Project, shall be deposited to the credit of the Construction Fund. Money in the Construction Fund shall be paid out from time to time on estimates and vouchers approved by the manager of construction charged with the supervision of such construction for costs of acquiring, constructing, and equipping the Project. After completion of the Project, any Bond proceeds remaining in the Construction Fund shall be used for prepaying or redeeming principal of the Bonds.

Section 23. (a) That any Bond or Additional Bond shall be deemed to be paid, retired, and no longer outstanding within the meaning of this Resolution when payment of the principal of, redemption premium, if any, on such Bond or Additional Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption), or (ii) shall have been provided by irrevocably depositing with or making available to a paying agent therefor, in trust and irrevocably set aside exclusively for such payment, (1) money sufficient to make such payment or (2) Government Obligations which mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of such paying agent pertaining to the Bonds and Additional Bonds with respect to which such deposit is made shall have been paid or the payment

thereof provided for to the satisfaction of such paying agent. At such time as a Bond or Additional Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Resolution or a lien on and pledge of the Net Revenues, and shall be entitled to payment solely from such money or Government Obligations.

(b) That any moneys so deposited with a paying agent may at the direction of the Board also be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Government Obligations in the hands of the paying agent pursuant to this Section which is not required for the payment of the Bonds and Additional Bonds, the redemption premium, if any, and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Board or deposited as directed by the Board.

Section 24. That the Chairman of the Board is hereby authorized to have control of the Bonds and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Bonds, said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate printed and endorsed on each of the Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on each of the Bonds.

Section 25. That the Bonds are hereby sold and shall be delivered to the United States of America, acting by and through the Secretary of Housing and Urban Development, for cash for the par value thereof and accrued interest thereon to date of delivery.

RECESS FOR COMMITTEE MEETINGS AND EXECUTIVE SESSION OF THE COMMITTEE OF THE WHOLE. --The Board recessed for meetings of the Standing Committees.

At 10:50 a. m. when the meeting of the Committee of the Whole in Open Session adjourned, Chairman Williams announced that the Board would retire to the Conference Room in Suite 621 of the Administration Building for an Executive Session of the Committee of the Whole pursuant to Article 6252-17, Sections 2(e), (f) and (g), V. T. C. S. to discuss:

1. Pending or Contemplated Litigation - Section 2(e)
2. Land Acquisition, Purchase, Exchange, Lease or Value of Real Property and Negotiated Contracts for Prospective Gifts or Donations - Section 2(f)
 - a. U. T. El Paso: Proposed Purchase of Land (Park) Adjacent to Campus from City of El Paso (Referred by Committee of the Whole in Open Session to Executive Session)
 - b. Dallas Health Science Center: Proposed Purchase of Building Adjacent to Campus
 - c. University Cancer Center: Proposed Acquisition of Land in Houston, Harris County, Texas
3. Personnel Matters [Section 2(g)] Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees

RECONVENE. --When the committees had concluded their work (1:25 p. m.), the Board reconvened.

Chairman Williams called for reports of the committees.

REPORTS OF STANDING COMMITTEES

REPORT OF SYSTEM ADMINISTRATION COMMITTEE (Pages 28-42). -- The following report of the System Administration Committee was submitted by Committee Chairman Sterling. He stated that the recommendations had been approved in open session and moved the adoption of the report. The report was adopted without objection.

Report

The recommendations presented to the System Administration Committee in open session this morning were considered and were adopted in the form as set out below:

1. U. T. System: Policies for Preparation of Legislative Budget Requests for 1982-83 Biennium (9-B-80). --Chancellor Walker presented policies for the preparation of the Legislative Budget Requests for the 1982-83 biennium.

FILE NO. 41
DOCUMENT _____
REMARKS _____

Upon separate motions of Regent Law, seconded by Regent Williams, Paragraphs "a," "b" and "d" were rephrased without objection for clarification as follows:

a. Salary Advances for Faculty and Professional Staff

The maximum aggregate salary increases for which funds may be requested shall be 20% in 1982 and an additional 15% increase in 1983.

b. Salary Advances for Classified Personnel

The maximum aggregate increases for which funds may be requested shall be 13.6% in 1982 and an additional 10.2% increase in 1983. In addition, requests may include sufficient funds for a 3.4% merit increase for approximately one-half of all employees each year.

d. Maintenance, Operation, and Equipment

The maximum increases for which funds may be requested for Maintenance, Operation, and Equipment shall be 20% in 1982 and an additional 10% increase in 1983. In limited situations such as scientific equipment, medical supplies, and like items, in which price escalation or other factors make the above limitations totally impractical, actual needs must be the basis for the request. In these situations the variance from the general standard stated above must be carefully justified.

The following policies as amended were adopted without objection:

Policies for Preparing Legislative Budget Requests
For the Biennium 1982-1983

In preparing the Legislative Budget Requests for the biennium beginning September 1, 1981, the instructions issued by the Coordinating Board, Texas College and University System and by the Legislative Budget Office and by the Governor's Budget and Planning Office are to be used as guidelines.

In preparing budget requests, the following policies and limitations shall be observed relating to areas not funded by formula or otherwise covered by the above-mentioned instructions:

a. Salary Advances for Faculty and Professional Staff

The maximum aggregate salary increases for which funds may be requested shall be 20% in 1982 and an additional 15% increase in 1983.

b. Salary Advances for Classified Personnel

The maximum aggregate increases for which funds may be requested shall be 13.6% in 1982 and an additional 10.2%

increase in 1983. In addition, requests may include sufficient funds for a 3.4% merit increase for approximately one-half of all employees each year.

c. New Positions

All requests for new positions must be based on new or expanded programs or on improvements in existing programs, and be fully justified.

d. Maintenance, Operation, and Equipment

The maximum increases for which funds may be requested for Maintenance, Operation, and Equipment shall be 20% in 1982 and an additional 10% increase in 1983. In limited situations such as scientific equipment, medical supplies, and like items, in which price escalation or other factors make the above limitations totally impractical, actual needs must be the basis for the request. In these situations the variance from the general standard stated above must be carefully justified.

e. Special Equipment

Inasmuch as equipment items included in Item d are regular and routine acquisitions, Special Equipment requests should be related only to new or expanded program requirements or major replacement and updating of obsolete teaching, research, and hospital equipment. Special equipment requests must be based on actual needs and fully documented.

f. Utilities

Requests for Purchased Utilities are to be based on projected needs using the best available rate estimates, carefully documented. In addition, System policy supports an emergency utility request to meet deficiencies, if any, in the 1980-81 Purchased Utilities appropriations.

g. Staff Benefits

- (1) Employee Insurance Premiums. Use \$50 per month in 1982 and \$60 per month in 1983 for each person in requesting funds for payment of the State's contribution toward the cost of insurance premiums. Eligible employees are those covered under provisions of the "Texas State College and University Employees Uniform Insurance Benefits Act."
- (2) O.A.S.I. - State's Contribution of Employees' Share of Tax. As a System policy, the Legislature will be requested to continue the payment of the employees' share of the O.A.S.I. Tax and to expand the payments from the current 5.85% on \$16,500 to the actual tax levied by the Federal Government.

- (3) Longevity Pay. Include in the institutional request an amount to fund longevity pay in accordance with the procedure and rates currently contained in H.B. 454, i. e. \$4 per month for each year of service up to a maximum of \$100 per month (25 years of service).

It was noted that for the general academic institutions approximately 85% of the requests are controlled by formulas recommended by the Coordinating Board. The foregoing policies will be used to request funds for the health-related institutions which are not covered by formula funding and for the nonformula areas in the academic institutions.

INSURANCE, HOSPITALIZATION + HEALTH

2. U. T. System: Blue Cross-Blue Shield Awarded Contract for Health Insurance for Fiscal Year 1980-81 (4-CW-80). --Chancellor Walker presented in writing a tabulation of bids on health insurance that had been received from two companies. He recommended that the contract for health insurance for The University of Texas System for 1980-81 be awarded to Blue Cross-Blue Shield, the lowest responsible bidder, as follows:

Monthly Rates	Plan			
	1UT	2UT	3UT	4UT
Employee	\$ 50.17	\$ 43.57	\$ 32.57	\$ 27.57
Employee and Spouse	120.46	104.77	93.86	81.24
Employee and Child	90.55	78.70	69.59	60.24
Family	131.46	114.41	102.57	88.79

FILE NO. 400
DOCUMENT
REMARKS

Coverage factors of the plans are set out on Page 32.

SCHEDULE OF SPECIFICATIONS

XXX in any space means Coverage Factor Inapplicable
X in any space means Coverage Factor Applicable

<u>COVERAGE FACTORS</u>	<u>PLAN 1 UT</u>	<u>PLAN 2 UT</u>	<u>PLAN 3 UT</u>	<u>PLAN 4 UT</u>
<u>BED-PATIENT HOSPITAL EXPENSE BENEFITS</u>				
1. Deductible per admission	\$XXX	\$XXX	\$XXX	\$XXX
2. Benefit Percentage	100%	\$100%	100%	100%
3. Maximum number of days available for Psychiatric Care	120	120	120	120
<u>OTHER MEDICAL EXPENSE BENEFITS</u>				
4. Deductible each calendar year	\$XXX	\$100.00	\$200.00	\$500.00
5. Benefit Percentage	80%	80%	80%	80%
6. Number of Participants required for Family Deductible	XXX	3	3	3
7. Out-of-Hospital Drugs	X	X	X	X
8. Psychiatric Care	X	X	X	X
a. Psychiatric Care Benefit Percentage	80%	80%	80%	80%
b. Maximum Psychiatric Care Benefit	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
<u>ELIGIBILITY REQUIREMENTS FOR MATERNITY BENEFITS</u>				
9. Either employee or spouse of an employee and a covered dependent daughter of an employee are eligible for Maternity Benefits if the obstetrical patient holds coverage for maternity care at delivery	X X X	X X X	X X X	X X X
<u>MATERNITY BENEFITS</u>				
10. a. Bed-Patient Hospital Expense (Regular Benefit)	X	X	X	X
b. Other Medical Expense (Regular Benefit)	X	X	X	X
<u>WAITING PERIOD</u>				
11. No Waiting Period for care of pre-existing conditions	X	X	X	X
<u>SECURITY PROVISION</u>				
12. Coinsurance Amount	\$ 500.00	\$ 500.00	\$ 500.00	\$1,000.00
<u>MAXIMUM BENEFITS</u>				
13. Maximum Lifetime Benefits available to each participant	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00

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3. U. T. Arlington, U. T. Austin, U. T. San Antonio, Institute of Texan Cultures, Dallas Health Science Center (Dallas Southwestern Medical School), Galveston Medical Branch (Galveston Medical School, Galveston Allied Health Sciences School and Galveston Hospitals), Houston Health Science Center (Houston Medical School), and San Antonio Health Science Center (San Antonio Medical School): Amendments to 1979-80 Budget (7-B-80 and 8-B-80). --

RECOMMENDATION

FILE NO. 41
DOCUMENT ---
REMARKS ---

It is recommended by the appropriate chief administrative officers, concurred in by System Administration, that their respective 1979-80 Operating Budget be amended as indicated on the pages set out below:

- The University of Texas at Arlington, Page 34
- The University of Texas at Austin, Pages 34-35
- The University of Texas at San Antonio, Page 35
- The University of Texas Institute of Texan Cultures at San Antonio, Page 36
- The University of Texas Health Science Center at Dallas (Dallas Southwestern Medical School), Pages 36-39
- The University of Texas Medical Branch at Galveston (Galveston Medical School, Galveston Allied Health Sciences School and Galveston Hospitals), Pages 40-41
- The University of Texas Health Science Center at Houston (Houston Medical School), Page 41
- The University of Texas Health Science Center at San Antonio (San Antonio Medical School), Page 42

The source of funds will be from departmental appropriations unless otherwise specified.

THE UNIVERSITY OF TEXAS AT ARLINGTON

1979-80 BUDGET

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
17.	Robert C. LeGrand, Jr. Intercollegiate Athletics - Basketball Salary Rate Source of Funds: Intercollegiate Athletics Administration - Unallocated	Basketball Coach \$ 19,500	Basketball Coach \$ 22,500	3-1-80

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THE UNIVERSITY OF TEXAS AT AUSTIN

1979-80 BUDGET

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
147.	John Mize Intercollegiate Athletics for Men Salary Rate	Assistant Football Coach (1/2T) \$ 8,452	Assistant Football Coach (F.T.) \$ 22,000	3-1-80
148.	James R. Barger U.T. Austin Student Publications - The Daily Texan Salary Rate	Advertising Manager \$ 16,716	Advertising Manager \$ 19,716	3-1-80

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THE UNIVERSITY OF TEXAS AT AUSTIN

1979-80 BUDGET

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
149.	Abe E. Lemons Intercollegiate Athletics for Men Salary Rate	Head Basketball Coach \$ 39,230	Head Basketball Coach \$ 43,600	4-1-80
150.	David B. Dowd Intercollegiate Athletics for Men Salary Rate	Assistant Basketball Coach \$ 25,000	Assistant Basketball Coach \$ 27,800	4-1-80

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THE UNIVERSITY OF TEXAS AT SAN ANTONIO

1979-80 BUDGET

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
4.	Rudy A. Davalos Recreational Activities and Intramurals Salary Rate Source of Funds: Unallocated Student Services Fees	Director of Athletics \$ 24,000	Director of Athletics \$ 28,000	3-1-80

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THE UNIVERSITY OF TEXAS INSTITUTE OF TEXAN CULTURES
AT SAN ANTONIO

1979-80 BUDGET

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
1.	Administration, Physical Plant, Unallocated Account Transfer of Funds	From: Unappropriated Balance	To: Administration - Equipment \$ 15,000 Physical Plant - Maintenance and Operation 10,000 Unallocated Account 9,132 <u>\$ 34,132</u>	3-1-80
	Amount of Transfer	\$ 34,132		

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT DALLAS

1979-80 BUDGET

Item No.	Explanation	Present Status			Proposed Status			Effective Dates
		Salary Rate	Augmentation	Total Compensation	Salary Rate	Augmentation	Total Compensation	
18.	Dallas Southwestern Medical School Department of Anesthesiology Margaret M. McDermott Professor and Chairman Marion T. Jenkins (Tenure)	\$ 59,400	\$ 24,100	\$ 83,500	\$ 59,400	\$ 26,600	\$ 86,000	3-1-80

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT DALLAS
(Continued)

1979-80 BUDGET

Item No.	Explanation	Present Status			Proposed Status			Effective Dates
		Salary Rate	Augmentation	Total Compensation	Salary Rate	Augmentation	Total Compensation	
Dallas Southwestern Medical School (Cont.)								
19.	Associate Professor Edward R. Johnson	\$ 50,600	\$ 7,500	\$ 58,100	\$ 50,600	\$ 14,400	\$ 65,000	3-1-80
Associate Professor of Clinical Psychology								
20.	James F. Lee	\$ 50,600	\$ 10,700	\$ 61,300	\$ 50,600	\$ 13,400	\$ 64,000	3-1-80
21.	S. J. Montgomery	50,600	4,900	55,500	50,600	12,400	63,000	3-1-80
22.	Richard E. Morris	50,600	5,900	56,500	50,600	12,400	63,000	3-1-80
23.	F. C. Rembert	50,600	1,600	52,200	50,600	12,400	63,000	3-1-80
Source of Funds, Items 18 through 23: MSRDP								
Assistant Professor of Clinical Psychology								
24.	Chester W. Beyer Source of Funds: Parkland Hospital and MSRDP	\$ 44,000	\$ ---	\$ 44,000	\$ 45,100	\$ 10,900	\$ 56,000	3-1-80
25.	David M. Downing Source of Funds: Parkland Hospital and MSRDP	\$ 41,800	\$ ---	\$ 41,800	\$ 45,100	\$ 3,900	\$ 49,000	3-1-80
26.	George Y. Gaines Source of Funds: MSRDP	\$ 45,100	\$ 5,200	\$ 50,300	\$ 45,100	\$ 10,900	\$ 56,000	3-1-80

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THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT DALLAS
(Continued)

1979-80 BUDGET

Item No.	Explanation	Present Status			Proposed Status			Effective Dates
		Salary Rate	Augmentation	Total Compensation	Salary Rate	Augmentation	Total Compensation	
Dallas Southwestern Medical School (Cont.)								
Assistant Professor of Clinical Psychology								
27.	Mary F. Harris Source of Funds: Scottish Rite Hospital and MSRDP	\$ 44,700	\$ ---	\$ 44,700	\$ 45,100	\$ 4,900	\$ 50,000	3-1-80
28.	Maria E. Ortega Source of Funds: Scottish Rite Hospital and MSRDP	\$ 41,800	\$ ---	\$ 41,800	\$ 45,100	\$ 3,900	\$ 49,000	3-1-80
29.	David I. Rees Source of Funds: V. A. Medical Center and MSRDP	\$ 41,800	\$ ---	\$ 41,800	\$ 45,100	\$ 3,900	\$ 49,000	3-1-80
30.	L. P. Roddy Source of Funds: V. A. Medical Center and MSRDP	\$ 43,900	\$ ---	\$ 43,900	\$ 45,100	\$ 3,900	\$ 49,000	3-1-80
31.	George A. Syrov Source of Funds: MSRDP	\$ 43,900	\$ ---	\$ 43,900	\$ 43,900	\$ 5,100	\$ 49,000	3-1-80
32.	Clinical Assistant Professor Ann M. Trowbridge (60%T) Source of Funds: Parkland Memorial Hospital	\$ 45,800	\$ ---	\$ 45,800	\$ 50,000	\$ ---	\$ 50,000	3-1-80

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THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT DALLAS
(Continued)

1979-80 BUDGET

Item No.	Explanation	Present Status			Proposed Status			Effective Dates
		Salary Rate	Augmentation	Total Compensation	Salary Rate	Augmentation	Total Compensation	
Dallas Southwestern Medical School (Cont.)								
Department of Internal Medicine								
Professor								
33.	Carl G. Blomqvist (Tenure)	\$ 53,500	\$ ---	\$ 53,500	\$ 56,650	\$ 3,350	\$ 60,000	4-1-80
	Source of Funds: NASA Contract and MSRDP							
Research Assistant Professor								
34.	Marugasu Nagulesparan	\$ 33,000	\$ ---	\$ 33,000	\$ 40,000	\$ ---	\$ 40,000	3-1-80
	Source of Funds: National Institutes of Health Contract							
35.	John M. Anderson							
	Pediatrics; Internal Medicine			Assistant Professor			Assistant Professor	
	Salary Rate			\$ 30,400			\$ 35,000	4-1-80
	Source of Funds: Unallocated Faculty Salaries							

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THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON

1979-80 BUDGET

Item No.	Explanation	Present Status			Proposed Status			Effective Dates
		Salary Rate	Augmentation	Total Compensation	Salary Rate	Augmentation	Total Compensation	
<u>Galveston Medical School</u>								
13.	April G. O'Quinn Obstetrics and Gynecology Assistant Professor Source of Funds: MSRDP	\$ 44,400	\$ 3,600	\$ 48,000	\$ 38,000	\$ 14,000	\$ 52,000	3-1-80
14.	Cattamanchi R. Reddi Obstetrics and Gynecology Assistant Professor Source of Funds: Unallocated Salaries and Gifts from MSRDP	\$ 30,000	\$ 17,000	\$ 47,000	\$ 36,200	\$ 13,800	\$ 50,000	3-1-80
15.	Harvey S. Levin (Tenure) Surgery Associate Professor Source of Funds: Unallocated Salaries and MSRDP	\$ 24,900	\$ 12,300	\$ 37,200	\$ 27,344	\$ 13,656	\$ 41,000	3-1-80
<u>Galveston School of Allied Health Sciences</u>								
16.	Robert K. Bing School of Allied Health Sciences Dean Source of Funds: Departmental Salaries	\$ 38,000	\$ ---	\$ 38,000	\$ 40,660	\$ ---	\$ 40,660	3-1-80

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THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO

1979-80 BUDGET

Item No.	Explanation	Present Status	Proposed Status	Effective Dates
8.	<u>San Antonio Medical School</u> James F. Wittmer Microbiology Salary Rate Source of Funds: Unallocated Salaries	Acting Chairman (1/2T) \$ 48,000	Acting Chairman (1/2T) \$ 56,000	3-1-80
	Note: Dr. Wittmer will continue to serve as Acting Dean of Allied Health Sciences(1/2T) at an annual salary rate of \$48,000.			

REPORT OF ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE (Pages 43-47). --Committee Chairman (Mrs.) Blumberg stated that all matters of the Academic and Developmental Affairs Committee were considered in open session and the recommendations were approved without objection unless otherwise indicated. She filed the following report. There being no objection, the report was adopted:

- 1. U. T. System: Docket No. 10 of the Chancellor of the System (Attachment No. 1)(Catalog Change). --Committee Chairman Blumberg reported that no exception had been received to Docket No. 10 of the Chancellor of the System. At the meeting no objections were offered during the consideration of the Docket, and the Docket was unanimously approved in the form distributed by the Secretary. It is attached (Attachment No. 1) following Page 139 and made a part of these Minutes.

FILE NO. 0
DOCUMENT ---
REMARKS ---

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 catalogs be reflected in the next appropriate catalog published by the respective institution.

- 2. U. T. Austin: Appointment of Professor Charles Umlauf to the Leslie Waggener Professorship in the College of Fine Arts Effective September 1, 1980. -- Upon the recommendation of President Flawn and Chancellor Walker and without objection, approval was given to appoint Professor Charles Umlauf to the Leslie Waggener Professorship in the College of Fine Arts at The University of Texas at Austin effective September 1, 1980. It was pointed out that Professor Umlauf's salary will be supplemented with a \$6,000 stipend from the endowment's income and, in addition thereto, \$2,500 will be provided for activities supportive of his professorship appointment.

FILE NO. 1000
DOCUMENT ---
REMARKS ---

Professor Umlauf, a well-known American sculptor whose work is found in prestigious museum collections as well as private collections in the United States and abroad, has given 39 years of distinguished service to U. T. Austin and has developed the sculpture area of the Department of Art into an outstanding teaching studio laboratory.

FEE

- 3. U. T. Austin: Proposed Increase in Service Charge for Returned Checks Effective Fall Semester 1980 (Catalog Change)(Withdrawn). -- This item was withdrawn at the request of System Administration. Committee Chairman Blumberg reported that a System-wide policy regarding the service charge for returned checks would be submitted to the Board of Regents at its July meeting.

FILE NO. 11
DOCUMENT ---
REMARKS ---

catalog change

4. U. T. Austin: Increase in Facility Use Charges for the Special Events Center Effective Fall Semester 1980. -- Based upon increased operating costs and inflationary pressures and upon the recommendation of President Flawn and Chancellor Walker, approval was given without objection to increase the Facility Use Charges for the Special Events Center at The University of Texas at Austin effective with the Fall Semester 1980 as set forth below:

FILE NO. 11
DOCUMENT ---
REMARKS ---

Arena

Single Session Events:

6:00 a. m. - Noon	\$1,200
Noon - 6:00 p. m.	1,750
6:00 p. m. - Midnight	1,750

Multiple Session Events:

1st Session	\$1,750
2nd Session	875
3rd Session	600

Reception Hall

Single Session Events:

6:00 a. m. - Noon	275
Noon - 6:00 p. m.	300
6:00 p. m. - Midnight	400

Multiple Session Events:

1st Session	300
2nd Session	125
3rd Session	50

Multipurpose Rooms

One Room	50
Two Rooms	125
Three Rooms	175
Four Rooms	200

Banquet/Reception/Dance \$ 6/attendee
Food Minimum (Minimum
Attendance = 250)

It was noted that the Facility Use Charges for the Special Events Center were approved by the Board of Regents on December 16, 1977 and had remained constant since the Center opened in late 1977.

5. U. T. Dallas: Authorization to Establish Student Newspaper - The UTD Mercury. -- In view of the fact that the students at U. T. Dallas had expressed the opinion that a student newspaper would promote a greater sense of community on this commuter-oriented campus, President Jordan and Chancellor Walker recommended the establishment of a student newspaper at The University of Texas at Dallas to be named The UTD Mercury. In addition, it was recommended that U. T. Dallas be authorized to establish rules for the administration and operation of the student newspaper within the institution's Handbook of Operating Procedures and that these rules be approved in the manner prescribed for all Handbook items.

FILE NO. 12
DOCUMENT ---
REMARKS ---

In response to Regent Law's inquiry, President Jordan related that the student newspaper would be published every two weeks, distributed without charge, and cover chiefly news of the campus and alumni of The University of Texas at Dallas.

Without objection, the Academic and Developmental Affairs Committee approved these recommendations.

6. U. T. El Paso: Authorization to Submit to Coordinating Board for Review and Appropriate Action the (a) Change in Status of the Criminal Justice Program to the Department of Criminal Justice and (b) Change in Name of College of Nursing to the College of Nursing and Allied Health Sciences and Establishment of a Department of Nursing and a Division of Allied Health Sciences Therein (Catalog Change). -- The recommendations of President Templeton and Chancellor Walker for administrative changes in programs at The University of Texas at El Paso were approved without objection in the following form presented by Committee Chairman Blumberg; and authorization was given to submit these changes to the Coordinating Board, Texas College and University System for review and appropriate action:

FILE NO. A-19
DOCUMENT ---
REMARKS ---

*Catalog
change*

- a. Change Criminal Justice Program to the Department of Criminal Justice

The Criminal Justice Program, which currently awards a bachelor of science degree under the Department of Political Science, has its own operating budget and functions as a department. This change to departmental status will require no additional funds for administration, physical resources, faculty or students.

- b. Change name of College of Nursing to the College of Nursing and Allied Health Sciences and establish a Department of Nursing and a Division of Allied Health Sciences Therein

Of the 326 undergraduate majors in the College of Nursing in the Fall of 1979, 193 were majors in nursing and 133 were majors in medical technology. Thus, this name change and the establishment of a Department of Nursing and a Division of Allied Health Sciences would more appropriately describe the program offerings within the College.

If approved by the Coordinating Board, the next appropriate catalog published at U. T. El Paso will be so amended:

7. U. T. El Paso: Authorization to Obtain a Alcoholic Mixed Beverage Permit, Caterer's Permit and Cartage Permit. -- Upon the recommendation of President Templeton and Chancellor Walker, authorization was given to obtain a Mixed Beverage Permit, Caterer's Permit and Cartage Permit for the sale and consumption of alcoholic beverages on The University of Texas at El Paso campus. Chairman Williams asked to be recorded as voting "No."

FILE NO. 13
DOCUMENT ---
REMARKS ---

It was pointed out that at this time only the service of beer and wine would be offered and service would be limited to the Union Dining Room with catering available to Union Building meeting rooms when accompanied by food service.

Dormitory + Married Student Apt. Rates

8. U. T. El Paso: Rates and Security Deposits for Residence Halls and Student Apartments (Formerly Referred to as Married Student Apartments) Effective Fall Semester 1980 (Catalog Change). --

Because of the continuing escalation of costs for food service, salaries, utilities and maintenance and in order to insure an adequate deposit to cover replacement or repair of lost or damaged housing property, the rates for Residence Halls and Student Apartments (formerly referred to as Married Student Apartments) and the amounts of Security Deposits at The University of Texas at El Paso were set as follows effective with the Fall Semester 1980:

FILE NO. 13
DOCUMENT ---
REMARKS ---

catalog change

Kelly and Barry Halls - Room and Board

Semester Contract - 4 1/2 months	
Double Occupancy	\$ 760
Single Occupancy	1,115
Suite (Kelly Hall only)	805
Long Session Contract - 9 months	
Double Occupancy	1,520
Single Occupancy	2,230
Suite (Kelly Hall only)	1,610
Summer Session - Each Term	
Double Occupancy	300
Single Occupancy	430
Suite (Kelly Hall only)	320

Student Apartments

Monthly (includes utilities) 165

Security Deposits

Residence Halls	60
Student Apartments	75

Each room and suite in the residence halls is provided with a telephone. Twenty meals per week are provided for board.

It was ordered that the next catalog published at U. T. El Paso be amended to reflect these increased rates.

Seals + SymbolsSeals

9. U. T. San Antonio: Designation of Official Colors for Use in Athletic Activities (Regents' Rules and Regulations, Part Two, Chapter I, Subsection 10.2). -- President Wagener and Chancellor Walker recommended, in accordance with the Regents' Rules and Regulations, Part

FILE NO. 4
DOCUMENT ---
REMARKS ---

Two, Chapter I, Subsection 10.2, that burnt orange, navy blue and white be designated the official colors for use in athletic activities at The University of Texas at San Antonio. This recommendation was amended by deleting the word "burnt," and orange (Sherwin-Williams Kem Lustral Enamel Number F65 E 36), navy blue (Sherwin-Williams Kem Lustral Enamel Number F65 L 10) and white were designated the official colors for use in athletic activities at U. T. San Antonio.

(Colors for athletics for other institutions of The University of Texas System were officially adopted at the Regents' meeting on July 31, 1970.)

VICE-CHAIRMAN LAW'S STATEMENT RELATING TO HAZING (FEBRUARY 1980): FOLLOW-UP REPORT. --At the conclusion of the meeting of the Academic and Developmental Affairs Committee, Vice-Chairman Law stated that at a previous meeting of the Board he had brought up a matter of great concern to him and to others--the matter of hazing. He said that Presidents Flawn and Nedderman had been very sensitive to this matter and had made efforts with their staffs to eliminate hazing on their campuses. He then called upon both Presidents to give a brief report.

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REMARKS

President Flawn reported that following Vice-Chairman Law's statement on hazing, the Dean of Students at The University of Texas at Austin held a meeting of all 53 registered student organizations that conduct initiation ceremonies. He stated that as a result of this meeting, he had received an anonymous report that one organization had cancelled the hazing activities that had been planned. He said that the rules from the U. T. Austin General Information Bulletin relating to hazing had been distributed again and officers of all organizations had been charged to follow these rules and regulations and the law. President Flawn indicated that the procedures had been beneficial and expressed the hope that they would carry over to next year.

President Nedderman related that the Vice President for Student Affairs at The University of Texas at Arlington had met with the Interfraternity Council and expressed once again his concern and the Regents' concern of the violation of the Penal Code of the State of Texas. Following brief remarks relating to a recent hazing conference, President Nedderman stated that U. T. Arlington would soon initiate a program on hazing that would be used each year as a matter of routine during rush week.

Vice-Chairman Law expressed his deep appreciation to Presidents Flawn and Nedderman for the steps they had taken in this regard. He cautioned that this is something that is not going to be a one shot deal but would need to be told to each generation of students.

REPORT OF BUILDINGS AND GROUNDS COMMITTEE (Pages 48-63). --
Committee Chairman Law stated that all items in the Buildings and Grounds
 Committee were considered in open session. He submitted the following
 report which was adopted without objection:

Report

The Buildings and Grounds Committee met and completed its business
 except one item on Thursday afternoon, May 29, 1980. Consideration of
 the Restoration of the Ashbel Smith Building (Old Red) at the Galveston
 Medical Branch was held over until Friday morning, May 30.

The following actions of the Committee were approved without objection
 unless otherwise indicated:

1. U. T. Arlington - Renovation of Science Building: Approval of
 Final Plans and Authorization to Advertise for Bids. -- Without
 objection and upon the recommendation of President Nedderman
 and Chancellor Walker, the Buildings and Grounds Committee:

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 REMARKS _____

- a. Approved the final plans and specifications pre-
 pared by the Project Architect, Albert S. Komatsu
 & Associates, Fort Worth, Texas, for Renovation
 of the Science Building at The University of Texas
 at Arlington at an estimated total project cost of
 \$3,377,484, which amount was appropriated by
 the 66th Legislature for this purpose
- b. Authorized the Office of Facilities Planning and
 Construction to advertise for bids which will be
 presented to the Board of Regents for considera-
 tion at a future meeting

2. U. T. Arlington - Student Housing (Initial Phase): Award of
 Contract to Pierce Contractors, Inc., Dallas, Texas, and
 Additional Appropriation Therefor; Inscription for Plaque. --
 A tabulation of the bids received for Student Housing (Initial
 Phase) at The University of Texas at Arlington was sub-
 mitted by System Administration.

FILE NO. 200
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 REMARKS _____

Upon the recommendation of President Nedderman and Chan-
 cellor Walker, the Buildings and Grounds Committee without
 objection:

- a. Awarded a construction contract for Student Housing
 (Initial Phase) at U. T. Arlington to the lowest
 responsible bidder, Pierce Contractors, Inc.,
 Dallas, Texas, in the amount of the base bid of
 \$2,855,000
- b. Authorized a revised total project cost of \$3,729,788
 to cover the building construction contract award,
 movable furnishings and equipment, air balancing,
 landscaping, fees and related project expenses

- c. Approved the total project funding and appropriated additional funds for the total project cost from the sources listed below:

Proceeds from College Housing Loan	\$2, 792, 000*
Additional Appropriation, Interest on Combined Fee Bonds	800, 788
	<u>\$3, 592, 788</u>
Previously Appropriated, Unappropriated Plant Funds	117, 000
Previously Appropriated, U. T. Arlington Housing System Account	<u>20, 000</u>
Grand Total, Funding for Estimated Total Project Cost	<u>\$3, 729, 788</u>

- d. Approved the inscription set out below for the plaque to be placed on the Student Housing project at U. T. Arlington:

STUDENT HOUSING

1980

BOARD OF REGENTS

Dan C. Williams ✓ Chairman
 Thos. H. Law, Vice-Chairman ✓
 Jane Weinert Blumberg ✓
 (Mrs. Roland K.)
 Sterling H. Fly, Jr., M.D. ✓
 Jess Hay ✓
 Jon P. Newton ✓
 James L. Powell ✓
 Howard N. Richards ✓
 Walter G. Sterling ✓

E. D. Walker
 Chancellor, The University of Texas System
 Wendell H. Nedderman
 President, The University of Texas at Arlington
 Geren Associates
 Project Architect
 Pierce Contractors, Inc.
 Contractor

Central Heating + Cooling Plant

3. U. T. Arlington - Thermal Energy Plant (Formerly Called Central Plant) and Utilities Distribution System: Authorization to Replace 750-Ton Absorption Unit with Centrifugal High-Efficiency 1,200 Ton Chilling Unit; Appointment of Love, Friberg & Associates, Inc., Fort Worth, Texas, Project Engineer to Prepare Final Plans; and Appropriation Therefor. --Based on the fact that the existing thermal energy plant at The University of Texas at Arlington is operating at near capacity and that upon completion of the School of Nursing Building the total capacity at this plant will be utilized, the Buildings and Grounds Committee without objection:

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 DOCUMENT ✓
 REMARKS

- a. Authorized modification of the existing Thermal Energy Plant (formerly called Central Plant) and Utilities Distribution System at The University of Texas at Arlington by replacing the 1963 Carrier Model 750-ton Absorption Unit with a centrifugal high-efficiency 1,200 ton chilling unit at an estimated total project cost of \$675,000

*(See Page 4.)

- b. Appointed the firm of Love, Friberg & Associates, Inc., Fort Worth, Texas, Project Engineer to prepare the final plans and cost estimate to be presented to the Board of Regents for consideration at a future meeting
- c. Appropriated \$675,000 from Interest Earned on Time Deposits - Unexpended Plant Funds for the project
4. U. T. Austin - Engineering Facilities - Improvements for Departments of Chemical and Petroleum Engineering (E. P. Schoch Laboratories for Chemical Engineering, Petroleum Engineering Building and Taylor Hall): Authorization for Feasibility Study, Appointment of Calhoun, Tungate, Jackson & Dill, Houston, Texas, Consulting Architect and Appropriation Therefor. -- To meet the increasing enrollment needs in the College of Engineering and upon the recommendation of President Flawn and Chancellor Walker, the Buildings and Grounds Committee without objection:
- a. Authorized a feasibility study for improving facilities utilized by the Departments of Chemical and Petroleum Engineering at The University of Texas at Austin*
- b. Appropriated \$20,000 from Permanent University Fund Bond proceeds for the feasibility study including fees and related expenses

FILE NO. 200
DOCUMENT
REMARKS

Further, upon motion of Regent Sterling ✓ duly seconded, the firm of Calhoun, Tungate, Jackson & Dill, Houston, Texas, was appointed Consulting Architect to work with a Planning Committee from U. T. Austin and the Office of Facilities Planning and Construction in preparing a feasibility study and cost estimate with recommendations to be presented to the Board of Regents for consideration at a future meeting.

*This study will probably but not necessarily relate to the E. P. Schoch Laboratories for Chemical Engineering, the Petroleum Engineering Building (the buildings in which these two departments are housed), and possibly Taylor Hall.

5. U. T. Austin - College of Fine Arts and Performing Arts Center - Landscape Planting and Irrigation for Segments B, C, D, E and F: Award of Contract to Evergreen Landscape, Inc. ✓ Austin, Texas. -- Based on the tabulation of bids opened on May 20, 1980, the Buildings and Grounds Committee without objection awarded a contract for Landscape Planting and Irrigation for Segments B, C, D, E and F of the College of Fine Arts and Performing Arts Center at The University of Texas at Austin to the lowest responsible bidder as set out below:

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REMARKS

Evergreen Landscape, Inc. Austin, Texas	
Base Bid	\$262,488
Additive Alternate: No. 1 (Additional Landscape Plant Material)	28,500
Total Contract Award	<u>\$290,988</u>

6. U. T. Austin - Robert Lee Moore Hall - Pedestrian Plaza Improvements and New Landscape Planting Over Site of Texas Experimental Tokamak (TEXT) Project: Approval of Preliminary Plans and Additional Appropriation Therefor. --System Administration reported that during the design of the Pedestrian Plaza Improvements and New Landscape Planting Over Site of Texas Experimental Tokamak (TEXT) Project in Robert Lee Moore Hall at The University of Texas at Austin it became evident by the preliminary cost estimates that the initial cost estimate of \$150,000 was insufficient to accomplish the desired scope of plaza improvements. Further, the Administration of U. T. Austin and the Office of Facilities Planning and Construction were of the opinion that costs for the project could not be satisfactorily reduced unless the desired design concept was radically changed.

FILE NO. 200
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REMARKS

Following a brief discussion and upon the recommendation of President Flawn and Chancellor Walker, the Buildings and Grounds Committee without objection:

- a. Approved the preliminary plans and specifications for the Pedestrian Plaza Improvements and New Landscape Planting Over the Site of Texas Experimental Tokamak (TEXT) Project in Robert Lee Moore Hall at U. T. Austin at a revised total project cost of \$225,000 to be funded from the Available University Fund
- b. Authorized the Project Architect, John C. Robinson, Jr., Austin, Texas, to prepare final plans and specifications for consideration of the Board of Regents at a future meeting
- c. Appropriated additional funds in the amount of \$1,275 from the Available University Fund for fees and related project expenses through completion of final plans and specifications, \$8,500 having been previously appropriated from the same source

7. U. T. Austin - Museum of Fine Arts: Authorization for Feasibility Study for Design of New Facility; Appointment of Fisher & Spillman Architects, Inc., Dallas, Texas, Consulting Architect; and Appropriation Therefor. --In submitting a recommendation for a feasibility study for the design of a new facility for a Museum of Fine Arts at The University of Texas at Austin, System Administration pointed out that there was a long recognized need to centralize and expand the art museum facilities at U. T. Austin, and that a centralized facility for consolidating collections, together with the necessary support functions, maintenance services and security control features, was critical to improving the academic program and facilitating research activities involving the various art holdings.

FILE NO. 200
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REMARKS

Following discussion, the Buildings and Grounds Committee without objection:

- a. Authorized a feasibility study for the design of a Museum of Fine Arts at U. T. Austin
- b. Appropriated \$50,000 from the Available University Fund for the feasibility study and related expenses

During the consideration of the appointment of a Consulting Architect to work with the Ad Hoc Planning Committee (to be appointed by President Flawn) and the Office of Facilities Planning and Construction to prepare a feasibility study and a cost estimate, Regent (Mrs.) Blumberg expressed the hope that whatever architect might be selected that an architect of national prominence might be engaged as a consultant.

Committee Chairman Law pointed out that the appointment of a Consulting Architect for the feasibility study did not necessarily mean that the same architectural firm would be named Project Architect. Though the selection of the Project Architect would come at a later date, it was the consensus of the Board that the building should be aesthetically attractive as well as functional and that an architectural firm or a consulting architect with national experience in the design of museums in this country should be selected.

Following this discussion and upon motion duly made and seconded, the firm of Fisher & Spillman Architects, Inc., Dallas, Texas, was appointed by unanimous vote Consulting Architect to work with an Ad Hoc Planning Committee (to be appointed by President Flawn) and the Office of Facilities Planning and Construction to prepare a feasibility study and a cost estimate to be presented to the Board of Regents for consideration at a future meeting.

8. U. T. Austin - Refurbishment of 1941 Music Building (Except Recital Hall): Award of Contract to Hawthorne Construction, Inc., Llano, Texas, and Additional Appropriation Therefor. --
A tabulation of the bids received for the Refurbishment of the 1941 Music Building (except Recital Hall) at The University of Texas at Austin was presented by System Administration.

FILE NO. 200
DOCUMENT
REMARKS

Without objection and upon the recommendation of President Flawn and Chancellor Walker, the Buildings and Grounds Committee:

- a. Awarded the construction contract for Refurbishment of the 1941 Music Building (except Recital Hall) at U. T. Austin to the lowest responsible bidder, Hawthorne Construction, Inc., Llano, Texas, as set out below:

Base Bid	\$350,600
Additive Alternates	
No. 1 Paint Exterior Metal Trim	7,193
No. 2 Add Automatic Door Operator	<u>9,490</u>
Total Contract Award	<u>\$367,283</u>

- b. Approved a revised total project cost of \$464,000 (original estimate \$500,000) to cover the construction contract award, movable furnishings and equipment, air balancing, fees and related project expenses
- c. Appropriated additional funds in the amount of \$439,500 from the Available University Fund to provide for the total project cost, \$24,500 having been previously appropriated from the same source

The refurbishment of this building for use by the College of Liberal Arts will include the addition of an elevator, repainting, minor partition changes, various electrical modifications, and other improvements for the physically handicapped.

9. BRACKENRIDGE - Deep Eddy Apts.
U. T. Austin - Student Family Housing: Resolution Authorizing R. S. Kristoferson, Director of the Office of Facilities Planning and Construction, to Make Application for Loans and Process Documents through College Housing Programs of the U. S. Department of Housing and Urban Development in Federal Fiscal Year 1980. --System Administration reported that although resolutions of a general nature had been passed in 1971 and 1976 granting authority to Director Kristoferson to sign all documents on behalf of The University of Texas System related to securing federal grants and loans awarded for construction purposes, new proposed rules for making Applications for College Housing Loans in Federal Fiscal Year 1980 had been initiated by the Department of Housing and Urban Development and published in the April 28, 1980 issue of the Federal Register. These new regulations require a separate resolution for each application made under the program.

(2)
 FILE NO. 200
 DOCUMENT
 REMARKS

Hence, the following resolution was proposed and adopted without objection:

BE IT RESOLVED, That R. S. Kristoferson, Director of the Office of Facilities Planning and Construction of The University of Texas System, be, and he is hereby, authorized, empowered, and directed to make application for a loan not to exceed \$8,900,000 for Student Family Housing at The University of Texas at Austin, to execute all documents relating to the acquisition and the use of monies received from the Federal Government through the College Housing Programs of the U. S. Department of Housing and Urban Development in connection with said construction loans, and to do any and all other necessary acts and things in connection therewith, and any and all such acts and deeds done or caused to be done by the Director, R. S. Kristoferson, are hereby ratified, approved, and confirmed, as the acts and deeds of the Board of Regents of The University of Texas System.

10. U. T. Austin - Expansion of Physical Plant Facilities: Authorization for Feasibility Study; Appointment of Barnes, Landes, Goodman & Youngblood, Austin, Texas, Consulting Architect; and Appropriation Therefor. --Upon the recommendation of President Flawn and Chancellor Walker, the Buildings and Grounds Committee without objection:

FILE NO. 200
 DOCUMENT
 REMARKS

- a. Authorized a feasibility study for the proposed Expansion of the Physical Plant Facilities at The University of Texas at Austin
- b. Appropriated \$20,000 from interest on bond proceeds for the feasibility study including fees and related expenses

Further, upon motion of Regent Williams, ✓ duly seconded, the firm of Barnes, Landes, Goodman & Youngblood, Austin, Texas, was appointed Consulting Architect to work with a Planning Committee from U. T. Austin and the Office of Facilities Planning and Construction in preparing the feasibility study and cost estimate with recommendations to be presented to the Board of Regents for consideration at a future meeting.

In response to Committee Chairman Law's inquiry, Vice Chancellor Boyd reported that the location of this expansion would be a determining factor in the estimated cost of the project; hence, a total estimated project cost figure was not available at this time but would be included with the feasibility study.

- UTILITY TUNNEL EXTENSION
11. U. T. Austin - Expansion of Campus Utilities Distribution System - Tunnel Extension Along Red River Street: Authorization for Project; Appointment of B. Segall, Engineer, Austin, Texas, Project Engineer to Prepare Final Plans; and Appropriation Therefor. --System Administration reported that the delivery of chilled water and steam in the Southwest Quadrant of The University of Texas at Austin campus is currently limited by the existing Tunnel Distribution System and that although present delivery capabilities are adequate, future expansion of the College of Business Administration and the Graduate School of Business would require a significant increase in the total delivery capacity. The Administration proposed that an extension of the tunnel along Red River Street with increased pipe capacity would correct this forecasted deficiency.

FILE NO. 200
DOCUMENT
REMARKS

Whereupon, the Buildings and Grounds Committee without objection and upon the recommendation of President Flawn and Chancellor Walker:

- a. Authorized a tunnel extension along Red River Street to improve the Utilities Distribution System in the Southwest Quadrant of the U. T. Austin campus at an estimated total project cost of \$4,000,000
 - b. Appointed B. Segall, Engineer, Austin, Texas, Project Engineer to prepare final plans and cost estimate to be presented to the Board of Regents for consideration at a future meeting
 - c. Appropriated \$160,000 from Permanent University Fund Bond proceeds for fees and related project expenses through completion of final plans
12. U. T. El Paso - Military Science Building and Four Additional Handball Courts in Memorial Gymnasium; Approval of Preliminary Plans and Additional Appropriation Therefor. --The preliminary plans and specifications for the construction of the Military Science Building and the four additional handball courts in Memorial Gymnasium at The University of Texas at El Paso were presented by Mr. Bill Thorpe, representing the Project Architect, Foster, Henry, Henry & Thorpe, Inc., El Paso, Texas. It was noted that although the scope of this project had not been increased the preliminary design plans indicated that the initial cost estimate of \$672,000 would not be adequate.

FILE NO. 200(2)
DOCUMENT
REMARKS

Following discussion, the Buildings and Grounds Committee without objection:

- a. Approved the preliminary plans and specifications for the Military Science Building and four additional handball courts in Memorial Gymnasium at U. T. El Paso at a revised total project cost of \$790,000, to be funded from Permanent University Fund Bond proceeds

- b. Authorized the Project Architect, Foster, Henry, Henry & Thorpe, Inc., El Paso, Texas, to prepare final plans and specifications for consideration of the Board of Regents at a future meeting
- c. Appropriated additional funds in the amount of \$24,000 from Permanent University Fund Bond proceeds for fees and related project expenses through completion of final plans and specifications, \$8,720 having been previously appropriated from this same source

13. U. T. El Paso - Renovation of Miners' Hall (General Classroom and Office Building): Award of Contract to Hines-Boyd General Contractors, Inc., El Paso, Texas. --After reviewing the tabulation of bids submitted by System Administration with respect to the Renovation of Miners' Hall (General Classroom and Office Building) at The University of Texas at El Paso, the Buildings and Grounds Committee without objection:

FILE NO. 200
DOCUMENT
REMARKS

- a. Awarded a construction contract for the Renovation of Miners' Hall (General Classroom and Office Building) at U. T. El Paso to the lowest responsible bidder, Hines-Boyd General Contractors, Inc., El Paso, Texas, as set out below:

Base Bid	\$ 559,500
Additive Alternates:	
No. 2 Operable Windows	11,059
No. 5 Elevator	22,500
Total Contract Award	<u>\$ 593,059</u>

- b. Approved a total project cost of \$705,000 to cover the construction contract award, movable furnishings and equipment, air balancing, fees and related project expenses

The sum of \$705,000 was appropriated by the 66th Legislature for this project.

14. U. T. El Paso - College of Business Administration Classroom and Office Building: Award of Contract to Vivienda Development Corporation, El Paso, Texas, and Additional Appropriation Therefor; Inscription for Plaque. --System Administration submitted a tabulation of the bids received on May 15, 1980 for the College of Business Administration Classroom and Office Building at The University of Texas at El Paso.

FILE NO. 200
DOCUMENT
REMARKS

Upon the recommendation of President Templeton and Chancellor Walker, the Buildings and Grounds Committee without objection:

- a. Awarded the construction contract for the College of Business Administration Classroom and Office Building at The University of Texas at El Paso to the

lowest responsible bidder, Vivienda Development Corporation, El Paso, Texas, as set out below:

Base Bid	\$ 4,865,000
Additive Alternates:	
No. 1 Parking Lot	24,700
No. 3 Corridor Flooring	34,000
No. 4 Courtyard Finishes	3,200
No. 5 Lecture Hall Sound System	<u>13,600</u>
Total Contract Award	\$ <u>4,940,500</u>

- b. Approved a total project cost of \$6,800,000 to cover the building construction contract award, movable furnishings and equipment, air balancing, landscaping, fees and related project expenses
- c. Appropriated additional funds in the amount of \$6,526,000 from Permanent University Fund Bond proceeds to provide for the total project cost, \$274,000 having been previously appropriated from the same source
- d. Approved the following inscription for the plaque to be placed on the College of Business Administration Classroom and Office Building at U. T. El Paso:

BUSINESS ADMINISTRATION BUILDING

1980

BOARD OF REGENTS

Dan C. Williams, Chairman	E. D. Walker
Thos. H. Law, Vice-Chairman	Chancellor, The University of Texas System
Jane Weinert Blumberg (Mrs. Roland K.)	Arleigh B. Templeton
Sterling H. Fly, Jr., M.D.	President, The University of Texas at El Paso
Jess Hay	
Jon P. Newton	
James L. Powell	Fouts, Langford, Gomez, Moore, Inc.
Howard N. Richards	Project Architect
Walter G. Sterling	Vivienda Development Corporation
	Contractor

15. U. T. Permian Basin - President's Residence: Lease Agreement with Texas Electric Service Company, Odessa, Texas, for Use of Right-of-Way Adjacent to President's Residence. -- Upon the recommendation of President Cardozier and Chancellor Walker and without objection, approval was given to a five-year Lease Agreement effective March 10, 1980, with Texas Electric Service Company, Odessa, Texas, covering the use of a right-of-way adjacent to the President's Residence at The University of Texas of the Permian Basin and owned by the Electric Company. This right-of-way is used as a side yard and access road to the garage of the residence. It was originally leased to the University in April 1975 (Permanent Minutes, Volume XXII, Page 3251).

EASEMENT to
FILE NO. 400
DOCUMENT ---
REMARKS ---

16. U. T. San Antonio - Classroom and Office Building (Phase II Building): Approval of Inscription for Plaque - Multidisciplinary Studies Building. -- Upon the recommendation of President Wagener and Chancellor Walker, approval was given for the Classroom and Office Building (Phase II Building) at The University of Texas at San Antonio to be referred to as the Multidisciplinary Studies Building until the facility is finally named. Further, the inscription set out below was approved for the plaque to be placed on the building. This inscription follows the standard pattern approved by the Board of Regents at its June 1, 1979 meeting:

FILE NO. 201
DOCUMENT
REMARKS

MULTIDISCIPLINARY STUDIES BUILDING

1977

BOARD OF REGENTS

Allan Shivers, Chairman
Dan C. Williams, Vice-Chairman
James E. Bauerle, D.D.S.
Jane Weinert Blumberg
(Mrs. Roland K.)
Edward Clark
Sterling H. Fly, Jr., M.D.
Jess Hay
Thos. H. Law
Walter G. Sterling

Charles A. LeMaistre, M.D.
Chancellor, The University
of Texas System
Peter T. Flawn, President
The University of Texas at
San Antonio

Bartlett Cocke and Associates, Inc.
in Association with
Frank M. Valdez
Project Architect
Browning Construction Company
Contractor

This building is scheduled to be completed within the next few months and will house four academic divisions of the College of Multidisciplinary Studies.

17. U. T. San Antonio - Multidisciplinary Studies Building (Previously Called Classroom and Office Building) and Addition to Arts Building (Phase II Buildings): Award of Contract for Completion to Browning Construction Company, San Antonio, Texas, and Appropriation Therefor (Project Approved by Coordinating Board). -- System Administration submitted a tabulation of bids for the completion of the Phase II Buildings at The University of Texas at San Antonio and reported that this project had been approved by the Coordinating Board, Texas College and University System in January 1980.

FILE NO. 200
DOCUMENT
REMARKS

The Buildings and Grounds Committee without objection:

- a. Awarded a construction contract for the completion of the Multidisciplinary Studies Building (previously called Classroom and Office Building) and Addition to Arts Building (Phase II Buildings) at U. T. San Antonio to the lowest responsible bidder, Browning Construction Company, San Antonio, Texas, as set out below:

Base Bid	\$ 5,096,000
Additive Alternates:	
No. 1 Completion of TV Studio	243,000
No. 2 Add New Exterior Stairs	44,000
No. 3 New Plaza Lighting	20,000
Total Contract Award	\$ <u>5,403,000</u>

- b. Authorized a total project cost of \$7, 153, 431 to cover the building construction contract award, movable furnishings and equipment, air balancing, landscaping, fees and related project expenses
- c. Appropriated funds in the amount of \$7, 153, 431 from proceeds of sale of Combined Fee Revenue Bonds to provide for the total project cost
18. U. T. San Antonio - Science-Education Building (Phase I Building): Redesignated the Science Building; Authorization to Modify Plaque to Conform. -- The Science-Education Building (Phase I Building) at The University of Texas at San Antonio was redesignated the Science Building. The Division of Education will be moving from this building upon completion of the new Phase II Buildings. FILE NO. 200
DOCUMENT
REMARKS

Further, authorization was given to modify the existing plaque on the building to conform to the new name. (Plaque originally approved January 31, 1975, Permanent Minutes, Volume XXII, Pages 2205-2207.)

19. Dallas Health Science Center - Ambulatory Care Center: Authorization to Change Location and to Halt Preparation of Final Plans and Specifications for Alterations and Adaptation to New Location; Authorization to Negotiate for Exchange of Property with Parkland Memorial Hospital, Dallas, Texas. -- After the Official Notice for the items on the agenda had been published with the Secretary of State, a joint committee of Parkland Memorial Hospital, Dallas, Texas, and The University of Texas Health Science Center at Dallas (DHSC) evolved a plan whereby the proposed Ambulatory Care Center (ACC) at the DHSC and the new outpatient facility proposed by Parkland Memorial Hospital could be juxtaposed. Such juxtaposition would result in increased ease of patients and faculty to move back and forth, opportunities for sharing certain expensive items of equipment, and improved efficiency of operation. The two buildings would be independent but connected floor by floor; thus the buildings could be separated in the event this should be desired by either party in the future. FILE NO. 200
DOCUMENT
REMARKS

Since the final plans and specifications for the ACC were in progress and it would be necessary to halt the progress of these plans and to change the location of the facility, this item was considered an emergency and added to the agenda of the Buildings and Grounds Committee.

Following a discussion of the proposal and upon the recommendation of President Sprague and Chancellor Walker, the Buildings and Grounds Committee without objection:

- a. Authorized the Office of Facilities Planning and Construction to request the Project Architect, Fisher & Spillman Architects, Inc., Dallas, Texas, to halt the final plans in progress for the Ambulatory Care Center at the Dallas Health Science Center and to make alterations and adjustments to the plans for location of the Center juxtaposed to Parkland Memorial Hospital's new outpatient facility
- b. Authorized negotiations with Parkland Memorial Hospital to exchange land so that the Ambulatory Care Center could be juxtaposed to Parkland's outpatient facility (The results of the negotiations will be reported to the Board of Regents at a future meeting.)

20. Galveston Medical Branch - Ashbel Smith Building (Old Red) - Restoration. -- See Page 62 for a continuation of this item: FILE NO. 200
DOCUMENT _____
REMARKS _____
21. Galveston Medical Branch - New Physical Plant Building, Phase I; Approval of Final Plans and Authorization to Advertise for Bids; Project Approved by Coordinating Board. -- It was reported that the proposed new Physical Plant Building at The University of Texas Medical Branch at Galveston had been approved by the Coordinating Board, Texas College and University System on April 18, 1980. FILE NO. 200
DOCUMENT _____
REMARKS _____
- Upon the recommendation of President Levin and Chancellor Walker, the Buildings and Grounds Committee without objection:
- a. Approved the final plans and specifications prepared by the Project Architect, Louis Lloyd Oliver and Tibor Beerman, Galveston, Texas, for the New Physical Plant Building, Phase I at The University of Texas Medical Branch at Galveston at an estimated total project cost of \$2,500,000, said amount having been appropriated from Medical Branch Unappropriated Balances at the July 1979 meeting of the Board of Regents (Source of Funds: Income from Hospital)
 - b. Authorized the Office of Facilities Planning and Construction to advertise for bids which will be presented to the Board of Regents for consideration at a future meeting
22. Galveston Medical Branch (Galveston Medical School) - Remodeling and Addition to the Department of Pharmacology Building; Approval of Final Plans and Authorization to Advertise for Bids; Project Approved by Coordinating Board. -- System Administration reported that the Coordinating Board, Texas College and University System approved the Remodeling and Addition to the Department of Pharmacology Building at The University of Texas Medical Branch at Galveston (Galveston Medical School) on April 18, 1980. FILE NO. 200
DOCUMENT _____
REMARKS _____

The Buildings and Grounds Committee without objection:

- a. Approved the final plans and specifications which had been prepared by the Project Architect, Louis Lloyd Oliver and Tibor Beerman, Galveston, Texas, for the Remodeling and Addition to the Department of Pharmacology Building at The University of Texas Medical Branch at Galveston at an estimated total project cost of \$2,500,000, said amount having been appropriated from Medical Branch Unappropriated Balances at the July 1979 meeting of the Board of Regents (Source of Funds: Income from Hospital)
- b. Authorized the Office of Facilities Planning and Construction to advertise for bids which will be presented to the Board of Regents for consideration at a future meeting

In response to Chairman Williams inquiry as to whether or not the New Physical Plant Building (Item No. 21) and the Remodeling and Addition to the Department of Pharmacology Building had been included in the Long Range Development Plan for the Galveston

Medical Branch, Director Kristoferson replied that the buildings had been included and System Administration had been following the Land Use Plan for GMB submitted to the Coordinating Board, Texas College and University System in December 1977.

23. Galveston Medical Branch (Galveston Hospitals) - Remodeling of John Sealy Hospital (Circa 1953) [Previously Called Existing John Sealy Hospital (Original Building)] - Phase IA - Mechanical System: Award of Contract to Don Tarpey Construction Company, Texas City, Texas. -- Upon the recommendation of President Levin and Chancellor Walker, the Buildings and Grounds Committee without objection: FILE NO. 200
DOCUMENT 1
REMARKS ✓

- a. Awarded a construction contract for the Phase IA - Mechanical System of the Remodeling of the John Sealy Hospital (Circa 1953) [previously called Existing John Sealy Hospital (Original Building)] at The University of Texas Medical Branch at Galveston to the lowest responsible bidder, Don Tarpey Construction Company, Texas City, Texas, in the amount of the base bid of \$4,564,000
- b. Authorized a revised total project cost of \$6,300,000 to cover the construction contract award, equipment, air balancing, fees and related project expenses for the complete revision of the mechanical system

System Administration reported that the Project Architect's final construction cost estimate was \$5,214,650. This estimate, however, was not made until the Spring of 1980.

Funds to cover the contract award, fees and miscellaneous expenses are available within previously appropriated funds granted by The Sealy & Smith Foundation.

- Student Housing
24. Houston Health Science Center - Student/Faculty Apartment Project: Approval of Final Plans and Authorization to Advertise for Bids Subject to Funding Requirements; Project Approved by Coordinating Board. -- System Administration reported that the final plans and specifications for the Student/Faculty Apartment Project at The University of Texas Health Science Center at Houston had been completed by the Project Architect, Page Southerland Page, Architects-Engineers, Houston, Texas, and that the project had been approved by the Coordinating Board, Texas College and University System. FILE NO. 200
DOCUMENT 1
REMARKS ✓

Upon the recommendation of President Bulger and Chancellor Walker, the Buildings and Grounds Committee without objection:

- a. Approved the final plans and specifications for the Student/Faculty Apartment Project at the Houston Health Science Center at an estimated total project cost of \$11,500,000
- b. Authorized the Office of Facilities Planning and Construction to advertise for bids when the bond consultant indicates funding will be feasible

San Antonio Medical School Bldg -

25. San Antonio Health Science Center (School of Allied Health Sciences) - Auditorium - Renovation of Space on Level 2 for New Programs: Authorization for Project and Appointment of Phelps & Simmons & Garza, San Antonio, Texas, Project Architect. --System Administration reported that with respect to the three new programs approved in April 1980 by the Coordinating Board, Texas College and University System for The University of Texas School of Allied Health Sciences at San Antonio (to be offered jointly by U. T. San Antonio and the San Antonio Health Science Center), the 66th Legislature had appropriated \$1, 625, 000 for renovation of facilities at the Health Science Center for the programs.

FILE NO. 200
DOCUMENT
REMARKS

Following discussion and upon the recommendation of President Harrison and Chancellor Walker, the Buildings and Grounds Committee without objection:

- a. Authorized renovation of approximately 17, 700 square feet in Level 2 of the Auditorium at the San Antonio Health Science Center to provide space for Allied Health Science programs at an estimated total project cost of \$1, 625, 000
- b. Appointed the firm of Phelps & Simmons & Garza, San Antonio, Texas, Project Architect to prepare preliminary plans and cost estimate to be presented to the Board of Regents for consideration at a future meeting

Building for Multiple Uses -

26. University Cancer Center: (Building to House Physical Plant Operations, Police Operations, Motor Pool and Central Stores) Approval of Project; Appointment of John S. Chase, Houston, Texas, Project Architect; and Appropriation Therefor. --In order to ensure a more efficient and cost-effective service operation and to vacate needed space within the M. D. Anderson Hospital and the former Prudential Building, President LeMaistre and Chancellor Walker recommended that support functions for The University of Texas System Cancer Center be centralized on part of a 100-acre tract located south of the Texas Medical Center.

FILE NO. 200
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REMARKS

Following discussion, the Buildings and Grounds Committee without objection:

- a. Authorized construction of a building to house the Physical Plant operations, Police operations, Motor Pool and Central Stores facilities at the University Cancer Center on the 100-acre tract south of the Texas Medical Center at an estimated total project cost of \$3, 750, 000
- b. Appropriated \$35, 000 from General Funds Unappropriated Balances Account for fees and related project expenses through preparation of preliminary plans

Further, upon motion of Regent Hay, duly seconded, the firm of John S. Chase, Houston, Texas, was appointed Project Architect to prepare preliminary plans and cost estimate to be presented to the Board of Regents for consideration at a future meeting.

27. University Cancer Center - Science Park Veterinary Resources Division at Bastrop (Formerly Called Camp Swift Division at Bastrop) - Storage and Physical Plant Facility: Authorization to Submit Project to Coordinating Board and to Prepare Final Plans; Subject to Coordinating Board Approval, Authorization to Advertise for Bids, Award Contract and Complete Project (by UCC Administration); and Appropriation Therefor. -- Upon the recommendation of President LeMaistre and Chancellor Walker, the Buildings and Grounds Committee without objection: FILE NO. 200
DOCUMENT
REMARKS
- a. Authorized the construction of a Storage and Physical Plant Facility (metal building - approximately 25,000 gross square feet) for the Science Park Veterinary Resources Division at Bastrop (formerly called Camp Swift Division at Bastrop) of The University of Texas System Cancer Center at an estimated cost of \$550,000, and authorized submission of the project to the Coordinating Board, Texas College and University System
 - b. Authorized the University Cancer Center Physical Plant Department staff to prepare final plans and specifications for the Storage and Physical Plant Facility in consultation with the Office of Facilities Planning and Construction
 - c. Subject to approval by the Coordinating Board, authorized the University Cancer Center Administration and Physical Plant Department to take all necessary actions for advertising, bidding, awarding of a construction contract and completion of the project with its own forces or through contract services in consultation with the Office of Facilities Planning and Construction
 - d. Appropriated \$550,000 from Plant Funds - Unexpended Account [REDACTED] - Science Park Building Expansion for the total project funding

It was noted that the Long Range Campus Development Plan for the University Cancer Center submitted to the Coordinating Board, Texas College and University System in December 1977 included a storage and physical plant facility for the Veterinary Resources Division of the Science Park at Bastrop.

- 20.* Galveston Medical Branch - Ashbel Smith Building (Old Red) - Restoration: Authorization for Office of Facilities Planning and Construction to Work with Project Architect to Update Phase I of Preliminary Plans and Commitment of Funds Therefor. -- At the Buildings and Grounds Committee meeting on Thursday, May 29, Galveston County Judge Ray Holbrook, Director Peter Brink of the Galveston Historical Foundation, Executive Director Truett Latimer of the Texas Historical Commission, Grant Coordinator Ed Protz of The Moody Foundation, and Senator A. R. Schwartz of Galveston appeared and urged that positive action be taken with respect to the restoration of the Ashbel Smith Building (Old Red) at The University of Texas Medical Branch at Galveston; specifically to begin by committing a portion of the already appropriated funds to update Phase I of the preliminary plans approved in 1974. FILE NO. 200
DOCUMENT
REMARKS

*See Page 59 for proper sequence of this item.

Following discussion as to the legality of acting on the item at this meeting, the matter was deferred until Friday morning.

On Friday morning, May 30, 1980, the Buildings and Grounds Committee met briefly following the meeting of the Land and Investment Committee. General Counsel Crowson advised that, in his opinion it would be legal for the Restoration of the Ashbel Smith Building (Old Red) to be considered at this meeting.

Pursuant thereto, Regent Fly moved adoption of the following:

"The Board of Regents authorizes the Office of Facilities Planning and Construction to work with the architects (Crain/Anderson, Inc.), previously appointed for the restoration of the Ashbel Smith Building (Old Red) at the Galveston Medical Branch, to update the Phase I of the Preliminary Plans approved in September 1974. The Phase I plan includes the construction work to stabilize the structural system and repair exterior building elements such as the roof and masonry walls. It is further requested that the Office of Facilities Planning and Construction have cost estimates for updating these preliminary plans by the July Board meeting for the Board to consider any additional appropriation necessary for this work.

"The Board of Regents further expresses its intent to commit up to \$50,000 for the update of the plans; provided, that the commitment of funds is subject to being matched up to \$50,000 from non-University sources."

Regent Sterling seconded the motion.

Committee Chairman Law called for a voice vote, and the motion was unanimously adopted.

REPORT OF HEALTH AFFAIRS COMMITTEE (Pages 64-82). -- The following report of the Health Affairs Committee was submitted by Committee Chairman Fly who stated that all actions had been taken in open session and unanimously approved unless otherwise indicated. The report as set out below was adopted without objection:

Based on Model

1. U. T. Arlington: Affiliation Agreements with (a) Texas Scottish Rite Hospital for Crippled Children, Dallas, Texas, and (b) Wichita Falls State Hospital, Wichita Falls, Texas. -- Unanimous approval was given to affiliation agreements by and between The University of Texas at Arlington and the following facilities. The agreements had been executed by the appropriate officials of the institution and facility on the dates indicated below to be effective upon approval by the Board of Regents:

<u>Facility</u>	<u>Agreement Executed</u>
✓ a. Texas Scottish Rite Hospital for Crippled Children Dallas, Texas	March 21, 1980
✓ b. Wichita Falls State Hospital Wichita Falls, Texas	April 9, 1980

These agreements follow the format approved for affiliation agreements by the Board of Regents on December 16, 1977. They will provide training opportunities for students primarily in the School of Nursing at U. T. Arlington.

Based on Model

2. U. T. San Antonio: Affiliation Agreements with (a) St. Benedict's Hospital, San Antonio, Texas, and (b) Austin State School, Austin, Texas. -- Approval was given without objection to affiliation agreements by and between The University of Texas at San Antonio and the following facilities. The agreements had been executed by the appropriate officials of the institution and facility on the dates indicated below to be effective upon approval by the Board of Regents:

<u>Facility</u>	<u>Agreement Executed</u>
✓ a. St. Benedict's Hospital San Antonio, Texas	February 29, 1980
✓ b. Austin State School Austin, Texas	March 7, 1980

These agreements, which follow the format approved for affiliation agreements by the Board of Regents on December 16, 1977, will provide training opportunities for students in the Division of Allied Health and Life Sciences.

Based on Model

3. Dallas Health Science Center: Affiliation Agreements with The Singer Company - Educational Division d/b/a Singer Career Development Center, Dallas, Texas. -- An affiliation agreement by and between The University of Texas Health Science Center at Dallas and The Singer Company - Educational Division d/b/a Singer Career Development Center, Dallas, Texas, was approved without objection.

This agreement, executed by the appropriate officials of the institution and facility on December 17, 1979 to be effective upon approval by the Board of Regents, will provide additional facilities for allied health students.

This agreement follows the format approved for affiliation agreements by the Board of Regents on December 16, 1977.

Fees

4. Dallas Health Science Center (Dallas Southwestern Medical School, Dallas G.S.B.S. and Dallas Allied Health Sciences School): Increase in Student Services Fee (Required) Beginning with the 1980-81 Academic Year (Catalog Change). -- Upon the recommendation of President Sprague and Chancellor Walker and without objection, the Student Services Fee (Required) at The University of Texas Health Science Center at Dallas was increased from \$30.00 to \$60.00 per semester, the statutory limit, beginning with the 1980-81 academic year and was set as follows:

FILE NO. 16
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REMARKS

Catalog changes

- a. For students in the Dallas Southwestern Medical School, the fee was increased to \$120 per nine-month term (\$60.00 per semester) to be allocated as follows:

Student Health Service	\$40.00
Student Union	76.00
Student Activities	4.00

- b. For full-time students in the Dallas Graduate School of Biomedical Sciences and the Dallas Allied Health Sciences School, the fee was increased to \$60.00 per semester or summer session to be allocated as follows. However, the fee for part-time students in these schools was set at \$5.00 per semester credit hour not to exceed the statutory limit of \$60.00 for each semester or summer session:

Student Health Service	\$20.00
Student Union	38.00
Student Activities	2.00

It was ordered that the next catalog published by each of these schools be amended to conform to this action.

5. Galveston Medical Branch: Affiliation Agreement with St. Mary's Hospital, Galveston, Texas. -- Without objection, approval was given to the affiliation agreement set out on Pages 66-72 by and between The University of Texas Medical Branch at Galveston and St. Mary's Hospital, Galveston, Texas. This agreement, which was executed by the appropriate officials of the institution and facility on March 17, 1980 to be effective upon approval by the Board of Regents, will provide training opportunities for students in the schools of medicine, nursing and allied health.

FILE NO. 407
DOCUMENT
REMARKS

This agreement follows the format approved for affiliation agreements by the Board of Regents on December 16, 1977 except for changes in paragraphs 5(c), 6(a) and (b), and the addition of paragraph 13 requiring the faculty and students to maintain medical malpractice insurance. It was pointed out that certain other paragraphs have been renumbered and the cancellation clause provides for 90 days' prior written notice.

HEALTH CARE
EDUCATION EXPERIENCE PROGRAM
AFFILIATION AGREEMENT

THIS AGREEMENT made the 17th day of March,
19 80, by and between The University of Texas Medical Branch at Galveston ("University"), a component institution of The University of Texas System ("System"), and St. Mary's Hospital ("Facility"), having its principal office at 404 Eighth Street, Galveston, State of Texas.

WITNESSETH:

WHEREAS, Facility now operates St. Mary's Hospital facilities located at 404 Eighth Street, in the City of Galveston, State of Texas, and therein provides health care services for persons in need of such services; and University provides an academic program with respect to health care; and,

WHEREAS, University periodically desires to provide health care related educational experiences for its students, which are not otherwise available to them under the existing program of University, by utilization of appropriate facilities and personnel of Facility; and,

WHEREAS, Facility is committed to a goal of providing the best obtainable supply of personnel educated in the field of health care as being in the best interests of Facility, and by affording health-care students the opportunity to participate in meaningful educational experiences as part of an academic health care program, through utilization of appropriate facilities and personnel of Facility; and,

WHEREAS, in order to accomplish such objectives, University and Facility intend to establish and implement from time to time, one or more educational experience programs which will involve the students and personnel of University, and the facilities and personnel of Facility;

NOW, THEREFORE, in consideration of the premises and of the benefits derived and to be derived therefrom and from the program or programs established and implemented by said parties, University and Facility agree that any program agreed to by and between Facility and University, during the term of this Agreement, for purposes of achieving the above described objectives of said parties (hereinafter called "Educational Experience Program", or "Program"), shall be covered by and subject to the following terms and conditions:

1. The program shall not become effective until all agreements between the parties with respect to Program have been reduced to writing ("Program Agreement"), executed by the duly authorized representatives of Facility and University, and approved in writing by the Chancellor of The University of Texas System.

2. The Program may be cancelled by either party by giving such written notice to the other of its intention to terminate the Program as provided in the Program Agreement; provided, however, that the Program shall automatically terminate upon termination of this Agreement.

3. In the event of conflict between the text of Program Agreement and the text of this Agreement, this Agreement shall govern.

4. After Program Agreement becomes effective, no amendments thereto shall be valid unless in writing and executed by the duly authorized representatives of Facility and University, and approved by the Chancellor of The University of Texas System.

5. Except for certain acts to be performed by University pursuant to express provisions of this Agreement, Facility hereby agrees to furnish the premises, personnel, services, and all other

things necessary for the Educational Experience Program, as specified in the Program Agreement, and, in connection with such Program, further agrees:

(a) To comply with all Federal, State and Municipal laws, ordinances, rules and regulations applicable to performance by Facility of its obligations under this Agreement, and all applicable accreditation requirements, and to certify such compliance to University or other entity when requested to do so by University.

(b) To permit the authority responsible for accreditation of University's curriculum to inspect such facilities, services and other things provided by Facility pursuant to this Agreement as are necessary for accreditation evaluation.

(c) To appoint a person to serve for Facility as liaison (Liaison) to the faculty and students engaged in the Program.

6. University hereby agrees;

(a) To furnish Facility with the names of all persons assigned by University to participate in any program at Facility, together with such other pertinent information which may be necessary for the Facility to determine the competence of the person to engage in activities at the Facility.

(b) To assign for participation in the Program only those persons (1) who have satisfactorily completed those portions of his/her curriculum which, according to Program Agreement, are prerequisite to such participation. University recognizes that Facility has a non-delegable duty to ascertain the qualifications of any persons assigned to a function in the Facility and therefore such assignments are subject to confirmation by Facility in the discharge of its quality assurance duty, and Facility reserves the right to withdraw all privileges from any persons assigned by University if in the opinion of the Facility said person fails to meet Facility's standards of quality of care and conduct.

(c) To designate a member of the University faculty to coordinate with Facility through its Liaison the learning assignment to be assumed by each student participating in the Program, and to furnish to Facility in writing the name of such faculty member.

7. All notices under this Agreement shall be provided to the party to be notified in writing, either by personal delivery or by United States mail. All notices under this Agreement shall be deemed given to a party when received by such party's designated representative.

8. All agreements between the parties on the subject matter hereof have been reduced to writing herein. No amendments to this Agreement shall be valid unless in writing and signed by the duly authorized representatives of the parties, and approved by the Board of Regents of The University of Texas System.

9. No oral representations of any officer, agent, or employee of Facility or The University of Texas System, or any of its component institutions, (including, but not limited to University), either before or after the effective date of this Agreement, shall affect or modify any obligations of either party hereunder or under any Program Agreement.

10. This Agreement shall be binding on and shall inure to the benefit of the parties and their respective successors and assignees; provided, however, that no assignment by either party shall be effective without prior written approval of the other party. A delay in or failure of performance of either party shall not constitute default hereunder, or give rise to any claim for damages, if and to the extent such delay or failure is caused by occurrences beyond the control of either party.

11. This Agreement shall not become effective unless and until approved by the Board of Regents of The University of Texas

System. If so approved, this Agreement shall become effective on the date of such approval, and shall continue in effect for an initial term ending one (1) year after the date and year of execution by Facility and University, and after such initial term, from year to year unless one party shall have given ninety (90) days prior written notice to the other party of intention to terminate this Agreement. If such notice is given, this Agreement shall terminate: (a) at the end of the term of this Agreement during which the last day of such ninety (90) day notice period falls; or, (b) when all students enrolled in the Program at the end of the term of this Agreement have completed their respective courses of study under the Program; whichever event last occurs.

12. University shall, to the extent authorized under the constitution and laws of the State of Texas, hold Facility harmless from liability resulting from University's acts or omissions within the terms of this Agreement; provided, however, University shall not hold Facility harmless from any claims, demands, or causes of action arising in favor of any person or entity, growing out of, incident to, or resulting directly or indirectly from negligence (whether sole, joint, concurring or otherwise) of Facility, its officers, agents, representatives, or employees, or any person or entity not subject to University's supervision or control.

13. University agrees to maintain and keep in force Medical Malpractice insurance in an amount not less than that described in Letter dated March 12, 1980, from V. E. Thompson, as attached to this Agreement, and to notify Hospital in writing of any revisions in policies.

Executed by University and Facility on the day and year first above written, in duplicate copies, each of which shall be deemed an original.

UNIVERSITY

William C. Levin
William C. Levin, M. D.
President, UTMB

ATTEST:

Sister Mary Gemma Steufert
Secretary, Local
Governing Board

FACILITY - ST. MARY'S HOSPITAL

Sister Mary Cornelius
Sister Mary Cornelius
Administrator

FORM APPROVED:

W.D. Smith
General Counsel of the
System

CONTENT APPROVED:

Edward N. Brandt, Jr.
Edward N. Brandt, Jr., M.D., Ph.D.
Vice Chancellor for Health Affairs
UT System

E. D. Walker
E. D. Walker, Chancellor
UT System

ATTEST:

THE BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM:

BETTY ANNE THEDFORD, SECRETARY
Board of Regents of
The University of Texas System

Chairman, Board of Regents
UT System
DAN C. WILLIAMS, CHAIRMAN
Board of Regents of
The University of Texas System



THE UNIVERSITY OF TEXAS MEDICAL BRANCH
GALVESTON, TEXAS 77550

March 12, 1980

Administrator
St. Mary's Hospital
Galveston, Texas 77550

As requested, represented below is a schedule of insurance coverage provided through The University of Texas System Medical Malpractice Self-Insurance Plan and the State of Texas.

Coverage as described would be applicable to UTMB personnel providing services at off-campus facilities and acting within the scope of a properly executed Affiliation Agreement.

U. T. System Medical Malpractice Self-Insurance Plan

	<u>Per Claim</u>	<u>Annual Aggregate</u>
full-time staff	\$400,000	\$1,200,000
resident, intern, student	25,000	75,000

Additional Coverage Pursuant to Art. 6252-26 V.T.C.S.

All employees	\$100,000	\$300,000
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Sincerely,

V. E. Thompson
Executive Vice President for
Administration & Business Affairs

VET/mbh

EXHIBIT "A"

Based on Model

6. Galveston Medical Branch: Affiliation Agreements with College of the Mainland, Texas City, Texas. --An affiliation agreement by and between The University of Texas Medical Branch at Galveston and the College of the Mainland, Texas City, Texas, was approved without objection to be effective upon approval by the Board of Regents. This agreement, which had been executed by the appropriate officials of the institution and facility, will benefit students in allied health sciences.

FILE NO. 400
DOCUMENT
REMARKS ---

This agreement follows the format approved for affiliation agreements by the Board of Regents on December 16, 1977.

Based on Model

7. Houston Health Science Center: Affiliation Agreements with (a) Pasadena Independent School District, Pasadena, Texas, and (b) U. S. Public Health Service Hospital, Nassau Bay, Texas. --Affiliation agreements by and between The University of Texas Health Science Center at Houston and the following facilities were approved without objection. The agreements had been executed by the appropriate officials of the institution and facility on the dates indicated below to be effective upon approval by the Board of Regents:

FILE NO. 400
DOCUMENT
REMARKS ---

<u>Facility</u>	<u>Agreement Executed</u>
<input checked="" type="checkbox"/> Pasadena Independent School District Pasadena, Texas	November 26, 1979
<input checked="" type="checkbox"/> U. S. Public Health Service Hospital Nassau Bay, Texas	February 26, 1980

These agreements, which follow the format approved for affiliation agreements by the Board of Regents on December 16, 1977, will benefit students in allied health and nursing.

8. San Antonio Health Science Center (San Antonio Dental School): Authorization to Seek Permission from Coordinating Board to Change Name of the Department of Diagnosis and Roentgenology to the Department of Dental Diagnostic Science (Catalog Change). -- Without objection, approval was given to seek permission from the Coordinating Board, Texas College and University System to change the name of the Department of Diagnosis and Roentgenology to the Department of Dental Diagnostic Science at the San Antonio Dental School, The University of Texas Health Science Center at San Antonio. This name change would more appropriately reflect the scope of the responsibilities of this department.

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REMARKS ---

Catalog Changes

If this name change is approved by the Coordinating Board, the next appropriate catalog published at the San Antonio Health Science Center will be amended to conform.

9. San Antonio Health Science Center (San Antonio Nursing School): Request to Seek Permission from Coordinating Board to Establish a Nurse-Midwifery Program (Catalog Change)(Deferred). --This item was deferred.

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DOCUMENT ---
REMARKS ---

Catalog Changes

Augmentation

10. San Antonio Health Science Center (San Antonio Medical School):
Amendment to Bylaws of Medical Service, Research and Develop-
ment Plan (MSRDP). -- Upon the recommendation of President
 Harrison and Chancellor Walker, unanimous approval was given
 to amend the Bylaws of the Medical Service, Research and Develop-
 ment Plan (MSRDP) of the San Antonio Medical School, The Univer-
 sity of Texas Health Science Center at San Antonio, by changing the
 section on Administration to read as follows whereby there is pro-
 vision for a Chairman-Elect:

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Administration: Shall be conducted by a MSRDP Advisory Board, hereafter called the Board. The Board shall be composed of the President of The University of Texas Health Science Center at San Antonio, the Dean of the Medical School, all clinical chairmen and three members at large. Under extenuating circumstances, the chairman of a clinical department, with the approval of the Board, may nominate a substitute from the MSRDP membership to represent him on the Board with vote. The Executive Vice President for Administration and Business Affairs and the Director of MSRDP of The University of Texas Health Science Center at San Antonio shall be ex-officio members without vote. One nomination for members at large shall be solicited from each member of the MSRDP; thereafter, the list of all of the candidates shall be submitted by circulated ballot to each member who must vote for three nominees. There shall be no more than one elected member from any one clinical department. No ballot will be accepted unless three separate nominees have been voted upon; the three nominees representing three separate departments who receive the greatest number of votes shall be elected. Elections will be held yearly at the general session during the week of commencement with Board members to take office the following September 1. If an elected member is unable to serve, the next eligible nominee shall take office. No elected member of the Board shall serve more than two full consecutive years. The Chairman-Elect of the Board shall be elected biennially from among the chairmen of the clinical departments by a plurality vote of the members of the Board. The person elected shall take office as Chairman-Elect on September 1 of the odd-numbered year following the person's election and shall serve in that capacity through August 31 of the following year. The Chairman-Elect shall become Chairman on September 1 of the even-numbered year following the election and shall serve for two years. The Chairman of the Board shall be a chairman of a clinical department and, except as provided below, shall have served the previous year as Chairman-Elect. Should a vacancy occur in the office of Chairman during the first year of the Chairman's term of office, an election will be held at a special meeting of the Board convened by the Secretary for that purpose to elect, from among the chairmen of the clinical departments, a new Chairman to serve during the remainder of the two-year term. The Chairman so elected will not be eligible to serve again as Chairman for one intervening year following his term as Chairman. Should a vacancy occur in the office of Chairman during the second year of the Chairman's term of office, the Chairman-Elect shall immediately assume the office of Chairman and shall serve the remainder of that two-year term in addition to the two-year term to which the

Chairman-Elect would have succeeded as Chairman-Elect. Should a vacancy occur in the Chairman-Elect position, election will be held at the next regular meeting of the Board to elect, from among the chairmen of the clinical departments, a new Chairman-Elect. The Secretary of the Board shall be Director of MSRDP. The Board shall meet at least quarterly on call of the Chairman or on written petition of any three members of the Board. The Board shall act for MSRDP between annual general sessions and call special MSRDP meetings when necessary. Two-thirds of the members of the Board shall constitute a quorum with a majority of those present constituting a passing vote.

- Augmentation*
11. San Antonio Health Science Center (San Antonio Dental School): Proposed Bylaws for the Dental Service, Research and Development Plan (DSRDP)(Withdrawn). --This item was withdrawn at the request of System Administration.

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- Based on Model*
12. University Cancer Center (M. D. Anderson): Affiliation Agreement^s with Houston Baptist University, Houston, Texas. -- Unanimous approval was given to an affiliation agreement by and between The University of Texas System Cancer Center, M. D. Anderson Hospital and Tumor Institute, and Houston Baptist University, Houston, Texas, to be effective upon approval by the Board of Regents. This agreement will provide opportunities for students in the nursing program at Houston Baptist University to receive a portion of their training at the University Cancer Center.

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This agreement follows the format approved for affiliation agreements by the Board of Regents on December 16, 1977.

13. University Cancer Center (M. D. Anderson): Appointment of Richard H. Jesse, M.D., to the M. G. and Lillie A. Johnson Chair for Cancer Treatment and Research Effective June 1, 1980. -- Upon the recommendation of President LeMaistre and Chancellor Walker and without objection, approval was given to appoint Richard H. Jesse, M.D., to the M. G. and Lillie A. Johnson Chair for Cancer Treatment and Research at M. D. Anderson Hospital and Tumor Institute, The University of Texas System Cancer Center, effective June 1, 1980. It was noted that \$4,000 will be added to Dr. Jesse's compensation from the income for this Chair.

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Dr. Jesse, Professor of Surgery and Head of the Department of Head and Neck Surgery, has been a member of the staff at the University Cancer Center since July 1, 1958. He is the author or co-author of more than seventy scientific papers and is internationally recognized as a head and neck surgeon who has made many substantial contributions to improved techniques in this field.

See Page 123 for establishment of this Chair.

14. University Cancer Center (M. D. Anderson): Acceptance of Assets of the Blood Component Portion of the Institute of Hemotherapy, Houston, Texas. -- In view of the fact that most of the blood products used at M. D. Anderson are acquired from the Institute of Hemotherapy, approval was given without objection for The University of Texas M. D. Anderson Hospital and Tumor Institute at Houston to accept the assets, including donor lists, equipment, personnel and supplies, of the blood component portion of the resources and activities of the Institute of Hemotherapy, Houston, Texas. The transfer of these assets would require the University Cancer Center to make some blood services available to Hermann Hospital on a regular basis and to other hospitals in the Center on an emergency, as available, basis with the users paying for the products and services according to contractual agreements to be approved by the Board of Regents. Integration of existing facilities with the newly acquired facilities would be required but no net increase in cost is anticipated.

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It was noted that the Board of Directors of the Institute of Hemotherapy authorized this transfer and requested the University Cancer Center to serve as the fiscal and management agency for the remaining functions of the Institute. The Board of the Institute, however, will continue to function for the purposes of education and research.

15. University Cancer Center: Amendments to The University Cancer Foundation Trust Instrument. -- President LeMaistre and Chancellor Walker recommended that The University Cancer Foundation Trust Instrument, which was approved by the Board on November 21, 1957 and subsequently revised on October 23, 1970, be amended (a) by changing the name of the institution from The University of Texas M. D. Anderson Hospital and Tumor Institute at Houston to The University of Texas System Cancer Center, (b) by adding a new article (Article IV) to provide for the appointment of officers or an executive director, and (c) by renumbering the remaining articles accordingly.

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Without objection, The University Cancer Foundation Trust Instrument as amended was approved and is set forth on Pages 77-82.

THE UNIVERSITY OF TEXAS SYSTEM CANCER CENTER

THE UNIVERSITY CANCER FOUNDATION
TRUST INSTRUMENT

THE UNIVERSITY CANCER FOUNDATION
TRUST INSTRUMENT

The Board of Regents of The University of Texas System, as trustees shall hold all properties, assets, funds, receipts, and the income thereof now owned or held by The University Cancer Foundation or hereafter given to or acquired by The University Cancer Foundation, for the following uses and purposes and subject to the following terms, provisions, and conditions. Where the name The University of Texas System Cancer Center (abbreviated University Cancer Center) appears herein, it shall be interpreted to include M. D. Anderson Hospital and Tumor Institute at Houston as well as The University of Texas Science Park.

ARTICLE I
Name

- 1.1 This trust shall be known and designated as "THE UNIVERSITY CANCER FOUNDATION."

ARTICLE II
Purposes of the Trust

- 2.1 This trust is created and the trust estate shall be held, managed, operated, administered, invested and reinvested, and distributed exclusively and solely for, and in aid of, the following purposes:
- A. To organize and pursue educational functions in order to create and disseminate knowledge of health, especially as it pertains to neoplastic and allied diseases, to lay, professional, scientific, and ancillary professional persons, and students of our own and other pertinent populations.
 - B. To promote, organize, conduct, support, and otherwise encourage medical and scientific investigation that may result in health benefits to mankind. Special emphasis shall be placed on research that may relieve humanity of the burden of neoplastic and allied diseases.
 - C. To foster and promote the growth, progress, and development of research, education, and graduate study in medicine and its related fundamental sciences at The University of Texas System Cancer Center, hereinafter referred to as the "University Cancer Center," and to encourage the making of gifts to The University Cancer Foundation by deed, grant, will, or otherwise for purposes agreeable to the Board of Regents.
- 2.2 Anything to the contrary herein notwithstanding, all of the trust corpus and income shall be used exclusively for the benefit of the University Cancer Center and its substations, and no part of the trust estate or the income therefrom shall ever inure to the benefit of any private individual, corporation, association, or other organization, or be used to influence or attempt to influence legislation or carry on propaganda. This trust shall never engage, directly or indirectly, in any type of political campaign. No part of its assets, properties, receipts, or income shall ever become a part of The University of Texas Permanent Fund or be subject to legislative appropriation.

- 2.3 If property shall be given to the trustees for any limited purpose, which is nevertheless within the broad purposes for which this trust is created, the trustees shall accept and administer such property as a part of the trust estate for each such specified limited purpose.

ARTICLE III Trustees

- 3.1 The trustees of the Foundation shall be members of the Board of Regents of The University of Texas System, acting in their capacity as members of said Board of Regents. Any person ceasing to be a member of such Board of Regents shall automatically cease to be a trustee of the Foundation, and any person who becomes a member of such Board of Regents shall, in this official capacity as a member of the Board of Regents, automatically become a trustee of this Foundation.
- 3.2 The trustees may alter or amend this instrument from time to time, provided that no alteration or amendment shall change the purposes of this trust or divert its assets, properties, receipts, or income from the University Cancer Center or to purposes other than those expressed herein.
- 3.3 All references in this instrument to trustees shall apply to those trustees then acting, whether original or successor trustees. No trustee shall ever be required to give or provide any bond for the faithful performance of his duties or for any other purpose.

ARTICLE IV Officers

- 4.1 The President of the University Cancer Center shall be the President and Chief Executive Officer of The University Cancer Foundation.
- 4.2 The Executive Vice President and Vice President for Administration and Finance of the University Cancer Center shall serve as Vice President and Treasurer, respectively, of The University Cancer Foundation.
- 4.3 The Executive Director of The University Cancer Foundation shall serve as Secretary and Chief Staff Officer of The University Cancer Foundation.
- 4.4 The officers shall supervise the day-to-day operations of The University Cancer Foundation, coordinate the activities of the Board of Visitors, and recommend actions to the trustees.

ARTICLE V Supervision and Commitment of Foundation Properties

- 5.1 The President of the University Cancer Center periodically shall make recommendation to the trustees, through the Chancellor of The University of Texas System, relating to the supervision, use, and disposition of the assets, properties, funds, receipts, and income of this Foundation.
- 5.2 The trustees may, in their discretion, transfer or commit to the University Cancer Center, or to the President or any administrative unit thereof for supervision, use, and disposition, in keeping with policies established by and subject to the approval of the trustees, all of the assets, properties, and receipts of this Foundation or any particular fund, property, gift, or receipt thereof.

ARTICLE VI
Board of Visitors

- 6.1 The Foundation shall also have a Board of Visitors composed of persons especially interested in the objectives of the Foundation and the activities of the University Cancer Center. The Board of Visitors shall have duties pertaining to public relations, securing gifts, grants, bequests, and donations and shall assist in furthering the missions of the University Cancer Center. The members of the Board of Visitors shall be appointed by the trustees upon the recommendation of the President of the University Cancer Center and for such terms as the trustees may establish. The Board of Visitors, in addition to the duties enumerated herein, shall have such other duties as may be determined by the trustees upon recommendation of the President of such institution.
- 6.2 The President of the University Cancer Center shall be an ex officio member of the Board of Visitors.
- 6.3 The Board of Visitors shall have such officers, committees, and internal organization as the Board shall determine from time to time, subject to the approval of the trustees.

ARTICLE VII
Administration of the Trust and Miscellaneous Matters

- 7.1 The situs of the administration of the trust hereby created is fixed in Texas, and it is directed that in respect to the administration, construction, and validity of the trust, wherever possible, the laws of the State of Texas shall control.
- 7.2 This trust shall continue until the final disposition by the trustees of the entire trust estate. However, upon the termination of the trust, the trust estate shall be distributed exclusively for the benefit of the University Cancer Center.
- 7.3 The trustees, upon the recommendation of the President of the University Cancer Center, shall allocate or apportion the revenues, receipts, or proceeds of the trust as to corpus and income and allocate or apportion the charges or disbursements, expenses, accruals, or losses of the trust as to corpus or income, and the trustees' determination need not necessarily be in accordance with the provisions of the Texas Trust Act.
- 7.4 Whenever in this instrument the term "trust estate" is used, it shall comprise the entire corpus, as long as it remains in trust hereunder, and all other properties, real, personal, or mixed, however and whenever acquired, which may be included in or belong to the trust and any income therefrom, including any accumulated income.
- 7.5 To carry out the purposes of this trust, and subject to limitations expressly stated herein, in addition to the authority, rights, privileges, and powers elsewhere herein conferred upon and vested in the trustees and those now or hereafter conferred by law, the trustees shall also have the following authority, rights, privileges, and powers:
- A. The trustees shall have all the rights, privileges, powers, authorities, and discretions given to trustees of express trusts by the Texas Trust Act, as the same may exist from time to time, except those in direct conflict with the terms of this instrument.
 - B. The trustees are empowered to hold, manage, control, collect, administer, and use (including the power to hold any asset

- unproductive of income), invest and reinvest the property, real, personal, and mixed now or hereafter belonging to or included in the trust estate, as long as the trustees may deem retention to be in the best interests of the trust, and to expend and use the corpus and income pursuant to the purposes of the trust.
- C. The trustees are empowered to sell (for cash or on credit or partly cash and partly credit), exchange, deliver, transfer, assign, grant, and convey, or otherwise dispose of, the whole or any part of the trust estate at or pursuant to public or private sale, free from the trust, and to lease (including but not limited to oil, gas and/or mineral leases), rent or loan the whole or any part of the trust estate, all upon such terms, for such duration, term of time, regardless of the duration of the trust, and for such consideration and for such purpose as the trustees may deem advisable or proper; to construct, add to, repair, improve or demolish, in whole or in part, any improvements upon any property of the trust estate; to make, renew, extend, amend, acknowledge, and deliver contracts, deeds, liens, notes, or other obligations, deeds of trust and other encumbrances and conveyances, leases (including but not limited to oil, gas and/or mineral leases) upon any or all of the trust estate, and any and all other instruments and papers with or containing such words, phrases, terms, conditions, warranties, and/or provisions and in such form as the trustees may deem advisable or proper.
- D. The trustees shall have the power to invest and reinvest the trust estate and the rents, proceeds, profits, and revenues therefrom in property of any description whatsoever, real, personal, or mixed (including but not limited to oil, gas, and mineral interests) and to make and/or hold investments of any part of the trust estate in common or undivided interest with other persons, corporations, partnerships, or trusts. Such investment powers shall not be restricted to any class of investments which fiduciaries under any character of trust are or may hereafter be permitted to make by law or any regulation. However, anything to the contrary herein notwithstanding, no investment shall jeopardize the purposes herein set forth.
- E. The trustees in person or by their attorney are authorized to institute, join in, maintain, defend, compromise, or settle any litigation or controversy with respect to any part of the trust estate or in relation to any matter arising in connection therewith, regardless of the manner in which the litigation or controversy has arisen, whenever and as often as in the opinion of the trustees it is for the best interests of the trust estate to do so.
- F. The trustees are empowered to employ and retain from time to time such attorneys, counsel, brokers, banks, investment counsel, or other agents or employees and to delegate to them such of the duties, rights, and powers of the trustees (including the power to vote shares of stock) as the trustees may deem necessary or advisable in handling and administering the trust.
- G. The trustees, whenever and as often as the trustees shall deem it advisable to do so, are empowered to make, or cause to be made, a partition of any property or interest or any part thereof held in common or jointly by the trustees under the trust or belonging to the trust estate with any other person, firm, association, corporation, or trustee, and to join with others in making and to do, or cause to be done, any and all such acts and things deemed advisable by the trustees in order to make and effectuate any and all such partitions; also, in any and all

such partitions, in order to equalize differences, the trustees are empowered to pay out of the trust estate, or receive, such sum of money or property as may be necessary or advisable for the purpose.

- H. In making distributions of any portion of the trust estate, the trustees are empowered to make the same in cash or its equivalent or in any property or in undivided interests in any property belonging to or included in the trust estate or in any manner whatsoever which may then be deemed practicable by the trustees, considering the purposes of the trust.
- I. Generally and without being limited by the foregoing, the trustees shall have, hold, manage, control, use, invest and reinvest, disburse, and dispose of the trust estate and the rents, revenues, proceeds, profits, and the income and accumulated income therefrom in their sole discretion in all things and under all circumstances and to the same extent as if the trustees were the owners thereof in fee simple instead of in trust, subject only to such limitations as are contained herein or the laws of the State of Texas. The trustees shall have all such additional powers, rights, and privileges as may be reasonably necessary for faithful administration or effectuation of the trust, and this instrument shall always be construed in favor of the validity of any act or omission by or of the trustees.
- J. The execution of this instrument by the Chairman of the Board of Regents of The University of Texas System, on behalf of the members of such Board and pursuant to appropriate Board action, shall constitute acceptance by the trustees of this trust.

REPORT OF LAND AND INVESTMENT COMMITTEE (Pages 82-129). --
Committee Chairman Hay submitted the following report of the Land and Investment Committee. He stated that all items were approved unanimously in open session unless otherwise indicated. The report was adopted without objection:

The documents in this report will be executed in accordance with the Regents' Rules and Regulations in effect at the time of the meeting of the Land and Investment Committee. These provide that the Chairman of the Board of Regents has authority to execute any instrument authorized by the Board and that the Vice-Chairman of the Board and the Chancellor, the Vice Chancellor for Business Affairs and the Vice Chancellor for Lands Management of the System may execute; unless otherwise indicated in the report, all necessary instruments authorized in this report when each has been approved as to form by an attorney in the Office of General Counsel and as to content by the appropriate official. These instruments relate to real estate or mineral interests held or controlled by the Board of Regents as a part of the Permanent University Fund or as a part of any Trust or Special Fund.

I. PERMANENT UNIVERSITY FUND

A. INVESTMENT MATTERS

Report on Clearance of Monies to Permanent University Fund for March 1980 and Report on Oil and Gas Development as of March 31, 1980.--The following reports with respect to (a) certain monies cleared to the Permanent University Fund for March 1980 and (b) Oil and Gas Development as of March 31, 1980, were received from the Executive Director for Investments and Trusts:

<u>Permanent University Fund</u>	<u>March 1980</u>	<u>Cumulative This Fiscal Year</u>	<u>Cumulative Preceding Fiscal Year</u>	<u>Per Cent Change</u>
Royalty				
Oil	\$ 7,882,337.04	\$ 42,370,714.93	\$ 25,106,679.60	68.76%
Gas	3,221,615.59	20,657,318.33	16,753,687.77	23.30%
Sulphur	316,187.41	2,005,091.34	348,384.09	475.54%
Water	24,314.20	135,368.09	84,901.92	59.44%
Brine	4,339.94	22,829.36	19,745.87	15.62%
Rental				
Oil and Gas Leases	740,042.83	1,774,137.42	1,553,707.42	14.19%
Other	317.00	6,658.47	17,760.51	(62.51%)
Sale of Sand, Gravel, Etc.	1,536.00	20,368.61	13,998.10	45.51%
Gain or (Loss) on Sale of Securities	6,597.40	33,103.89	468.31	6968.80%
Transfer from Special 1% Fee Fund				
Board for Lease of University Lands	-0-	-0-	100,000.00	(100.00%)
Sub-Total	<u>\$12,197,287.41</u>	<u>\$ 67,025,590.44</u>	<u>\$ 43,999,333.59</u>	52.33%
Bonuses				
Oil and Gas Lease Sales	\$ -0-	\$ -0-	\$ 9,719,000.00	(100.00%)
Amendments and Extensions to Mineral Leases	-0-	252,310.42	490,276.43	(48.53%)
Total Bonuses	<u>\$ -0-</u>	<u>\$ 252,310.42</u>	<u>\$ 10,209,276.43</u>	(97.52%)
TOTAL CLEARANCES	<u>\$12,197,287.41</u>	<u>\$ 67,277,900.86</u>	<u>\$ 54,208,610.02</u>	24.11%

Oil and Gas Development - March 31, 1980
Acreage Under Lease - 957,784

Number of Producing Acres - 416,875

Number of Producing Leases - 1,795

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B. LAND MATTERS

1. Easements and Surface Leases Nos. 5138-5179, Water Contracts Nos. 178-179, Amendment to Water Contract No. 89, Assignment of Surface Lease No. 3706 and Flexible Grazing Lease No. 37.--Applications for Easements and Surface Leases Nos. 5138-5179, Water Contracts Nos. 178-179, Amendment to Water Contract No. 89, Assignment of Surface Lease No. 3706 and Flexible Grazing Lease No. 37 were approved. All had been approved as to content by the appropriate officials. Unless otherwise indicated, (a) payment for each had been received; (b) each document is on the University's standard form; and (c) each is at the standard rate effective August 1, 1979 (adopted June 1, 1979):

a. Easements and Surface Leases Nos. 5138-5179

No	Company	Type of Permit	County	Location (Block #)	Distance or area	Period	Consideration
✓ 5138	Exxon Corporation (Renewal of 3981)	Surface Lease Salt Water Disposal	Ward	16	1 acre	6/1/80* 5/31/81	\$ 1,000.00
✓ 5139	BTA Oil Producers	Surface Lease Salt Water Disposal	Ward	16	1 acre	4/1/80* 3/31/81	1,500.00
✓ 5140	J. D. Kirkland (Renewal of 3142)	Surface Lease Residence	Crane	30	1 acre	7/1/80** 6/30/81	200.00 (Min)
✓ 5141	Frances Cruikshank (Renewal of 3070)	Surface Lease Service Station	Reagan	9	300' x 300'	3/1/80** 2/28/81	200.00 (Min)
✓ 5142	Phillips Pipe Line Company (Renewal of 3126)	Surface Lease Pump Station	Crockett	39	2 1/2 acres	6/1/80- 5/31/90	2,000.00 (Full)
✓ 5143	Christian Radio	Surface Lease Radio antenna site	Crane	30	50' x 1100'	5/1/80** 4/30/81	400.00
✓ 5144	El Paso Natural Gas Company (Renewal of 3067)	Surface Lease Microwave Station	Reagan	9	1.52 acres	9/1/80- 8/31/90	3,000.00 (Full)
✓ 5145	El Paso Natural Gas Company	Pipe Line Gas Line	Ward	19	694.273 rods 6-5/8 inch	3/1/80- 2/28/90	2,429.96
✓ 5146	El Paso Natural Gas Company	Pipe Line Gas Line	Reagan	58	251.52 rods 4 1/2 inch	3/1/80- 2/28/90	880.52

*Renewable from year to year, not to exceed a total of five (5) years.
 **Renewable from year to year, not to exceed a total of ten (10) years.

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No.	Company	Type of Permit	County	Location (Block #)	Distance or Area	Period	Consideration
✓ 5147	El Paso Natural Gas Company	Pipe Line Gas Line	Upton	3	230.909 rods 4-1/2 inch	3/1/80- 2/28/90	\$ 808.18
✓ 5148	El Paso Natural Gas Company (Renewal of 3051)	Power Line Distribution	Reagan	9	89.964 rods single pole	9/1/80- 8/31/90	200.00 (Min)
✓ 5149	El Paso Natural Gas Company (Renewal of 3059)	Power Line Distribtuion	Hudspeth	"J"	432.164 rods single pole	7/1/80 6/30/90	432.16
✓ 5150	El Paso Natural Gas Company (Renewal of 3068)	Pipe Line Gas Line	Upton	3 & 58	356.909 rods 4-1/2 inch	9/1/80 8/31/90	1,070.73
✓ 5151	West Texas Utilities Company (Partial Renewal of 3147)	Power Line Distribution	Reagan & Upton	2,3,6,58	6,768.40 rods single pole	5/1/80- 4/30/90	6,720.70
✓ 5152	Gulf Oil Corporation (Renewal of 3144)	Pipe Line Gas Line	Winkler	21	94 rods 6 inch 101 rods 10 inch	5/1/80- 4/30/90	585.00
✓ 5153	Gulf Oil Corporation (Renewal of 3065)	Pipe Line Oil Line	Andrews	13	321.42 rods 1 & 2 inch	5/1/80- 4/30/90	964.26
✓ 5154	Mobil Oil Corporation (Renewal of 3137)	Surface Lease Tank site	Ward	16	0.145 acre	8/1/80- 7/31/90	2,000.00 (Full)
✓ 5155	Community Public Service (Renewal of 3156)	Power Line Distribution	Pecos	28	501.80 rods single pole	8/1/80- 7/31/90	501.80
✓ 5156	Apache Gas Corporation	Pipe Line Gas Line	Pecos	28	376.61 rods 4 inch	3/1/80- 2/29/90	1,318.14
✓ 5157	Oasis Pipe Line Company (Renewal of 3115)	Surface Lease Hydrocarbon Plant	Ward	16	8.61 acre	6/1/80- 5/31/90	3,444.00 (Full)
✓ 5158	Oasis Pipe Line Company (Renewal of 3116)	Pipe Line Gas Line	Ward	16	156.00 rods 4 inch	6/1/80- 5/31/90	468.00
✓ 5159	Oasis Pipe Line Company (Renewal of 3127)	Pipe Line Gas Line	Ward	16	110.73 rods 4 inch	6/1/80 5/31/90	332.19

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No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
✓ 5160	Delhi Gas Pipeline Corporation	Pipe Line Gas Line	Crockett	33	47.21 rods 4 inch	4/1/80- 3/31/90	\$ 200.00 (Min)
✓ 5161	Delhi Gas Pipeline Corporation	Pipe Line Gas Line	Crockett	33	380.61 rods 4 inch	4/1/80- 3/31/90	1,332.14
✓ 5162	Delhi Gas Pipeline Corporation	Pipe Line Gas Line	Crockett	33	69.76 rods 4 inch	4/1/80- 3/31/90	200.00 (Min)
✓ 5163	Texas Electric Service Company (Renewal of 3097)	Power Line Transmission Line	Andrews	13	1,515.88 rods H-Frame Con	6/1/80- 5/31/90	3,789.70
✓ 5164	Texas Electric Service Company	Power Line Distribution	Andrews Ward	4,5,13,17	373.61 rods single pole	4/1/80- 3/31/90	560.42
✓ 5165	Northern Natural Gas Company	Pipe Line Gas Line	Reagan	48	206.91 rods 4-1/2 inch	3/1/80- 2/28/90	724.19
✓ 5166	Great Plains Water Corporation (Renewal of 2878)	Pipe Line Water Line	Andrews	9	315.50 rods 6.91 inch	3/1/79- 2/28/89	946.50
✓ 5167	Great Plains Water Corporation (Renewal of 3023)	Pipe Line Water Line	Andrews	14	139.50 rods 16 inch	11/1/79- 10/31/89	558.00
✓ 5168	Great Plains Water Corporation (Renewal of 3033)	Pipe Line Water Line	Andrews	9 & 10	343.60 rods 13.33 inch 2,569.30 rods 9.22 inch 136.20 rods 5.14 inch	12/1/79- 11/30/89	9,490.94
✓ 5169	Great Plains Water Corporation (Renewal of 3063)	Pipe Line Water Line	Andrews	9 & 10	962.50 rods 6.14 inch	2/1/80- 1/31/90	2,887.50
✓ 5170	Atlantic Richfield Company (Renewal of 3158)	Pipe Line Oil Line	Andrews	13	160 rods 2-1/2 inch	8/1/80- 7/31/90	480.00

No.	Company	Type of Permit	County	Location (Block#)	Distance or Area	Period	Consideration
✓5171	Atlantic Richfield Company (Renewal of 3161)	Pipe Line Water Line	Andrews	9	520.24 rods 3-1/2 inch & 4-1/2 inch	8/1/80- 7/31/90	\$ 1,560.06
✓5172	Wilson Systems, Inc.	Surface Lease Salt Water Disposal	Ward	17	1 acre	5/1/80* 4/31/81	2,500.00
✓5173	Atlantic Richfield Co. (Renewal of 3939)	Surface Lease Salt Water Disposal	Andrews	9	5 acres	6/1/80* 5/31/81	1,000.00
✓5174	J. H. Casing Crew	Surface Lease Oil Field Equipment Yard	Reagan	11	225' x 250'	4/1/80** 3/31/81	700.00
✓5175	The Permian Corporation (Renewal of 3078)	Pipe Line Crude Oil Line	Reagan	11	193.75 rods 4-1/2 inch	4/1/80- 3/31/90	581.25
✓5176	J. L. Davis	Pipe Line Gas Line	Crockett & Reagan	47,49,50	3,304.24 rods 2 inch, 3 inch, & 4 inch	2/1/80- 1/31/90	11,564.84
✓5177	Petroleum Corporation of Texas (Renewal of 3079)	Surface Lease Water injection system tank battery	Crockett	50	3 acres	3/23/80- 3/22/90	2,000.00 (Full)
✓5178	El Paso Natural Gas Company	Pipe Line Gas Line	Crockett	39	193.394 rods 4-1/2 inch	4/1/80- 3/31/90	676.88
✓5179	El Paso Natural Gas Company	Pipe Line Gas Line	Crockett	39	107.879 rods 4-1/2 inch	4/1/80- 3/31/90	377.58

*Renewable from year to year, not to exceed a total of five (5) years.

**Renewable from year to year, not to exceed a total of ten (10) years.

b. Water Contracts Nos. 178 - 179

No.	Grantee	County	Location	Period	Consideration
✓ 178	Schneeman Bros.	Crockett	Block 50	4/1/80* 3/31/81	\$ 332.15
✓ 179	G. M. Hill dba Figure Two Water Company	Andrews	Blocks 13 & 14	1/1/80- 12/31/90	**

*Renewable from year to year, not to exceed a total of five (5) years.

**Royalty shall be 12-1/2% of the gross revenue for all water produced and sold for use on University land, and 25% for water produced and sold for use off University land.

c. Amendment to Water Contract No. 89

No.	Grantee	County	Location	Period	Consideration
✓ 89	El Paso County Water Authority	El Paso	Block L	3/5/80* 3/5/90	\$ 20,000.00

*Original Contract dated 3/5/70 was granted for a ten (10) year period with the option to renew for two additional ten (10) year periods. The Amendment eliminates the provision that adjusts the rental rates based on the Consumer Price Index.

d. Assignment of Surface Lease No. 3706

No.	Assignor	Assignee	Type of Permit	County	Consideration
✓ 3706	Estela G. Barber (Formerly Estela G. Diaz)	Dell Valley Oil Company, Inc.	Surface Lease Service Station	Hudspeth	\$ 200.00

Not according to standard rates

FILE NO. 1970
DOCUMENT
REMARKS

FILE NO. 88
DOCUMENT
REMARKS

FILE NO. 1980
DOCUMENT
REMARKS

3322

e. Flexible Grazing Lease No. 37

No.	Lessee	Location		Acreage	Period	Minimum Annual Rental		
		County	Block			Minimum Rental Per Acre	Minimum Annual Rental	Semi-Annual Rental
37	Randal Hartman*	Pecos	18 & 20	1,789.40	7/1/80-6/30/90	\$0.51	\$912.59	\$456.30

*It is recommended that Lease No. 1145 be cancelled in order that it be placed in the name of Randal Hartman, effective July 1, 1980.

The semiannual rental for this lease will be based on the livestock market in accordance with Flexible Grazing Lease policies set forth and approved by the Board of Regents in June, 1979.

The consideration for the area under cultivation shall be based upon the average price per acre for each calendar year from July 1 through October 31 for top quality, baled alfalfa in Lea County, New Mexico as reported in the "Alfalfa Market News." Eighteen percent (18%) of this price per ton will be the annual rental per acre. This rental applies to all annual crops and alfalfa. The rental for perennial crops other than alfalfa will be negotiated.

Not on the University's standard form

FILE NO.
DOCUMENT
REMARKS

89

3323

2. Permanent University Fund: Uranium (and Other Fissionable Minerals) Prospecting Permit No. 1 to Mr. F. G. Woodside, Lubbock, Texas, Covering 7,680 Acres Out of University Lands Block 6, Andrews, Dawson, Gaines and Martin Counties, Texas. -- Upon the recommendation of Vice Chancellor Boyd and Chancellor Walker, approval was given to Uranium (and Other Fissionable Minerals) Prospecting Permit No. 1 as set out on Pages 91-116 between the Board of Regents and Mr. F. G. Woodside, Lubbock, Texas, covering 7,680 acres out of University Lands, Block 6, Andrews, Dawson, Gaines and Martin Counties, Texas (Permanent University Fund Lands). It was noted that the principal terms of this agreement are:

FILE NO. 1000
DOCUMENT
REMARKS

- a. This permit gives prospecting rights for uranium or other fissionable materials (but specifically excluding oil, gas, potash, sulphur, sodium sulfate, lignite and coal) on 7,680 acres out of University Lands Block 6, located in Andrews, Dawson, Gaines, and Martin Counties. The term is for two (2) years for a consideration of \$1.00 per acre and \$1.00 per acre rental due at the beginning of the second year.
- b. Permittee is required to drill at least three (3) test holes the first year to a depth of 200 feet. No test hole is to penetrate any formation known to be productive of oil or gas without our permission. All drilling and other prospecting work is subject to the University Lands Schedule of Damages. Permittee is also required to furnish a \$2,000 performance guarantee.
- c. Permittee is granted the option to lease all or part of the permit lands in contiguous 1/4 sections under the following schedule:
 - 1st lease at \$100/acre - maximum 640 acres
 - 2nd lease at \$300/acre - maximum 640 acres
 - Subsequent leases at \$600/acre - all other remaining 1/4 sections
- d. The term of the lease is five (5) years, with optional extensions available by additional bonus considerations and other required development operations, for a possible total of twelve (12) years. Normal start-up time from exploration to first production is expected to take up to ten (10) years.
- e. The royalty rates under the lease terms are based on a sliding scale based on the percentage ore grade: 5% royalty on the lowest grade to 15% royalty on the highest grade. The lease does not allow for deductions from royalty for transporting the ore, milling, or other production costs.
- f. The lease requires lessee to furnish a \$50,000 performance bond. Several safeguards are included for the adequate payment of surface damages and for the restoration of the surface.

PERMIT NO. 1

URANIUM (AND OTHER FISSIONABLE MINERALS) PROSPECTING PERMIT

STATE OF TEXAS

COUNTIES OF GAINES, ANDREWS, DAWSON & MARTIN

§
§ SS

THIS AGREEMENT made and entered into this the _____ day of _____, 19____, between THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, hereinafter called "UNIVERSITY" and F. G. WOODSIDE of Lubbock, Texas, hereinafter called "PERMITTEE", as follows:

I.

SUBJECT MATTER

University, acting pursuant to the powers granted it in Section 66.44 of the Texas Education Code of Texas, for the consideration described hereafter, grants to Permittee:

1. A prospecting permit on the terms set out below for the purpose of attempting to locate valuable deposits of uranium or other fissionable minerals (hereinafter called Uranium), but especially excluding oil, gas, potash, sulphur, sodium sulfate, lignite and coal, in, on, under and that may be produced from the lands in Andrews, Gaines, Dawson & Martin Counties, Texas, described in the attached Exhibit "A", which is made a part hereof for all purposes, hereafter called the "Permit Lands", and
2. The right to lease a portion of the lands on the terms set out below for the purpose of exploring for, mining, developing, producing and marketing such deposits. The Permit Lands and each section or part thereof included therein shall for all purposes of this agreement be deemed to contain the number of acres shown on Exhibit "A".

II.

PROSPECTING PERMIT

In consideration of the payment by Permittee of one dollar (\$1.00) for each acre of the Permit Land, totalling Seven Thousand Six Hundred Eighty and no/100 Dollars (\$7,680.00), receipt of which is acknowledged, University grants

to Permittee the sole and exclusive right to test and explore for deposits of Uranium (but especially excluding oil, gas, potash, sulphur, sodium sulfate, lignite and coal), in, on, under and that may be produced from the Permit Lands for a term of two years from this date.

A. RENTAL:

One year from the date hereof, Permittee will pay University One Dollar (\$1.00) per acre covered by this agreement by check or draft of Permittee payable to the University of Texas System and mailed to Director, University Lands Accounting Office, P. O. Box 579, Austin, Texas 78767, within thirty (30) days after said anniversary date.

B. PROSPECTING OPERATIONS:

1. Permittee may conduct such surface or aerial surveys as he desires, including use of plane table, alidade or other similar instrument, but no gravity meters, magnetometers, seismological or other geophysical instruments or equipment may be used.
2. Permittee may drill such core holes and wells as he elects on the Permit Lands. Permittee will drill at least three test holes on the Permit Lands within the first year hereof. Such test holes will be drilled at least to a depth of 200 ft. A lesser depth may be approved by the Manager of University Lands - Oil, Gas and Mineral Interests in the event that ore is encountered at a lesser depth. It is agreed and understood, however, that no core hole or well may be drilled into any formation known to be productive of oil or gas in the general area without permission of said Manager.
3. Permittee shall make a radioactivity survey of each core or drill hole from ground level to the total depth of the hole and deliver to University a full scale official log of such survey, certified as to authenticity, at its Midland, Texas, office not later than fifteen (15) days after the completion of such survey. Permittee shall include along with such radioactive survey a report of all water sands encountered, and an estimate of the amount of water, if any, in each hole.

4. If exploratory drilling is performed by core drill, Permittee shall preserve all cores until expiration of this Permit, and upon request therefor by University shall deliver to University within thirty (30) days after such request a "1/4 vertical cut" of such cores.
5. Permittee shall deliver to University at its Midland, Texas office within thirty (30) days after the making thereof, a certified copy of all chemical analyses made or contracted for by Permittee during exploratory operations under this Permit.
6. University will keep all information supplied it by Permittee, including, without limitation, all cores, analyses, logs, and other exploratory data in strict confidence permitting only authorized personnel to have access thereto and will not release any part of the information until the expiration of this permit.

C. USE OF SURFACE:

Permittee is granted the right to such use of the surface of the Permit Lands as may be necessary or incident to the prospecting permit and the conducting of the prospecting operations permitted or required hereunder, including the right of ingress and egress to, along and across Permit Lands and the right of access over existing roads on the Permit Lands and University's adjacent and contiguous lands, the right to construct and maintain essential roads on the Permit Lands if existing roads are not adequate, the right to use, free of cost, nonpotable water (as used herein, the term nonpotable water means all water obtained from below the top of the Santa Rosa formation and which contains more than two thousand five hundred (2,500) parts per million total dissolved solids. Nonpotable water may not be taken from any formation from which oil or gas is being produced as determined by the Manager of University Lands - Oil, Gas and Mineral Interests), found and produced or impounded by Permittee on said land for its own operations thereon, except water from wells or tanks of lessor or its surface lessees, the right to install pumps, pipe lines, and utility lines and such other equipment as may be necessary for operations hereunder, without any additional costs of payments, except for payments

for surface damages as set out below: provided, however, that in exercising such rights, Permittee will not:

1. Locate its wells, pumps, pipe lines or other facilities in such manner as to interfere with the location of wells, pipe lines, or other facilities required in the development of said land for oil, gas and other minerals under existing or future oil, gas and mineral leases; or
2. Locate its wells at any location within 300 feet of any residence, water wells, surface tanks, or other improvements now located on the premises.

Permittee will plug all holes or wells drilled on the Permit Lands in the manner required by University, will fill and level all excavations and remove all debris from well sites within five (5) days after all tests on each well are concluded. Permittee will contact the Manager of University Lands - Oil, Gas and Mineral Interests, or his representative, at Midland, Texas, before commencing operations hereunder.

D. SURFACE DAMAGE:

In conducting operations on the Permit Lands and adjacent or contiguous University Lands used for roads, Permittee will pay surface damages to University in accordance with the schedule set forth in THE UNIVERSITY OF TEXAS LANDS SCHEDULE OF DAMAGES which is currently in effect. This schedule of maximum permitted charges, however, shall not in any way limit the liability of Permittee in any action at law for any damages inflicted upon the surface lessees by reason of acts of negligence, if any, committed by Permittee in its operations if Permittee is lawfully liable therefor.

E. BOND:

Within thirty (30) days after the date hereof Permittee will deposit Two Thousand Dollars (\$2,000.00) in cash with the University to guarantee performance of all obligations to University hereunder. This sum will be refunded to Permittee at the termination of this agreement without breach by Permittee.

F. SURRENDER CLAUSE:

Permittee may, at any time during the term hereof, execute a release or releases covering all or any part of the Permit Lands, and upon filing the same for record in the General Land Office, with the

Board of Regents of the University of Texas System and in the County or Counties where the released portion of the Permit Lands are located, be relieved of all future obligations with respect to the Permit Lands so released.

III.

RIGHT TO LEASE

At any time during the term of the prospecting permit, for bonus considerations hereinafter set out, Permittee is granted the exclusive right to select and lease all or any part of the Permit Lands, in increments of standard northeast, northwest, southeast, or southwest one-fourth (1/4) sections, under one or more leases under the terms and on the form of the attached Exhibit "B", which is made a part hereof for all purposes, provided that no lease shall cover more than one (1) section of land or the equivalent thereof. The leased area under each lease shall be contiguous and not a divided area.

Permittee shall give written notice or notices to University of the exercise of this right and the description of the lands to be leased. Such notices may be given at any time during the term of the prospecting permit but must be postmarked not later than the last day of said permit. Within thirty (30) days after receipt of such notices, University and Permittee shall execute the lease or leases called for in the notices, and the bonus consideration shall be paid.

The execution of a lease covering a portion of the Permit Lands shall terminate the prospecting permit as to the leased lands, and Permittee's obligations with respect to the leased lands shall be as stated in the lease. The prospecting permit will continue in force as to unleased portions of the Permit Land according to its terms.

IV.

BONUS CONSIDERATIONS

Upon exercise of Permittee's exclusive right to lease, the bonus considerations to be paid by Permittee to University shall be as follows:

ONE HUNDRED AND NO/100 DOLLARS (\$100.00) per acre for one or more of the first four (4) one-fourth (1/4) sections of the Permit Lands.

and

THREE HUNDRED AND NO/100 DOLLARS (\$300.00) per acre for one or more of the second four (4) one-fourth (1/4) sections of the Permit Lands.

and

SIX HUNDRED AND NO/100 DOLLARS (\$600.00) per acre for one or more of all other one-fourth (1/4) sections of the Permit Lands.

V.

MISCELLANEOUSA. ASSIGNMENT:

Permittee may not assign this agreement or any rights hereunder in whole or in part without the prior written consent of University. Any assignments so made shall be recorded in the Counties in which the Permit Lands are located, and two certified copies thereof filed with University together with the required filing and assignment fees.

B. NOTICES:

All notices required hereunder (unless otherwise expressly provided to the contrary) shall be deemed to have been given if the same are reduced to writing and mailed by registered or certified mail by either party hereto to the other at the respective addresses of the parties shown below:

Vice Chancellor for Lands Management
The University of Texas System
Austin, Texas

F. G. Woodside
P. O. Box 10333
Lubbock, Texas 79408

Changes of address, if any, of either party hereto shall be forwarded to the other by registered or certified mail if and when any such change in address occurs.

C. LEGAL REPRESENTATIVES, SUCCESSORS, AND ASSIGNS:

This agreement shall be binding upon and inure to the benefits of the parties hereto, their respective heirs, successors, legal representatives, and assigns.

WITNESS THE EXECUTION HEREOF the date and year first herein above set out.

ATTEST:

THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

BETTY KXNE THIEDFORD, SECRETARY
Board of Regents of
The University of Texas System

Vice Chancellor for Business Affairs

F. G. Woodside
F. G. WOODSIDE

Approved as to Form:

Approved as to Content:

James Earl ...
UNIVERSITY ATTORNEY

Laddie F. Long
Manager of University Lands -
Oil, Gas and Mineral Interests

STATE OF TEXAS

SS

COUNTY OF TRAVIS

BEFORE ME, the undersigned authority, on this day personally appeared JOE E. BOYD, JR., Vice Chancellor for Business Affairs, of THE UNIVERSITY OF TEXAS SYSTEM, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, 19____.

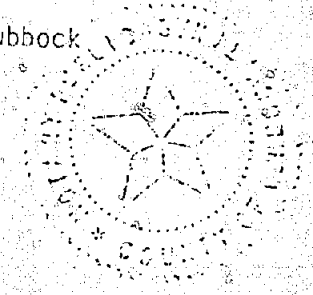
Notary Public in and for Travis County, Texas.

STATE OF TEXAS
COUNTY OF LUBBOCK

"BEFORE ME, the undersigned authority, on this day personally appeared
F. G. WOODSIDE, known to me to be the person whose name is subscribed to the
foregoing instrument, and acknowledged to me that he executed the same for the
purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 17th day of
April, 1980.

Geraldine Y. Bowman
Geraldine Y. Bowman
Notary Public in and for Lubbock
County, Texas.



My Commission Expires:
June 6, 1990

EXHIBIT "A"

To Prospecting Permit No. _____

Dated: _____

DESCRIBED LANDS

University of Texas Lands situate in the State of Texas

Dawson & Gaines County	Block 6	Section 1	640 acres
Gaines County	Block 6	Section 2	640 acres
Gaines & Andrews County	Block 6	Section 3	640 acres
	Block 6	Section 12	640 acres
Gaines, Andrews & Martin County	Block 6	Section 13	640 acres
Gaines, Andrews, Martin & Dawson County	Block 6	Section 14	640 acres
Martin County	Block 6	Section 15	640 acres
	Block 6	Section 28	640 acres
Martin & Andrews County	Block 6	Section 16	640 acres
	Block 6	Section 27	640 acres
Andrews County	Block 6	Section 17	640 acres
	Block 6	Section 26	640 acres

EXHIBIT "B"

To Prospecting Permit No. _____

Dated: _____

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

URANIUM MINING LEASE

This lease made and entered into this _____ day of _____, 19____, by and between the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, acting pursuant to Section 66.44 of the Texas Education Code of Texas, herein called "Lessor", and _____ of _____ herein called "Lessee", WITNESSETH:

1. Lessor, in consideration of the payment by lessee of the sum of _____ Dollars, the receipt of which is acknowledged, the rents and royalties to be paid, the covenants and conditions to be observed and performed by Lessee, does hereby demise, grant, lease and let exclusively unto the Lessee the land described below for five (5) years from the date hereof, said period being the primary term of this lease, and as long thereafter as uranium, vanadium or any other fissionable source material, together with any spatially associated minerals (for the purpose of this lease all such leased minerals and mineral deposits are hereinafter called Uranium), but specifically excluding oil, gas, other liquid hydrocarbons, sulphur, potash, sodium sulfate, lignite and coal, is mined and marketed in paying quantities therefrom, subject to such conditions as are hereinafter set out, for the sole and only purpose of prospecting, exploring for and mining, developing, producing, removing and marketing of Uranium that may be found and produced from the following described lands (hereinafter called Premises) comprising a part of the Permanent University Fund Lands, to wit:

Part	Section	Block	Survey	Acres	County
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

2. In the event that within the life of this lease and when specifically associated with Uranium mining operations, spatially associated minerals are recovered, these spatially associated minerals may be recovered and marketed by Lessee subject to such conditions hereinafter set out.

3. Before both initial and supplemental mineral producing operations are commenced, Lessee shall submit to the Manager of University Lands - Oil, Gas and Mineral Interests, for prior approval, plans and maps of proposed mining and reclamation programs. Such programs shall include descriptions of the nature, locations, and extent of the operations, the methods and equipment to be used, and a timetable of how such operations shall proceed. The mining and reclamation programs submitted shall be in compliance with all State and Federal laws, regulations, rules and requirements and all other damage and reclamation provisions hereinafter set out.

During the life of this lease, acceptable mining or production methods shall not include in situ leaching, heap leaching, solution or other "wet methods" without the specific review, consideration and written permission of the Manager of University Lands - Oil, Gas and Mineral Interests.

4. Lessee shall have the right to use, subject to the damage payment requirements hereinafter set out, so much of the surface of the Premises as may be reasonably necessary for the full exercise and enjoyment of the rights and interests hereby granted, including the right to construct and maintain thereon all necessary works, buildings, plants, roads, water lines, pipe lines, gathering lines, telephone and telegraph lines and power lines; the right to enter upon the Premises for the purposes of surveying, exploring, prospecting, drilling for, developing, mining, stockpiling, removing, shipping and marketing of Uranium; and also the right of ingress and egress and right-of-way to any point of operations under conditions of least injury to the occupant of the surface or the holder of any existing oil and gas lease or easement. It is expressly provided, however, that no operations under this lease shall in any way conflict with or cause damage to any valid operation or equipment installation under any existing oil and gas lease on the Premises, and the operations authorized hereunder shall not interfere with future orderly development of oil and gas or other minerals by lessees of the University when such development does not jeopardize the operations permitted hereunder.

Lessee shall also have the right to use, free of cost, nonpotable water found and produced by Lessee on the Premises for its own operations

therein, except water from wells or tanks of Lessor or its other Lessees, and except such nonpotable water determined to contain commercial amounts of sodium sulfate or other minerals. As used herein, the term nonpotable water means all water obtained from below the top of the Santa Rosa formation and which contains more than two thousand five hundred (2,500) parts per million total dissolved solids. Nonpotable water may not be taken from any formation from which oil or gas is being produced as determined by the Manager of University Lands - Oil, Gas and Mineral Interests.

5. On or before one (1) year from the date of this lease, and on or before the same date of each of the following years during the primary term of this lease, the lessee shall pay to Lessor, payable to The University of Texas System, and forwarded, unless otherwise notified by Lessor, to Director, University Lands Accounting Office, P. O. Box 579, Austin, Texas 78767, an annual advance rental of Two Dollars (\$2.00) per acre per year unless the royalties paid during the preceding year shall equal or exceed the amount of annual rental due in which event no annual rental will be due on the rental date immediately following such royalty payments. In the event of cessation of production after once obtained, the annual rental due shall be as provided for as in a non-producing lease as prescribed in this section for the remaining life of the appropriate term.

In no event are any rentals or extension fees paid to Lessor during the life of this lease to be construed to constitute advance royalties or prepayment of any royalties accruing during the life of this lease.

6. If at the expiration of the primary term Uranium has not been mined and marketed in paying quantities from the Premises, this lease shall terminate; provided, however, the term or life of this lease may be extended under one or more of the following conditions:

(a) If at the expiration of the primary term Uranium has not been mined and marketed in paying quantities from the Premises, Lessee may continue this lease in full force and effect for a secondary term of three (3) years and as long thereafter as Uranium is mined and marketed in paying quantities from the Premises by paying to Lessor, on or before said expiration date, payable as above, an annual advance rental of Five Dollars (\$5.00) per acre per year, subject to preceding royalties and cessation of production as stated in Article 5 above.

(b) If at the expiration of the secondary term Uranium has not been mined and marketed in paying quantities from the Premises, Lessee may continue this lease in full force and effect for a tertiary term of two (2) years and as long thereafter as Uranium is mined and marketed in paying quantities from the Premises by paying to Lessor, on or before said expiration date, payable as above, an annual advance rental of Ten Dollars (\$10.00) per acre per year, subject to preceding royalties and cessation of production as stated in Article 5 above.

(c) If at the expiration of the tertiary term Uranium has not been mined and marketed in paying quantities from the Premises but drilling or other visible exploration or development operations are being conducted thereon in good faith and in a good and workmanlike manner, Lessee may, subject to confirmation and approval of such operations by the Manager of University Lands - Oil, Gas and Mineral Interests, on or before the expiration date of the tertiary term, file written application to Lessor for an extension of this lease for a period of one (1) year, such application to be accompanied by a payment of Fifty Dollars (\$50.00) per acre for each acre in the lease, and Lessor shall, in writing, extend this lease for a period of one (1) year from and after the expiration of the tertiary term and so long thereafter as Uranium is mined and marketed in paying quantities from the Premises.

(d) If at the expiration of the first one (1) year extended period Uranium has not been mined and marketed in paying quantities from the Premises but drilling or other visible exploration or development operations are being conducted thereon in good faith and in a good and workmanlike manner, Lessee may, subject to confirmation and approval of such operations by the Manager of University Lands - Oil, Gas and Mineral Interests, make written application to Lessor, on or before the expiration date of the initial extended period of one (1) year for an additional extension of one (1) year, such application to be accompanied by payment of Fifty Dollars (\$50.00) per acre for each acre in the lease, and Lessor shall, in writing, extend this lease for an additional period of one (1) year from and after the expiration of the initial extended period of one (1) year, and so long thereafter as Uranium is mined and marketed in paying quantities from the Premises.

(e) In the event mining and marketing of Uranium from the Premises after once initiated, shall cease for any cause other than periods of force

majority as provided herein within one hundred and twenty (120) days before the expiration of a designated term of this lease or at any time or times thereafter, this lease shall not terminate if the Lessee, within one hundred and twenty (120) days after such cessation commences and pursues correction of the cessation cause or commences additional mining, development, producing or reworking operations; then this lease shall remain in full force and effect as long as any of the aforementioned operations continue in good faith and in a good and workmanlike manner without interruptions totaling more than one hundred and twenty (120) days during any of these operations, and if any operations result in the renewal of the ceased mining and marketing, then this lease shall remain in full force and effect so long as Uranium is mined and marketed therefrom in paying quantities.

7. During the life of this lease, all royalty payments that may be due shall be made payable to The University of Texas System, on or before the last day of each succeeding month, for the month in which the Uranium was sold. Such payments shall be forwarded, unless otherwise notified by Lessor, to Director, University Lands Accounting Office, P. O. Box 579, Austin, Texas 78767. Such payments shall be accompanied by a sworn statement of the amount, in standard terms of measurement, of all finished products or processed Uranium or minerals produced, of all ores produced, the percent of the Uranium or minerals contained in such ores, the percent of associated constituents such as molybdenum, lime, etc., the amount of such Uranium, ores, minerals or materials sold, the identification of the purchaser, and the value received and any such other information or specific data that might be deemed necessary by Lessor or Lessee to substantiate such payments.

(a) Rates for all royalties due and payable by Lessee to Lessor for Uranium bearing materials produced hereunder shall be determined from the following schedule. The ore grade shall be determined by the sampling, blending and assay procedures, along with any other necessary procedures, complying with the highest industry standards and the standards and requirements stipulated herein.

Ore Grade	Royalty
.19% and below	5%
.20% - .39%	10%
.40% - .59%	11%
.60% - .79%	12%
.80% - .99%	13%
1.00% and above	15%

(b) As a production royalty for processed Uranium bearing material produced from the premises as ore and processed in Lessee's facilities or in a custom mill or facility for Lessee's account, Lessee agrees to pay to Lessor, as royalty, that royalty percentage so designated by the schedule in Article 7.(a) as related to the ore grade prior to processing, of the gross proceeds received by Lessee OR of the highest price paid in the area OR of the prevailing gross market value, foreign or domestic, at the date of such sale, whichever is greatest, for Uranium Oxide, dry U_3O_8 , yellowcake or any other Uranium bearing material so processed from said ore and sold. Provided, however, in no event shall the royalty due Lessor be less than Two Dollars (\$2.00) per pound of yellowcake or like form of material so processed and sold.

(c) As a production royalty for Uranium bearing material produced as ore and sold by Lessee as raw crude ore, Lessee agrees to pay to Lessor, as royalty, that royalty percentage so designated by the schedule in Article 7.(a), of the gross market value of the Uranium Oxide, dry U_3O_8 , yellowcake or other Uranium bearing material so contained within the ore as determined by specific assays or chemical analyses and calculated by weight and considered for these purposes to have the same status and considerations as Uranium Oxide, dry U_3O_8 , yellowcake or other Uranium bearing material that has been processed to yellowcake form in preparation for market sale. Gross market value as herein stated shall be determined by the gross proceeds per pound that were received by Lessee at the most recent sale of such processed or yellowcake form material OR by the highest price paid in the area OR by the prevailing gross market value, foreign or domestic, at the date of such sale, whichever is greatest. Provided, however, in no event shall the royalty due Lessor be less than Two Dollars (\$2.00) per pound of yellowcake or a like form material so determined to be contained within any raw crude ore, solution or partially processed material.

(d) As a production royalty for Uranium bearing material produced as ore and sold by Lessee as a partially processed material, Lessee agrees to pay to Lessor, as royalty, that royalty percentage so designated by the schedule in Article 7.(a) as related to the ore grade prior to partial processing, of the gross market value of the Uranium Oxide, dry U_3O_8 , yellowcake or other Uranium bearing material so contained within the partially processed ore as determined by specific assays or chemical analyses and calculated by weight and considered for these purposes to have the same status and considerations as Uranium Oxide, dry U_3O_8 , yellowcake or other Uranium bearing material that has been processed

to yellowcake form in preparation for market sale. Gross market value definition and minimum royalty requirement shall be as stated in 7.(c) above.

(e) In the event of Lessor's approval and Lessee's initiation of in situ leaching of ore, Lessee shall determine, as accurately as possible, the grade of ore to be mined by establishing the grade and thickness of mineable ore penetrated by each bore hole so drilled or cored for the purpose of conducting in situ leaching operations. This determination shall be done in a manner to be approved by the Manager of University Lands - Oil, Gas and Mineral Interests prior to the commencing of such operations.

As a production royalty for Uranium bearing material produced by in situ leaching, and sold as a solution or in an unprocessed form, Lessee agrees to pay to Lessor, as royalty, that royalty percentage so designated by the schedule in Article 7.(a) as related to the averaged determined ore grades of mineable intervals being leached, of the gross market value of the Uranium Oxide, dry U_3O_8 , yellowcake or other Uranium bearing material contained within the solution so sold as determined by specific assays or chemical analyses and calculated by weight and considered for these purposes to have the same status and considerations as Uranium Oxide, dry U_3O_8 , yellowcake or other Uranium bearing material that has been processed to yellowcake form in preparation for market sale; and when any Uranium bearing solution or other unprocessed form is processed in Lessee's facilities or in a custom mill or facility for Lessee's account, Lessee agrees to pay to Lessor, as royalty, that royalty percentage so designated by the schedule in Article 7.(a) as related to the averaged determined ore grades of mineable intervals being leached, of the gross proceeds received by Lessee OR of the highest price paid in the area OR of the prevailing gross market value, foreign or domestic, at the date of such sale, whichever is greatest, for Uranium Oxide, dry U_3O_8 , yellowcake or any other Uranium bearing material so processed and sold. Gross market value definition and minimum royalty requirement shall be as stated in 7.(c) above.

(f) In the event of Lessee's initiation of recovery operations deemed by Lessor to be other than primary in nature (secondary recovery by leaching of residue or tailings piles, etc.), Lessee agrees to pay to Lessor, as a production royalty for Uranium bearing material produced by such operations, five percent (5%) of the gross market value, when sold as a solution or other unprocessed form, of the Uranium Oxide, ~~dry U_3O_8~~ , yellowcake or other Uranium bearing material so contained within the solution or other unprocessed form as

determined by specific assays or chemical analyses and calculated by weight and considered for these purposes to have the same status and considerations as Uranium Oxide, dry U_3O_8 , yellowcake or other Uranium bearing material that has been processed to yellowcake form in preparation for market sale; and when such Uranium bearing solution or other unprocessed form is processed in Lessee's facilities or in a custom mill or facility for Lessee's account, Lessee agrees to pay to Lessor, as royalty, five percent (5%) of the gross proceeds received by Lessee OR of the highest price paid in the area OR of the prevailing gross market value, foreign or domestic, at the date of such sale, whichever is greatest, for Uranium Oxide, dry U_3O_8 , yellowcake or any other Uranium bearing material so processed and sold. Gross market value definition and minimum royalty requirement shall be as stated in 7.(c) above.

(g) In the event that during normal Uranium recovery operations Lessee recovers and markets valuable spatially associated minerals, Lessee shall pay to Lessor a royalty of eight percent (8%) of the gross value of the output of such minerals at the point of shipment to market. Such gross value shall be equal to the highest price paid, without penalties or deductions, for like products of like quality within the same area or the price actually paid to Lessee, or the posted price, whichever is greatest.

(h) No royalty, other than duly required royalty in kind, shall be payable for any Uranium and/or spatially associated minerals mined or produced hereunder until the same are first sold by Lessee, except that for Uranium and/or spatially associated minerals used by Lessee on or off the Premises shall require an annual royalty to be paid at the same percent otherwise payable hereunder.

(i) All royalties due under this lease shall be without deduction, either directly or indirectly, for any cost or expenses incurred for mining, milling, treating, separating, precipitating, drying, reducing, upgrading, rendering marketable, packaging, transporting or any other cost of producing, processing and marketing Uranium in any form.

(j) As additional royalty, Lessee shall pay to Lessor, twenty percent (20%) of any and all exploratory or development allowances or bonus payments for any production, initial or otherwise, paid to Lessee by any agency or authority, governmental or otherwise, as to the Premises or as to

any such Uranium, ores, or materials mined or extracted and sold from said property provided that payment or royalty on such allowances or bonuses is not contrary to law or governmental regulation. This clause shall not apply to any advance payments under contracts made by Lessee for advance sales of future production.

(k) All residue or tailings remaining after the initial processing or milling of the crude ores mined from the Premises shall be the property of Lessee but with Lessor reserving as royalty the amounts which are previously stipulated herein to be paid for all Uranium, ores, minerals, materials or other constituents that might be sold, marketed or extracted from such residue or tailings; provided that if any such residue or tailings remain on any of the Premises for a period of more than one year after the effective date of termination of the Lease for that portion of the Premises containing the residue or tailings, all such tailings shall then be the sole and exclusive property of Lessor. Such relinquishment or termination of lease and relinquishment of residue and tailings shall not be interpreted in any way as removing any obligation of Lessee to comply, at his own expense, with any and all reclamation responsibilities that may be pending or that may be required by any State or Federal agency or authority either before or after such relinquishment.

(l) Lessor may, at its option, upon not less than sixty (60) days notice to Lessee, require at any time or from time to time, that payment of any or all royalties accruing to Lessor under the terms of this lease be made in kind.

(m) Lessor reserves a continuing option to purchase at any time and from time to time, at the market price prevailing in the area on the date of purchase, all or part of the Uranium, ores, minerals or materials, processed or unprocessed, that will be produced from the Premises.

(n) Lessee shall, or shall have processor or mill operator to continually sample the ore, and the samples taken from the ore shall be taken so as to obtain the most totally representative sample. The total sample from each ore lot shall not be less than one pound per each four tons of dry ore. The total sample from each lot of ore shall then be blended in accordance with customary industry practice before said total sample is reduced to the volume customarily used to determine content of the ore (assay).

Upon request, the Lessee shall furnish or shall cause the ore processor or mill operator to furnish Lessor, on or before each monthly

royalty settlement, an ore sample of equal volume as that used by the processor for assay (but not less than 220 net grams) from each ore lot, ready for assay properly identified by lot and date. Lessee shall also be furnished and keep an identical sample to be used for umpire analysis if necessary.

Lessor may report to Lessee annually or more frequently, any variations in analyses greater than .005% for uranium content, .05% for molybdenum content and .05% for lime content. If the variance is greater than the above stated percentages, then the sample retained by Lessee shall be delivered to a mutually agreeable laboratory for umpire analysis. If the umpire analysis falls between the Lessor's assay and the processor's assay, the umpire analysis shall become final and shall be used for adjustment purposes and the party whose assay is farther from the umpire analysis shall bear the cost of the umpire analysis. If the umpire analysis does not fall between Lessor's assay and the processor's assay, the assay which is nearest to the umpire assay shall become final, and the party whose assay shall not prevail shall bear the cost of the umpire analysis. If the umpire analysis is equally distant from the assay of both parties, then the cost of the umpire analysis shall be borne in equal proportions. Royalty adjustments shall be made within thirty (30) days.

In the event of Lessor's approval and Lessee's initiation of solution mining of ore, Lessee shall employ measuring methods which accurately reflect production of Uranium or minerals from the Premises. Lessor shall have the right to inspect, monitor, and approve any meters or other devices or measurement used by Lessee.

Should Lessor fail to report any variances within sixty (60) days from the end of a twelve-month period, the anniversary date of which shall be the receipt of the first royalty settlement, then it shall be considered that all royalty settlements made during such twelve-month period are final.

(o) Lessee may commingle ore from the leased premises with other ore. Before commingling, Lessee shall weigh and sample the ore and assay the samples as provided in Article 7 (n) above. Lessee shall keep records showing weights, moisture content, and ore grade in order to substantiate payments made in accordance with the above stated royalty provisions.

In the event Lessee commingles uranium bearing or other valuable mineral bearing solutions with like solutions produced from other lands, Lessee shall determine production attributable to and recovered from the Premises

prior to commingling. At least once per twenty-four (24) hour period at a point or points prior to commingling, Lessee shall measure volume and mineral content of the solution by periodic sampling.

8. Lessee agrees to make a radioactivity survey (Gamma Ray-Neutron or equivalent) from surface to total depth of each core hole and/or drill hole, whether such penetration was for Uranium evaluation or other purposes. It is agreed and understood, however, that no penetration may be made into any formation known to be productive of oil or gas in the general area without the permission of the Manager of University Lands - Oil, Gas and Mineral Interests.

9. Lessee agrees to furnish Lessor, before commencing any operations hereunder, a good and sufficient bond in an amount of Fifty Thousand Dollars (\$50,000.00) with surety acceptable to Lessor, conditioned upon the faithful performance by Lessee of all and singular, the terms and conditions of this lease, and keep such bond in force and effect so long as Lessee's operations shall continue under the terms hereof.

10. In further consideration of this lease, Lessee agrees and covenants as follows:

(a) To contact the Manager of University Lands - Oil, Gas and Mineral Interests, Midland, Texas, before commencing any operations hereunder.

(b) To furnish the Manager of University Lands - Oil, Gas and Mineral Interests with the following information:

(1) A chemical analysis of the water produced from any well within sixty (60) days after completion of such well, and thereafter, from time to time and upon request, additional chemical analyses of such water.

(2) Two full scale copies of each electric or radioactivity survey made of the bore-hole sections, certified as to authenticity and location, within fifteen (15) days after the completion of such survey. Lessee shall include along with such survey a report of all water sands encountered and an estimate of the amount of water, if any, in each hole.

(3) A "1/4 vertical cut" of all cores, upon request, within thirty (30) days after such request.

(4) A cut of any bore-hole samples, upon request, within thirty (30) days after such request.

(5) A copy of all analyses made or contracted for by Lessee of any cores or samples of any minerals, within thirty (30) days of the making thereof.

(6) A bona fide copy of any log, report, or other data or information compiled as the result of Lessee's making any geological survey on the premises within thirty (30) days after the making thereof.

(7) A map or maps, submitted annually, showing all prospecting and development work done on the Premises, all buildings, structures and workings placed thereon, all roads constructed and all water wells drilled thereon during the preceding twelve (12) months, together with all related information.

(8) A copy of each and every form or report filed with any State or Federal Agency.

(c) To conduct all operations hereunder in a manner consistent with good and economical practice with due regard for good land management, avoidance of unnecessary damage or waste, and in a reasonable manner as regards the rights of other University lessees.

(d) To prosecute the operations called for herein with reasonable diligence, skill and care in such manner as to achieve and maintain maximum production of the Uranium from the Premises consistent with good mining practice, the size of the deposit, and sound economy.

(e) To comply with all requirements of State and Federal laws applicable to the conduct of mining operations.

(f) To allow Lessor or the authorized representative thereof, at all reasonable times, to enter upon the Premises, and into all parts of the mine for the purposes of inspection, drilling, sampling and mapping.

(g) To keep proper records of (1) development work and drilling performed; (2) weights of Uranium and ores mined and sold; (3) assay data pertaining thereto; (4) payments received for sale of Uranium and other minerals; and (5) costs of transportation of Uranium and other minerals to the point of delivery. Lessee shall furnish a true copy of such information to Lessor quarterly, within twenty (20) days after the close of each calendar quarter of each year during the life of this lease, such report to be made to the Vice Chancellor for Lands Management, Austin, Texas, or such other office as may be designated by Lessor in writing.

(h) To permit Lessor or authorized representatives thereof to inspect Lessee's maps and assay records relating to the Premises and all other records specified in Items 1, 2, 3, 4 and 5 of subparagraph (g) above.

(i) To protect and indemnify Lessor against any claims arising in connection with the activities of the Lessee under this lease.

(j) To post in a conspicuous place on the Premises a legible notice which shall state that neither Lessor, The University of Texas System, nor the State of Texas, is or shall be held responsible for any accidents, damages to property, injuries to persons, or for debts or other liabilities incurred as a result of operations by Lessee.

(k) To store or impound all nonpotable water in water-tight tanks or lined surface pits so as to prevent the pollution of potable surface or subsurface waters. All surface pits shall be sealed with an impervious material, and be constructed and maintained in such a manner that will prevent any leakage, seepage, or other escape of deleterious substances.

(l) To construct such fences, barricades, etc., as will adequately protect persons or livestock from injury.

(m) To fill and level all pits, trenches, and other excavations that are dug for purposes other than ore production (mud pits, sampling, drainage, etc.) whenever same are abandoned or the use thereof is discontinued.

(n) To plug all holes or wells drilled on the lands in the manner required by Lessor so as to prevent any contamination of subsurface waters.

11. In all cases, the authority of a manager or agent to act for Lessee herein must be filed with Lessor.

12. Any lease or easement not pertaining to or in conflict with the operation of this lease may be issued by Lessor.

13. If Lessee shall fail or refuse to make the payment of any sum due under the provisions of this lease, either as rental or as royalty on the production, within thirty (30) days after the due date thereof; or if Lessee or his authorized agent should make any false report or false return concerning production, royalty, exploration or mining operations, or should fail or render any reports required to be filed or that may be requested by Lessor as provided herein; or if Lessee should fail to perform any of the operational obligations specified herein, or should refuse the proper authority access to the property, the mine, or the records pertaining thereto; or if any of the material terms of this lease are violated by Lessee, this lease shall be subject to forfeiture by Lessor by an order entered upon the minutes of the Board of Regents of The University of Texas System reciting the facts constituting the default and declaring the forfeiture. In the event Lessor considers that Lessee has not complied with the obligations contained in this Agreement, Lessor shall notify Lessee in writing of its intention to declare a forfeiture hereof, set-

ling forth the particular default relied upon. Lessee shall then have sixty (60) days after receipt of such notice in which to remedy, or commence to remedy and pursue diligently, such default or to deny the existence of same. Nothing herein contained shall prejudice the rights of Lessor to seek a judicial determination of this Agreement in the event Lessee denies the existence of a default or fails to remedy or commence to remedy the same as provided herein. In case of violations by the Lessee of the provisions of this Lease, the remedy by forfeiture shall not be the exclusive remedy, but a suit for damages or specific performance, or both, may be filed by the Lessor. Upon application made by Lessee within thirty (30) days after declaration of forfeiture and proper showing by Lessee, this lease may, at the discretion of Lessor and upon such terms as it may prescribe, be reinstated.

14. Lessor shall have a first lien upon all Uranium, ores and minerals produced from the Premises and upon all machinery, equipment and appliances, telephone lines, power transmission lines, or other property situated on the Premises, owned by Lessee and used in the production and handling of Uranium, ores and minerals produced therefrom, to secure any amount due from Lessee herein and to secure performance of any of the provisions contained in this lease contract.

15. If this lease shall be forfeited or terminated for any cause, Lessee shall not, in any event, remove any part of the Uranium, ores, minerals, material, equipment, appliances or property owned by Lessee and used by him in operations under this lease without the written consent of Lessor.

16. Lessee agrees to record this lease promptly, at his own cost and expense, in the county or counties in which Premises are located, not more than sixty (60) days after receipt thereof from Lessor and to notify Lessor, by affidavit, of such recording within fifteen (15) days thereafter.

17. Assignment of this lease in whole or in part may be made only with the written consent of Lessor. Any assignment of this lease, approved by Lessor, shall be filed by Lessee for record in the county or counties in which said Premises are located within sixty (60) days after receipt by Lessee of Lessor's approval; and two certified copies of such recorded assignment shall be filed with Lessor, at Austin, Texas, within sixty (60) days after such recording, accompanied by any required filing or assignment fees.

18. Lessee may, at any time during the term hereof, relinquish all or any part of the Premises in multiples of standard quarter sections by re-

ording an instrument or instruments of relinquishment in the county or counties in which the land may be situated; and two certified copies of such relinquishment shall be filed with Lessor at Austin, Texas, accompanied by any required filing fees. Any such relinquishment shall relieve Lessee of all future obligations with respect to the released land with the exception of reclamation obligations set forth elsewhere in this instrument, but shall not relieve Lessee of any past due obligations accrued thereon nor impair Lessor's lien herein provided for.

19. Should Lessee be prevented from complying with any expressed or implied covenant of this lease, from conducting operations on the Premises, or from producing Uranium therefrom, by reason of war, rebellion, riots, strikes, acts of God or any law, rule, order or regulation of any governmental body or agency, or any other cause (such as unavailability of parts), whether similar or dissimilar, beyond the reasonable control of Lessee, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable for damages for failure to comply therewith; and the term of this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting operations on or producing Uranium from the leased Premises; provided, however, that nothing herein shall be construed to suspend the payment of rentals or extension fees.

20. Damage and Reclamation Clause

(a) In addition to the requirements of Section 3 contained herein, Lessee agrees that in conducting its operations on the Premises Lessee will pay, to University, surface damages in accordance with the schedule set forth in THE UNIVERSITY OF TEXAS LANDS SCHEDULE OF DAMAGES which is currently in effect. This schedule of maximum permitted charges, however, shall not in any way limit the liability of Lessee in any action at law for any damages inflicted upon the surface lessees by reason of acts of negligence, if any, committed by Lessee in its operations if Lessee is lawfully liable therefor.

(b) In the event Lessee engages in solution mining, in situ mining, or other primary "wet methods", where the surface is not disturbed beyond normal drilling and equipping operations, Lessee shall pay to University as damages, the sum of Two Hundred Dollars (\$200.00) per acre for the use of each acre of the

Premises included within the confines of a drilling pattern for such operations by Lessee.

- (c) In the event Lessee engages in surface mining, or any mining method other than in solution mining, in situ mining or other primary "wet methods", Lessee shall pay to University, as damages, 125% of the current market value or the sum of Five Hundred Dollars (\$500.00) per acre, whichever is greater, for each acre of the Premises included within the surface confines of any open pit, shaft, stockpile, waste dump, tailing pile, or road.
- (d) Lessee shall pay to University, as damages, the fair market value or, at Lessee's option, make replacement of any fence, building, road, livestock, or other personal property of University (or University's surface lessees) that may be damaged or destroyed in the course of Lessee's exercise of the rights granted Lessee herein contained in this lease.
- (e) Lessee shall, regardless of the method of mining utilized, conduct all operations on the Premises in compliance with applicable laws and with rules and orders of regulatory agencies having jurisdiction (including the Texas Railroad Commission), including those for protection of the environment, prevention of water pollution, and reclamation of the mined land.
- (f) In the event that surface mining operations are undertaken by Lessee, subject to Section 3 contained herein, Lessee specifically agrees that due care will be exercised and operational plans will include a program to set aside and save the topsoil of the land being mined to the extent that it is practical to do so. The topsoil being so saved and set aside will, as much as possible, be done so in such a manner that both Lessee and University will have a reasonable expectation that upon closing of mining operations the topsoil can be replaced and the land restored to its original condition as much as possible.

21. The covenants, conditions, and agreements contained herein shall extend to and be binding upon the heirs, executors, administrators, successors, or assigns of the parties herein.

EXECUTED by the parties as of the day and year first above written.

ATTEST:

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

Secretary

By Vice Chancellor Lands Management LESSOR

Approved as to Form:

F. G. Woodside LESSEE

University Attorney

Manager of University Lands Oil, Gas and Mineral Interests

THE STATE OF TEXAS
COUNTY OF TRAVIS

BEFORE ME, the undersigned authority on this day personally appeared _____, Vice Chancellor for Lands Management, of the University of Texas System, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act and deed of the Board of Regents of The University of Texas System, and that he executed the same as the act and deed of such Board for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this _____ day of _____, A.D., 1930.

Notary Public in and for Travis County, Texas

THE STATE OF TEXAS
COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared F. G. Woodside, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this _____ day of _____, A.D., 1930.

Notary Public in and for _____ County, Texas.

II. TRUST AND SPECIAL FUNDS

A. GIFTS, BEQUESTS AND ESTATES

1. System Administration - Pooled Income Fund for Use by Component Institutions in Attracting Deferred Gifts: Declaration of Trust Accepted by Internal Revenue Service. --
- System Administration reported that the Declaration of Trust for a pooled income fund (established by the Board of Regents on October 20, 1978, Permanent Minutes, Volume XXVI, Page 171) had been approved by the Internal Revenue Service by letter dated February 20, 1980, to Executive Director for Investments and Trusts Lobb.

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REMARKS

(A copy of the letter of approval from the Internal Revenue Service and the Declaration of Trust are in the Secretary's files.)

2. U. T. Austin: Acceptance of Gift and Pledge to the Engineering Foundation from an Anonymous Donor (No Publicity). --
- Anonymous Nasser I. Al-Rashid
- Upon the recommendation of President Flawn and Chancellor Walker and without objection, a gift of \$600,000 and a pledge of \$100,000 were accepted from an anonymous donor to be used by the Engineering Foundation for support of various programs of the College of Engineering at The University of Texas at Austin. A recommendation for the specific use of these funds will be presented to the Board of Regents at a later date.

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REMARKS

3. U. T. Austin: Authorization to Accept Bequest Under Terms of Will of Doris Holmes Blake, Deceased, of Washington, D. C. -- A bequest valued at \$100,000 was gratefully accepted for The University of Texas at Austin under the terms of the Will of Doris Holmes Blake, deceased, of Washington, D. C., as set out below:

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"I will the paintings I made of myself and my husband, S. F. Blake, to be stored in the room where his plant collections are stored at the University of Texas. I also will to the University of Texas my husband's diaries and his book of poetry.

"I will the rest of the money 1/2 to go to the Gray Herbarium at Harvard and half of the (word marked out) Museum of Comparative Zoology. The rest to the Blake room at the University of Texas, Austin, Texas."

A final report on the distribution of the estate together with recommendations for specific use of the funds will be submitted to the Board of Regents at a future meeting.

4. U. T. Austin - Estate of Olive Lyle Brown. ^{Bequest} Report on Final Distribution: Proceeds Deposited in The Olive Lyle Brown Fund for the Advancement, by Education and Research, of Nutrition. --The Land and Investment Committee received a report that \$19,539.41 had been received as the final distribution of the Estate of Olive Lyle Brown for The University of Texas at Austin, which amount brings the total bequest from this estate to \$94,539.41. The \$19,539.41 had been deposited in The Olive Lyle Brown Fund for the Advancement, by Education and Research, of Nutrition at U. T. Austin in accordance with authorization at the February 1980 Board of Regents' meeting (Permanent Minutes, Volume XXVII, Page 1912).

FILE NO. 1000
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REMARKS ---

5. U. T. Austin - ^{Bequest} Bequest from Former Regent (Mrs.) I. D. Fairchild, Deceased: Final Report and Establishment of the Marguerite Fairchild Endowment Fund in the College of Fine Arts. --It was reported that \$17,000 had been received from the I. D. and Marguerite Fairchild Educational, Religious, Charitable and Civic Foundation of Lufkin, Texas, organized under the Will of Mrs. I. D. Fairchild, deceased, and that annual distributions of approximately \$17,000 will be made to The University of Texas at Austin by this Foundation.

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Upon the recommendation of President Flawn and Chancellor Walker, the Marguerite Fairchild Endowment Fund was established in the College of Fine Arts at U. T. Austin with this \$17,000 endowment. Income from this fund will be added to the endowment until it reaches \$100,000, at which time the Marguerite Fairchild Professorship will be established. Further, when the fund reaches \$400,000 the Professorship will be changed to the Marguerite Fairchild Chair. [Mrs. Fairchild's Will and the codicils were written prior to the Regents' ruling increasing the amount (to \$500,000) required for a Chair. (Regents' Rules and Regulations, Part Two, Chapter I, Section 4.41)]

Future contributions to this fund will be reported in the component docket.

6. U. T. Austin: Acceptance of Gift from the Texas Alpha Educational Foundation of Pi Beta Phi and Establishment of Two Texas Alpha Educational Foundation of Pi Beta Phi Endowed Presidential Scholarships. -- A gift of \$50,000 was accepted with sincere appreciation from the Texas Alpha Educational Foundation of Pi Beta Phi, and two Texas Alpha Educational Foundation of Pi Beta Phi Endowed Presidential Scholarships for graduates of Texas high schools were established at The University of Texas at Austin. Income from the endowment will be used to grant two scholarships annually.

FILE NO. G+G 1000
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REMARKS ---

7. U. T. Austin (College of Business Administration) - Jack G. Taylor Professorship in Business: Terms of Qualifications and Appointment Broadened. --The terms of "Qualifications and Appointment" of the Jack G. Taylor Professorship in Business in the College of Business Administration at The

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REMARKS ---

University of Texas at Austin (established March 15, 1974, Permanent Minutes, Volume XXI, Page 2205) were revised as set out below at the request of Mr. Taylor.

"Any member of the faculty of the Graduate School of Business who holds the title of Professor or Visiting Professor and who has demonstrated competence in any of the business or academic fields taught in the College of Business or Graduate School of Business or who has an outstanding reputation for his research in any area of business, is eligible to be appointed as the Jack G. Taylor Professor. The individual selected will hold the title of the Jack G. Taylor Professor and will receive all benefits therefrom, preferably for a period of not less than three years and not more than six years."

The same conditions as outlined in the Permanent Minutes will be retained.

8. U. T. Austin (Graduate School of Business): Establishment of the Glenn A. Welsch Professorship in Accounting. At the request of The Business School Foundation (an external foundation) and upon the recommendation of President Flawn and Chancellor Walker, the Glenn A. Welsch Professorship in Accounting was established in the Graduate School of Business at The University of Texas at Austin in accordance with the Regents' Rules and Regulations. This Professorship will be funded by The Business School Foundation and administered by the Foundation.

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REMARKS

It was noted that the Professorship had been funded by friends and admirers of Professor Welsch who is a well-known accounting educator and who has been on the faculty at U. T. Austin since 1951. The Business School Foundation has gifts from various donors totaling \$54,272.41 and pledges of \$55,587.27 for a total of \$109,859.68. They expect to receive additional gifts and pledges for this Professorship.

9. U. T. Austin: Acceptance of Donations from various Donors and Establishment of Exhibitions Endowment Fund for the University Art Museum. Endowment Fund --It was reported that the amount of \$41,970 had been received from various donors in response to the preview which the Fine Arts Foundation Advisory Council sponsored at the Meredith Long and Company Gallery in Houston, Texas, on March 6, 1980.

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REMARKS

The \$41,970 was accepted, and the Exhibitions Endowment Fund for the University Art Museum was established at The University of Texas at Austin. Income from the endowment will be used to support art exhibitions at the University Art Museum. The Fine Arts Foundation Advisory Council has set a goal of \$100,000 for the endowment of this fund.

10. ⁹ U. T. Austin, U. T. Dallas, Dallas Health Science Center Fund FILE NO. 1070
 (Dallas Southwestern Medical School) and University Cancer Center DOCUMENT
 Center: Report on David Bruton, Jr., Charitable Trust and REMARKS
 Completion of Funding for The David Bruton, Jr. Chair in
 Ophthalmology at the Dallas Southwestern Medical School. --
 The following written report was received from System Admin-
 istration:

Report

"A charitable trust indenture executed by David Bruton, Jr., on December 20, 1979, allows discretionary bequests to eight charitable donees, including four component institutions of The University of Texas System [U. T. Austin, U. T. Dallas, Dallas Health Science Center (Dallas Southwestern Medical School), University Cancer Center]. The Trust was to be funded by one-half of a residuary estate consisting of 46,000 shares of Bruton Properties, Inc., stock and other unliquidated properties. Original Trustees named are First National Bank in Dallas, R. H. Stewart III, John P. Thompson, Dr. Charles A. LeMaire, T. L. Wynne, Jr., Dr. John Lynn, and Darrell K. Royal. Each year for a 15-year term the Trustees may pay 8% of the net value of the trust to one or more permitted donees in amounts left to the Trustees' sole discretion. Upon termination, the trust corpus is to be distributed to descendants of Mr. Bruton.

"After Mr. Bruton, Jr.'s death on December 30, 1979, a controversy developed and suit was filed by the co-executors of the Bruton Estate against Bruton Properties, Inc., and others to determine the proper valuation for repurchase of Bruton Properties, Inc., stock held by the Estate. The charitable Trustees named above joined in the suit as plaintiffs and, pursuant to statute, the Attorney General of Texas represented the interests of the charitable beneficiaries, including The University of Texas components. The co-executors sought current market value of \$180.00 per share; the corporation urged repurchase at book value of \$8.00 per share.

"A final order entered March 13, 1980 by the 191st Judicial District Court of Dallas County, Texas, approved a compromise repurchase plan at \$142.00 per share, for a total of \$5,637,735.00. The corporate trustee estimates the value of the entire residuary estate including the funds received from the repurchased stock to be \$6.0 - \$6.5 million with a charitable trust corpus of \$3.0 - \$3.25 million. Distribution of the estate following liquidation is expected in August of 1980.

"Another result of the favorable settlement is that the Bruton, Jr. Estate will be adequate, upon final settlement, to complete funding of The David Bruton, Jr. Chair in Ophthalmology. By instrument dated November 27, 1979, Mr. Bruton, Jr., previously had established The David Bruton, Jr. Fund at The University of Texas Health Science Center at Dallas (accepted by the Board of Regents on February 29, 1980, Permanent Minutes, Volume XXVII, Page 1921) with a Chair in Ophthalmology to be established upon completion of funding. A codicil in Mr. Bruton, Jr.'s Will provides for the completion of funding for the Chair."

11. U. T. Tyler: Acceptance of Gift from Mrs. Laura Greer Ruggles-Gates, Tyler, Texas, and Establishment of the Sam R. Greer and Laura Greer Ruggles-Gates Fund for Excellence in English and Literature. --A \$4,170 cash gift was accepted with sincere appreciation from Mrs. Laura Greer Ruggles-Gates, Tyler, Texas, for The University of Texas at Tyler. Authorization was given to add this \$4,170 to a previous gift of \$5,830 from Mrs. Ruggles-Gates and to establish the Sam R. Greer and Laura Greer Ruggles-Gates Fund for Excellence in English and Literature at U. T. Tyler. Income from the endowment will be used to encourage and reward productive scholarship, research, and inquiry, as well as to provide scholarly opportunities for the advanced study of English and literature as follows:

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REMARKS

- a. Awards to undergraduate and graduate students for English research projects or study
- b. Lectures on topics of interest in the study of English and literature

12. Galveston Medical Branch: Acceptance of Gift from Edgar J. Poth, M.D., Galveston, Texas; Establishment of Gaynelle Robertson Memorial Lectureship in Ophthalmology; and Endowment of Two Adjoining Seats in the Learning Center Honoring Dr. Robertson and Dr. Poth. --With sincere appreciation, a gift of 600 shares of Phillips Petroleum Company and 100 shares of The Quaker Oats Company common stocks valued at \$27,387.50 was accepted from Edgar J. Poth, M.D., Galveston, Texas, for The University of Texas Medical Branch at Galveston to be used as follows:

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REMARKS

- a. Twenty-Five Thousand Dollars (\$25,000) to establish the Gaynelle Robertson Memorial Lectureship in Ophthalmology at The University of Texas Medical Branch at Galveston (\$23,000 for endowment and \$2,000 for printing and distribution of a brochure to announce the lectureship)
- b. Two Thousand Dollars (\$2,000) for endowment of two adjoining seats in the auditorium of the Learning Center at The Galveston Medical Branch in honor of Dr. Robertson and Dr. Poth
- c. Residual monies to be used by the Galveston Medical Branch for institutional support as designated by President Levin

13. Galveston Medical Branch - Gaynelle Robertson (Poth) Deceased, Bequest: Acceptance of Bequest as Trustees of the Robertson-Poth Charitable Remainder Unitrust Number Two and Approval for Chairman of Board of Regents to Act as Independent Executor of Last Will and Testament of Gaynelle Robertson (Poth). -- Upon the recommendation of President Levin and Chancellor Walker and without objection:

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REMARKS

Poth
Internal
Revenue
Code

- a. The members of the Board of Regents, acting in their capacities as Trustees of the Robertson-Poth Charitable Remainder Unitrust Number Two (The University of Texas Medical Branch at Galveston), accepted the generous bequest of the residuary estate of Gaynelle Robertson (Poth)
- b. The Chairman of the Board of Regents, in his official capacity (and his successors in office) was authorized to act as Independent Executor of the Last Will and Testament of Gaynelle Robertson (Poth)

[Gaynelle Robertson (Poth) died April 5, 1980. At that time her residuary estate passed to the Trustees of the Robertson-Poth Charitable Remainder Unitrust Number Two (established by the Board of Regents February 9, 1979, Permanent Minutes, Volume XXVI, Page 1762).]

14. Galveston Medical Branch - Allan C. Shields Lectureship in Primary Medical Care: Report of Receipt of Total Funding. -- President Levin and Chancellor Walker reported that total funding of \$20,000 had been received from Mrs. Allan C. Shields for the Allan C. Shields Lectureship in Primary Medical Care at The University of Texas Medical Branch at Galveston. The funding consists of an initial gift of \$8,000 in April 1977, \$6,000 in December 1978 and \$6,000 in March 1980.

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REMARKS

15. Houston Health Science Center and ^{Bequest} University Cancer Center (M. D. Anderson): Acceptance of Bequest Under Will of Helen Y. Sherwood, Deceased, Houston, Texas. -- Upon the recommendation of President Bulger, President LeMaistre and Chancellor Walker and with sincere appreciation, a bequest of 75% of the residuary estate of Helen Y. Sherwood was accepted for the benefit of The University of Texas Health Science Center at Houston and The University of Texas System Cancer Center (M. D. Anderson) in accordance with the terms as set out below in an excerpt from Mrs. Sherwood's Will:

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"I give, devise and bequeath all of the rest, residue and remainder of my interest in any property which I own at the time of my death (including lapsed and void bequests and devises) in equal shares to (a) the University of Texas Cancer Center System, M. D. Anderson Hospital and Tumor Institute, for the exclusive purpose of providing for cancer research; (b) to the Board of Regents of the University of Texas System, University of

Texas Health Science Center, Houston, Texas, for the exclusive purpose of providing for research in arthritic diseases; (c) to the Board of Regents of the University of Texas System, Department of Medicine, University of Texas Health Science Center at Houston, for the exclusive purpose of providing for research in cardiovascular diseases; (d) to the Retina Research Foundation, Houston, Texas, Alice R. McPherson, President."

Recommendations for establishment of specific funds along with a final report on the estate will be submitted to the Board of Regents for consideration at a subsequent meeting.

16. University Cancer Center (M. D. Anderson): ^{Bequest} Acceptance of Bequest Under Will of Doloras Baumgard, Deceased, of Nederland, Texas, and Authorization for Dr. R. Lee Clark, Jr., to Serve as Independent Executor of the Estate. -- Upon the recommendation of President LeMaistre and Chancellor Walker, a bequest estimated to be in excess of \$70,000 was gratefully accepted under the terms of the Will of Doloras Baumgard (deceased) of Nederland, Texas, to be used for cancer research at The University of Texas System Cancer Center (M. D. Anderson). Further, permission was granted for Dr. R. Lee Clark, Jr., President Emeritus of the University Cancer Center, to serve as independent executor of this estate as stipulated in the Will. A specific purpose and use of the bequest will be submitted to the Board of Regents for consideration at a subsequent meeting.
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REMARKS ---
17. University Cancer Center (M. D. Anderson): ^{Ben Dechard} Establishment of the Clifton D. Howe Fund with Contributions from the Ben Dechard Family, Dallas, Texas. -- With funds totaling \$23,280.74 contributed since 1972 by the Ben Dechard Family and upon recommendation of President LeMaistre and Chancellor Walker, the Clifton D. Howe Fund was established at The University of Texas System Cancer Center (M. D. Anderson) in honor of Dr. Howe, a member of the M. D. Anderson Hospital staff.
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REMARKS ---
18. University Cancer Center (M. D. Anderson): Acceptance of Pledge from the M. G. and Lillie A. Johnson Foundation; Transfer of Funds from The University Cancer Foundation - Anderson Clinical Faculty Professorship Fund; and Establishment of the M. G. and Lillie A. Johnson Chair for Cancer Treatment and Research. -- System Administration reported that the M. G. and Lillie A. Johnson Foundation had pledged \$200,000 to The University of Texas System Cancer Center (M. D. Anderson) to be paid in installments of \$100,000 in July 1980 and July 1981 to be used for funding the M. G. and Lillie A. Johnson Professorship for Cancer Treatment and Research. In recognition of the significant support received from Mr. and Mrs. Johnson
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REMARKS ---

for the various programs of M. D. Anderson, President LeMaistre and Chancellor Walker recommended that this proposed professorship be upgraded to a chair.

Whereupon, the Land and Investment Committee without objection:

- a. Accepted from the M. G. and Lillie A. Johnson Foundation a pledge of \$200,000 with an expression of appreciation to the Foundation for its continued support of the U. T. System
- b. Authorized \$100,000 transferred from The University Cancer Foundation - Anderson Clinical Faculty Professorship Fund to be added to the \$200,000 pledge
- c. Established the M. G. and Lillie A. Johnson Chair for Cancer Treatment and Research at the University Cancer Center (M. D. Anderson) with the \$600,000 endowment
- d. Authorized any additional gifts made in the future either by the Johnson Foundation or other sources to support this Chair returned to The University Cancer Foundation - Anderson Clinical Faculty Professorship Fund to offset amounts transferred therefrom for this purpose

B. REAL ESTATE MATTERS

1. U. T. Austin (Department of Geological Sciences) - Fund for Alternative Energy Research and Development Lease to Weeks Operating Company, Houston, Texas, Covering West Half of Estimated 1.65 Acre Tract in Port O'Connor, Calhoun County, Texas. -- Upon the recommendation of Vice Chancellor Boyd and Chancellor Walker and without objection, approval was given to grant a surface lease to Weeks Operating Company, Houston, Texas, covering the west half of an estimated 1.65 acre tract out of the Roy Kiesling 12.43 acres in the Santago Gonzales League in Port O'Connor, Calhoun County, Texas (a part of the Alternative Energy Research and Development Fund at The University of Texas at Austin). The tract is used for docking facilities with Weeks Oil Company, Westport, Connecticut, having previously obtained rights to nonexclusive use of these facilities. Weeks Oil Company has agreed to use the east half of the dock facilities with the owners of the surface having leasing rights to the west half. The terms of the lease are:

- a. The lease shall be for surface only for a two year period beginning August 1, 1980.
- b. The monthly rental shall be \$800 payable the first of each month for the upcoming month.
- c. The lease is subject to cancellation by lessor on six months' notice in the event of sale of the property.
- d. Lessee shall maintain the facilities and make timely repairs to the property necessitated by physical deterioration of the dock facilities resulting from use.

Alternative, Fund

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REMARKS

- e. This lease is nonassignable without approval of the Board of Regents and subject to prior rights granted to Weeks Oil Company.
- f. On any early cancellation by Lessee, the Lessee is liable for payment for the unexpired term of the lease.
- g. The Lessors shall be held harmless for any accidents or events resulting in death, injuries or property damage resulting from use of the premises.
- h. Upon termination of lease, Lessee agrees to return premises to owners in as good condition as at the commencement of the lease.
- i. In event of vacating of the premises by Weeks Oil Company on the east half of the dock facilities during the lease term granted to Weeks Operating Company, Weeks Operating Company is granted the option to lease the east half on the same terms that are in effect on the west half for the unexpired period of its lease.

The Board of Regents' ownership in this property is approximately 76% and it will receive only this portion of the monthly rental.

2. U. T. Austin - Tom Slick Memorial Trust: Oil and Gas Lease to An-Son Corporation, Oklahoma City, Oklahoma, Covering Undivided Interest in McClain County, Oklahoma. -- An oil and gas lease was granted to An-Son Corporation of Oklahoma City, Oklahoma, covering The University of Texas at Austin's (Tom Slick Memorial Trust) undivided 00.4748% of 60 acres (.28488 net mineral acres) as described below:

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Northwest Quarter of the Northeast Quarter, and the East Half of the Northeast Quarter of the Northwest Quarter of Section 21, Township 7 North, Range 4 West, and containing 60 acres, more or less, McClain County, Oklahoma

The terms of the lease provide for a five year paid up lease, 3/16 royalty, \$75 per acre bonus and \$1 per acre delay rental.

3. U. T. El Paso - Frank B. Cotton Estate: Authorization to Advertise for Sealed Bids for Oil and Gas Leases on Approximately 12,500 Acres in Culberson County and 4,480 Acres in Hudspeth County, Texas. -- Upon the recommendation of Vice Chancellor Boyd and Chancellor Walker, authorization was given to advertise for sealed bids for oil and gas leases on approximately 12,500 acres in Culberson County and 4,480 acres in Hudspeth County, Texas, a part of the Frank B. Cotton Estate, The University of Texas at El Paso, under the following terms:

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REMARKS

Leases will be offered on section sized blocks with a 1/5 royalty, five year term and \$5 per acre annual delay rental and bidding will be by bonus only

System Administration reported that the bid opening had been tentatively scheduled for October 21, 1980, with a

report to the Board of Regents for approval at its meeting on October 23-24 or at a subsequent meeting if the opening is delayed.

4. U. T. El Paso - Josephine Clardy Fox Estate: (a) Rescission of April 11, 1980 Authorization of Assignment of Two Ground Leases (5306/5308 and 5310 El Paso Drive, El Paso, Texas) from Mr. Lloyd Innerarity and West Properties, Inc., Both of Midland, Texas, to S.W.D., Inc., San Diego, California, and (b) Approval of Assignment of Lease Covering 5310 El Paso Drive to New Vistas, Inc., El Paso, Texas, Subject to Certain Conditions and Amendments. -- Upon the recommendation of Vice Chancellor Boyd and Chancellor Walker and without objection:

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REMARKS

- a. The authorization granted at the April 11, 1980 meeting of the Board of Regents (Permanent Minutes, Volume XXVII, Page 2701) for assignment of two ground leases covering Josephine Clardy Fox Estate property (The University of Texas at El Paso) at 5306/5308 and 5310 El Paso Drive, El Paso, Texas, from Mr. Lloyd Innerarity and West Properties, Inc., both of Midland, Texas, to S.W.D., Inc., San Diego, California, was rescinded. (The provision for increased rental on these leases was not acceptable to S.W.D., Inc.)
- b. In lieu of the April 11 authorization, approval was given for assignment of lease dated October 18, 1971 covering premises known as 5310 El Paso Drive, El Paso, Texas, and containing 22,958.07 square feet of ground from West Properties, Inc., to New Vistas, Inc., El Paso, Texas, subject to the following conditions and amendments:
 - (1) continued liability under the terms of the lease by West Properties, Inc., as to portion assigned and in addition by Mr. R. Ken Carpenter, Midland, Texas, individually
 - (2) amendment of the lease as to the portion assigned to provide for appraisal of the ground every 5 years beginning October 1, 1981, rather than every 10 years as now provided by the lease
 - (3) annual rental for the next ensuing rental period of 14-1/2% of appraised value rather than 9% as presently provided

It was noted that New Vistas, Inc., plans to purchase the building situated on this property.

5. Galveston Medical Branch - Agnes Thelma Anderson Fund; Oil and Gas Lease to Mitchell Energy Corporation, Houston, Texas, Covering Undivided 3/8 Interest of Minerals Under 143.32 Acre Tract, Maysville Addition, Town of Dayton, Liberty County, Texas. -- An oil and gas lease was granted to Mitchell Energy Corporation, Houston, Texas, covering the University's undivided 3/8 interest of the minerals under a 143.32 acre tract described as follows (Agnes Thelma Anderson Fund property, The University of Texas Medical Branch at Galveston):

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REMARKS

One hundred forty-three and thirty-two one-hundredths (143.32) acres, more or less, being the East one-half of Lot 53, all of Lot Nos. 55, 56, 60, 61 and the West 1/2 of Lot 63 of the Maysville Addition to the town of Dayton, in Liberty County, Texas, as described in deed from Agnes Anderson, et al to Bill Daniel, dated March 12, 1955, and recorded in Vol. 419, Page 446 of the Liberty County Deed Records, to which reference is made to all purposes

The primary term of the lease is two years with 1/4 royalty, \$75 per acre bonus and \$5 per acre delay rental.

III. OTHER MATTERS

PUF and Trust and Special Funds: Report of Securities Transactions for Months of February and March 1980. -- The Report of Securities Transactions for the months of February and March 1980 submitted by the Executive Director for Investments and Trusts was mailed to each Regent by Secretary Thedford on April 30, 1980. No comments were received. The report is incorporated in the minutes in the form submitted (Attachment No. 2 following Page HT-4).

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REMARKS

IV. WEST TEXAS TOUR

Report on West Texas Tour: Resolutions of Thanks and Commendation to Manager of University Lands - Surface Interests Billy Carr; Manager of University Lands - Oil, Gas and Mineral Interests Laddie Long, Director of McDonald Observatory Harlan Smith and Their Staffs. -- Committee Chairman Hay reported that at the suggestion of Chairman Williams, the Board of Regents had a splendid visit to the University Lands in Crockett, Reagan, Pecos and Upton Counties and McDonald Observatory. Committee Chairman Hay moved that the Board of Regents acknowledge with an appropriate resolution the courtesies extended to the Board and the Board's appreciation to the staffs of these three divisions and specifically to Mr. Billy Carr, Manager of University Lands - Surface Interests; Mr. Laddie Long, Manager of University Lands - Oil, Gas and Mineral Interests; and Dr. Harlan Smith, Director of McDonald Observatory.

Resolutions
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REMARKS

Chairman Williams seconded the motion saying, "It was a delightful trip, and all our people enjoyed it."

The resolutions as prepared and distributed to the individuals are:

RESOLUTION

WHEREAS, The Permanent University Fund of The University of Texas System is the second largest higher education endowment in the United States and represents the margin of excellence in our academic programs; and

WHEREAS, The wellspring of this endowment is represented by the 2.1 million acres of University Lands in West Texas; and

WHEREAS, On May 21 and 22, 1980, the Board of Regents and the Chancellor of The University of Texas System conducted an in-depth tour of these University Lands, inspecting oil fields, a new sulfur mine and various agricultural and ranching operations, including an experimental vineyard; and

WHEREAS, The West Texas tour was both informative and enjoyable, thanks to the splendid advance preparations of the University Lands Office and the unfailing courtesy and tireless efforts of all its personnel; now, therefore, be it

RESOLVED, That the Board of Regents of The University of Texas System does hereby thank and commend Manager Billy Carr and all of the officers and employees of the University Lands Office - Surface Interests. We express to them our deep appreciation for a job very well done.

RESOLUTION

WHEREAS, The Permanent University Fund of The University of Texas System is the second largest higher education endowment in the United States and represents the margin of excellence in our academic programs; and

WHEREAS, The wellspring of this endowment is represented by the 2.1 million acres of University Lands in West Texas; and

WHEREAS, On May 21 and 22, 1980, the Board of Regents and the Chancellor of The University of Texas System conducted an in-depth tour of these University Lands, inspecting oil fields, a new sulfur mine and various agricultural and ranching operations, including an experimental vineyard; and

WHEREAS, The West Texas tour was both informative and enjoyable, thanks to the splendid advance preparations of the University Lands Office and the unfailing courtesy and tireless efforts of all its personnel; now, therefore, be it

RESOLVED, That the Board of Regents of The University of Texas System does hereby thank and commend Manager Laddie Long and all of the officers and employees of the University Lands Office - Oil, Gas and Mineral Interests. We express to them our deep appreciation for a job very well done.

RESOLUTION

WHEREAS, The poet Browning wrote that "a man's reach should exceed his grasp, or what's a heaven for?" and

WHEREAS, At McDonald Observatory on Mt. Locke in West Texas, University of Texas astronomers are themselves reaching into the very heavens with several of the world's most sophisticated telescopes, trying to unlock the secrets of the Universe; and

WHEREAS, Dr. Harlan Smith, Director of McDonald Observatory, and his brilliant associates at the Observatory hosted a tour of The University of Texas System Board of Regents on May 22, 1980; and

WHEREAS, This tour and the in-depth briefings that were a part of it resulted in a heightened understanding of and appreciation for the outstanding work being carried out at McDonald Observatory; now, therefore, be it

RESOLVED, That the Board of Regents of The University of Texas System does hereby express its thanks to Dr. Smith and his staff at McDonald Observatory for all the time and effort they put in to make our tour a success and for the courteous and hospitable way they received us. We salute them.

REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS

Regent Fly, Vice-Chairman of the Board for Lease of University Lands, presented the following report of the Board for Lease of University Lands:

Report

The Board for Lease of University Lands met on Friday, May 9, 1980, in Austin at the General Land Office and approved the offering of 374 tracts at the 69th Public Auction Sale of Oil and Gas Leases to be held in Midland on September 17, 1980.

The Board for Lease expressed its desire to hold the next lease sale as soon as practical following the September sale. A tentative date in early February 1981 was suggested.

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COMMITTEE OF THE WHOLE
(Pages 30-136)

Prior to filing the report of the Committee of the Whole, Chairman Williams presented for consideration the policy on medical faculty compensation in the health institutions, to wit:

DALLAS HEALTH SCIENCE CENTER, Augmentation MSRDP GALVESTON MEDICAL BRANCH, HOUSTON HEALTH SCIENCE CENTER, SAN ANTONIO HEALTH SCIENCE CENTER, UNIVERSITY CANCER CENTER AND TYLER HEALTH CENTER: POLICY ON MEDICAL FACULTY COMPENSATION. --System Administration submitted a written summary of the findings of an ad hoc committee which had been appointed to study compensation of the medical faculties of the health institutions.

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REMARKS

Following a brief discussion and upon the recommendation of Chancellor Walker, the following policies were adopted with respect to the structure of compensation for medical faculty at The University of Texas Health Science Center at Dallas, The University of Texas Medical Branch at Galveston, The University of Texas Health Science Center at Houston, The University of Texas Health Science Center at San Antonio, The University of Texas System Cancer Center and The University of Texas Health Center at Tyler:

1. Maintain the current maximum state fund level adjusted appropriately each year for inflation;
2. Define the maximum salary level to be equal to the current maximum compensation; and
3. Permit augmentation up to 25% of salary, not to exceed the maximum salary level

Chairman Williams filed the following report of the meeting of the Committee of the Whole which was conducted in open session. The report was adopted without objection:

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM PERMANENT UNIVERSITY FUND BONDS, NEW SERIES 1980, IN AN AMOUNT UP TO \$26,000,000: AUTHORIZATION TO ISSUE; ESTABLISHMENT OF ACCOUNT FOR MISCELLANEOUS COSTS; AND APPOINTMENT OF McCALL, PARKHURST AND HORTON, DALLAS, TEXAS, BOND COUNSEL. --Upon the recommendation of Executive Director for Investments and Trusts Lobb and Chancellor Walker, authorization was given without objection:

1. To issue Board of Regents of The University of Texas System Permanent University Fund Bonds, New Series 1980, in an amount up to \$26,000,000
2. To advertise for bids
 - a. For the sale of the bonds
 - b. For the paying agency
 - c. For printing of the bonds

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REMARKS

3. To appropriate \$32,000 for the establishment of an account --Miscellaneous Costs - Permanent University Fund Bonds, New Series 1980-- for the purpose of paying bond counsel fees, printing of the bonds, rating agency fees, postage and other costs of the issue, all to be paid out of bond proceeds

The firm of McCall, Parkhurst and Horton, Dallas, Texas, was named Bond Counsel.

System Administration reported that the Board of Regents of The Texas A&M University System plans also to sell Permanent University Fund Bonds. As in the past, these two bond issues will be coordinated through the governing boards will meet separately.

PUF Bonds 1980
SALE OF BONDS SCHEDULED ON THURSDAY, JULY 10.--In response to Chancellor Walker's request, the Board agreed that the bond issues to be sold at the July meeting would be considered on Thursday, July 10, immediately preceding the Buildings and Grounds Committee meeting.

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REMARKS

Bank Depository Agreement
U. T. SYSTEM - DEPOSITORY BANKS: (1) AMENDMENT TO ROSTER BY ADDING TEXAS COMMERCE MEDICAL BANK, HOUSTON, TEXAS; (2) REQUEST FROM UNIVERSITY NATIONAL BANK, SAN ANTONIO, TEXAS, TO BE ADDED TO ROSTER DENIED.--Upon the recommendation of Vice Chancellor Boyd and Chancellor Walker and without objection, the Roster of Depository Banks of The University of Texas System was amended by adding Texas Commerce Medical Bank, Houston, Texas, subject to the bank being willing to execute the standard depository agreement previously adopted by the Board of Regents.

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REMARKS

Since additional banking services are not needed in the San Antonio area at this time, the request of the University National Bank, San Antonio, Texas, to be added to the Roster of Depository Banks of the U. T. System was denied. It was noted that there are six banks in the San Antonio area currently on the Roster of Depository Banks.

Insurance Boiler + Machinery
U. T. SYSTEM - SYSTEM-WIDE BOILER AND MACHINERY INSURANCE POLICY: THREE-YEAR POLICY TO THE HARTFORD INSURANCE COMPANY (SEPTEMBER 1979 TO SEPTEMBER 1982). -- Vice Chancellor Boyd and Chancellor Walker's recommendation to renew The University of Texas System System-Wide Boiler and Machinery Insurance Policy with The Hartford Insurance Company for the three-year period September 1, 1979 to September 1, 1982 at a total premium of \$199,761 was ratified, confirmed and in all things approved.

FILE NO. 450
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REMARKS

Engineering Bldg, Waivers - R+R
U. T. AUSTIN: (1) ACCEPTANCE OF GIFT FROM MR. RICHARD W. MCKINNEY, NACOGDOCHES, TEXAS, AND ESTABLISHMENT OF RICHARD W. MCKINNEY ENGINEERING LIBRARY FUND IN THE COLLEGE OF ENGINEERING; (2) ENGINEERING LIBRARY NAMED THE RICHARD W. MCKINNEY ENGINEERING LIBRARY (EXCEPTION TO REGENTS' RULES AND REGULATIONS, PART ONE, CHAPTER VIII). -- A gift of 1700 shares of Exxon Corporation common stock valued at \$97,431.25 was accepted with appreciation from Mr. Richard W. McKinney of Nacogdoches, Texas, and the Richard W. McKinney Engineering Library Fund was established in the College of Engineering at

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REMARKS

The University of Texas at Austin. Income from this endowment will be used to support library activities such as the purchase of books and other literature recommended by the Engineering Librarian and the Engineering Library Committee and approved by the Dean of the College of Engineering in accordance with the donor's wishes "for as long as the engineering library exists and receives University funding proportionate to the level received by other University libraries, or the College of Engineering has a greater need for the endowment funds."

Upon the recommendation of President Flawn and Chancellor Walker, an exception was made to the Regents' Rules and Regulations, Part One, Chapter VIII, and the Engineering library at U. T. Austin was named the Richard W. McKinney Engineering Library.

It was noted that the donor has requested that proceeds from the sale of the Exxon stock be invested in high-yield fixed income securities with appropriate call protection.

U. T. AUSTIN - REPRESENTATIVES OF BOARD OF REGENTS ON BOARD OF TRUSTEES OF SOUTHWEST TEXAS PUBLIC BROADCASTING COUNCIL (KLRN/KLRU): APPOINTMENT OF MRS. SHIRLEY BIRD PERRY (EFFECTIVE IMMEDIATELY) AND MR. HARRY MIDDLETON (EFFECTIVE JANUARY 1981). --Without objection and upon the recommendation of President Flawn and Chancellor Walker the following Regental Representatives were appointed to the Board of Trustees of Southwest Texas Public Broadcasting Council (KLRN/KLRU):

Mrs. Shirley Bird Perry, Assistant to President Flawn, effective immediately to fill unexpired term ending January 1981 of Dean Oscar Brockett who has resigned

Mrs. Shirley Bird Perry, Assistant to President Flawn, to a term extending from January 1981 through January 1984

Mr. Harry Middleton, Director of the L. B. J. Library, to replace Dr. Wayne Danielson whose term will expire in January 1981, for a term extending from January 1981 through January 1984

U. T. AUSTIN - TRAMMELL CROW FAMILY FOUNDATION:
(1) APPROVAL OF APPOINTMENT OF MRS. HARRY H. RANSOM, AUSTIN, TEXAS, UNIVERSITY REPRESENTATIVE TO BOARD OF DIRECTORS AND (2) DELEGATION OF AUTHORITY TO PRESIDENT OF U. T. AUSTIN TO MAKE ANNUAL APPOINTMENTS TO FOUNDATION. --It was reported that Mr. and Mrs. Trammell Crow of Dallas, Texas, had recently established the Trammell Crow Family Foundation and that in the Articles of Incorporation it is stipulated that 15% of the Foundation's distributions be made to the Board of Regents of The University of Texas System to be used for the acquisition and care of rare books, manuscripts and artifacts, as a part of the University's library at Austin, Texas. The Articles of Incorporation also require that the University be represented on the Board of Directors by one member. Mr. and Mrs. Crow have asked Mrs. Harry H. Ransom to represent the University.

Whereupon, without objection the Board of Regents approved the appointment of Mrs. Harry H. Ransom, Austin, Texas, to represent the University on the Board of Directors of the Trammell Crow Family Foundation.

Further, the Board of Regents, upon the recommendation of Chancellor Walker, delegated authority to the President of The University of Texas at Austin to make an appointment annually of a representative of The University of Texas at Austin to the Board of Directors of the Trammell Crow Family Foundation.

U. T. AUSTIN (MARINE SCIENCE INSTITUTE) - LAND ACQUISITION: REPORT ON ACQUISITION OF PROPERTY IN PORT ARANSAS, NUECES COUNTY, TEXAS (LOTS 34, 35, 36, 37 AND 50, BRUMLEY ADDITION - WILSON'S COTTAGES). --System Administration reported that Lots 34, 35, 36, 37 and 50, Brumley Addition in Port Aransas, Nueces County, Texas, containing 28,436 square feet of land had been purchased by The University of Texas at Austin at a cost of \$198,000 (purchase authorized June 1, 1979, Permanent Minutes, Volume XXVI, Page 3411). A main house and five cottages are located on this property, and these structures will be used for housing graduate students and visiting faculty at The University of Texas at Austin Marine Science Institute.

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Land Acq: 95 Acres in Hart Pre-emption Survey No Two

U. T. EL PASO: PROPOSED PURCHASE OF LAND (PARK) ADJACENT TO CAMPUS FROM CITY OF EL PASO. --This item was referred to the Executive Session of the Committee of the Whole. (See Page 137.)

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SAN ANTONIO HEALTH SCIENCE CENTER: RECOMMENDATION TO ACCEPT DONATION OF SCULPTURE AND REQUEST TO INSTALL ON CAMPUS (WITHDRAWN). --This matter was withdrawn.

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UNIVERSITY CANCER CENTER (SCIENCE PARK) - LAND ACQUISITION (SMITHVILLE ACREAGE): AUTHORIZATION TO PURCHASE 16.640 ACRES IN BASTROP COUNTY, TEXAS, ADJACENT TO SCIENCE PARK. Upon the recommendation of President LeMaistre and Chancellor Walker, authorization was given to purchase 16.640 acres in Bastrop County, Texas, adjacent to the Science Park of The University of Texas System Cancer Center (Smithville acreage) at a cost of \$2,500 per acre to be paid from Unrestricted Gift Funds.

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It was noted that the 16.640 acres consists of three additional tracts (the last three) in the same area and from the same property as the 78.413 acre tract adjacent to the Science Park which was authorized purchased at the Regents' meeting on February 9, 1979.

SPECIAL COMMITTEE TO STUDY FUTURE ROLE + Scope of Tyler Health Center

TYLER HEALTH CENTER: ROLE AND SCOPE. --The following recommendations of Chancellor Walker were adopted with respect to the role and scope of The University of Texas Health Center at Tyler:

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1. Endorsement of need to change the mission of The University of Texas Health Center at Tyler to no longer limit it to chest disease
2. Support of legislative efforts to give the Board of Regents increased authority to define the mission for the future of the Tyler Health Center
3. The formation of a planning committee to review and recommend remodeling necessary for other services
4. The development of a legislative budget request to implement a change in mission

DEVELOPMENT MATTERS

U. T. DALLAS - SCHOOL OF MANAGEMENT AND ADMINISTRATION ADVISORY COUNCIL: ACCEPTANCE OF MEMBERSHIP. --System Administration reported that Mr. Bryan Smith and Mr. Richard I. Galland, both of Dallas, Texas, had accepted membership on the Advisory Council for the School of Management and Administration at The University of Texas at Dallas for terms to expire in 1982 and 1983 respectively.

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U. T. SYSTEM: NOMINEES TO DEVELOPMENT BOARDS AND ADVISORY COUNCILS. --

U. T. ARLINGTON: DEVELOPMENT BOARD, GRADUATE SCHOOL OF SOCIAL WORK, COLLEGE OF BUSINESS ADMINISTRATION AND SCHOOL OF NURSING ADVISORY COUNCILS;

U. T. AUSTIN: DEVELOPMENT BOARD, SCHOOL OF ARCHITECTURE FOUNDATION, ARTS AND SCIENCES FOUNDATION, COLLEGE OF BUSINESS ADMINISTRATION FOUNDATION, COLLEGE OF COMMUNICATION FOUNDATION, COLLEGE OF EDUCATION FOUNDATION, COLLEGE OF ENGINEERING FOUNDATION, COLLEGE OF FINE ARTS FOUNDATION, GEOLOGY FOUNDATION, GRADUATE SCHOOL FOUNDATION, GRADUATE SCHOOL OF LIBRARY SCIENCE FOUNDATION, PHARMACEUTICAL FOUNDATION, SCHOOL OF SOCIAL WORK FOUNDATION, MCDONALD OBSERVATORY AND DEPARTMENT OF ASTRONOMY, SCHOOL OF NURSING AND MARINE SCIENCE INSTITUTE ADVISORY COUNCILS;

U. T. DALLAS: DEVELOPMENT BOARD, SCHOOL OF MANAGEMENT AND ADMINISTRATION, CALLIER CENTER FOR COMMUNICATION DISORDERS, SCHOOL OF GENERAL STUDIES, SCHOOL OF ARTS AND HUMANITIES AND SCHOOL OF SOCIAL SCIENCES ADVISORY COUNCILS;

U. T. EL PASO: DEVELOPMENT BOARD;

U. T. PERMIAN BASIN: DEVELOPMENT BOARD;

U. T. SAN ANTONIO: DEVELOPMENT BOARD AND COLLEGE OF BUSINESS ADVISORY COUNCIL;

U. T. TYLER: DEVELOPMENT BOARD;

INSTITUTE OF TEXAN CULTURES: DEVELOPMENT BOARD;

DALLAS HEALTH SCIENCE CENTER: DEVELOPMENT BOARD;

GALVESTON MEDICAL BRANCH: DEVELOPMENT BOARD;

HOUSTON HEALTH SCIENCE CENTER: DEVELOPMENT BOARD;

SAN ANTONIO HEALTH SCIENCE CENTER: DEVELOPMENT BOARD;

UNIVERSITY CANCER CENTER: BOARD OF VISITORS OF UNIVERSITY CANCER FOUNDATION; and

TYLER HEALTH CENTER: DEVELOPMENT BOARD. --On the following development boards and advisory councils, nominees were designated for the present vacancies and for those occurring on August 31, 1980. The names of those accepting together with the authorized membership of each organization will be reported to the Board of Regents at a subsequent meeting:

1. The University of Texas at Arlington

Development Board

Graduate School of Social Work Advisory Council

College of Business Administration Advisory Council

School of Nursing Advisory Council

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2. The University of Texas at Austin
- Development Board
 School of Architecture Foundation Advisory Council
 Arts and Sciences Foundation Advisory Council
 College of Business Administration Foundation Advisory Council
 College of Communication Foundation Advisory Council
 College of Education Foundation Advisory Council
 College of Engineering Foundation Advisory Council
 College of Fine Arts Foundation Advisory Council
 Geology Foundation Advisory Council
 Graduate School Foundation Advisory Council
 Graduate School of Library Science Foundation Advisory Council
 Pharmaceutical Foundation Advisory Council
 School of Social Work Foundation Advisory Council
 McDonald Observatory and Department of Astronomy Advisory Council
 School of Nursing Advisory Council
 Marine Science Institute Advisory Council
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3. The University of Texas at Dallas
- Development Board
 Advisory Council for the School of Management and Administration
 Advisory Council for the Callier Center for Communication Disorders
 Advisory Council for the School of General Studies
 Advisory Council for the School of Arts and Humanities
 Advisory Council for the School of Social Sciences
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4. The University of Texas at El Paso
- Development Board
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5. The University of Texas of the Permian Basin
- Development Board
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6. The University of Texas at San Antonio
- Development Board
 College of Business Advisory Council
- FILE NO. 15
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7. The University of Texas at Tyler
- Development Board
- FILE NO. 24
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8. The University of Texas Institute of Texan Cultures at San Antonio
- Development Board
- FILE NO. 15
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| 9. <u>The University of Texas Health Science Center at Dallas</u>
Development Board | FILE NO. <u>16</u>
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REMARKS <u>—</u> |
| 10. <u>The University of Texas Medical Branch at Galveston</u>
Development Board | FILE NO. <u>17</u>
DOCUMENT <u>—</u>
REMARKS <u>—</u> |
| 11. <u>The University of Texas Health Science Center at Houston</u>
Development Board | FILE NO. <u>18</u>
DOCUMENT <u>—</u>
REMARKS <u>—</u> |
| 12. <u>The University of Texas Health Science Center at San Antonio</u>
Development Board | FILE NO. <u>19</u>
DOCUMENT <u>—</u>
REMARKS <u>—</u> |
| 13. <u>The University of Texas System Cancer Center</u>
*Board of Visitors of University Cancer Foundation | FILE NO. <u>20</u>
DOCUMENT <u>—</u>
REMARKS <u>—</u> |
| 14. <u>The University of Texas Health Center at Tyler</u>
Development Board | FILE NO. <u>22</u>
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REMARKS <u>—</u> |

*Upon motion of Regent Fly, seconded by Regent Sterling the authorized membership for the Board of Visitors of the University Cancer Foundation was increased from 25 to 30.

COMMITTEE OF THE WHOLE - EXECUTIVE SESSION
(Pages 137-139)

Chairman Williams reported that the Committee of the Whole met in Executive Session in the Conference Room in Suite 621 of the Administration Building at the Galveston Medical Branch immediately following the Open Session of the Committee of the Whole. In the Executive Session, the following items were discussed as provided for in Vernon's Texas Civil Statutes, Article 6252-17, Sections 2(e), (f) and (g):

1. Pending or Contemplated Litigation - Section 2(e)
2. Land Acquisition, Purchase, Exchange, Lease or Value of Real Property and Negotiated Contracts for Prospective Gifts or Donations - Section 2(f)
 - a. U. T. El Paso: Proposed Purchase of Land (Park) Adjacent to Campus from City of El Paso (Referred by Committee of the Whole in Open Session to Executive Session)
 - b. Dallas Health Science Center: Proposed Purchase of Building Adjacent to Campus
 - c. University Cancer Center: Proposed Acquisition of Land in Houston, Harris County, Texas
3. Personnel Matters [Section 2(g)] Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees

In response to Chairman Williams inquiry as to whether the Board desired to take action on any of the items discussed, the following were acted upon:

U. T. EL PASO - LAND ACQUISITION: APPROVAL TO PURCHASE FROM THE CITY OF EL PASO, EL PASO, TEXAS, APPROXIMATELY 95 ACRES IN HART PRE-EMPTION SURVEY NO. TWO ADJACENT TO CAMPUS. -- Upon the recommendation of President Templeton and Chancellor Walker, approval was given to purchase from the City of El Paso, El Paso, Texas, approximately 95 acres in the Hart Pre-Emption Survey Number Two adjacent to The University of Texas at El Paso campus at a cost of \$467,000 payable from Permanent University Fund Bond proceeds. This land will provide area for future campus expansion and at the same time provide an important buffer from incompatible development on the north perimeter of the campus.

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DALLAS HEALTH SCIENCE CENTER - LAND ACQUISITION: SUBJECT TO COORDINATING BOARD APPROVAL AUTHORIZATION TO PURCHASE PROPERTY AND APPURTENANCES AT 4600 HARRY HINES BOULEVARD, DALLAS, TEXAS, FROM GENERAL AUTOMOTIVE PARTS CORPORATION (NAPA), DALLAS, TEXAS. -- Subject to the approval of the Coordinating Board, Texas College and University System and upon motion of Regent Richards seconded by Regent Sterling, authorization was given to purchase from General Automotive Parts Corporation (NAPA), Dallas, Texas, the property and appurtenances at 4600 Harry Hines Boulevard, Dallas, Texas, at a cost of \$2,800,000 to be paid from Unexpended Plant Funds. On this site of 113,200 square feet there is located a three-story building containing 91,500 gross square

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feet of warehouse space and 18,600 gross square feet of office space. This property is approximately 0.6 miles east of the Dallas Health Science Center and will provide 149 parking spaces with easy access to Harry Hines Boulevard.

The building, if acquired, will be used to house service departments and the Dallas Allied Health Sciences School. This will centralize some activities presently housed in leased spaces off campus.

UNIVERSITY CANCER CENTER - LAND ACQUISITION: AUTHORIZATION TO NEGOTIATE FOR PURCHASE WITHIN APPRAISED PRICE APPROXIMATELY FIVE ACRES SOUTH OF OLD SPANISH TRAIL IN HOUSTON, HARRIS COUNTY, TEXAS.

--Without objection, authorization was given to negotiate for the purchase within appraised price of approximately five acres of land south of Old Spanish Trail in Houston, Harris County, Texas, with results of the negotiations to be presented to the Board of Regents for consideration at a future meeting.

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OTHER MATTERS

ACCEPTANCE OF (1) RESOLUTIONS OF GRATITUDE AND APPRECIATION FROM THE TEXAS STATE HISTORICAL ASSOCIATION AND (2) RESOLUTIONS OF COMMENDATION FROM THE FACULTY SENATE OF U. T. EL PASO.

--Chairman William read the following: (1) A resolution of appreciation from The Texas State Historical Association and (2) Two resolutions of commendation from the Faculty Senate of The University of Texas at El Paso relating to the selection of the President of U. T. El Paso as set forth below:

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The Texas State Historical Association

2/306 RICHARDSON HALL • UNIVERSITY STATION • AUSTIN, TEXAS 78712 • 471-1525

R E S O L U T I O N

WHEREAS, the University of Texas system has provided invaluable support to the Texas State Historical Association, and

WHEREAS, without the generous monetary assistance and prestige of the University of Texas, it would have been impossible for the Texas State Historical Association to have attained its present scope of operation and renown, and therefore, be it

RESOLVED by the Texas State Historical Association at its 1980 meeting, that the Association hereby express its everlasting appreciation to the University of Texas, and be it further

RESOLVED, that a copy of this Resolution be forwarded to the Board of Regents of the University of Texas system and to the President of the University of Texas.



The University of Texas at El Paso 3373

EL PASO, TEXAS

79968

THE FACULTY SENATE

April 8, 1980

Whereas:

The selection of a University President involves accomo-
dation to the perceptions of diverse constituent groups, and

Whereas,

In the recent selection of a President for the University
of Texas at El Paso, representatives, not only of this faculty
but also of the student body, the alumni, administrative officers
of the System and of component institutions, this campus included,
as well as members of the Board of Regents, engaged with skill
in a very difficult task, under the able Chairmanship of the
Chancellor,

Now Therefore,

Be it resolved, that the Faculty Senate of the University
of Texas at El Paso commend all concerned for the congeniality,
diligence, forthrightness and general perspicacity demonstrated
in their recent strenuous activities.



The University of Texas at El Paso

EL PASO, TEXAS

79968

THE FACULTY SENATE

April 8, 1980

Whereas:

The Rules of the Board of Regents of the University of
Texas System provide for faculty participation in the choice
of Presidents of component institutions, and

Whereas,

The recent activities surrounding the selection of a
President for the University of Texas at El Paso did in fact
assure faculty of an effective voice in that selection,

Now Therefore,

Be it resolved, that the Faculty Senate of the University
of Texas at El Paso does commend the members of the Board of
Regents of the University of Texas System for sincerity, good
will and grace in their recent relations with faculty in this
selection process.

It was ordered that these resolutions be spread on the Minutes of this meeting.

ADJOURNMENT. -- There being no further business, the meeting was
adjourned at 1:35 p. m.

Betty Anne Thedford

June 6, 1980